



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

INTERNAL AUDIT REPORT

FOR

F. Y. 2019-20

GROUP 1

GAYA MUNICIPAL CORPORATION

BY

A. P. SANZGIRI & CO. CHARTERED ACCOUNTANTS

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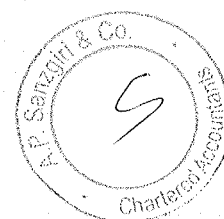
A. P. SANZGIRI & CO.

CHARTERED ACCOUNTANTS

Document History

INTERNAL AUDIT FOR FY 2019-20

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



ABBREVIATION AND ACRONYMS

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

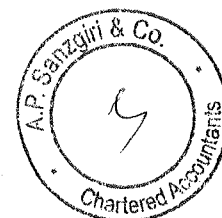
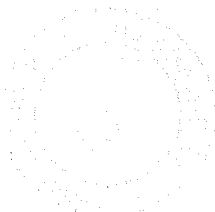


TABLE OF CONTENTS

S.N	Particulars	Page No.
1.	Covering Letter	4
2.	Executive Summary	5 – 8
3.	Detailed Audit Report	
	A. Introduction	9
	B. Administration	9
	C. Review of Outstanding Audit Para's	9 – 10
	D. Finance	11 – 17
	E. Audit Observations	18 – 75
4.	Annexure-1	76-79
5.	Annexure-2	80 – 81
6.	Discussion Note	82- 93



A. P. SANZGIRI & CO.

CHARTERED ACCOUNTANTS

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

Sub: Submission of Internal Audit Report of Nagar Nigam Gaya 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: 21101134AAAAJG7585

Date:16-09-2021

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

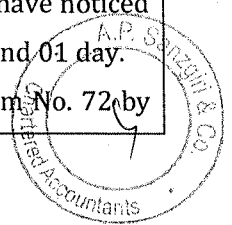
EXECUTIVE SUMMARY

1. INTRODUCTION:

Name of the Municipality	-	Gaya Municipal Corporation
Period covered under Current Audit	-	01 st April 2019 to 31 st March 2020
Name of Mayor	-	Sri Birendra Kumar
Name of Municipal Commissioner	-	Sri Saawan Kumar

2. OBSERVATIONS AND FINDINGS:

Strengths	<ol style="list-style-type: none">1. In the existing system as prevailing in the Municipal Corporation, day to day working is in progressive manner in respect of collection of revenue and execution of the projects.2. There is sufficient co-operation from the management during the course of our audit.3. General Cash book is properly up-to-dated.4. List of Outstanding dues is available.
Weaknesses	<ol style="list-style-type: none">1. The collection of rental income is not satisfactory.2. The shopkeeper/tenants have not been paying rent and have huge outstanding debts.3. No physical verification of store is exercised by ULB.4. No Physical verification of cash is exercised by ULB.5. Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the corporation has not been complied.6. Fixed assets register is not maintained by ULB7. Statutory compliance of the ULBs is not deposited timely and hence it incurs penalty and other charges.8. Certain Statutory Registers and Books are not maintained.9. Bank Reconciliation Statement has not been prepared. <p>10. Non Levy of Taxes:</p> <ul style="list-style-type: none">• Surcharge on electricity consumption within the municipal area• Tax on congregations.• Tax on pilgrims and tourists.• User Charges for Solid Waste Management• User Charges for Garbage Clearance• Collection of Development Charges <ol style="list-style-type: none">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 01 day.12. ULB is not preparing monthly Trial balance in BMAR Form No. 72 by



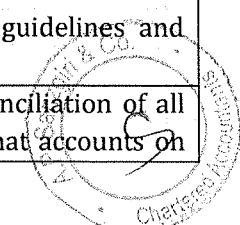
	<p>extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</p> <p>13. ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following 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 not maintaining the accounts as well as not preparing the financial statements.</p> <p>17. 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:

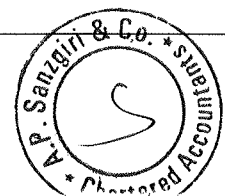
The management has to take stringent effort in forming accountability at various levels of the ULB, introducing reforms in financial management and accounting systems, development of strong internal control and organizational design of Municipalities, ensuring capacity building of the municipal personnel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

4. AUDIT RECOMMENDATION:

Observed Weaknesses	Audit Recommendations
The collection of rental income is not satisfactory. The shopkeeper/ tenants have not been paying rent and have huge outstanding debts.	To implement/take action to boost collection of arrear revenue to increase their own source revenue.
No physical verification of store is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of the stock and process.
No Physical verification of cash is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of cash.
Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the corporation has not been complied.	Internal Audit wing should be created by employing the Municipal Internal Auditor on the Board.
Fixed assets register is not maintained by ULB	Fixed assets register should be maintained and updated properly.
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.
Bank Reconciliation Statement has not been prepared.	ULB should prepare bank reconciliation of all bank accounts including doormat accounts on



	monthly basis. Bank statements of all bank accounts should be kept in separate file for proper records.
Non Levy of Taxes: <ul style="list-style-type: none"> • Surcharge on electricity consumption within the municipal area • Tax on congregations. • Tax on pilgrims and tourists. • User Charges for Solid Waste Management • User Charges for Garbage Clearance • Collection of fees for sanction of building plans and issue of completion certificates, • Collection of Development Charges 	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. ULB should take steps to implement required taxes to boost their revenue
During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 01 day.	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made.
ULB is not prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	As per BMAR Rule No. - 121, ULB should prepare of monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the executive officer.
ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter	Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis.
Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.	As per BMAM-ULB are required to maintain fund wise receipts & payments. As per BMAM, following funds should be maintained by ULB. <ol style="list-style-type: none"> 1. Municipal General Fund 2. Basic service for urban poor 3. Water supply & sewerage fund 4. Solid Waste Management Fund 5. Road Development & Maintenance 6. Enterprise Fund
Non Compliance of Rule 130 of BMAR in some of the cases.	ULB should ensure compliance related to Rule 130 of BMAR on regular basis.
ULB is not maintaining the accounts as well as not preparing the financial statements.	ULB is required to maintain the accounts as well as prepare the financial statements at the end of the year.
ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.	ULB should prepare financial statements for each year and get it approved from municipal account committee. As per BMAR, audited financial statements are required to submit to auditor for audit.
In-consistencies in assessment of property tax	Checked on random basis and found variation between demand raised by ULB or actual demand.



5. **COMMENTS FROM MANAGEMENT**

We have conducted audit of the ULB and our report with observation was discussed with ULB officials and their comments are given in Discussion Note.

6. **ACKNOWLEDGEMENT**

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

On Behalf of **A P Sanzgiri & Co,**

Chartered Accountants

Satish Gupta

CA Satish Gupta

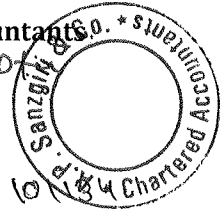
Partner

Membership No. 10

FRN: 116293W

UDIN: 21101134AAAAG77585

Date : 16-09-2021



DETAILED AUDIT REPORT

1. INTRODUCTION:

Name of ULB	Period-covered		Audit Team
	From	To	
Municipal Corporation Gaya	1 st April 2019	31 st March.2020	1. Team Leader: CA Satish Gupta 2. Name of CA: CA Ronak Agarwal 1. Name of Auditor-1: Yashwant Kumar

2. ADMINISTRATION:

S.N	Particulars	Details
1	The present body of the ULB has taken charge on	June, 2017
2	The incumbency in the key administrative and executive positions was as under:	
2.1	Name of Mayor:	Shri. Birendra Kumar
2.1.1	Period of Service:	From: June, 2017 To: Till date
2.2	Name of Commissioner:	Shri Saawan Kumar
2.2.1	Period of Service:	From: 12 th July, 2019 To: Till date

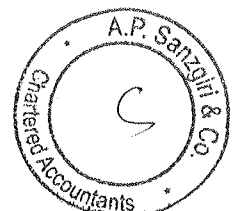
3. REVIEW OF OUTSTANDING AUDIT PARAS:

3.1. STATUS OF AUDIT OBSERVATIONS IS AS UNDER:

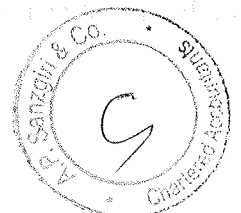
Particulars of Audit and date of report	Total No. of Audit Para's	Improvement/corrective measures required (Nos. of Para's)	Recovery of cash is proposed (Nos. of Para's)	Recovery has been made (Nos. of Para's)	Total amount of Recovery	No action has been taken	No. & date of compliance report
Audit report submitted by AG for the F.Y. 2015-16 to 2016-17	21	21	13	-	-	21	No.-1126 Dated 28-02-2020
Internal Audit paras of FY 2017-18 & 2018-19							Not complied (Refer discussion note)

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

Period of AG Audit Report : 2015-16 to 2016-17
Compliance Report Date & Number : Number-1126 & dated- 28-02-2020



Para Number	Heading of the Audit Para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
1	IHSDP in respect of Aawas	90.10lacs	90.10lacs	-	No
2	IHSDP	11.5 cr.	1.5 cr	-	No
3	IHSDP	9.37 lacs	9.37 lacs	-	No
4	IHSDP in respect of MalinBasti Vikash.	31.73 lacs	31.73 lacs	-	No
5	IHSDP	2.74 cr.	2.74 cr.	-	No
6	RAY	68.40 lacs	68.40 lacs	-	No
7	Upbhokta Shulk	4.65 cr.	4.65 cr.	-	No
8	Dastavej	-	-	-	No
9	Cheque amount	-	-	-	No
10	Yojana's Vibhakti Karan	-	-	-	No
11	Amount not deposited	0.004 lacs	0.004 lacs	-	No
12	Tin ticket not deposited	0.046 lacs	0 0.046 lacs	-	No
13	AnudanPanji	-	-	-	No
14	Mobile tower	4.26 cr.	4 4.26 cr	-	No
15	Daily Wages	543.33 lacs	543.33 lacs	-	No
16	SBM	-	-	-	No
17	Vibhag Fund	6.67 lacs	6 6.67 lacs	-	No
18	LID Light	-	-	-	No
19	AgrimYojana	162 lacs	162 lacs	-	No
20	NalliGali	-	-	-	No
21	DPR	-	-	-	No



4. FINANCE

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

Year	Year- 2017-18	Year- 2018-19	Year- 2019-20
Final/Revised Budget Data	2,68,09,95,000.00	3,68,65,36,900.00	3,33,13,20,000.00
Actual Expenditure Data	1,31,30,60,207.00	1,146,494,969.00	2,16,55,58,397.57
Savings(+)/Excess(-)	1.36.79,34,793.00	2,54,00,41,931.00	1,165,761,602.43

Auditor's Comment:

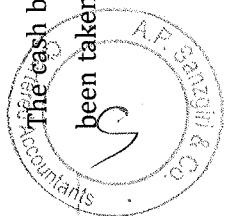
The cash book prepared by ULB in such way that we could not bifurcated or separated data as required in above mentioned format .The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. Financial Statement i.e. Audited Balance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

II. VOLUME OF TRANSACTIONS:

Period	Budgeted for F.Y. 2019-20	Actual for the F.Y. 2018-19	Actual for the F.Y. 2017-18	Actual for the F.Y. 2019-20	Cumulative for the current period
Opening balance	Opening Balance not mentioned in budget	935,155,177.00	959859970	929,222,404.00	929,222,404.00
Receipts	3,33,13,20,000.00	1,14,05,62,196	1,288,355,414	2,729,613,124	2,729,613,124
Total	3,33,13,20,000.00	2,075,717,373.00	2,248,215,384.00	3,658,835,528.00	3,658,835,528.00
Net expenditure	3,33,13,20,000.00	1,146,494,969	1,313,060,207	2,16,55,58,397.57	2,16,55,58,397.57
Closing balance	0.00	929,222,404.00	935,155,177.00	1,493,277,130.43	1,493,277,130.43

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

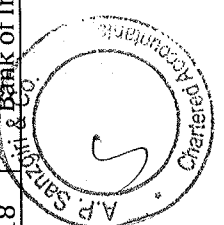


Sheet, Income & Expenditure Account and receipts & Payments Account for The year 2015-16, 2016-17 & 2017-18 have not been produced before us for verification.

