

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

# INTERNAL Audit Report

for

F. Y. 2019-20

Group 1

NAGAR PARISHAD

SASARAM

BY

A. P. SANZGIRI & CO.

Chartered Accountants

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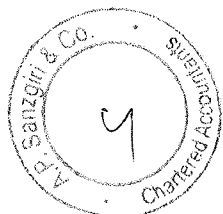
A. P. SANZGIRI & CO.

CHARTERED ACCOUNTANTS

**Document History**

**Internal Audit**

|                           |  |
|---------------------------|--|
| <b>Project Title</b>      | <b>Selection of Chartered Accountant Firms for Internal Audit of 140 ULBs of Bihar (Tender No. IA-140ULBs/2017-18/2018-19/2019-20) Group - 1 covering 19 ULBs"</b> |
| <b>Report Title</b>       | <b>Internal Audit for FY 2019-20 of Nagar Parishad Sasaram</b>   |
| <b>Reporting Entity</b>   | <b>A P SANZGIRI &amp; Co., Chartered Accountants</b>   |
| <b>Reporting for</b>      | <b>Nagar Parishad Sasaram</b>  |
| <b>Report Prepared by</b> | <b>Internal Audit Team of A P SANZGIRI &amp; Co., Chartered Accountants</b>  |
| <b>Date of Submission</b> | <b>12.04.2021</b>  |



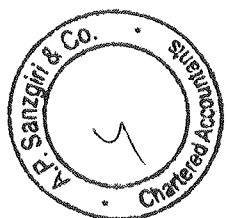
## Abbreviation and Acronyms

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



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

Date:12<sup>th</sup> April 2021

To

**The Secretary**

Urban Development & Housing Department,  
Patna-Bihar

**Sub:** Submission of Internal Audit Report of Nagar Parishad Sasaram 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: 21101134AAAAJU7985**

**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:

|   |   |  |
|---|---|--|
| <b>Name of the Municipality</b>           | - | Nagar Parishad Sasaram                                     |
| <b>Period covered under Current Audit</b> | - | 01 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020 |
| <b>Name of Mayor</b>                      | - | Mrs. Kanchan Devi Gupta                                    |
| <b>Name of Executive Officer</b>          | - | Smt. Kumari Himani   |

### 2. OBSERVATIONS AND FINDINGS:

|                   |   |
|-------------------|---|
| <b>Strengths</b>  | <ol style="list-style-type: none"><li>1. In the existing system as prevailing in the Nagar Parishad Sasaram, day to day working is in progressive manner in respect of collection of revenue and execution of the projects.</li><li>2. There is sufficient co-operation from the management during the course of our audit.</li></ol>   |
| <b>Weaknesses</b> | <ol style="list-style-type: none"><li>1. Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the corporation has not been complied.</li><li>2. There is a vast difference between estimated budget and actual.</li><li>3. Fixed assets register is not maintained by ULB</li><li>4. Compliance report of AG audit is not prepared by the ULB and also report is not provided to us for inspection. Based on which, we are unable to comment whether the recoverable amount from the personal concerned has been recovered or not.</li><li>5. In most of the cases, shops established or running under the jurisdiction of ULB are running without trade licence as per the concerned officer.</li><li>6. In some of the cases, statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.</li><li>7. Certain Statutory Registers and Books are not maintained.</li><li>8. Bank Reconciliation Statement has not been prepared.</li><li>9. <b>Non Levy of Taxes:</b><ul style="list-style-type: none"><li>• Tax on congregations.</li><li>• Tax on pilgrims and tourists.</li><li>• Tax on profession.</li><li>• Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles.</li><li>• User Charges for Solid Waste Management</li><li>• User Charges for Parking Facility</li><li>• User Charges for Garbage Clearance</li><li>• Collection of fees for sanction of building plans and issue of completion certificates,</li></ul></li></ol> |

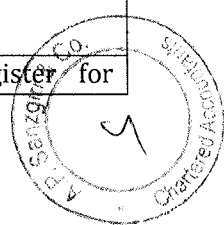
|  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,</li> </ul> <p>10. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 01 to 60 days.</p> <p>11. ULB is not prepared monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</p> <p>12. 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>13. Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.</p> <p>14. Non Compliance of Rule 130 of BMAR in some of the cases.</p> <p>15. ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.</p> |
|--|---|

**3. OPINION:**

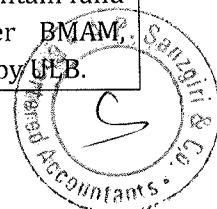
The management has to take stringent effort in forming accountability at various levels of the ULB, introducing reforms in financial management and accounting systems, development of strong internal control and organizational design of Municipalities, ensuring capacity building of the municipal personnel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

**4. AUDIT RECOMMENDATION:**

| Observed Weaknesses   | Audit Recommendations   |
|---|---|
| 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.   |
| There is a vast difference between estimated budget and actual.   | Estimation should be based on the past experience and after considering the fact that how the condition might change in future though the provision of Section 82 of the Act regarding preparation of budget need to be complied. |
| Fixed assets register is not maintained by ULB  | Fixed assets register should be maintained and updated properly with the assistance of DEAS team.   |
| Compliance report of AG audit is not prepared by the ULB and also report is not provided to us for inspection. Based on which, we are unable to comment whether the recoverable amount from the personal concerned has been recovered or not. | Compliance report should be prepared as soon as the report is received by ULB and steps to be taken for recovery of the amount for financial irregularities.  |
| In most of the cases, shops established or  | ULB should maintained proper register for   |



|  |   |
|--|---|
| running under the jurisdiction of ULB have not made payment for trade licence as per the concerned officer.  | registered shops and authorize them with Trade licence for proper collection and recovery of charges.   |
| In some of the cases, statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.  | As ULB is not proper in statutory compliances, that cause financial implication on ULB in mode of interest and penalty. So, ULB should ensure statutory compliance on time.   |
| Certain Statutory Registers and Books are not maintained.  | Statutory register and books of accounts should be maintained as per guidelines and BMAR.   |
| 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.                               |
| <p><b>Non Levy of Taxes:</b></p> <ul style="list-style-type: none"> <li>• Tax on congregations.</li> <li>• Tax on pilgrims and tourists.</li> <li>• Tax on profession.</li> <li>• Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles.</li> <li>• User Charges for provision of water-supply, drainage and sewerage</li> <li>• User Charges for Solid Waste Management</li> <li>• User Charges for Parking Facility</li> <li>• User Charges for Garbage Clearance</li> <li>• Collection of fees for sanction of building plans and issue of completion certificates,</li> <li>• Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,</li> </ul> | As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. ULB should take steps to implement required taxes to boost their revenue |
| During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 01 to 60 days.  | As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made.     |
| ULB is not prepare monthly Trial balance in BMAR Form No. 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 Chief Municipal Officer.                          |
| ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter  | Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis.   |
| Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.   | As per BMAM-ULB are required to maintain fund wise receipts & payments. As per BMAM, following funds should be maintained by ULB.   |



|  |  |
|--|--|
|  | 1. Municipal General Fund<br>2. Basic service for urban poor<br>3. Water supply & sewerage fund<br>4. Solid Waste Management Fund<br>5. Road Development & Maintenance<br>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 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. |