III. BANK RECONCILIATION POSITION AS ON REPORTING DATE:

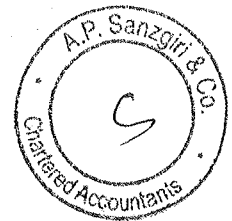
BANK RECONCILIATION POSITION AS ON 31-03-2020

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	Bank of India	447510110000887	Sansad Kota	6,92,992.00			No
2	S.B.I	111599085893	KabirAntyothist	25,72,200.00			No
3	Axis Bank	917010057601117	Vidhayak Kota	40,756.00			No
4	Bank Of Maharashtra Bank of India S.B.I	60159054129 447510110000887 111599085893	N.U.L.M	5,48,060.00			No
6	PNB	1967000102588124	I.H.S.D.P	4,68,89,857.00			No
7	PNB	1967000102576244	I.H.S.D.P	1,14,05,629.00			No
8	S.B.I	111599085893	S.B.M	1,50,34,886.00			No
9	Bank of India	447510110004176	Purchase of Laptop	1,69,819.00			No
10	Bank of Baroda	5166010000517	Spar Allotment	34,20,386.00			No
11	Bank Of Maharashtra	60208246590	Rajiv Aawas	3,19,73,170.00			No
12	HDFC	50100207620186	HaridayYojana	6,59,88,883.00			No
13	Bank Of Maharashtra	60255187648	HFA	10,44,83,835.00			No
14	Axis Bank	917010057601117	Master Plan	4,75,917.00			No
15	SBI	11159905893	HaridayYojana	6,59,88,883.00			No
16	Bank of India	447510110000887	B.R.G.F	9,766.00			No
17	Bank of India	447510110000887	Rain Basera	22,837.00			No
18	Bank of India	447510110004176	Indian Oil Corporation	71,35,758.00			No
					Data not provided (pass book not updated)		No

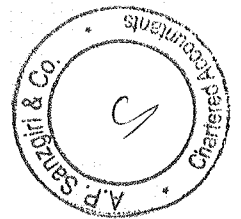


IV. RECEIPT DETAILS:

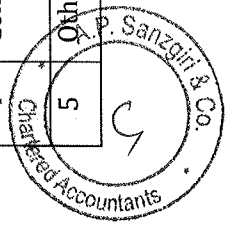
INCOME DETAILS (Amounts IN INR)							
S.N.	Details	2017-18		2018-19		2019-20	
		2017-18 (Actual)	2016-17 (actual)	2018-19 (Actual)	2017-18 (Actual)	2019-20 (Actual)	2018-19 (Actual)
	Total Receipts (A+B)	1,288,355,414	1,44,04,41,071	1140562196	1,288,355,414	2,729,613,124	1140562196
A	Revenue Receipts (1+2+3)	389,703,484	44,97,88,488	413,587,277	389,703,484	641,529,569	413,587,277
1	Own Revenue Receipts (a+b)	283,122,035	37,09,78,106	342,075,858	283,122,035	347,334,984	342,075,858
a)	<i>Tax Revenue(levied and collected by municipal body)</i>	256,426,892	32,84,49,193	332,693,687	256,426,892	291,844,331	332,693,687
i)	Property tax	83,249,930	8,93,86,441	63,528,467	83,249,930	119,578,036	63,528,467
ii)	<i>Other tax (levied and collected by municipal body)</i>	173,176,962	23,90,62,752	269,165,220	173,176,962	172,266,295	269,165,220
b)	<i>Non-tax revenue (levied and collected by municipal body)</i>	26,695,143	4,25,28,913	9,382,171	26,695,143	55,490,653	9,382,171



i)	<i>Fees & fines</i>	-	-	-	-	-	-	-
ii)	<i>User Charges</i>	73,61,386	22,998,790	7,361,386	22,998,790	51,087,963	7,361,386	
iii)	<i>Other non-tax revenue levied and collected by by</i>	20,20,785	3,696,353	2,020,785	3,696,353	4,402,690	2,020,785	
2	<i>Other Revenue Receipts</i>	9,59,967	7,462,101	9,59,967	7,462,101	38,210,403	9,59,967	
a)	<i>Income from interest/investments</i>	-	-	-	-	20,796,328	-	
b)	<i>Other Revenue income</i>	9,59,967	7,462,101	9,59,967	7,462,101	17,414,075	9,59,967	
3	<i>Transfers/Grants/Assigned Revenues</i>	7,05,51,452	99,119,348	70,551,452	99,119,348	255,984,182	70,551,452	



a)	State Assigned Revenue	99,119,348	7,05,51,452	70,551,452	99,119,348	255,984,182	70,551,452
b)	State Finance Commission	-	-	-	-	-	-
c)	Octroi compensation	-	-	-	-	-	-
d)	Other State Government Transfers	-	-	-	-	-	-
e)	Central Finance Commission (CFC) Grant	-	-	-	-	-	-
f)	Other Central Government Transfers	-	-	-	-	-	-
g)	Others	-	-	-	-	-	-
B	Capital Receipts	898,651,930	72,69,74,919	726,974,919	898,651,930	2,088,083,555	726,974,919
1	Sale of Municipal Land	-	-	-	-	-	-
2	Loans (from State Govt. or Banks etc.)	-	-	-	-	-	-
3	State Capital Account	779,187,421	66,32,85,246	663,285,246	779,187,421	1,490,118,072	663,285,246
4	Central Capital Account	104,391,900	6,39,09,000	63,609,000	104,391,900	578,795,706	63,609,000
5	Other Capital Receipts						



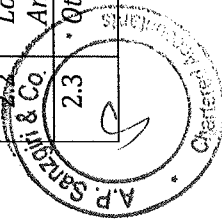
	15,072,609	80,673	80,673	15,072,609	19,169,777	80,673
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Auditor's Comment:

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

V. EXPENDITURE DETAILS:

S.N	Details	EXPENDITURE DETAILS (Amounts IN INR)					
		2017-18 (Actual)	2016-17 (Actual)	2018-19 (Actual)	2017-18 (Actual)	2019-20 (Actual)	2018-19 (Actual)
	Total Expenditure (1+2)	1,313,060,207	1,14,82,56,074	1,146,494,969	1,313,060,207	2,16,55,58,397.57	1,146,638,969
1	Revenue Expenditure	532,842,594	45,79,36347	364,097,464	532,842,594	1,44,67,96,324.57	364,097,464
1.1	Administrative Expenses, Establishment and Salaries (All Departments-Regular and contract)	417,886,210	35,21,37,813	289,998,819	417,886,210	838,724,334	289,998,819
1.2	Operation and Maintenance	98,627,609	79,461,409	62,336,344	98,627,609	87,512,937.57	62,336,344
1.3	Loan repayment (Interest payments)	-	-	-	-	-	-
1.4	Others (any other revenue expenditure)	16,328,775	2,63,37,125	11,762,301	16,328,775	520,559,053	11,762,301
2	Capital Expenditure	780,217,613	69,03,19,727	782,397,505	780,217,613	718,762,073	782,541,505
2.1	All developmental works under Central/ State schemes	540,707,020	26,72,61,701	550,604,551	540,707,020	666,626,670	550,604,551
2.2	Loan Repayments (Principal Amount)	-	-	-	-	-	-
2.3	Other Capital expenditure	239,510,593	42,30,58,026	231,792,954	239,510,593	52,135,403	231,936,954



Auditor's Comment:

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

VI. STATUS OF IMPLEMENTATION OF DOUBLE ENTRY SYSTEM:

Conversion of single entry into double entry is in progress as per discussion with Account Officer. As explained contractual work had been assigned to the Agency and the same has been initiated by the respective agency, its related record has made available to us and are appropriate. As per the records (work order, NTP and other letter submitted by agency) it is authenticated that it is working since January 2019.

Name of Agency - Tibrewal Chand & co.

Period - 2012 to 2020

Tally Serial No - 716774553

Tally ID - gayamc@gmail.com

Status

Particular of work	2012-13	2013-14	2017-18	2018-19	2019-20
Payment entry (Cashier CB)	Completed	Completed	In process	completed	completed
Receipt entry(Cashier CB)	Completed	Completed	In process	In process	completed
Journal Voucher	Completed	In process	In process	In process	Completed
Salary Payment Entry	Completed	Completed	In process	In process	Completed
Contractor Payment	Completed	Completed	In process	In process	Completed
Grant Adjustment	Completed	Completed	In process	In process	Completed

VII. MUNICIPAL ACCOUNTS COMMITTEE:

Gaya Municipal Corporation is not yet constituted Municipal Accounts Committee under section 98 of the Municipal Act 2007.

(Kindly refer discussion note attached with this report).



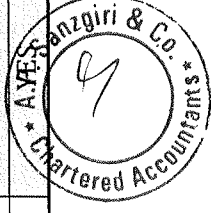
5. AUDIT OBSERVATION:

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

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

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

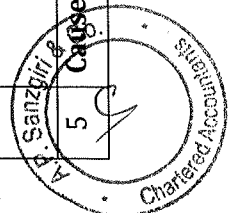
S.N	Head	Comments																																				
1	Objective	The main objective of audit of taxes is to check whether all taxes which are covered under Bihar Municipal Act, 2007, is levied and collected by the ULB. Further to check whether taxes are levied and collected according to applicable provisions and rules.																																				
2	Criteria	We have checked list of all the taxes which to be levied and collected by the ULB as per Act. Further we have checked Syah Register, Receipt book, cashier cash book and accountant cash book etc.																																				
3	Condition	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. In case of Gaya Municipal Corporation , The following mentioned tax/charges are not implemented that leads to loss of revenue to corporation:																																				
		<table border="1"> <thead> <tr> <th>S.N</th> <th>Particulars</th> <th>Implemented by ULB or Not</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Property tax on lands and buildings.</td> <td>YES</td> </tr> <tr> <td>2</td> <td>Surcharge on transfer of lands and buildings</td> <td>YES</td> </tr> <tr> <td>3</td> <td>Fire tax.</td> <td>NO</td> </tr> <tr> <td>4</td> <td>Tax on advertisements, other than advertisements published in newspapers</td> <td>YES</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>YES</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>YES</td> </tr> <tr> <td>10</td> <td>User Charges for provision of water-supply, drainage and sewerage</td> <td>YES</td> </tr> <tr> <td>11</td> <td>User Charges for Solid Waste Management</td> <td>YES</td> </tr> </tbody> </table>	S.N	Particulars	Implemented by ULB or Not	1	Property tax on lands and buildings.	YES	2	Surcharge on transfer of lands and buildings	YES	3	Fire tax.	NO	4	Tax on advertisements, other than advertisements published in newspapers	YES	5	Surcharge on electricity consumption within the municipal area	NO	6	Tax on congregations.	NO	7	Tax on pilgrims and tourists.	NO	8	Tax on profession.	YES	9	Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles.	YES	10	User Charges for provision of water-supply, drainage and sewerage	YES	11	User Charges for Solid Waste Management	YES
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9	Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles.	YES																																				
10	User Charges for provision of water-supply, drainage and sewerage	YES																																				
11	User Charges for Solid Waste Management	YES																																				



		12	User Charges for Parking Facility	YES
		13	User Charges for Garbage Clearance	YES
		14	Collection of fees for sanction of building plans and issue of completion certificates,	YES
		15	Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,	YES
		16	Collection of Fees for issue of birth and death certificates.	YES
		17	Collection of Development Charges	NO
4	Consequences/Effect	No levy of taxes will be resulted in to revenue loss to ULB.		
5	Cause	There is lack of standard policies and instructions from department. In some cases policies are prepared by it is not followed by the ULBs.		
6	Corrective Action/Recommendation	It is recommended that department should prepare uniform policies for levy and collection of taxes in proper manner and on due time. Further capacity building programmes should be held for ULBs staff and awareness about these taxes should be done.		
7	Management Comments	Kindly refer discussion note attached with the report.		

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

S.N	Head	Comments
1	Objective	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 the amount of tax collected by the Tax collector is required to be handed over to cashier and deposited into bank on the same day on which collection is made. To check compliance of these provisions, we have carried audit of such type of cases.
2	Criteria	We have checked respective books in order to carry the audit and some cases were checked on random basis.
3	Condition	During verification of receipts book and deposit slips, we have noticed that there is gap period in collection of tax and deposit of tax around 01 days to 78 days Details of such cases are given in Annexure-1 .
4	Consequences/Effect	In respect of above in most of the cases property tax has not been deposited on same day of collection which resulted in interest loss to ULB.
5	Cause	It is explained by concern person that due to non-availability of human resources the same issues arises.



6	Corrective Action/Recommendation	It is recommended that tax collector/cashier should deposit the collected money into bank on same day itself and if he fails to do the same, necessary action should be taken by the ULB management in such cases.
7	Management Comments	NA.

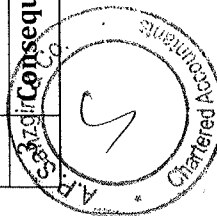
OBSERVATION-3: NON COLLECTION OF NOTICE FEE

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

OBSERVATION-4: RECOVERY OF OUTSTANDING TAXES/RENTAL INCOME

1. RECOVERY OF OUTSTANDING PROPERTY TAX

S.N	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	During checking it is noted that property tax of Rs. 393.68 lacs was outstanding as on 31/03/2020
	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.



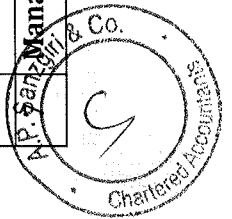
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/Recommendation	Notice should be issued to the assessor's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.

2. RECOVERY OF ADVERTISEMENT TAX:

S.N	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	During checking it is noted that no Advertisement tax was outstanding 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.

3. RENT INCOME

S.N	Head	Comments
1	Objective	ULB authorized to charge rent from municipal properties.
2	Criteria	It is checked from progress report prepared by ULB.
3	Condition	During checking it is noted that Rent tax of Rs. 28.96 lacs was outstanding as on 31/03/2020
4	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.
	Management Comments	Kindly refer discussion note attached with the report.



4. Mobile Tower Tax:

S.N	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	
3	Consequences/Effect	Detailed data is not maintained.
5	Cause	
6	Corrective Action/ Recommendation	
7	Management Comments	

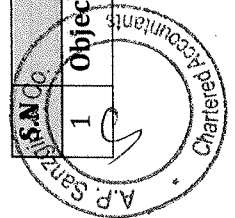
5. OTHER TAX

S.N	Head	Comments
1	Objective	ULB is authorized to collect other various types of taxes/fee.
2	Criteria	It is checked from progress report prepared by ULB.
2	Condition	
3	Consequences/Effect	There is no outstanding as on 31.3.2020.
5	Cause	
6	Corrective Action/Recommendation	
7	Management Comments	N.A

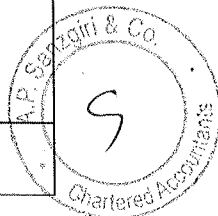
(B) EXCESS PAYMENT AGAINST BILL, LACK OF PRUDENCE IN PAYMENT AGAINST VOUCHER, INEFFICIENCY IN CONTROLS RESULTING LOSS TO ULBs.