**5. COMMENTS FROM MANAGEMENT:**

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

**6. ACKNOWLEDGEMENT**

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

On Behalf of

**A P Sanzgiri & Co,**

**Chartered Accountants**

*Satish Gupta*

**CA Satish Gupta**

**Partner**

**FRN: 116293W**

**UDIN: 21101134AAAAJU7985**

**Membership No: 101134**

**Date: 16-09-2021**



## DETAILED AUDIT REPORT

### 1. INTRODUCTION:

| Name Of ULB            | Period-covered              |                              | Audit Team   |
|------------------------|-----------------------------|------------------------------|--|
|                        | From                        | To                           |  |
| Nagar Parishad Sasaram | 1 <sup>st</sup> April, 2019 | 31 <sup>st</sup> March, 2020 | 1. Team Leader : Satish Gupta<br>2. Name of CA : Ronak Agrwal<br>1. Name of Auditor-1: Raja Ansari |

### 2. ADMINISTRATION:

| Sl. No. | Particulars   | Details  |
|---------|---|--|
| 1       | The present body of the ULB has taken charge on                                       | June, 2017                                     |
| 2       | <b>The incumbency in the key administrative and executive positions was as under:</b> |  |
| 2.1     | <b>Name of Mayor:</b>   | Mrs. Kanchan Devi Gupta                        |
| 2.1.1   | <b>Period of Service:</b>   | <b>From:</b> June 2017<br><b>To:</b> Till date |
| 2.2     | <b>Name of Commissioner/Executive Officer:</b>  | Smt. Kumari Himani                             |
| 2.2.1   | <b>Period of Service:</b>   | <b>From:</b> Nov, 2017<br><b>To:</b> Till Date |

### 3. REVIEW OF OUTSTANDING AUDIT PARAS:

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

| S.N | Particulars of audit and date of report                   | Total no. of audit paras | Total no. of audit paras where necessary improvement/corrective measures required | Total no. of audit paras where recovery of cash is proposed | Total no. of audit paras where recovery has been made | Total amount of Recovery | Total no. of O/s para where no action has been taken | No. & date of compliance report      |
|-----|---|--------------------------|---|---|---|--------------------------|--|--------------------------------------|
| 1   | Audit report submitted by AG for the F.Y. 2012-13 & 13-14 | 10                       | 10  | -   | -   | NIL                      | 10   | Not Prepared                         |
| 2   | Internal Audit Paras FY 2017-18 & 2018-19                 |                          |   |   |   |                          |  | Not complied (Refer Discussion note) |

#### 3.2. Details of total no of audit paras:

Period of AG audit report : 2012-13 & 13-14

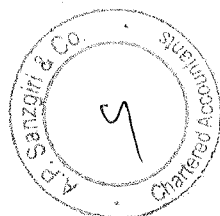
Compliance report date & Number : Refer Discussion Note



| Audit Para Number | Heading of the audit para          | Amount involved | Recovery Proposed | Recovery Completed | Action Taken or Not |
|-------------------|------------------------------------|-----------------|-------------------|--------------------|---------------------|
| 1                 | Solar Light                        | 437.92 Lakh     | 437.92 Lakh       | NIL                | NO                  |
| 2                 | Solar Light (Excess payment)       | 72.66 Lakh      | 72.66 Lakh        | NIL                | NO                  |
| 3                 | Non deduction of VAT               | 18.36 Lakh      | 18.36 Lakh        | NIL                | NO                  |
| 4                 | Non deduction performance security | 37.94 Lakh      | 37.94 Lakh        | NIL                | NO                  |

- Rest 6 para's of AG report , it was mentioned that 4.91 crore received in 13<sup>th</sup> F.C. which should be allocated as per letter no. 95/17.08.10 but same has not been complied and 51 % of total grant spent on solar light.
- Purchase of 'Piaggio Ape Three Wheeler' on which 10% has to be deducted on invoice value of Rs.26,55,000 but the same has not been deducted.

**Management Comment:** Refer Discussion Note



4. **FINANCE**

**I. BUDGETARY PROVISIONS AND EXPENDITURE FOR THE LAST THREE YEARS**

| Year                        | Year- 2017-18          | Year- 2018-19          | Year- 2019-20          |
|-----------------------------|------------------------|------------------------|------------------------|
| Final/Revised Budget Data   | 64,19,61,500.00        | 46,15,92,809.00        | 1,04,34,56,700.00      |
| Actual Expenditure Data     | 14,28,79,823.00        | 6,96,25,010            | 187,957,438.01         |
| <b>Savings(+)/Excess(-)</b> | <b>49,90,81,677.00</b> | <b>39,19,67,799.00</b> | <b>85,54,99,261.99</b> |

**Auditor's Comment:**

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

**II. VOLUME OF TRANSACTIONS**

| Period                 | Budgeted for F.Y. 2019-20 | 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        | 2,15,68,729.00            | 35,60,28,825.00             | 27,06,97,103.00             | 64,69,59,198.00             | 64,69,59,198.00                   |
| Receipts               | 1,07,73,35,700.00         | 36,05,55,383.00             | 22,82,11,545                | 347,445,185.00              | 347,445,185.00                    |
| <b>Total</b>           | <b>1,09,89,04,429.00</b>  | <b>71,65,84,208.00</b>      | <b>49,89,08,648</b>         | <b>99,44,04,383.00</b>      | <b>99,44,04,383.00</b>            |
| Net expenditure        | 1,04,34,56,700.00         | 6,96,25,010.00              | 14,28,79,823                | 187,957,438.00              | 187,957,438.00                    |
| <b>Closing balance</b> | <b>5,54,47,729.00</b>     | <b>64,69,59,198.00</b>      | <b>35,60,28,825</b>         | <b>80,64,46,945.00</b>      | <b>80,64,46,945.00</b>            |