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

S.N	Head	Comments
1	Objective	Checking of payment made by ULBs to find out irregularities made during payment



2	Criteria	Payment were checked on random basis						
3	Condition	We have checked following payment related to FY 2019-20 during audit:						
		S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Audit Observations	
		1	Reena devi	Contractor	3,46,374.00	3,46,374.00	No Irregularities found	
		2	Pinkidevi	Contractor	4,19,257.00	4,19,257.00	No Irregularities found	
		3	Dinkar Prasad	Adjustment	8,78,733.00	8,78,733.00	No Irregularities found	
		4	Jawed Akhtar	Contractor	1,40,729.00	1,40,729.00	No Irregularities found	
		5	Sanjay Kumar	Contractor	8,28,242.00	8,28,242.00	No Irregularities found	
			RajuPrasad	Contractor	7,43,753.00	7,43,753.00	No irregularity found.	
			Umeshkumar	Contractor	3,81,20,808.00	3,81,20,808.00	No irregularity found.	
			Devnandan Prasad	Adjustment	1,25,000.00	1,25,000.00	No irregularity found.	
			Pramodkumar	Adjustment	55,005.00	55,005.00	No irregularity found.	
			S.N.Enterprise	Contractor	24,42,579.00	24,42,579.00	No irregularity found.	
			Manoj kumar	Contractor	3,02,217.00	3,02,217.00	No irregularity is found	
			Jaya Devi	Contractor	14,84,988.00	14,84,988.00	No irregularity is found	
			Kishan Prasad	Adjustment	3,00,000.00	3,00,000.00	No irregularity is found	
			Chandankumar	Contractor	13,13,317.00	13,13,317.00	No irregularity is found	
			Umeshkumar	Contractor	3,81,20,808.00	3,81,20,808.00	No irregularity is found	
4	Consequences/Effect	Irregularities in payment lead to excess payment, wrong deductions, non-compliance with agreement and statutory compliances.						
5	Cause	No proper explanation in this regard given by ULB						
6	Corrective Action/Recommendation	Management can implement standard checklist for each payment so that irregularities in payments can be avoided.						



7	Management Comments	N.A
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(C) REPORT ON SURVEY ON 20 HIGH VALUE PROPERTIES

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

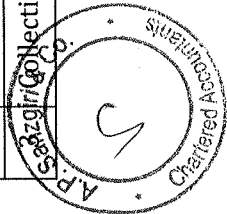
S.N	Head	Comments
1	Objective	Field survey and report of 20 high value properties of ULB and report on the basis of area of building, rate of property tax etc of the same. Comparison with the data of same property provided by the ULB and report on variance between them if available.
2	Criteria	Survey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

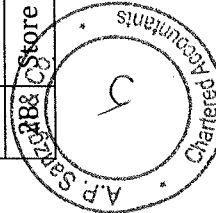
(a) NON MAINTENANCE OF BOOKS OF ACCOUNTS, SUBSIDIARY REGISTERS:

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

S.N	Name of register	Maintained/Updated or Not	Last date of Update
1	Cash Book-Cashier	Maintained	31.03.2020
2	Cash Book-Accountant	Maintained	31.03.2020
	Asset & Liability Collection Register	Maintained	31.03.2020



4	Cheque issue Register	Maintained	31.03.2020
5	Register of Advance	Maintained	31.03.2020
6	Register of Permanent Advance	Not properly maintained	31.03.2020
7	Deposit received register	Maintained	31.03.2020
8	Summary statement of deposit adjusted	Maintained	31.03.2020
9	Demand Register	Maintained	31.03.2020
10	Summary Statement of Bills Raised	Not maintained	-
11	Register of Notice Fees, Warrant Fees, Other Fees	Not maintained	-
12	Summary Statement of Notice Fees, Warrant Fees, Other Fees	Not maintained	-
13	Register of Refunds, Remissions and Write off	Maintained in Yojna Panji	31.03.2020
14	Summary statement of Refunds and Remissions	Not maintained	-
15	Summary Statement of Write-offs	Not maintained	-
16	Statement of outstanding Liability for Expenses	Not maintained	-
17	Document Control Register/Stock Account Receipts/Cheque Book	Maintained	31.03.2020
18	Fixed Assets Register	Not Maintained	-
19	Summary Statement of Demand Raised on assessment	Not Maintained	-
20	Summary Statement of Head wise Collection of Other Income	Maintained in DCR	31.03.2020
21	Summary Statement of Refunds	Maintained in Yojna Panji	31.03.2020
22	Summary Statement of Write off	Not Maintained	-
23	Grant Register	Maintained	31.03.2020
24	Summary Statement of status of Capital Work in Progress	Not Maintained	-
25	Work Sheet	Not Maintained	-
26	Deposit Works Register	Not Maintained	-
27	Material Receipt Note	Maintained	31.03.2020
	BB&CS Store Ledger	Maintained	31.03.2020

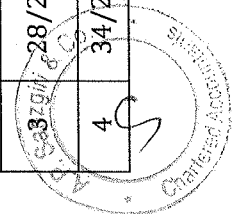


29	Statement of Closing Stock	Not maintained	-
30	Statement of Material Issued	Maintained	31.03.2020
31	BRS of all bank accounts (including dormant accounts)	Not Maintained	-
32	Audited Balance Sheet	Not Maintained	-
33	Audited Income & Expenditure Account	Not Maintained	-
34	Audited Receipts & Payment Account	Not Maintained	-

(b) IRREGULARITY IN PROCUREMENT PROCESS:

1. COMPLIANCE REGARDING TENDER ISSUED BY THE ULBS:

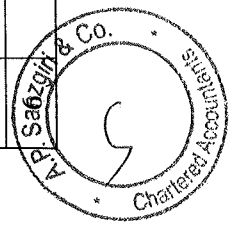
S.N	Tender Issue Date & Number	Mode of Tender (Quotation/ Open Tender/ Selective Tender/ Limited Tender)	Is Minimum Party applied for tender	Is comparative rate chart is attached in tender file.	Is Original EMD/ PG/ Security deposit submitted by participants as per requirement of tender	Whether all the security deposit and earnest money deposited in tender/ agreement process have been deposited in the bank immediately.	Similarly refunds of these security deposit and earnest money deposit have been made on time.	Is work order issued to selected party on time?	Is Financial Bid of all participants attached
1	21/2019-20	Open tender	5 Parties applied	Chart not Prepared	Yes	Not deposited into bank	Yes	Issued on time	Not attached
2	22/2019-20	Open tender	5 Parties applied	Chart not Prepared	Yes	Not deposited into bank	Yes	Issued on time	Not attached
3	28/2019-20	Open tender	6 Parties applied	Chart not Prepared	Yes	Not deposited into bank	Yes	Issued on time	Not attached
4	34/2019-20	Open tender	8 Parties	Chart not	Yes	Not deposited into	Yes	Issued	Not attached



5	36/2019-20	Open tender	5 Parties applied	Prepared	Chart not Prepared	Yes	Not deposited into bank	Yes	Issued on time	Not attached
6	37/2019-20	Open tender	6 Parties applied	Chart not Prepared	Chart not Prepared	Yes	Not deposited into bank	Yes	Issued on time	Not attached
7	43/2019-20	Open tender	5 Parties applied	Chart not Prepared	Chart not Prepared	Yes	Not deposited into bank	Yes	Issued on time	Not attached
8	19/26-11-2019	Open tender	8 Parties applied	Chart Prepared	Chart not Prepared	Yes	Not deposited into bank	Yes	Issued on time	Not attached
9	13/23-12-2019	Open tender	5 Parties applied	Chart Prepared	Chart not Prepared	Yes	Not deposited into bank	Yes	Issued on time	Not attached
10	1/26-08-2019	Open tender	7 Parties applied	Chart not Prepared	Chart not Prepared	Yes	Not deposited into bank	Yes	Issued on time	Not attached
11	1/23-07-2019	Open tender	6 Parties applied	Chart not Prepared	Chart not Prepared	Yes	Not deposited into bank	Yes	Issued on time	Not attached
12	1/20-09-2019	Open tender	4 Parties applied	Chart not Prepared	Chart not Prepared	Yes	Not deposited into bank	Yes	Issued on time	Not attached

2. DETAILS OF LOG BOOK MAINTAINED

S.N	Name of Vehicle	Whether vehicle log book is maintained or not	Whether log book is properly updated or not	Whether vehicle is insured or not	Whether Rate of Diesel/Petrol properly mention in log book
1	J.C.B Old (1)	Yes Maintained	Yes Maintained	Yes Maintained	Yes Maintained
2	J.C.B New (1)	Yes Maintained	Yes Maintained	Yes Maintained	Yes Maintained
3	Mini Loader	Yes Maintained	Yes Maintained	Most of vehicles are not insured	Yes Maintained
4	Compactor	Yes Maintained	Yes Maintained		Yes Maintained
5	Track	Yes Maintained	Yes Maintained		Yes Maintained
	Happar	Yes Maintained	Yes Maintained		Yes Maintained

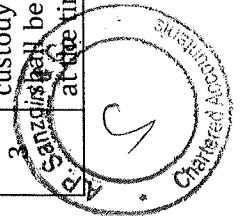


(c) NON-COMPLIANCE OF DIRECTIVES BY UD & HD, GOB:

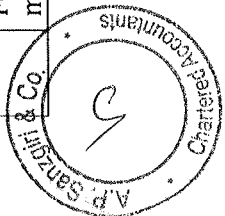
S.N	Direction issued by UDHD	Particulars of Circulars/Orders/Notice	Complied or Not
1	Gyapank No.- 2120 Dated- 24.04.2019	Shortage of Drinking water within municipality area Kind of steps taken by ULB to prevent this shortage	Complied
2	Gyapank No.- 2560 Dated- 23.05.2019	Necessary steps taken to prevent problem arises due to shortage of drinking water	Complied
3	Patrank Number: 2960 Dated-13.06.2019	Regarding Repair and Maintenance of Hand pump	Complied

(d) NON-COMPLIANCE OF ACTS & RULES:

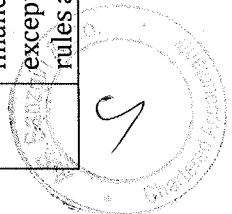
S.N	Requirement	Criteria	Auditors Comment	Management Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made	BMAR Rule No.- 22	Refer point: Part-A (a) (2) On an Average 01day to 78 days delayed and amount collected was in hand with Tax Collector.	(Refer Discussion Note)
2	Whether every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	BMAR Rule No.- 27	Yes, Tax collector and other municipal employees are entrusted to collect municipal revenue within municipality area.	
3	Whether the collection register was in the personal custody of the bill collector and the particulars in It can be written up from the original receipts issued at the time of collection.	BMAR Rule No.- 27	Yes ,Tax Collector kept receipt book in his personal custody;	



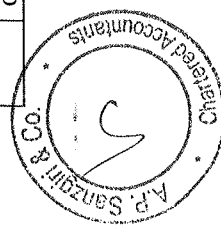
4	Whether bill collector get its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated stall of the Municipality	BMAR Rule No.- 27	Yes, Daily Collection Register is verified by designated Officer of Council.	
5	Whether every bill collector invariably remit his collections (in cash and/or cheques) to Cashier daily before 4.30 PM and take the cashier's acknowledgment in the collection register.	BMAR Rule No.- 27	Refer point: Part-A (a) (2) The same rule did not followed by Tax Collector and on an average 01days to 78 days delayed found during which collected amount was in hand of Tax Collector.	
6	Whether Grant Register as prescribed in BMAR Form 28 was maintained by the Municipality to record receipts and utilization of grants sanctioned by the Government.	BMAR Rule No.- 69	Yes, Grant Register has been maintained by ULB.	
7	Whether specific grants, which have certain conditions attached for utilizing such grants including the requirement to use it for capital purposes or use it in a particular proportion or manner. Usually such grants have requirements for submitting utilization certificates e.g. Finance Commission grant, SFC grant for specific purpose, namely, road repairs. It is the responsibility of the Chief Municipal Officer that the conditions attached to the grant are complied with without exception.	BMAR Rule No.- 69	Yes, Complied.	
8	Whether the grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.- 69	No irregularities were found.	
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, Complied.	
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	Earlier Period unutilized grant has been transferred by closing Account.	
11	Whether The Chief Municipal Officer prepare a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.	BMAR Rule No.- 120	Currently Receipt and Payment A/c has not been prepared by ULB.	Currently it is not prepared. (Refer Discussion Note)



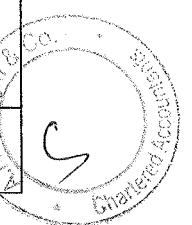
12	Whether ULB prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	BMAR Rule No.- 121	Trial Balance has not been prepared.	ULB not following to prepare Trial Balance, Income & Expenditure on monthly basis. It will be prepared 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. The Financial Statements shall comprise of a. Receipts and Payments Account for the year (BMAR Form No.71) b. Income & Expenditure Statement for the year (BMAR Form No.73) c. Balance Sheet as on 31st March of the year (BMAR Form No.74) d. Significant accounting policies adopted by the Municipality in presentation of the financial statements. e. Notes to Accounts, which shall disclose Contingent liabilities, and such other information as, may be useful in understanding the financial statements clearly. f. Comparative amounts shall be entered on the financial statements for the preceding financial year except. In the case of the first year to which those rules apply	BMAR Rule No.- 122	Financial Statement has not been prepared by municipality.	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.