**Auditor's Comment:**

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



III. BANK RECONCILIATION POSITION AS ON REPORTING DATE

BANK RECONCILIATION POSITION AS ON THE REPORTING DATE -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   | Punjab National Bank | 0846000105132325 | Awas Yojna              | 5,75,707.30              | Not Updated                   | Bank statement not updated.             | No                  |
| 2   | Punjab National Bank | 0846000105132316 | AmritYojna              | 19,40,785.90             | Not Updated                   | Bank statement not updated.             | No                  |
| 3   | Punjab National Bank | 0846000105103350 | Nagar Nidhi Kosh        | Not Updated              | 9,46,288.14                   | Cash book not updated                   | No                  |
| 4   | Punjab National Bank | 0846000105143686 | SahriNaliGali Yojna     | 1,31,530.00              | 1,34,056.14                   | 2526.14                                 | No                  |
| 5   | ICICI BANK           | 133501000256     | SBM                     | 55,80,884.00             | Not Updated                   | Bank statement not updated.             | No                  |
| 6   | United bank of India | 1630010030357    | NULM                    | 31,82,236.00             | Not Updated                   | Bank statement not updated.             | No                  |
| 7   | State Bank of India  | 11133930182      |                         | Not Updated              | 34,29,589                     | Cash book not updated                   | No                  |
| 8   | Canera Bank          | 23315101019538   | BRGF                    | 49,31,258.00             | Not Updated                   | Bank statement not updated.             | No                  |
| 9   | United bank of India | 1630010022136    | Kabir Antushti          | 18,63,624.00             | Not Updated                   | Bank statement not updated.             | No                  |
| 10  | Corporation Bank     | 348700101001000  | SBM                     | 3,92,750.00              | 3,70,523.45                   | 22,226.55                               | No                  |
| 11  | ICICI BANK           | 133501000237     | SBM                     | 2,75,455.00              | Not Updated                   | Bank statement not updated.             | No                  |
| 12  | State Bank of India  | 11133930965      | Pension fund            | 34,56,052.00             | Not Updated                   | Bank statement not updated.             | No                  |
| 13  | Axis Bank            | 916010012008417  | Nagar Nidhi Kosh        | Not Updated              | Not Updated                   | Cash book & Bank statement not updated. | No                  |

Note: Treasury Bank Account details are not provided by ULB

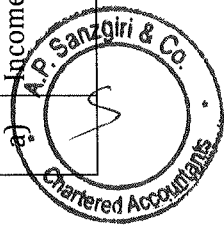
**Auditor's Comment:**

The cash book in respect of each YOJNA has not been maintained properly in accordance with general practice of accounting rules lays down in accounting standard. Some transaction of bank account like amount credited of income nature and bank charges did not entered in cash book as a results there is difference between bank-account balance and cash book balance. It was further notice that cash book has not been prepare according to accounting rules. BRS of related P.L.A Accounts has not been prepared.



IV. REVENUE & CAPITAL RECEIPTS INFORMATION:

| S.N  |   | INCOME DETAILS (Amounts In Rupees) |              |              |              |             |              |              |              |             |              |              |             |              |
|------|---|------------------------------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|-------------|--------------|--------------|-------------|--------------|
|      |   | 2017-18                            |              | 2018-19      |              | 2019-20     |              | 2017-18      |              | 2018-19     |              | 2019-20      |             |              |
|      |   | (ACTUAL)                           | (ACTUAL)     | (ACTUAL)     | (ACTUAL)     | (ACTUAL)    | (ACTUAL)     | (ACTUAL)     | (ACTUAL)     | (ACTUAL)    | (ACTUAL)     | (ACTUAL)     | (ACTUAL)    |              |
|      | <b>Total Receipts (A+B)</b>               | 22,82,11,545                       | 28,17,06,210 | 36,05,55,383 | 22,82,11,545 | 347,445,185 | 36,05,55,383 | 22,82,11,545 | 22,82,11,545 | 347,445,185 | 36,05,55,383 | 22,82,11,545 | 347,445,185 | 36,05,55,383 |
| A    | Revenue Receipts (1+2+3)                  | 8,96,01,979                        | 12,64,28,517 | 25,67,07,408 | 8,96,01,979  | 126,371,496 | 25,67,07,408 | 8,96,01,979  | 8,96,01,979  | 126,371,496 | 25,67,07,408 | 8,96,01,979  | 126,371,496 | 25,67,07,408 |
| 1    | <b>Own Revenue Receipts (a+b)</b>         | 8,64,16,787                        | 12,16,90,496 | 25,46,59,799 | 8,64,16,787  | 29,562,174  | 25,46,59,799 | 8,64,16,787  | 8,64,16,787  | 29,562,174  | 25,46,59,799 | 8,64,16,787  | 29,562,174  | 25,46,59,799 |
| a)   | Tax Revenue(Collected by ULB)             | 6,86,57,182                        | 10,85,37,256 | 24,84,25,647 | 6,86,57,182  | 12,915,497  | 24,84,25,647 | 6,86,57,182  | 6,86,57,182  | 12,915,497  | 24,84,25,647 | 6,86,57,182  | 12,915,497  | 24,84,25,647 |
| i)   | Property tax                              | 1,08,52,006                        | 1,43,59,449  | 93,08,769    | 1,08,52,006  | 93,08,769   | 93,08,769    | 1,08,52,006  | 1,08,52,006  | 11,614,333  | 93,08,769    | 1,08,52,006  | 11,614,333  | 93,08,769    |
| ii)  | Other tax ( Collected by ULB)             | 5,78,05,176                        | 9,41,77,807  | 23,91,16,878 | 5,78,05,176  | 1,301,164   | 23,91,16,878 | 5,78,05,176  | 5,78,05,176  | 1,301,164   | 23,91,16,878 | 5,78,05,176  | 1,301,164   | 23,91,16,878 |
| b)   | Non-tax revenue (Collected by ULB)        | 1,77,59,605                        | 1,31,53,240  | 62,34,152    | 1,77,59,605  | 16,646,677  | 62,34,152    | 1,77,59,605  | 1,77,59,605  | 16,646,677  | 62,34,152    | 1,77,59,605  | 16,646,677  | 62,34,152    |
| i)   | Fees & fines                              | 96,02,121                          | 1,27,69,857  | 59,07,786    | 96,02,121    | 9,197,517   | 59,07,786    | 96,02,121    | 96,02,121    | 9,197,517   | 59,07,786    | 96,02,121    | 9,197,517   | 59,07,786    |
| ii)  | User Charges                              | 7,78,194                           | 3,54,505     | 3,26,366     | 7,78,194     | 3,26,366    | 3,26,366     | 7,78,194     | 7,78,194     | 3,26,366    | 3,26,366     | 7,78,194     | 3,26,366    | 3,26,366     |
| iii) | Other non-tax revenue ( Collected by ULB) | 73,79,290                          | 28,878       | 00.00        | 73,79,290    | 00.00       | 00.00        | 73,79,290    | 73,79,290    | 7,122,794   | 00.00        | 73,79,290    | 7,122,794   | 00.00        |
| 2    | <b>Other Revenue Receipts</b>             | 31,85,192                          | 24,05,194    | 6,12,258     | 31,85,192    | 2,636,503   | 6,12,258     | 31,85,192    | 31,85,192    | 2,636,503   | 6,12,258     | 31,85,192    | 2,636,503   | 6,12,258     |
| a)   | Income from interest/investments          | 23,08,873                          | 22,32,879    | 2,46,133     | 23,08,873    | 2,104,871   | 2,46,133     | 23,08,873    | 23,08,873    | 2,104,871   | 2,46,133     | 23,08,873    | 2,104,871   | 2,46,133     |