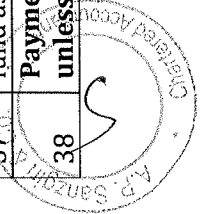
15	Whether the municipality is regular in depositing statutory dues including Tax deducted at source, GST, TDS on GST, service tax, VAT, works contract tax, cess payable to the government etc. and If not, the nature and cause of such delay and the amount not deposited: (BMAR Rule No.-130)	BMAR Rule No.-130	Refer PART-B (f) Amount of statutory dues has not been deposited on due date. Like TDS should be deposited 7 th day of next month and same has been delayed.	(Refer Discussion Note)
16	Whether the municipality is regular in remittance of pension and leave encashment contributions or any other amounts which the municipality is liable to remit towards the retirement dues of its employees, including employees on deputation;(BMAR Rule No.-130)	BMAR Rule No.-130	Refer PART-B (g)	(Refer Discussion Note)
17	Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated In sufficient detail;	BMAR Rule No.-130	No Trial balance is prepared hence classification of transaction was not done.	(Refer Discussion Note)
18	Whether all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB? Whether such deductions have been properly accounted;	BMAR Rule No.-130	Yes, recorded properly in grant register as well as in cash book , but no case of deduction was found.	
19	Whether any Special Funds have been created as per the provision of any statute and whether the Special Funds have been utilized for the purposes for which they have been created;	BMAR Rule No.-130	No special fund created.	(Refer Discussion Note)
20	Whether the ULB is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable Intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;	BMAR Rule No.-130	There is no system developed to physically verify the existing assets.	(Refer Discussion Note)
21	Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets?	BMAR Rule No.-130	Yes, There exist an adequate Internal control system in purchasing of Stores etc.	



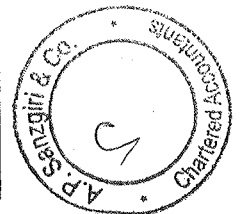
22	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality's accounts; If so, the details thereof;	BMAR Rule No.- 130	No such case was found during the period of Audit.	
23	Whether the Bank Reconciliation statements have been properly prepared for all the bank accounts of the ULB and the remedial actions including all correcting entries have been taken on timely basis;	BMAR Rule No.- 130	Refer Point-04 (III) No, ULB is not preparing bank reconciliation for bank accounts maintained.	<i>(Refer Discussion Note)</i>
24	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.- 130	No, ULB is not preparing bank reconciliation for bank accounts maintained.	
25	Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget. whether made originally or subsequently and in all cases such as are authorized by Act;	BMAR Rule No.- 130	YES. Expenditure has been authorised by competent authority.	
26	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis;	BMAR Rule No.- 130	Refer-PART-A (a)(4) Yes, Revenue has been properly assessed and collected but recovery procedure is slow. Total outstanding amount is Rs. 393.68 Lakhs	<i>(Refer Discussion Note)</i>
27	Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act;	BMAR Rule No.- 130	Refer-PART-A (a)(2) Yes, amount due to and received by ULB have been brought in to books of accounts not within prescribed time limits.	<i>(Refer Discussion Note)</i>
28	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order;	BMAR Rule No.- 130	Yes, complied	
29	Whether, proper books of account as required by the Act and Rules have been kept by the Municipality so far as It appears from examination of those books. (Rule-130 of BMAR-2014)	BMAR Rule No.- 130	Refer-PART-B (a) Books of Account are maintained except some Books of accounts.	<i>(Refer Discussion Note)</i>
30	Whether physical verification has been conducted by the ULB at reasonable intervals In respect of stores;	BMAR Rule No.- 130	No such practices followed by ULB.	<i>(Refer Discussion Note)</i>



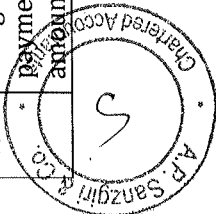
31	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?	BMAR Rule No.-130	No physical verification is carried out.	It is considered and will be followed as per rule.
32	Whether any material discrepancies have been noticed on physical verification of stores as compared to book records, and if so, whether the same has been properly dealt with in the books of account; Whether proper procedures are in place to identify any unserviceable or damaged stores and whether provision for the loss in this respect, if any, has been made in the accounts;	BMAR Rule No.-130	ULB has maintained stock register properly but not carried out physical verification of stores at reasonable intervals.	(Refer Discussion Note)
33	Whether the valuation of stores is in accordance with the accounting principles laid down in the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of such deviation, if material, should be reported;	BMAR Rule No.-130	ULB did not follow the practice of valuation of stock.	(Refer Discussion Note)
34	Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the interest and if not, whether reasonable steps have been taken by the municipality for recovery of the principal and interest?	BMAR Rule No.-130	No loan given during F.Y.2019-20	ULB does not give any loan and advances.
35	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.-130	No loan given during F.Y.2019-20	ULB does not give loan & advances to employees.
36	Bihar Municipal Accounting Manual, 2014, every year budget should be prepared for receipts and expenditure in Form 75, 77 and 80 Preparing Budgets as per the Rules framed under Bihar Municipal Accounts Rule 2014. Rule 132 regarding Public Participation in Preparation of Budget. Moreover, as required under provisions of Rule 139, mid-year review of Budget.	BMAR Rule No.-132	Yes, budget has been prepared.	
37	Municipal Fund: Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007: Chapter IX	The required fund has not been created as per said chapter of act.	(Refer Discussion Note)
38	Payment not to be made out of Municipal Fund unless covered by budget grant: Whether any	BMA,2007: Chapter X	No such case was found during Audit period.	



	payment made out of Municipal Fund that is not covered by budget grant.			
39	Procedure when money not covered by budget grant is paid. Whether the case is put up with Empowered Standing Committee, in case any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	(Refer Discussion Note)	(Refer Discussion Note)
40	Investment of surplus money. Whether municipality has invested surplus fund as per the requirement of the chapter-X of BMA-2007. Auditor will report on the fixed deposit and other funds should be in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period. Check whether comparative interest rate is invited from parties before investing surplus funds:		No fund has been invested by ULB as investment..	ULB does not follow the practices of investing its surplus amount.
41	Preparation of budget estimate of Municipality. Whether The budget estimate stated the rates at which various taxes, surcharges, cesses and fees shall be levied by the Municipality in the year next following.		Yes, the same is levied at specified rate.	
42	Maintenance of accounts. Whether the Chief Municipal Officer prepared and maintained accounts of receipts and expenditure of the Municipality in such form, and in such manner, as may be prescribed,		Receipt and Expenditure A/c has not been prepared;	(Refer Discussion Note)
43	Financial Statement. Whether The Chief Municipal Officer shall, within four months of the close of a year, cause to prepare a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality.		Financial Statement has not been prepared.	(Refer Discussion Note)



44	<p>Submission of financial statement and balance sheet to auditor. The financial statement prepared under section 88 and the balance sheet of the assets and the liabilities prepared under section 89 shall be placed by the Chief Municipal Officer before the Empowered Standing Committee which, after examination of the same, shall adopt and remit them to the Auditor as may be appointed in this behalf by the State Government.</p>	Financial Statement has not been submitted.	<i>(Refer Discussion Note)</i>
45	<p>As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act,2007 various tax are applicable on ULBs Section 145,146 and 147 of the Bihar Municipal Act 2007 chapter XVII provides for Advertisement tax on Advertisement in Urban Areas. Chapter XVII of the Bihar municipal Act, 2007 required license of 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>	Refer-PART-A (4) for status of taxes not collecting by ULB	<i>(Refer Discussion Note)</i>
46	<p>As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007,) Municipality shall, by regulations, provide for issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore,</p>	BMA,2007: Chapter XIX	<i>(Refer Discussion Note)</i>



47	As per section 342 of Bihar Municipal Act, 2007 Trade license fee is to be collected from different types of Trader, who are trading in Concerned Municipal area.	BMA,2007: Chapter XXXVII		(Refer Discussion Note)
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(e) LACK OF INTERNAL CONTROL MEASURES: We have observed the following areas where internal control measures are required by ULBs-

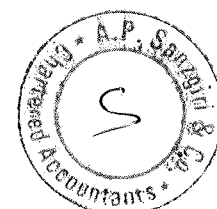
- a. Tax should be collected & deposited on timely basis as per BMAR Rules-As every tax collector takes 01 day to deposit the same after collection.
- b. ULB should follow Books of Account, Trial Balance, FAR, FS, and other records as per BMAR- Neither Trial Balance nor Financial Statement have been prepared by ULB.
- c. ULB should prepare & Maintain monthly BRS- Monthly Bank Reconciliation statement has not been prepared, however year end reconciliation has been prepared.
- d. ULB should maintain register in respect of outstanding taxes.
- e. NO MIS was prepared for tracking of payments.

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

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

S.N	Name of Party	Invoice Value	Amount of deduction	Due date of deposit	Actual Date of deposit	Cheque / Challan Number
1	Rahul kumar	9,53,831.00	9,538.00	07.03.2020	16.03.2020	997730
2	Rajesh Kumar	76,3101.00	7,631.00	07.03.2020	16.03.2020	997730
3	Sunil kumar	13,32,661.00	13,327.00	07.03.2020	16.03.2020	997730
4	Amit kumar	11,64,111.00	11,641.00	07.03.2020	16.03.2020	997730
5	Manoj kumar	3,40,815.00	3,408.00	07.03.2020	16.03.2020	997730
6	Raju Prasad	8,27,970.00	8,280.00	07-08-2019	14-08-2019	069866
7	Sanjeetkumar	4,11,918.00	4,119.00	07-08-2019	14-08-2019	069866
8	Umeshkumar	42,69,680.00	42,697.00	07-08-2019	14-08-2019	069866
9	Sunil kumar	10,30,947.00	10,309.00	07-08-2019	14-08-2019	069866
10	Navinkumar	7,49,179.00	7,492.00	07-08-2019	14-08-2019	069866
11	Reeta Devi	8,29,879.00	8,299.00	07.11.2019	29.11.2019	281
12	Rajesh Kumar	6,30,944.00	6,309.00	07.11.2019	29.11.2019	281
13	PremRanjan	4,06,685.00	4,067.00	07.11.2019	29.11.2019	281
14	Jayaa Devi	8,31,922.00	8,319.00	07.11.2019	29.11.2019	281
15	Ranjeet Kumar	4,67,728.00	4,677.00	07.11.2019	29.11.2019	281
	TOTAL	1,50,11,371.00	1,50,113.00			

2. DETAILS OF DELAY IN DEPOSIT OF VAT ARE MENTIONED BELOW:Not applicable.

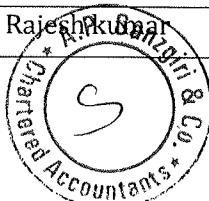


3. DETAILS OF DEPOSIT OF ROYALTY ARE MENTIONED BELOW:

S.N.	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/ Challan Number
1	Ajay KumarDinkar	8,17,051.00	8,834.00	Not deposited till date.	
2	Amaranth kumar	4,84,406.00	4,383.00		
3	Anandkumarsingh	9,51,104.00	9,748.00		
4	Chandankumar	12,56,822.00	7,458.00		
5	Gopal yadav	5,15,242.00	5,925.00		
6	Ajay kumarsingh	6,77,626.00	6,845.00		
7	Abhimanyu kumar	5,93,551.00	7,054.00		
8	Surendr Prasad yadav	4,42,229.00	4,422.00		
9	Subodhkumarsingh	6,09,443.00	6,518.00		
10	Jai prakashsingh	4,94,481.00	4,945.00		
11	Ajay Kumar	10,35,600.00	14,067.00		
12	Jitender Kumar	7,49,707.00	8,600.00		
13	Navinkumar Sinha	10,94,545.00	9,851.00		
14	Rajesh Kumar	8,70,367.00	7,838.00		
15	Ravindra Kumar	20,33,943.00	18,156.00		
	TOTAL	1,26,26,117.00	1,24,644.00		

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

Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/ Challan Number
Ajay kumar	8,17,051.00	7,353.00	Not deposited till date	
Amaranth kumar	4,84,406.00	4,360.00		
Anandkumarsingh	9,51,104.00	8,560.00		
Chandankumar	12,56,822.00	11,311.00		
Gopal yadav	5,15,242.00	5,156.00		
Ajay kumar singh	6,77,626.00	6,776.00		
Abhimanyu kumar	5,93,551.00	5,936.00		
Surendr Prasad yadav	4,42,229.00	1,637.00		
Subodhkumarsingh	6,09,443.00	6,094.00		
Jai prakashsingh	4,94,481.00	4,945.00		
Ajay kumar	10,35,600.00	9,320.00		
Jitenderkumar	7,49,707.00	6,747.00		
Navinkumarsingha	10,94,545.00	6,599.00		
Rajesh Kumar	8,70,367.00	7,178.00		



Ravindra kumar	20,33,943.00	18,305.00	
TOTAL	1,26,26,117.00	1,10,277.00	

Auditor's Comment: While doing audit of deduction made by ULB, the Statutory deduction has not been deposited on due date (refer above). For example TDS should be deposited on or before 7th day of next month.

Consequences of Non- deposition of TDS on due date: ULB may suffer following consequences;

- i. Interest u/s 221 of income tax act,1961- 1.5 % per month, if amount not deposited after deduction;
- ii. Penalty u/s 271C of income tax act, 1961- Up to amount of TDS
- iii. Prosecution u/s 276B: 3 Month to 7 Years

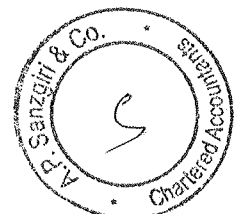
5. DETAILS OF DEPOSIT OF TDS ON GST ARE MENTIONED BELOW:

S.N	Name of Party	Invoice Value	Amount of deduction	Due date of deposit	Actual Date of deposit	Cheque/ Challan/NE FT/RTGS Number
1	Rahul kumar	9,53,831.00	19,077.00	10.03.2020	17.03.2020	997731
2	Rajesh Kumar	76,3101.00	15,262.00	10.03.2020	17.03.2020	997731
3	Sunil kumar	13,32,661.00	26,653.00	10.03.2020	17.03.2020	997731
4	Amit kumar	11,64,111.00	23,282.00	10.03.2020	17.03.2020	997731
5	Manoj kumar	3,40,815.00	6,816.00	10.03.2020	17.03.2020	997731
6	Sunil kumar	3,40,842.00	6,817.00	10.09.2019	14.08.2019	997720
7	Santosh kumar	8,03,073.00	16,061.00	10.09.2019	14.08.2019	069866
8	Sanjeetkumar	4,11,918.00	8,238.00	10.09.2019	14.08.2019	069867
9	Raju prasad	8,27,970.00	16,559.00	10.09.2018	14.08.2019	069867
10	Navinkumar Singh	18,62,286.00	37,246.00	10.01.2018	14.08.2019	069866
11	Reeta Devi	8,29,879.00	16,598.00	10.12.2019	29.11.2019	076932
12	Premkumar	4,06,685.00	8,134.00	10.12.2019	29.11.2019	076932
13	Rajesh kumar	6,30,944.00	12,619.00	10.12.2019	29.11.2019	076932
14	Rajeetkumar	4,67,728.00	9,355.00	10.12.2019	29.11.2019	076932
15	Sanjeetkumar	15,57,768.00	31,155.00	10.12.2019	29.11.2019	S076932
	TOTAL	1,26,93,612.00	2,53,872.00			

6. DETAILS OF TDS RETURNS FILLED ARE MENTIONED BELOW:

S.N	Quarter	Due date of Return	Actual date of Return filled	Remark
1	TDS Return (4 th Quarter)	31.05.2020	12.04.2020	

Note: TDS return has not been filled in Quarter-1,2,& 3 of the F.Y. 2019-20



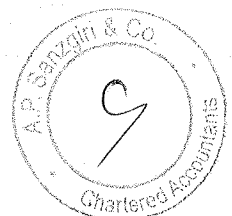
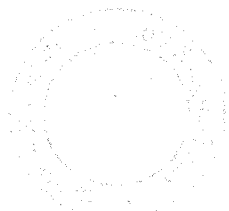
(g) DEFICIENCY IN PAYROLL SYSTEM:

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

DETAILS OF DELAY OF DEPOSIT OF EPF:

Permanent Employee:

Month of Deduction	Amount Deduction	Due date of deposit	Amount Deposit	Actual Date of deposit	Delay in days
April - 19	3,15,576.00	15.05.2019	Not deposited		
May - 19	3,15,576.00	15.06.2019			
Jun - 19	3,15,576.00	15.07.2019			
Jul - 19	2,88,896.00	15.08.2019			
Aug - 19	2,88,896.00	15.09.2019			
Sep - 19	2,88,896.00	15.10.2019			
Oct - 19	2,88,896.00	15.10.2019			
Nov - 19	2,88,896.00	15.11.2019			
Dec - 19	2,88,896.00	15.12.2019			
Jan- 20	2,88,896.00	15.02.2020			
Feb - 20	2,88,896.00	15.03.2020			
Mar - 20	2,88,896.00	15.04.2020			



(h) UTILISATION OF GRANT AND REPORT ON UTILISATION CERTIFICATES

SN	Head	Details
1	STATUS OF UTILIZATION CERTIFICATE:	UC is prepared with the help of Auditor. <i>(Refer Discussion Note)</i>
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. <i>(Refer Discussion Note)</i>

(i) Physical verification of inventory/Stores: (Refer point 31-40 PART-B (d): ULB did not follow the Practice of physical verification of stock. *(Refer Discussion Note)*

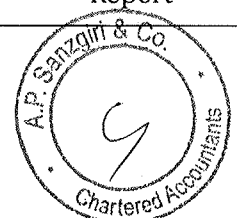
(j) Advances, their adjustment & recovery: (Refer point 35-36 PART-B (d): ULB did not give loan/advance, hence there are no case of adjustment and recovery. *(Refer Discussion Note)*

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

III. PART-C

S.N	Particulars	Complied or Not
A	Auditor should report in a separate section for non-compliance of rules/directives of UD&HD, GoB; Auditor should see the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD.	Complied Refer-PART-B(c)
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)
	Rule 22: All moneys to be brought to account	
	Rule 27: Collections to be deposited into Bank on the same day	
	Rule 69: Grant Related Compliance	
	Rule 120-121: Monthly Receipt & Payment Account and Trial Balance	
	Rule 130: Audit to be completed & reported within 6 month	
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	Complied

	or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairatetc;	Refer-PART-A(a)
F	Auditor should Report on adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments above Rs. 10,000 and above.	Complied Refer-PART-B(b)
G	Auditor should Report on Procurement made including through E-Tendering and E-Auction indicating exceptions, if any and whether a register is kept for all Procurements with value above Rs. 15,000/-	Complied Refer-PART-B(b)
H	Auditor should Report on presence or absence of a system of issuance of utilisation certificate for the different schemes for any utilisation made during the reporting period; Where there is no system for issuance of U/Cs, the Internal Audit report shall prepare Utilisation Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	Complied Refer-PART-B(h)
I	Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	Complied Refer-Audit Recommendation
J	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies.	Complied Refer-PART-B(b)
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 was compiled by the ULBs, if not complied the Internal Auditor shall help the ULBs staffs to prepare the compliance report.	Complied Point-03 of Detailed Audit Report

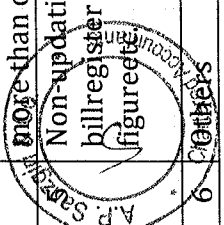


4. DETAIL AUDIT OBSERVATIONS(F.Y. 2019-20)

RISK ASSESSMENT

Name of the ULB: Nagar Nigam Gaya

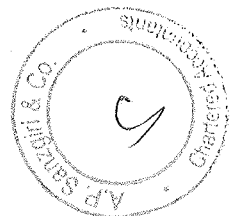
SN	Observations	Risk Rating	Design Gap	System Gap	Operating Gap	Management Comment	Auditor Recommendations
DEMAND GENERATION							
1	Loss of Revenue due to under assessment/ wrong generation of demand	NA	NA	NA	NA	NA	NA
2	Collusion with citizen regarding assessment	NA	NO	NO	NO	NA	NA
3	Non-updating various 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	NA	NO	NO	NO	NA	NA
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		
REVENUE EXPENDITURE							
1	Error in Over Payment	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA
3	Loss of authentication	NA	NA	NA	NA	NA	NA
4	Perpetrated Fraud (Like Payment more than one time on same bill)	NA	NA	NA	NA	NA	NA
	Non-updating various register like bill register with payment figured	M	NA	NA	YES	We have shortage of skilled employees and due to this we are facing problem like this.	Bill registers etc should be updated on real time basis transaction.
6	Others	NA	NA	NA	NA	NA	NA



ESTABLISHMENT EXPENDITURE										
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with Employee	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
5	Non-updating various register like bill/register with payment figure etc.	M	NA	NA	NA	YES	We have shortage of skilled employees and due to this we are facing problem like this.	Bill registers etc should be updated on real time basis transaction.		
6	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA
CAPITAL EXPENDITURE										
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with Contractor	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
6	Non-updating various register like work register, MB, bill register, Fixed Assets register, Service book/record, advance register, etc.	M	NA	NA	NA	YES	We have shortage of skilled employees and due to this we are facing problem like this.	Work register, MB, bill register, Fixed Assets register, Service book/record, advance register, etc should be update on real time basis transaction.		
7	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA
PROCUREMENT AND INVENTORY										
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication/ Procedural Error	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with Employee	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
6	Non-updating various register like Store register, issue register, bill register with payment fig., advance	M	NA	NA	NA	YES	We have shortage of skilled employees and due to this we are facing problem like this.	Store register, Issue register, bill register with payment fig.,		

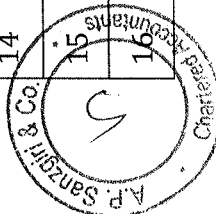
	register, etc.									Advance register, etc. should be updated on real time basis transaction.
7	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA
GRANT AND LOANS AND UTILIZATION THEREOF										
1	Not utilization of grant or grant unspent	M	NA	NA	NA	NA	NA	YES	Due to practical and operational issues, there are some cases of non-utilization of grant. It will be utilizing in future.	Grant must be utilized as per guidelines in timely manner.
2	Not furnishing of UC	H	NA	NA	NA	NA	NA	YES	It will be submitted.	UC must be furnished on time as per specified guidelines and format.
3	Non fulfillment of condition part thereto	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Perpetrated fraud (Like payment more than one time same contractor)	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Non-updating various register like grant register, work register, bill register with payment fig., advance register etc.	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA
FIXED DEPOSIT AND INVESTMENT										
1	Not deposited at appropriate time (loss of revenue)	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of Investment certificate	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Non fulfillment of condition part thereto	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with bank officials to invest at lower rate	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Deposit into Current account	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Non-updating various register like investment register, Bank book, cashbook, etc.	NA	NA	NA	NA	NA	NA	NA	NA	NA
7	Other	NA	NA	NA	NA	NA	NA	NA	NA	NA
UNAUTHORIZED ADVANCE										

1	Unauthorized release of advance	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Release of advance beyond authority	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Non-adjustment of loan or advance during the year	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with employee/party to release advance/loan beyond authority	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Advance/loan not account for	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Non-updating various register like Loan & advance, Bank book, cash book, etc.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
7	Other	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



LIST OF IMPORTANT REGISTERS

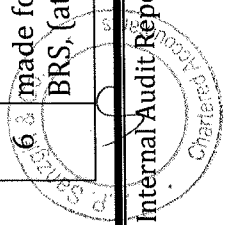
NAME OF THE ULB		Gaya Nagar Nigam				
RISK RATING:		HIGH				
CAG OBSERVATIONS STATUS		COMPLIANCE REPORT NOT PREPARED				
SN	Particulars	Audit Observation	Associates Risk	Management Comment	Status (Resolved or not)	
1	Cash Book	Maintained	NA	NA	NA	
2	Ledger	Not Maintained	HIGH	Will be maintained from 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	Not Resolved	
6	Register of Money Orders/Bank Draft Received	Not Maintained	HIGH	Will be maintained from upcoming year		
7	Cheque Issue Register	Maintained	HIGH	NA	NA	
8	Register of Remittances made into bank	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved	
9	Bank Pass book	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved	
10	Register of Bank drafts dispatched	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved	
11	Bill Register	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved	
12	Establishment Register	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved	
13	Stock Register	Maintained	NA	NA	NA	
14	Capital Goods/ Consumable articles, non consumable articles	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved	
15	Statutory Deduction Register	Maintained	NA	NA	NA	
16	Fixed Assets Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved	



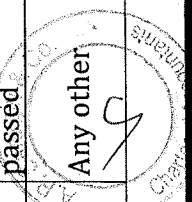
17	Grant Register	Maintained	NA	NA	NA	NA
18	Scheme Register	Maintained	NA	NA	NA	NA
19	Monthly accounts of Receipts/ Payments	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved	
20	Temporary Advances Register for Staff, Customers/ supplier/VEC and TA/DA Advance	NA	NA	NA	NA	
21	Dispatch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



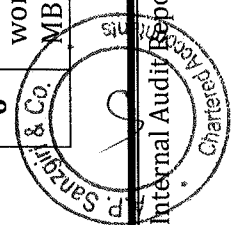
CASH AND BANK						
Name of the ULB		Gaya Nagar Nigam				
RISK RATING:		HIGH				
CAG OBSERVATIONS STATUS		COMPLIANCE REPORT NOT PREPARED				
PERIOD:		F.Y. 2019-20				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Check whether there is no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



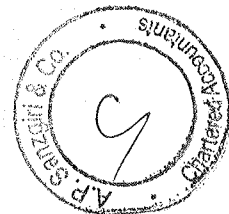
									accurately recorded in books of accounts or not.
7	Check whether no any fraud payment or payment to other person has been made,	No such case found payments selected for audit	NA	NA	NA	NA	NA	NA	NA
8	Whether bank statement for all account have been promptly received from bank.	Bank statement of every bank is not received by ULB on timely basis. As a result of this bank reconciliation statement has not been prepared timely.	NA	Medium	Will be prepared from upcoming year.	Should be prepared to trace whether transaction accurately recorded in books of accounts or not			
9	Number of Bank accounts maintained	17 bank accounts are maintained.	NA	Medium	Will issue instructions to staff to collect monthly statements from bank	Need to make statement file for each bank account			
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	Need to be maintained			
11	Liability for stale cheques account review is done and necessary reversal entries are passed	Done	NA	NA	NA	NA			NA
12	Any other	NA	NA	NA	NA	NA			NA



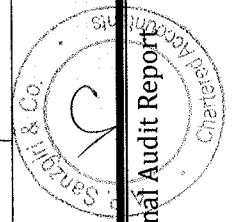
PUBLIC WORKS							
Name of the ULB		Gaya Nagar Nigam					
RISK RATING:		HIGH					
CAG OBSERVATIONS STATUS		COMPLIANCE REPORT NOT PREPARED					
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)	
1	Whether bill has been prepared as per actual measurement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



7	Whether master roll(machine numbered & authorized) has been maintained for details of store, specifying:	Master roll not presented for our verification, Therefore we can't comment on it.	NA	High	Not Available at ULB Office at that time.	NA
	• Date of Issue					
	• Name of Subordinate					
	• Name of Work					
	• Number of Labour					
	• Period of Engagement					
	• Details of Payment (Date, amount, Cheque no etc.)					
14	Whether the same has been periodically verified.	As per information provided to us, JE of the Concerned ULB is verifying the same on Periodically gap.	NA	NA	NA	NA.
15	Whether payment are as predefined approval level sanctioned u/s 75 of BMA, 2007,	Yes	NA	NA	NA	NA
16	Any Other	NA	NA	NA	NA	NA