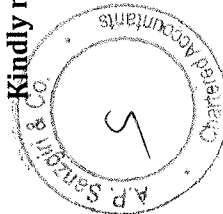


|          |   |                     |                     |                     |                     |                    |                     |
|----------|---|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|
| b)       | Other Revenue income                      | 8,76,319            | 1,72,315            | 3,66,125            | 8,76,319            | 531,632            | 3,66,125            |
| 3        | <b>Transfers/Grants/Assigned Revenues</b> | 00.00               | 23,32,827           | 14,35,351           | 00.00               | 94,172,819         | 14,35,351           |
| a)       | State Assigned Revenue                    | 00.00               | 23,32,827           | 14,35,351           | 00.00               | 94,172,819         | 14,35,351           |
| b)       | State Finance Commission Grants           | 00.00               | 00.00               | 00.00               | 00.00               | -                  | 00.00               |
| c)       | Octroi compensation                       | 00.00               | 00.00               | 00.00               | 00.00               | -                  | 00.00               |
| d)       | Other State Government Transfers          | 00.00               | 00.00               | 00.00               | 00.00               | -                  | 00.00               |
| e)       | Central Finance Commission Grant          | 00.00               | 00.00               | 00.00               | 00.00               | -                  | 00.00               |
| f)       | Other Central Government Transfers        | 00.00               | 00.00               | 00.00               | 00.00               | -                  | 00.00               |
| g)       | Others                                    | 00.00               | 00.00               | 00.00               | 00.00               | -                  | 00.00               |
| <b>B</b> | <b>Capital Receipts</b>                   | <b>1,38,609,566</b> | <b>15,52,77,693</b> | <b>10,38,47,975</b> | <b>1,38,609,566</b> | <b>221,073,689</b> | <b>10,38,47,975</b> |
| 1        | Sale of Municipal Land                    | 00.00               | 00.00               | 00.00               | 00.00               | -                  | 00.00               |
| 2        | Loans (from State Govt. Or Banks etc)     | 00.00               | 00.00               | 00.00               | 00.00               | -                  | 00.00               |
| 3        | State Capital Account Grant               | 13,10,54,730        | 12,24,19,021        | 10,38,47,975        | 13,10,54,730        | 181,744,723        | 10,38,47,975        |
| 4        | Central Capital Account Grant             | 75,54,836           | 3,28,58,672         | 00.00               | 75,54,836           | 39,328,966         | 00.00               |
| 5        | Other Capital Receipts                    | 0                   | 0                   | 0                   | 0                   | -                  | 0                   |

**Auditor's Comment:**

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

**Kindly refer discussion note**



V. REVENUE AND CAPITAL EXPENDITURE INFORMATION.

| S. N | Details   | EXPENDITURE DETAILS (Amounts In Rupees ) |              |             |              |             |             |          |          |
|------|---|--|--------------|-------------|--------------|-------------|-------------|----------|----------|
|      |   | 2017-18                                  |              | 2017-18     |              | 2018-19     |             | 2019-20  |          |
|      |   | (ACTUAL)                                 | (ACTUAL)     | (ACTUAL)    | (ACTUAL)     | (ACTUAL)    | (ACTUAL)    | (ACTUAL) | (ACTUAL) |
|      | Total Expenditure (1+2)   | 14,28,79,823                             | 25,35,84,859 | 6,96,25,010 | 14,28,79,823 | 187,957,438 | 6,96,25,010 |          |          |
| 1    | Revenue Expenditure   | 9,41,85,849                              | 13,54,45,005 | 4,54,79,659 | 9,41,85,849  | 102,625,766 | 4,54,79,659 |          |          |
| 1.1  | Administrative Expenses, Establishment and Salaries (All Departments-Regular and Cont.) | 5,55,99,385                              | 7,02,63,053  | 3,93,68,134 | 5,55,99,385  | 55,553,562  | 3,93,68,134 |          |          |
| 1.2  | Operation and Maintenance   | 1,56,08,433                              | 3,32,43,021  | 00.00       | 1,56,08,433  | 12,017,093  | 00.00       |          |          |
| 1.3  | Loan repayment (Interest payments)  | 38,518                                   | 34           | 00.00       | 38,518       | -           | 00.00       |          |          |
| 1.4  | Others(any other revenue expenditure)   | 2,29,39,513                              | 3,19,38,897  | 61,11,525   | 2,29,39,513  | 35,055,111  | 61,11,525   |          |          |
| 2    | Capital Expenditure   | 4,86,93,974                              | 11,81,39,854 | 2,41,45,351 | 4,86,93,974  | 85,331,672  | 2,41,45,351 |          |          |
| 2.1  | All developmental works under Central/State   | 4,86,93,974                              | 11,81,39,854 | 2,41,45,351 | 4,86,93,974  | 78,437,394  | 2,41,45,351 |          |          |
| 2.2  | Loan Repayments(Principal Amount)   | 00.00                                    | 00.00        | 00.00       | 00.00        | -           | 00.00       |          |          |
| 2.3  | Other Capital expenditure   | 00.00                                    | 00.00        | 00.00       | 00.00        | 6,894,278   | 00.00       |          |          |

**Auditor's Comment:**

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

VI. STATUS OF IMPLEMENTATION OF DOUBLE ENTRY ACCOUNTING SYSTEM

Name of Agency: Tibrewalchand & co.



Period : 2012 to 2020

Email ID : nagarparishadsasaram@gmail.com

Tally S.ID :756803583

Status

| Particular of work         | 2012-13    | 2018-19          | 2019-20        |
|----------------------------|------------|------------------|----------------|
| Payment entry (Cashier CB) | Completed  | Completed        | Up to 30.11.19 |
| Receipt entry(Cashier CB)  | Completed  | Completed        | Up to 30.09.19 |
| Journal Voucher            | In process | Almost completed | Up to 31.08.19 |
| Grant Adjustment           | In process | In process       | In process     |
| PTR                        | In process | In process       | In process     |
| FAR                        | In process | In process       | In process     |

#### VII.STATUS OF MEETING OF MUNICIPAL ACCOUNTS COMMITTEE

As reply given by concerned person no Accounts Committee has been formed.

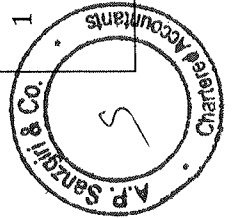
#### 5. AUDIT OBSERVATION:

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

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

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

| SN | Head      | Comments  |
|----|-----------|---|
| 1  | 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. |

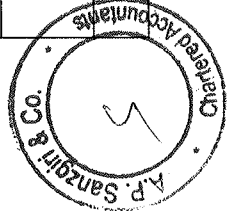


| 2   | <b>Criteria</b>   | We have checked list of all the taxes which to be levied and collected by the ULB as per Act. Further we have checked Syah Register, Receipt book, cashier cash book and accountant cash book etc.  |     |             |                           |   |                                      |     |   |  |     |   |           |    |   |  |     |   |  |     |   |                       |    |   |                               |    |   |                    |    |   |   |    |    |   |     |    |   |    |    |                                   |    |    |                                    |    |
|-----|---|---|-----|-------------|---------------------------|---|--------------------------------------|-----|---|--|-----|---|-----------|----|---|--|-----|---|--|-----|---|-----------------------|----|---|-------------------------------|----|---|--------------------|----|---|---|----|----|---|-----|----|---|----|----|-----------------------------------|----|----|------------------------------------|----|
| 3   | <b>Condition</b>  | As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. <b>In case of Nagar Parishad Sasaram</b> , The following mentioned tax/charges are not implemented that leads to loss of revenue to corporation:   |     |             |                           |   |                                      |     |   |  |     |   |           |    |   |  |     |   |  |     |   |                       |    |   |                               |    |   |                    |    |   |   |    |    |   |     |    |   |    |    |                                   |    |    |                                    |    |
|     |   | <table border="1"> <thead> <tr> <th data-bbox="383 672 494 784">S.N</th> <th data-bbox="383 784 1372 1478">Particulars</th> <th data-bbox="383 1478 494 2042">Implemented by ULB or Not</th> </tr> </thead> <tbody> <tr> <td data-bbox="494 672 558 784">1</td> <td data-bbox="494 784 558 1478">Property tax on lands and buildings.</td> <td data-bbox="494 1478 558 2042">YES</td> </tr> <tr> <td data-bbox="558 672 622 784">2</td> <td data-bbox="558 784 622 1478">Surcharge on transfer of lands and buildings</td> <td data-bbox="558 1478 622 2042">YES</td> </tr> <tr> <td data-bbox="622 672 686 784">3</td> <td data-bbox="622 784 686 1478">Fire tax.</td> <td data-bbox="622 1478 686 2042">NO</td> </tr> <tr> <td data-bbox="686 672 750 784">4</td> <td data-bbox="686 784 750 1478">Tax on advertisements, other than advertisements published in newspapers</td> <td data-bbox="686 1478 750 2042">YES</td> </tr> <tr> <td data-bbox="750 672 813 784">5</td> <td data-bbox="750 784 813 1478">Surcharge on electricity consumption within the municipal area</td> <td data-bbox="750 1478 813 2042">YES</td> </tr> <tr> <td data-bbox="813 672 877 784">6</td> <td data-bbox="813 784 877 1478">Tax on congregations.</td> <td data-bbox="813 1478 877 2042">NO</td> </tr> <tr> <td data-bbox="877 672 941 784">7</td> <td data-bbox="877 784 941 1478">Tax on pilgrims and tourists.</td> <td data-bbox="877 1478 941 2042">NO</td> </tr> <tr> <td data-bbox="941 672 1005 784">8</td> <td data-bbox="941 784 1005 1478">Tax on profession.</td> <td data-bbox="941 1478 1005 2042">NO</td> </tr> <tr> <td data-bbox="1005 672 1165 784">9</td> <td data-bbox="1005 784 1165 1478">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 data-bbox="1005 1478 1165 2042">NO</td> </tr> <tr> <td data-bbox="1165 672 1228 784">10</td> <td data-bbox="1165 784 1228 1478">User Charges for provision of water-supply, drainage and sewerage</td> <td data-bbox="1165 1478 1228 2042">YES</td> </tr> <tr> <td data-bbox="1228 672 1292 784">11</td> <td data-bbox="1228 784 1292 1478">User Charges for Solid Waste Management</td> <td data-bbox="1228 1478 1292 2042">NO</td> </tr> <tr> <td data-bbox="1292 672 1356 784">12</td> <td data-bbox="1292 784 1356 1478">User Charges for Parking Facility</td> <td data-bbox="1292 1478 1356 2042">NO</td> </tr> <tr> <td data-bbox="1356 672 1420 784">13</td> <td data-bbox="1356 784 1420 1478">User Charges for Garbage Clearance</td> <td data-bbox="1356 1478 1420 2042">NO</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 | YES | 6 | Tax on congregations. | NO | 7 | Tax on pilgrims and tourists. | NO | 8 | Tax on profession. | NO | 9 | Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles. | NO | 10 | User Charges for provision of water-supply, drainage and sewerage | YES | 11 | User Charges for Solid Waste Management | NO | 12 | User Charges for Parking Facility | NO | 13 | User Charges for Garbage Clearance | NO |
| 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  | YES   |     |             |                           |   |                                      |     |   |  |     |   |           |    |   |  |     |   |  |     |   |                       |    |   |                               |    |   |                    |    |   |   |    |    |   |     |    |   |    |    |                                   |    |    |                                    |    |
| 6   | Tax on congregations.   | NO  |     |             |                           |   |                                      |     |   |  |     |   |           |    |   |  |     |   |  |     |   |                       |    |   |                               |    |   |                    |    |   |   |    |    |   |     |    |   |    |    |                                   |    |    |                                    |    |
| 7   | Tax on pilgrims and tourists.   | NO  |     |             |                           |   |                                      |     |   |  |     |   |           |    |   |  |     |   |  |     |   |                       |    |   |                               |    |   |                    |    |   |   |    |    |   |     |    |   |    |    |                                   |    |    |                                    |    |
| 8   | Tax on profession.  | NO  |     |             |                           |   |                                      |     |   |  |     |   |           |    |   |  |     |   |  |     |   |                       |    |   |                               |    |   |                    |    |   |   |    |    |   |     |    |   |    |    |                                   |    |    |                                    |    |
| 9   | Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles. | NO  |     |             |                           |   |                                      |     |   |  |     |   |           |    |   |  |     |   |  |     |   |                       |    |   |                               |    |   |                    |    |   |   |    |    |   |     |    |   |    |    |                                   |    |    |                                    |    |
| 10  | User Charges for provision of water-supply, drainage and sewerage   | YES   |     |             |                           |   |                                      |     |   |  |     |   |           |    |   |  |     |   |  |     |   |                       |    |   |                               |    |   |                    |    |   |   |    |    |   |     |    |   |    |    |                                   |    |    |                                    |    |
| 11  | User Charges for Solid Waste Management   | NO  |     |             |                           |   |                                      |     |   |  |     |   |           |    |   |  |     |   |  |     |   |                       |    |   |                               |    |   |                    |    |   |   |    |    |   |     |    |   |    |    |                                   |    |    |                                    |    |
| 12  | User Charges for Parking Facility   | NO  |     |             |                           |   |                                      |     |   |  |     |   |           |    |   |  |     |   |  |     |   |                       |    |   |                               |    |   |                    |    |   |   |    |    |   |     |    |   |    |    |                                   |    |    |                                    |    |
| 13  | User Charges for Garbage Clearance  | NO  |     |             |                           |   |                                      |     |   |  |     |   |           |    |   |  |     |   |  |     |   |                       |    |   |                               |    |   |                    |    |   |   |    |    |   |     |    |   |    |    |                                   |    |    |                                    |    |