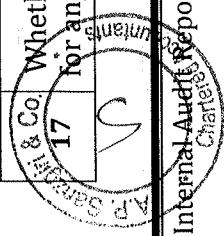


Cash Book						
Name of the ULB		Gaya Nagar Nigam				
RISK RATING:		HIGH				
CAG OBSERVATIONS STATUS						
COMPLIANCE REPORT NOT PREPARED						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether Opening Balance & Closing Balance was worked out or not,	Yes	NA	NA	NA	NA
2	Whether posting of receipt & payment side of cash book are properly maintained & it was matched with proper evidence like Receipt Voucher, Cheque issue Register, Bank Statement, etc.,	Yes	NA	NA	NA	NA
3	Whether posting in on daily basis.	Audit is done after October, 2019 hence we cannot comment on it.	NA	NA	NA	NA
4	Whether there is any clerical error (casting or/and posting error, etc) or not	No such instances found	NA	NA	NA	NA
5	Whether any delay in deposit of amount of collection by cashier,	Yes, Kindly refer Annexure-1 Attached with report.	NA	HIGH	We will deposit the collected amount without making any delay.	No
6	conduct physical verification of cash and report heavy cash balance if any	ULB did not physically verify Cash.		LOW	We will put the matter before board and follow accordingly.	No
7	Any Other	NA	NA	NA	NA	NA

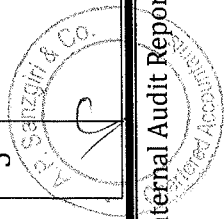


Collection							
Name of the ULB		Gaya Nagar Nigam					
RISK RATING:		HIGH					
CAG OBSERVATIONS STATUS		COMPLIANCE REPORT NOT PREPARED					
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)	
1	Whether collection procedure are as per guidelines/direction of ULB,	Yes	NA	NA	NA	NA	
2	Whether collections are made on the basis of Demand & Collection Register ,	Yes	NA	NA	NA	NA	
3	Whether collection are made in the same receipt Vouchers which has been issued/ authorized by ULB/ state government & it should be clearer mentioned of different head & not any alteration, & the carbon copy of receipt vouchers are properly vouched so that no any variation in posting the same.	In case of checking of property tax receipt, it is found that in some cases different heads are mentioned.	NA	Medium	We will look in to this matter.	No	
4	Whether collections are bifurcated in different heads as required,	Consolidated amount is mentioned in the cash book.	NA	Medium	We will look in to this matter.	No	
5	Whether a separate bank account has been maintained for each circle, (for PMC only)	NA	NA	NA	NA	NA	
6	Whether all collections are made in proper "Receipt Voucher Book" having same serial number which was actually issued to TC,	We have checked receipts vouchers books on random basis and it is found ok.	NA	NA	NA	NA	
7	Whether all collections made during the day are account for & banked on next working day or there is any teaming & lading,	There is gap between collection and deposit of money in to bank. Kindly also refer Annexure-1 attached with this report	NA	Medium	We will look in to this matter.	No	

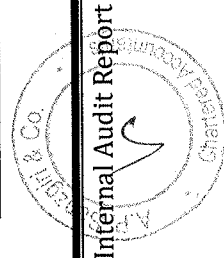
8	Whether no any collection are directly expended without prior approval,	No such instances found during the audit.	NA	NA	NA	NA
9	Whether collections are made by all the holding fall under the same TC or Civics Centre	No such type of records is maintained at ULB Level.	NA	Medium	NA	No
10	Whether government share of collections (like Education Cess & Health Cess) are properly & timely deposited in its own account, (if applicable)	NA	NA	NA	NA	NA
11	Whether there is any short/non collection or short deposit or not deposit	Yes, property tax is not collected from all households	NA	HIGH	We will look in to this.	No
12	Whether penalty (@2% P.M/ 1.5%) has been duly charged on late payment.	We have checked transactions on random basis and it is found that penalty is charged.	NA	NA	NA	NA
13	Whether daily collections are entered into hand book, collection register maintained by TC & it should be properly entered in demand & collection register,	Yes	NA	NA	NA	NA
14	Whether collection by way of cheque are properly banked & credited into account,	Yes	NA	NA	NA	NA
15	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	Yes, in case of taxes remission/discount is given to households but there is no mechanism to trace that this refund or remission was given after duly sanction or without sanction.	NA	NA	NA	NA
16	Whether any immediate steps has been taken or not for cheque dishonored received	No such cases found during audit	NA	NA	NA	NA
17	Whether reversal of payment has been made for any dishonored cheque	No such cases found during audit	NA	NA	NA	NA



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

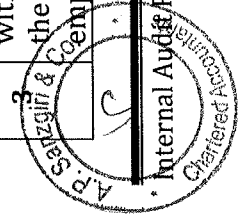


6	Ensure whether there is any clerical error in calculation,	We have checked some cases on random and such instances not found.	NA	NA	NA	NA
7	Whether demand register in prescribed format is maintained or not,	Not Maintained	NA	Medium	NA	We will maintain it now onwards.
8	Whether persons involve incalculations/collection have knowledge of their responsibility.	Yes, but they do not have knowledge of BMAM and BMAR	NA	NA	NA	We will conduct training for the same and trained them accordingly.
9	Whether there is proper distribution of responsibility for calculation, recovery & updation of register for demand, so that no single person have control on two or process at the same time,	These activities are done by one person at ULB.	NA	High	NA	Due to lack of staff, it is not possible to allot this task to multiple members.
10	Whether there is any under/no assessment,	No such case observed	NA	NA	NA	NA
11	Whether there is appropriate measures (As Per section 155 & 158 of BMA, 2007) are adopted for recovery of Government/bid dues,	No such evidence of recovery of Gov. dues provided by ULB	NA	Medium	NA	We look in to this matter and resolve the same very soon.
12	Whether notice for demand has been made in prescribed format (As Per BMAR) & as per rules & regulations,	We found ULB is not in a regular practice to send notice of demand to concerned property holder to recover dues from them.	NA	High	NA	We look in to this matter and will be send notice to concern person for the same.
13	Whether penalty (@2% P.M/ 1.5%) has been charged on late payment,	We have checked transactions on random basis and it is found that penalty is charged.	NA	NA	NA	NA
14	Whether Demand, Collection & Balance Register has been prepared on daily basis for all receipts or not, & it would be authorized by proper authority or not,	Demand, Collection and Balance register is not maintained by the ULB.	NA	High	NA	Due to lack of staff, it is difficult to maintain on daily basis.

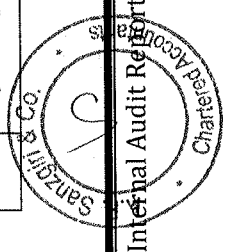


15	Whether there are adequate safeguard on data has been operated or not,	Yes	NA	NA	NA	NA
16	Whether self assessment property tax return for payment of property tax has been filed by the assesses in the prescribed format,	We have checked transactions on random basis and it is found that SAF is implemented.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

ESTABLISHMENT						
	NAME OF THE ULB	Gaya Nagar Nigam				
	RISK RATING:	HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether establishment expenditure is sanction by authorised person & it has been within sanctioned limit,	Yes, it has been authorized by appropriate person within limit.	NA	NA	NA	NA
2	Whether service log book has been maintained & up to date or not,	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 assign 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 maintain from upcoming year.	No
6	Whether account department has prepared the advice & instructed the bank for the payment as per advice,	Yes	NA	NA	NA	NA
7	Whether undistributed amount of pay & allowance as shown in cash book matched with balance of undistributed salary balance,	No such practice followed by ULB	NA	Medium	Practice will be followed in near future.	No
8	Whether undistributed amount of pay & allowance are not for more than 3 months as cash in hand,	No such instances found	NA	NA	NA	NA
9	Whether disbursement of pay & allowance are duly recorded in books & accepted by employee specifying separate hade with date of receive (In case of arrear),	Yes	NA	NA	NA	NA
10	Whether the bill prepared according to sanctioned scale,	Yes	NA	NA	NA	NA
11	Whether no any payment is made to employee whose service retired in any Manner	No such instances found	NA	NA	NA	NA
12	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	No such instances found	NA	NA	NA	NA

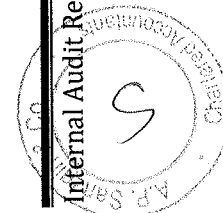


13	Whether all statutory deduction or adjustment has been made before payment,	Yes	NA	NA	NA	NA
14	To check compliance of rules in regard to establishment matters viz., travel, daily allowance, leave, advances (House building and vehicle advance etc.) and settlement thereof.	Yes	NA	NA	NA	NA
15	To check salary bills.	No Salary bill is prepared by the ULB.	NA	Medium	It will be implemented in future.	No
16	Position of outstanding advances paid to Employees	NA	NA	NA	NA	NA
17	To check deduction of provident fund and ESI has been made as per rules	Yes, it is deducted.	NA	NA	NA	NA
18	Whether PF slips are issued to the employees on yearly basis and to see whether all the statutory returns for PF are submitted to the concerned authorities.	Neither PF slip provided to its employees nor return submitted	NA	NA	NA	NA
19	To check whether salary bill is prepared in such a manner that it gives breakup of the amount of bill and all adjustments such as deduction of PF, TDS and other advances and loans etc.	No salary bill prepared by ULB; however a register containing of all details of deduction and their adjustment has been maintained.	NA	NA	NA	NA
20	Check Retirement benefit to employee	No such instances found	NA	NA	NA	NA
21	Personnel Appointments and to see whether all records are updated from time to time.	Yes	NA	NA	NA	NA
22	Dismissal and Resignation/ Termination	No Such case found.	NA	NA	NA	NA
23	Temporary workers	Yes	NA	NA	NA	NA
24	Overtime	No Such case found	NA	NA	NA	NA
25	Attendance Register To check number of persons mentioned in the attendance register tally with the sanctioned strength of a unit.	Checked and found ok	NA	NA	NA	NA

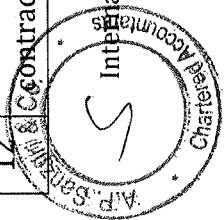
26	Personnel Files	Not produced before us during audit	NA	NA	NA	NA
27	Training of employees(including development Levy)	No such practice at ULB	NA	Medium	NA	Training for capacity building of employees will be implemented.
28	Leave Register - To check whether a leave register is maintained as per types of leave as medical Leave/CL/EL/maternity/paternity leave.	Only Attendance register is maintained	NA	Medium	NA	Registers of medical Leave/CL/EL/maternity/paternity leave will be maintained.

GRANT						
Gaya Nagar Nigam						
NAME OF THE ULB	HIGH					
RISK RATING:	HIGH					
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Maintenance/Update registers regarding detail of funds received and expenditure.	Yes	NA	NA	NA	NA
2	Any diversion/re-appropriation of funds not covered under the provision of BMA, 2007 should be pointed out for remedial action.	No such case found	NA	NA	NA	NA
3	To check whether utilization certificate is for actual utilization of funds received	No such UC submitted during this audit period.	NA	HIGH	We are working on it and will be submitted after completion of it.	No

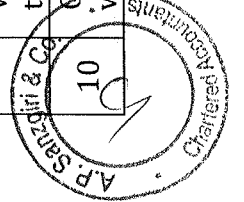
4	It should also be checked that utilization certificate is issued as per prescribed time frame given in the Manual and issue of UCs is not delayed	No such UC submitted during this audit period.	NA	HIGH	We are working on it and will be submitted after completion of it.	No
5	Internal Auditor should also check whether expenditure incurred on each activity does not exceed the budget.	We have checked and found no expenditures exceeds to its budgets.	NA	NA	NA	NA



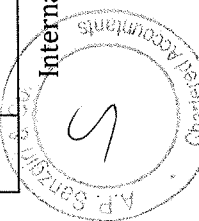
PAYMENT OF BILLS OF CONTRACTORS						
NAME OF THE ULB		Gaya Nagar Nigam				
RISK RATING:		HIGH				
S/N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Original bill duly signed by contractors is submitted.	We have checked this on random basis and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



RECEIPT VOUCHER						
NAME OF THE ULB		Gaya Nagar Nigam				
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".	Maintained	NA	NA	NA	NA
7	Verify that "Receipt Vouchers" received & their storing, having same quantity & serial numbered which was actually dispatched & proper recording of the same along with issue,	No such records was maintained	NA	NA	NA	NA
8	Verify Log book/ Register maintained at every collection centre & cash counter with regard to receipt & return quantity & serial number,	No such records was maintained	NA	NA	NA	NA
9	Verify the log book/ Register of "Receipt Vouchers" & cross verified the allotments to TC (Log Book) with their date of issue, serial number, name of TC & their circle	Yes	NA	NA	NA	NA
10	Check whether TC have same "Receipt Voucher" which was actually issued by store & it must be	Yes	NA	NA	NA	NA

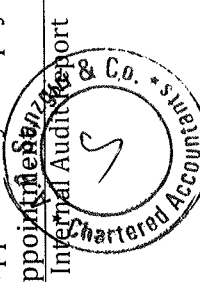


	authorized by the appropriate authority,								
11	Check that there should be proper recording at each stage (where authority has been changed) of log book/ register for issue/receipt of "Receipt Vouchers",	Yes, the same has been maintained.	NA	NA	NA	NA	NA	NA	NA
12	Confirm that all unused "Receipt Vouchers" are under the custody of authorized person,	Yes, under the custody of store keeper.	NA	NA	NA	NA	NA	NA	NA
13	Verify that any cancelled vouchers have in both original & carbon copy,	No such case observed.	NA	NA	NA	NA	NA	NA	NA
14	Verify whether reversible carbon has been used during receipt.	Yes	NA	NA	NA	NA	NA	NA	NA
Other Revenue									
1	Advertisement Tax	ULB has huge outstanding balance to recover and recovery procedure followed is slow	0.00 lakh	High		We will implement necessary step very soon.	No		
2	Tower Tax	ULB has not provided documents. It will be checked during fourth quarter Audit.	NA	NA		NA	NA		
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)	ULB has not provided documents. It will be checked during fourth quarter Audit.	28.96 lakh	High		We will implement necessary step very soon.	No		
6	Fee & uses Charges (As details annexed)	NA	NA	NA		NA	NA		
7	Other Revenue Items	ULB has no outstanding balance to recover.	NA	NA		NA	NA		