|   |  |   |   |     |
|---|--|---|---|-----|
|   |  | 14  | Collection of fees for sanction of building plans and issue of completion certificates,                     | NO  |
|   |  | 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 | <b>Consequences/Effect</b>               | No levy of taxes will be resulted in to revenue loss to ULB.  |   |     |
| 5 | <b>Cause</b>                             | There is lack of standard policies and instructions from department. In some cases policies are prepared by it is not followed by the ULBs.   |   |     |
| 6 | <b>Corrective Action/ Recommendation</b> | It is recommended that department should prepare uniform policies for levy and collection of taxes in proper manner and on due time. Further capacity building programmes should be held for ULBs staff and awareness about these taxes should be done. |   |     |
| 7 | <b>Management Comments</b>               | <b>Kindly refer discussion note attached with the report.</b>   |   |     |

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

| SN | Head                       | Comments  |
|----|----------------------------|---|
| 1  | <b>Objective</b>           | As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 the amount of tax collected by the Tax collector is required to be handed over to cashier and deposited into bank on the same day on which collection is made. To check compliance of these provisions, we have carried audit of such type of cases. |
| 2  | <b>Criteria</b>            | We have checked respective books in order to carry the audit and some cases were checked on random basis.   |
| 3  | <b>Condition</b>           | During verification of receipts book and deposit slips, we have noticed that there is gap period in collection of tax and deposit of tax around 01 to 24 days. Details of such cases are given in <b>Annexure-1</b> .   |
| 4  | <b>Consequences/Effect</b> | In respect of above in most of the cases property tax has not been deposited on same day of collection which resulted   |



|   |                                   |  |
|---|-----------------------------------|--|
|   |                                   | in interest loss to ULB.   |
| 5 | 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               | <b>Kindly refer discussion note attached with the report.</b>  |

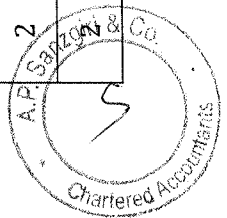
**OBSERVATION-3: NON COLLECTION OF NOTICE FEE**

| SN | Head                              | Comments  |
|----|-----------------------------------|---|
| 1  | Objective                         | As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007, Municipality can issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore. |
| 2  | Condition                         | 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               | <b>Kindly refer discussion note attached with the report.</b>   |

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

**1. RECOVERY OF OUTSTANDING PROPERTY TAX**

| SN | Head      | Comments   |
|----|-----------|--|
| 1  | Objective | ULB is authorized to collect holding tax from households situated in the municipal area and Property tax have major role in the internal revenue of ULB. |
| 2  | Criteria  | It is checked from progress report prepared by ULB   |
|    | Condition | No information and related data has been provided from where we can find out Closing Balance as on 31.03.2020.   |



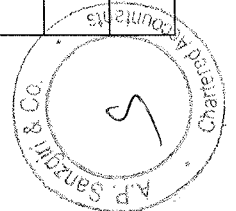
|   |  |   |
|---|--|---|
| 3 | <b>Consequences/Effect</b>               | It leads in shortage of fund for ULB and loss of revenue.                                       |
| 5 | <b>Cause</b>                             | No proper explanation in this regard given by ULB.  |
| 6 | <b>Corrective Action/ Recommendation</b> | Notice should be issued to the assessee's on regular interval for recovery of outstanding dues. |
| 7 | <b>Management Comments</b>               | <b>Kindly refer discussion note attached with the report.</b>                                   |

**2. RECOVERY OF LICENCE FEE**

| SN | Head                       | Comments   |
|----|----------------------------|--|
| 1  | <b>Objective</b>           | ULB authorized to charge Licence fee in municipal are as per act/rule.   |
| 2  | <b>Criteria</b>            | It is checked from progress report prepared by ULB   |
| 2  | <b>Condition</b>           | No information and related data has been provided from where we can find out Closing Balance as on 31.03.2020. |
| 3  | <b>Consequences/Effect</b> | Delay in collection or outstanding dues results in revenue loss to ULB.  |
| 5  | <b>Cause</b>               | No proper explanation in this regard given by ULB.   |
| 6  | <b>Corrective Action</b>   | Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.                |
| 7  | <b>Management Comments</b> | <b>Kindly refer discussion note attached with the report.</b>  |

**3. RENT INCOME**

| SN | Head             | Comments   |
|----|------------------|--|
| 1  | <b>Objective</b> | ULB authorized to charge rent from municipal properties.   |
| 2  | <b>Criteria</b>  | It is checked from progress report prepared by ULB   |
| 2  | <b>Condition</b> | No information and related data has been provided from where we can find out Closing Balance as on 31.03.2020. |



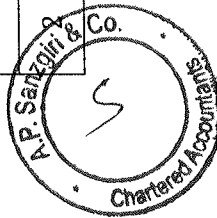
|   |  |   |
|---|--|---|
| 3 | <b>Consequences/Effect</b>               | It leads in shortage of fund for ULB and loss of revenue.                                       |
| 5 | <b>Cause</b>                             | No proper explanation in this regard given by ULB.  |
| 6 | <b>Corrective Action/ Recommendation</b> | Notice should be issued to the assessee's on regular interval for recovery of outstanding dues. |
| 7 | <b>Management Comments</b>               | <b>Kindly refer discussion note attached with the report.</b>                                   |

#### 4. MOBILE TOWER TAX

| SN | Head                                     | Comments   |
|----|--|--|
| 1  | <b>Objective</b>                         | ULB is authorized to collect tax from telecom companies for mobile towers installed in the municipal area.     |
| 2  | <b>Criteria</b>                          | It is checked from progress report prepared by ULB   |
| 2  | <b>Condition</b>                         | No information and related data has been provided from where we can find out Closing Balance as on 31.03.2020. |
| 3  | <b>Consequences/Effect</b>               | Delay in collection of revenue leads in loss to ULB.   |
| 5  | <b>Cause</b>                             | No proper explanation in this regard given by ULB.   |
| 6  | <b>Corrective Action/ Recommendation</b> | Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.                |
| 7  | <b>Management Comments</b>               | Kindly refer discussion note attached with the report.   |

#### 5. ADVERTISEMENT TAXES

| SN | Head             | Comments   |
|----|------------------|--|
| 1  | <b>Objective</b> | ULB is authorized to collect other various types of taxes/fee. |
|    | <b>Criteria</b>  | It is checked from progress report prepared by ULB             |

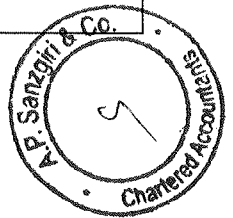


|   |  |  |
|---|--|--|
| 2 | <b>Condition</b>                         | No information and related data has been provided from where we can find out Closing Balance as on 31.03.2020. |
| 3 | <b>Consequences/Effect</b>               | Delay in collection of revenue leads in loss to ULB.   |
| 5 | <b>Cause</b>                             | No proper explanation in this regard given by ULB.   |
| 6 | <b>Corrective Action/ Recommendation</b> | Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.                |
| 7 | <b>Management Comments</b>               | <b>Kindly refer discussion note attached with the report.</b>  |

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

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

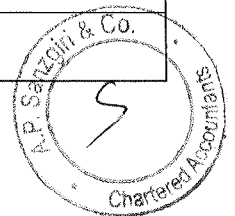
| SN              | Head             | Comments  |                         |                      |                      |                         |                      |      |       |             |            |          |             |  |
|-----------------|------------------|---|-------------------------|----------------------|----------------------|-------------------------|----------------------|------|-------|-------------|------------|----------|-------------|--|
| 1               | <b>Objective</b> | Checking of payment made by ULBs to find out irregularities made during payment   |                         |                      |                      |                         |                      |      |       |             |            |          |             |  |
| 2               | <b>Criteria</b>  | Payment were checked on random basis  |                         |                      |                      |                         |                      |      |       |             |            |          |             |  |
| 3               | <b>Condition</b> | <p><b>1. DETAILS OF PENALTY LEVIED BY ELECTRICITY DEPARTMENT:</b> Following are the Penalty levied by electricity department on Sasaram Nagar Parishad in the February'2020 bill raised:</p> <table border="1"> <thead> <tr> <th>Name of Utility</th> <th>Bill Amount</th> <th>Due date for Payment</th> <th>Actual date for payment</th> <th>Penalty/Late Charged</th> <th>Fees</th> </tr> </thead> <tbody> <tr> <td>SBPDC</td> <td>3,27,66,860</td> <td>23.02.2020</td> <td>Not Paid</td> <td>27,64,960/-</td> <td></td> </tr> </tbody> </table> <p>Nagar Parishad Sasaram suffer Penalty Rs. 27,64,960/- due to non deposit of electricity bill on time.</p> | Name of Utility         | Bill Amount          | Due date for Payment | Actual date for payment | Penalty/Late Charged | Fees | SBPDC | 3,27,66,860 | 23.02.2020 | Not Paid | 27,64,960/- |  |
| Name of Utility | Bill Amount      | Due date for Payment  | Actual date for payment | Penalty/Late Charged | Fees                 |                         |                      |      |       |             |            |          |             |  |
| SBPDC           | 3,27,66,860      | 23.02.2020  | Not Paid                | 27,64,960/-          |                      |                         |                      |      |       |             |            |          |             |  |



2. 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   | Mahavir Singh         | Contractor   | 898900         | 898900          |                         |
| 2   | Bhola Prasad          | Contractor   | 898700         | 898700          |                         |
| 3   | Gita Devi             | Contractor   | 898700         | 898700          |                         |
| 4   | Adhirajo Devi         | Contractor   | 898400         | 898400          |                         |
| 5   | Rajnish Kr. Singh     | Contractor   | 630000         | 630000          |                         |
| 6   | Ravi shankar Kr.      | Contractor   | 637000         | 637000          |                         |
| 7   | Priyanika Devi        | Contractor   | 889700         | 889700          |                         |
| 8   | Brijnandan Kr.        | Contractor   | 376500         | 376500          |                         |
| 9   | Chhotelal Singh       | Contractor   | 1014300        | 1014300         |                         |
| 10  | Jagdanand Singh       | Contractor   | 6,13,017       | 6,13,017        |                         |
| 11  | Manorma Devi          | Contractor   | 7,31,956       | 7,31,956        |                         |
| 12  | JitendraPrashad Singh | Contractor   | 6,73,200       | 6,73,200        |                         |
| 13  | Vir Vijay Singh       | Contractor   | 6,14,850       | 6,14,850        |                         |
| 14  | Dinesh Kumar Singh    | Contractor   | 6,36,100       | 6,36,100        |                         |
| 15  | Sunil Kumar           | Contractor   | 2,49,500       | 2,49,500        |                         |
| 16  | S.L.Computer          | Contractor   | 17,796         | 17,796          |                         |
| 17  | Punam Devi            | Contractor   | 7,75,150       | 7,75,150        |                         |
| 18  | RajaniKantsinha       | Contractor   | 1,98,250       | 1,98,250        |                         |
| 19  | Vinod Kumar Ray       | Contractor   | 6,33,510       | 6,33,510        |                         |
| 20  | SanjuktaKumari        | Contractor   | 3,17,272       | 3,17,272        |                         |
| 21  | Jagdanand Singh       | Contractor   | 6,08,072       | 6,08,072        |                         |
| 22  | Sona Traders          | Supplier     | 6100000.00     | 5664286         | File not made available |