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

	collusion with party,								
9	Whether register for settlement of service bill has been maintained and up to date,	NA	NA	NA	NA	NA	NA	NA	NA
10	Whether payment made to the same to whom it might be payable and no any second claim in this regard,	Yes	NA	NA	NA	NA	NA	NA	NA
11	Whether payment has been made after deducting statutory dues or advances,	Yes	NA	NA	NA	NA	NA	NA	NA
12	Whether the expenditure are made with a period & amount as sanctioned,	Yes	NA	NA	NA	NA	NA	NA	NA
13	Whether there is undue rush of expenditure at the end of financial year,	NA	NA	NA	NA	NA	NA	NA	NA
14	Whether payment has to be made after confirmation from store,	No such type of practice followed.	NA	NA	NA	NA	NA	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	NA	NA	NA	NA	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	NA	NA	NA
17	Confirm whether goods/assets received/accepted on or before 31 st March, where the bill is received after that date have been accounted for (either on the basis of purchase order, tender rate or as per bill),	No	NA	NA	NA	NA	NA	NA	NA
18	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	No such type of cases observed during period of Audit.	NA	NA	NA	NA	NA	NA	NA



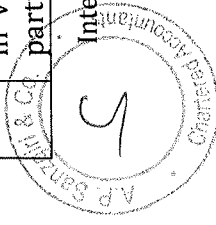
19	Whether all statutory deduction or adjustment has been made before payment,	Yes, payment has been made after deduction and adjustment.	NA	NA	NA	NA
20	Whether entry of any event during service has been made in service book by Authorized person.	No	NA	NA	NA	NA

STATUTORY REQUIREMENT						
	NAME OF THE ULB	Gaya Nagar Nigam				
	RISK RATING:	HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether deduction of TDS on payment has been made as per law,	Yes	NA	NA	NA	NA
2	Whether TDS deducted are timely deposited into bank with same amount,	No	Refer to Point F of Main Report	High	Kindly Refer DN	No
3	Whether regulatory requirement for submission of Return has been followed,	Yes	NA	NA	NA	NA
4	Whether any deduction is made in any act, must be deposited as per their respective act,	Yes	NA	NA	NA	NA
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	
NAME OF THE ULB	Gaya Nagar Nigam
RISK RATING:	HIGH

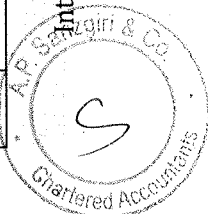


S/N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	To check whether the provisions contained in Tender Advertisement for procurement were followed in award of contracts.	Yes, there is no deviation found	NA	NA	NA	NA
2	To check that the time/date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



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

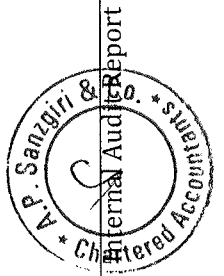
VEHICLE LOG BOOK							
NAME OF THE ULB							
Gaya Nagar Nigam							
RISK RATING:							
HIGH							
S/N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)	
1	Whether logbook has maintained or not & up to date with proper details like journeys, work undertaken, covering root, visited place, kilometer, etc.	Yes	NA	NA	NA	NA	



2	Whether logbook of journey is maintained in detail & signed by the officials using them,	Yes	NA	NA	NA	NA
3	Whether it should be used for official purpose, otherwise charges are recoverable.	Yes	NA	NA	NA	NA
4	Whether details of fuel for the same has been maintained in log book,	Yes	NA	NA	NA	NA
5	Whether full details of repairs has been maintained & it have been through authorized center	No	NA	High	We have given instruction to follow.	No
6	Whether authorized person have proper check over log book.	Yes	NA	NA	NA	NA

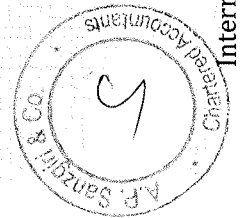


FIXED ASSETS						
NAME OF THE ULB		Gaya Nagar Nigam				
RISK RATING:		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Status on Maintenance of Fixed Assets Register	Fixed assets register was prepared by the Tibrewal Chand & Co. as on 01 st April, 2012.	NA	High	We will maintain from now.	No
2	Budget availability is confirmed before acquisition		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	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
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

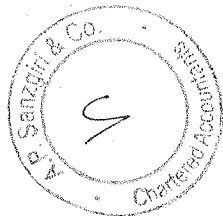


Internal Audit Report

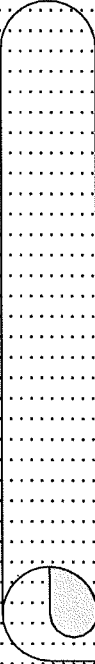
6	Depreciation is provided on each class of fixed assets at the prescribed rates	NA	High	Will follow from now..	No
7	Asset Replacement Register is properly maintained asset class- wise	NA	High	Will follow and maintain from now.	No



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



H INADEQUATE MONITORING OF TAX DEDUCTED AT SOURCE AND AS DEPOSITED



Implication/ Risk

HIGH

Recommendation

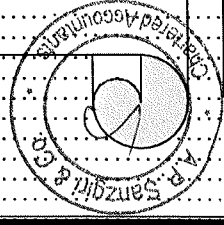
Deducted amount of Royalty,
Labour cess and TDS is not
deposited on timely basis as
prescribed in Law.

Management Comments

We will deposit on prescribed due date from next time.

Person Responsible:

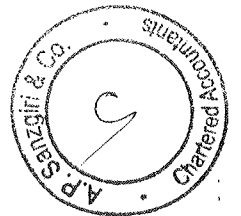
Timeless:



**INTERNAL AUDIT REPORT FOR F.Y 2019-20(QTR-1)
ULB-GAYA MUNICIPAL CORPORATION
ANNEX-1 REPORT ON LATE DEPOSIT OF PROPERTY TAX**

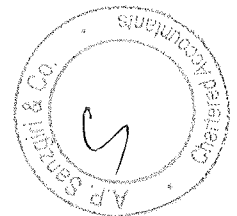
S.N	Serial no		Amount of Tax	Date of Collection as per Receipts Booked	Amount Deposited with Cashier	Delay in Deposit with Cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To						
1			7,510.00	02.04.2019	7,510.00	0	09.07.2019	07
2			5,500.00	22.04.2019	5,500.00	0	09.07.2019	78
3			13,505.00	03.05.2019	13,505.00	0	09.07.2019	67
4			5,390.00	29.05.2019	5,390.00	0	09.07.2019	41
5			8,328.00	04.06.2019	8,328.00	0	09.07.2019	35
6			26,735.00	10.06.2019	26,735.00	0	09.07.2019	29

*To be done in
upcoming report of
2019-20.*



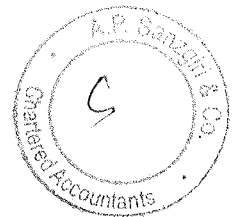
INTERNAL AUDIT REPORT FOR F.Y 2019-20(Qtr-2)
ULB-GAYA MUNICIPAL CORPORATION
ANNEX-1 REPORT ON LATE DEPOSIT OF PROPERTY TAX

S.N	Serial Number		Amount of Tax	Date of Collection as per Receipts Book	Amount Deposited with Cashier	Delay in Deposit with Cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To						
1	CNT0067527		22,015.00	29-07-2019	22,015.00	0	30-07-2019	1
2	CNT0067897		2,26,192.00	31-07-2019	2,26,192.00	0	01-08-2019	1
3	CNT0068669		32,312.00	07-08-2019	32,312.00	0	08-08-2019	1
4	DTD0070012		62,500.00	27-08-2019	62,500.00	0	28-08-2019	1
5	DT0073010		60,302.00	24-09-2019	60,302.00	0	25-09-2019	1
6	DTD0073666		42,119.00	30-09-2019	42,119.00	0	01-10-2019	1



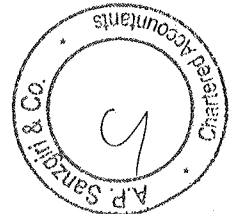
INTERNAL AUDIT REPORT FOR F.Y 2019-20(Qtr-3)
ULB-GAYA MUNICIPAL CORPORATION
ANNEX-1 REPORT ON LATE DEPOSIT OF PROPERTY TAX

S.N	Serial Number		Amount of Tax	Date of Collection per Receipts per 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	DTD0075726		84,201.00	24.10.2019	84,201.00	0	25.10.2019	0
2	CNT0075728		1,04,877.00	24.10.2019	1,04,877.00	0	25.10.2019	0
3	CNT0076050		2,00,000.000	07.11.2019	2,00,000.000	0	08.11.2019	0
4	DTD0076513		20,326.00	26.11.2019	20,326.00	0	27.11.2019	0
5	DTD0081139		66,612.00	31.12.2019	66,612.00	0	03.01.2020	3
6	DTD0081163		24,744.00	31.12.2019	24,744.00	0	03.01.2020	3



INTERNAL AUDIT REPORT FOR F.Y 2019-20(Qtr-4)
ULB-GAYA MUNICIPAL CORPORATION
ANNEX-1 REPORT ON LATE DEPOSIT OF PROPERTY TAX

S.N	Serial Number		Amount of Tax	Date of Collection as per Receipts Book	Amount Deposited with Cashier	Delay in Deposit with Cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To						
1	DTD0090899		31,503.00	25-02-2020	31,503.00	0	26-02-2020	0
2	DTD0090667		45,000.00	24-02-2020	45,000.00	0	25-02-2020	0
3	DTD0093552		54,589.00	17-03-2020	54,589.00	0	18-03-2020	0
4	DTD0092860		96,314.00	12-03-2020	96,314.00	0	13-03-2020	0
5	DTD0104155		96,142.00	21-03-2020	96,142.00	0	23-03-2020	1
6	DTD0093729		1,18,857.00	18-03-2020	1,18,857.00	0	19.03.2020	0
7	DTD0104112		1,00,000.00	21-03-2020	1,00,000.00	0	23-03-2020	1

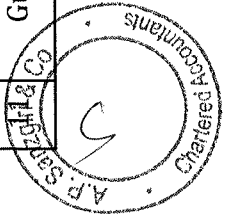


INTERNAL AUDIT REPORT FOR FY 2019-20(Annually)

ULB-GAYA MUNICIPAL CORPORATION

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

S.N	Holding Name	W.N	H.N.	Type of Use of Property		Area of Property		Tax Amount		
				As per tax Collector	As per Auditor	As per Tax Collector	As per Auditor	As per Collector	As per Auditor	Diff.
1	Ramayan Ray	03	37/38	Commercial	Commercial	13188	13188	55966	55966	-
2	Dr.Kundan Kumar	10	138/192	Commercial	Commercial	3403	3403	47395	47395	-
3	Delhi Public School	12	201A/474	Commercial	Commercial	53501	53501	54441	54441	-
4	Nagendra Kumar Singh	12	46	Commercial	Commercial	4026	4026	60006	60006	-
5	MD Gulam Kutubddin	13	49/41	Commercial	Commercial	4063	4063	15894	15894	-
6	Ashok Kumar Nagen	14	31/26	Commercial	Commercial	2500	2500	30477	30477	-
7	Pradip Kumar Lal	14	294/427	Commercial	Commercial	4842.5	4842.5	30166	30166	-
8	Musarrat Usmani	14	44/36	Commercial	Commercial	2052.75	2052.75	27664	27664	-
9	Rayharshvardhan Prasad	15	354/367	Residential	Residential	8186.68	8186.68	39077	39077	-
10	Renu Sinha	15	350/211	Commercial	Commercial	7068	7068	197516	197516	-
	Gulabchand	17	252/326/	Commercial	Commercial	1764	1764	30235	30235	-



DISCUSSION NOTE

Gaya Nagar Nigam

Letter No- 04 Dated: - 03-01-2020

To,
The A P Sanzgiri & Co.
Chartered Accountants

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

Dear Sir,

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

S. N.	Audit Observation	Management Comment
1.	Comment from Management section of Executive Summary	It is under process and management will take necessary measures to avoid their recurrence in future.
2.	A.G Compliance Report	It is under process and management will submit as soon as possible
3.	Status of Implementation of DEAS	M/s Tibrewal Chand & Co. has been appointed for double entry system and accounting entry in respect of Fixed Assets Register, Property Tax Register, Opening Balance Sheet and Annual Financial statements of ULB are under process and it will be updated as soon as possible
4.	Status of Municipal Accounts Committee	Municipal Accounts Committee has not been Constituted till date.
5.	Bank Accounts and Bank Statements	ULB is not maintaining bank reconciliation statement in respect of any scheme. Hence we are not able to provide details thereof
6.	Advance Register	ULB is not maintaining advance register properly. Hence we are not able to produce the same to you during audit.
7.	Cash Books Register	ULB is maintaining cash books register of each scheme separately and same has been provided to internal audit teams.



23/01/20
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8.	Physical Verification of Stores/ Inventory	Management will follow to conduct physical verification of stores at reasonable intervals.
9.	Procurement Register	ULB has maintained procurement register but no transactions made during the audit period
10.	Non-Maintenance of books of accounts, subsidiary registers	ULB's relevant books of accounts & subsidiary registers is under process of maintenance and it will be updated at earliest.
11.	Non-levy of taxes	We do not have any directives/guidelines/ instructions Issued by department for implementing of taxes in respect of Water tax, Fire tax, and Development charges, Garbage Clearance, Solid Waste Management and Surcharge on electricity consumption within the municipal area. There is no congregation and tourist place in gaya therefore no taxes is levied on it.
13.	Details (Break Up) of arrears relate to Property Tax, Advertisement Tax & Rental Income etc	Document related to Break Up's arrears of Property Tax, Mobile Tower Tax , Advertisement Tax & Rental Income etc will be provided in upcoming report of 2019-20
14.	Mobile tower tax	Since cases are pending in high court. Hence we are to able to provide details thereof.
15.	Closing balance of payable amount of TDS, VAT and other relevant Statute, if any.	All dues in respect of TDS, VAT etc has been paid in previous financial year and in current financial year no transactions were made and therefore no closing balance exist.
16.	No electricity bill paid from March,2018	Due to shortage of fund electricity bill has not been paid .Now it is under process and all dues will be paid at earliest
18.	Lack of internal control measures: 1. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 7 to 78 days. 2.ULB has not maintained register in respect of outstanding taxes etc 3. BRS is not prepared by ULB	1. ULB will make effort to reduce the gap noticed in collection of tax and deposit of tax around 7 to 78 days. 2. ULB will maintain register of outstanding taxes. 3. ULB will prepares BRS as soon as possible.
19.	Notice Fee	Document related to notice fee will be provided in upcoming report of 2019-20.
20.	Excess payment against bill, lack of prudence in payment against voucher, inefficiency in controls resulting loss to ULBs.	Required data has been provided to internal audit teams.
21.	Non insurance of vehicles	ULB will insurance the vehicle as soon as possible.

22.	Survey report of 20 high value properties.	Survey of 20 high value properties related report will be submitted in upcoming report of 2019-20
23.	Details of delay of deposit of EPF	ULB has not deposited amount of PF in respect of permanent employee to EPFO A/C
24.	Tax deduction	It is under process and provident fund will be deposited to the respective department as soon as possible.
25.	Non practice of stock valuation	It will follow as per rule and management will decide about reasonable period of valuation i.e. frequency of time for valuation
26.	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 prepared after implementation of double entry accounting system.
27.	Non-maintenance of fixed assets register	It will be maintained
28.	TDS return	Since no transactions were made during the audit period. Hence TDS not deducted and not filed.
29.	Outstanding Taxes	We will make our best effort to realize it by establishing camp in ward.
30.	Any payments made out of municipal fund that is not covered by budget	Payment is made in accordance with the budget provision. No such payments that is not covered by budget
31.	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.
32.	Reason of delay of deposit of EPF in respect of Contract Employee	Due non facility of E-Banking such delay has been occurred.

25/01/2020

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Gaya Nagar Nigam

Discussion note

2019-20(Qtr-2)

Letter No.

Date: 25.03.2020

To

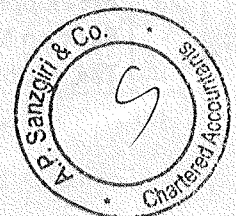
AP Sangziri & Co.

(Chartered Accountants)

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

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

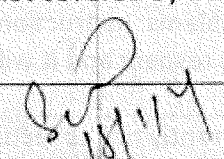
S.N	Audit observation	Management comments
1	Non-Levy of taxes in IAR I. PART-A (a)1	Some of taxes is collected by other department of GOB. like professional tax; and there are many taxes in this para are not collected by ULB due to not providing services in this respect like fire tax, water tax Otherwise discussed in meeting of board and implement as soon as possible.
2	Late deposit of property tax	Property taxes deposited late due to some problems. Instructions given to tax collector in this respect and it will be collected as per Act.
3	Notice fee Collection	Currently not collecting but it will be collected as soon as possible.
4	Not prepared Payment voucher	Due to lack of revenue staff but It will be preparing as soon as possible .
5	Non maintenance of fixed assets register	It will be maintained.
6	AG Compliance report	It is under process and will be submitted very soon.
7	Royalty not deposited	It will be deposited.
8	Labourcess not deposited& TDS late deposited.	It will be deposited on due date.
9	Directive/Circular issued during Quarter of 2019-20.	No directives issued during quarter-2 of FY 2019-20.

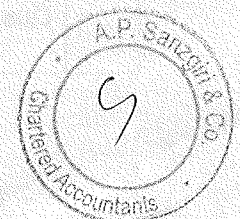


10	Preparation of complete UC details.	It is prepared with the help of IA.
11	Non practice of Stock valuation; Non-preparation of Stock Register.	It will be followed as per rule and management will decide about reasonable period of valuation i.e. frequency of time for valuation;
12	Physical verification of inventory/Stores	ULB did not follow the practice of physical verification of stock. It will be regularized .
13	Vehicles are not insured.	It is under process.
14	Non deposition of PF and ESI	it is not deposited but now it will be deposited on or before due date.
15	Bank a/c which are closed.	No any bank A/c closed yet.
16	Advances and their adjustment.	No Advances and loan given.
17	Municipal Account Committee	Under process, and matter will be put before board for constitution of "Municipal Accounts Committee".
18	<p>I) Non preparation of receipt and payment A/C trial balance, income and expenditure A/C and balance sheet (financial statement.</p> <p>II) Implementation of DEAS.</p>	<p>i) It will be prepared by agency appointed for implementation of double entry accounting system.</p> <p>ii) Accounting entry for FAR , Property Tax register , Opening B/S and Annual Financial Statement of ULB are under process and it will be updated very soon.</p>
19	Non completion of survey of trade license	It will be done very soon.
20	Non-preparation of rent collections and demand registers as per rule and detailed data related to mobile tower tax, other taxes.	It will be prepared.
21	Huge amount arrear of Advertisement tax ,Holding tax.	The collection are going on and notice has been sent to defaulters.
22	BRS Issues relating to non- production of Bank statement and Non Preparation of BRS on time .	Bank Statement will be provided on time from now. BRS will be prepared on time of all accounts.
23	Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Mobile Tower Tax and Other Tax .	Detailed records has not been maintained but now we will maintain such type of records.



24	Advertisement tax charging	It is charged by tender.
25	Non filing of TDS Return .	It will be done on or before due date now.
26	Compliances of internal audit paras.	It will be complied.
27	Non-updating of cash book and various register like Advance register, store register, issue register, bill register with payment fig., Lots of register not maintained like Register of Remittances made into bank, Statutory Deduction Register, Scheme Register etc, on regular basis.	It will be maintained.
28	i) Non utilization of grant or grant unspent. ii) Non maintenance of grant record with bifurcation like amount of salary, water management, NaliGali Solid Waste mgmt and so on.	i) Due to practical and operation issues, there are some cases of non-utilization of grant. It will be utilizing in future. ii) It will be provided.
29	Depreciation is not charged on Fixed Assets.	ULB did not follow double entry accounting system , hence depreciation is not accounted in our book.
30	Whether expenditure on construction of work was debited to WIP & verified with MB maintained.	ULB did not follow practice to debit WIP for expenditure incurred on Construction.
31	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;


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 गया नगर मिकल
 Signature of Municipal Commissioner



Gaya Nagar Nigam

Discussion note

2019-20(Qtr-3)

Letter No.

Date: 25.03.2020

To

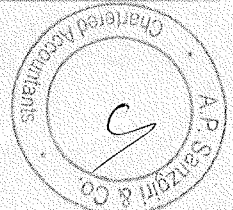
AP Sangziri & Co.

(Chartered Accountants)

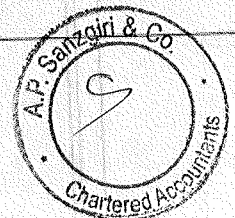
Subject: Regarding confirmation and discussion of documents not maintained and management comment in Audit report for F.Y. 2019-20 (Qtr-3)

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

S.N	Audit observation	Management comments
1	Non-Levy of taxes in IAR I. PART-A (a)1	Some of taxes is collected by other department of GOB. like professional tax; and there are many taxes in this para are not collected by ULB due to not providing services in this respect like fire tax, water tax Otherwise discussed in meeting of board and implement as soon as possible.
2	Late deposit of property tax	Property taxes deposited late due to some problems. Instructions given to tax collector in this respect and it will be collected as per Act.
3	Notice fee Collection	Currently not collecting but it will be collected as soon as possible.
4	Not prepared Payment voucher	Due to lack of revenue staff but It will be preparing as soon as possible .
5	Non maintenance of fixed assets register	It will be maintained.
6	AG Compliance report	It is under process and will be submitted very soon.
7	Royalty not deposited	It will be deposited.
8	Labourcess not deposited .	It will be deposited on due date. .
9	Directive/Circular issued during Quarter-3 of 2019-20.	All directives issued have been complied.



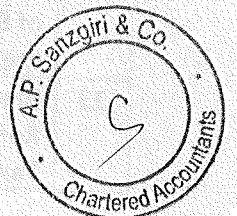
10	Preparation of complete UC details.	It is prepared with the help of IA.
11	Non practice of Stock valuation; Non-preparation of Stock Register.	It will be followed as per rule and management will decide about reasonable period of valuation i.e. frequency of time for valuation;
12	Physical verification of inventory/Stores	ULB did not follow the practice of physical verification of stock. It will be regularized .
13	Vehicles are not insured.	It is under process.
14	Non deposition of PF and ESI	it is not deposited but now it will be deposited on or before due date.
15	Bank a/c which are closed.	No any bank A/c closed yet.
16	Advances and their adjustment.	No Advances and loan given.
17	Municipal Account Committee	Under process, and matter will be put before board for constitution of "Municipal Accounts Committee".
18	<p>i) Non preparation of receipt and payment A/C trial balance, income and expenditure A/C and balance sheet (financial statement.</p> <p>ii) Implementation of DEAS.</p>	<p>i) It will be prepared by agency appointed for implementation of double entry accounting system.</p> <p>ii) Accounting entry for FAR , Property Tax register , Opening B/S and Annual Financial Statement of ULB are under process and it will be updated very soon.</p>
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23	Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Mobile Tower Tax and Other Tax .	Detailed records has not been maintained but now we will maintain such type of records.



24	Advertisement tax charging	It is charged by tender.
25	Non filing of TDS Return .	It will be done on or before due date now.
26	Compliances of internal audit paras.	It will be complied.
27	Non-updating of cash book and various register like Advance register, store register, issue register, bill register with payment fig., Lots of register not maintained like Register of Remittances made into bank, Statutory Deduction Register, Scheme Register etc, on regular basis.	It will be maintained.
28	i) Non utilization of grant or grant unspent. ii) Non maintenance of grant record with bifurcation like amount of salary, water management, NaliGali Solid Waste mgmt and so on.	i) Due to practical and operation issues, there are some cases of non-utilization of grant. It will be utilizing in future. ii) It will be provided.
29	Depreciation is not charged on Fixed Assets.	ULB did not follow double entry accounting system , hence depreciation is not accounted in our book.
30	Whether expenditure on construction of work was debited to WIP & verified with MB maintained.	ULB did not follow practice to debit WIP for expenditure incurred on Construction.
31	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;

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Signature of Municipal Commissioner



Gaya Nagar Nigam

Discussion note

2019-20(Qtr-4)

Letter No.

Date: 25.03.2020

To

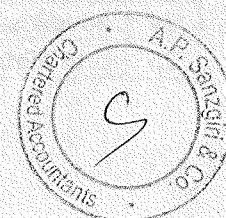
AP Sangziri & Co.

(Chartered Accountants)

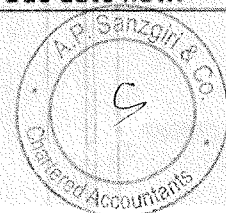
Subject: Regarding confirmation and discussion of documents not maintained and management comment in Audit report for F.Y. 2019-20 (Qtr-4)

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4	Not prepared Payment voucher	Due to lack of revenue staff but It will be preparing as soon as possible .
5	Non maintenance of fixed assets register	It will be maintained.
6	AG Compliance report	Submitted.
7	Royalty not deposited	It will be deposited.
8	Labourcess not deposited	It will be deposited on due date.
9	Directive/Circular issued during Quarter of 2019-20.	No directives issued during quarter-4 of FY 2019-20.
10	Preparation of complete UC details.	It is prepared with the help of IA.
11	Non practice of Stock valuation; Non-	

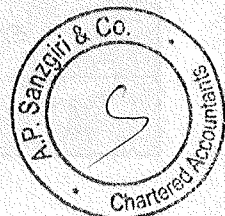


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25	Late filing of TDS Return .	It will be done on or before due date now.



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27	Non-updating of cash book and various register like Advance register, store register, issue register, bill register with payment fig., Lots of register not maintained like Register of Remittances made into bank, Statutory Deduction Register, Scheme Register etc, on regular basis.	It will be maintained.
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31	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;


 नगर आयुक्ता
 गञ्जा नगर निगम
 Signature of Municipal Commissioner



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

S.No	Head	Approval order and date	Sanctioned Amount	Expenses Incurred	Balance Amount	UC Submitted against Expenses	UC Pending Against Expenses	% of UC Submitted against expenses	% of UC Pending against expenses	Letter Number & Date of Submission of UC
1	Stand Post	64/21.08.2019	170.00	-	170.00	-	-	NIL	NIL	Unutilised Amount
2	14th finance	126/27.11.19	1,279.43	-	1,279.43	-	-	NIL	NIL	Unutilised Amount
3	5th finance	55/13.08.2019	2,530.33	-	2,530.33	-	-	NIL	NIL	Unutilised Amount
4	Ward councillor	143/16.08.19	17.94	-	17.94	-	-	NIL	NIL	Unutilised Amount
5	Contracts	148/17.12.2019	9.60	-	9.60	-	-	NIL	NIL	Unutilised Amount
6	Cleaning system	46/06.8.2019	417.69	-	417.69	-	-	NIL	NIL	Unutilised Amount
7	Vocational Item	50/09.08.2019	218.48	-	218.48	-	-	NIL	NIL	Unutilised Amount
8	5th finance	58/13.08.2019	2,463.12	-	2,463.12	-	-	NIL	NIL	Unutilised Amount
9	14th Finance	38/11.07.2019	1,279.44	-	1,279.44	-	-	NIL	NIL	Unutilised Amount