No such Observation found



|   |   |  |                    |            |            |            |                         |
|---|---|--|--------------------|------------|------------|------------|-------------------------|
|   |   | 23   | Sona Traders       | Supplier   | 6567000.00 | 5664286    | File not made available |
|   |   | 24   | Aditya Traders     | Supplier   | 2888000.00 | 2681715    | File not made available |
|   |   | 25   | Aditya Traders     | Supplier   | 3405000.00 | 3174152    | File not made available |
|   |   | 26   | Jai Prakash Swarup | Contractor | 780030.00  | 6942226.00 | No observation found    |
|   |   | 27   | VidyapatiSingha    | Contractor | 881550.00  | 784578.00  | No observation found    |
|   |   | 28   | Jagdanand Singh    | Contractor | 720917.00  | 641615.00  | No observation found    |
|   |   | 29   | Raushan Singh      | Contractor | 206023.00  | 183362     | No observation found    |
|   |   | 30   | Manish Kumar       | Contractor | 24000.00   | 23520.00   | No observation found    |
| 4 | <b>Consequences/Effect</b>              | Irregularities in payment lead to excess payment, wrong deductions, non-compliance with agreement and statutory compliances.   |                    |            |            |            |                         |
| 5 | <b>Cause</b>                            | In respect of Penalty levied by SBPDCL, electricity Dues not paid due to non availability of fund, hence same issues arise. Files will be made available, currently concern person is absent in whose custody file have. |                    |            |            |            |                         |
| 6 | <b>Corrective Action/Recommendation</b> | Management can implement standard checklist for each payment so that irregularities in payments can be avoided.  |                    |            |            |            |                         |
| 7 | <b>Management Comments</b>              | <b>Kindly Refer Discussion Note for above mentioned observation..</b>  |                    |            |            |            |                         |

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

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

| SN | Head             | Comments  |
|----|------------------|---|
| 1  | <b>Objective</b> | Field survey and report of 20 high value properties of ULB and report on the basis of area of building, rate of property tax etc of the same. Comparison with the data of same property provided by the ULB and report on variance between them if available. |
| 2  | <b>Criteria</b>  | Survey Relating to 20 High value properties.  |

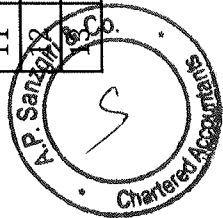
|   |                                  |  |
|---|----------------------------------|--|
| 3 | Condition                        | (Refer Discussion Note)                                |
| 4 | Consequences/Effect              | Not Applicable   |
| 5 | Cause                            | Not Applicable   |
| 6 | Corrective Action/Recommendation | Not Applicable   |
| 7 | Management Comments              | Kindly refer discussion note attached with the report. |

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

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

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

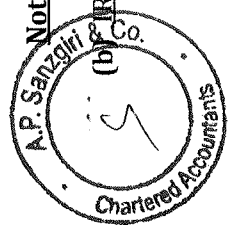
| S.N | Name of Register   | Maintained/ Not Maintained | Last date of Update |
|-----|--|----------------------------|---------------------|
| 1   | Cash Book-Cashier  | Maintained                 | 31.03.2020          |
| 2   | Cash Book-Accountant                                       | Maintained                 | 31.03.2020          |
| 3   | Collection Register  | Maintained                 | 31.03.2020          |
| 4   | Cheque issue Register                                      | Maintained                 | 31.03.2020          |
| 5   | Register of Advance  | Maintained                 | 31.03.2020          |
| 6   | Register of Permanent Advance                              | Not Maintained             |                     |
| 7   | Deposit received register                                  | Not Maintained             |                     |
| 8   | Summary statement of deposit adjusted                      | Not Maintained             |                     |
| 9   | Demand Register  | Not maintained             |                     |
| 10  | Summary Statement of Bills Raised                          | Not maintained             |                     |
| 11  | Register of Notice Fees, Warrant Fees, Other Fees          | Not maintained             |                     |
|     | Summary Statement of Notice Fees, Warrant Fees, Other Fees | Not maintained             |                     |
|     | Register of Refunds, Remissions and Write off              | Not maintained             |                     |



|    |  |                              |            |
|----|--|------------------------------|------------|
| 14 | Summary statement of Refunds and Remissions                  | Not maintained               |            |
| 15 | Summary Statement of Write-offs                              | Not maintained               |            |
| 16 | Statement of outstanding Liability for Expenses              | Not maintained               |            |
| 17 | Document Control Register/Stock Account Receipts/Cheque Book | Not maintained               |            |
| 18 | Fixed Assets Register  | Not Maintained               |            |
| 19 | Summary Statement of Demand Raised on assessment             | Not Maintained               |            |
| 20 | Summary Statement of Head wise Collection of Other Income    | Maintained in DCR            | 31.03.2020 |
| 21 | Summary Statement of Refunds                                 | YES maintained in YojnaPanji | 31.03.2020 |
| 22 | Summary Statement of Write off                               | Not Maintained               |            |
| 19 | Summary Statement of Demand Raised on assessment             | Not Maintained               |            |
| 20 | Summary Statement of Head wise Collection of Other Income    | Maintained in DCR            | 31.03.2020 |
| 21 | Summary Statement of Refunds                                 | Not maintained               |            |
| 22 | Summary Statement of Write off                               | Not maintained               |            |
| 23 | Grant Register   | 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  | Not Maintained               |            |
| 28 | Store Ledger   | Maintained                   | 31.03.2020 |
| 29 | Statement of Closing Stock                                   | Not Maintained               |            |
| 30 | Statement of Material Issued                                 | Not Maintained               |            |
| 31 | BRS of all bank accounts (including dormant accounts)        | Not Maintained               |            |
| 32 | Final Accounts for the F.Y. 2012-13 to 2017-18               | <b>See note below</b>        |            |
| 33 | Audited Balance Sheet  | <b>See note below</b>        |            |
| 34 | Audited Income & Expenditure Account                         | <b>See note below</b>        |            |
| 35 | Audited Receipts & Payment Account                           | <b>See note below</b>        |            |

**Note:** ULB not in practice to prepared financial statement however , AMK & Co. A CA firm, prepared financial statement for F.Y. 2015 -16, 16-17 and 17-18.

**IRREGULARITY IN PROCUREMENT PROCESS:**



**1. COMPLIANCE REGARDING TENDER ISSUED BY THE ULBS: No Tender has been issued during of 2019-20.**

**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   | Jcb                | Yes   | Yes   | No                                | No   |
| 2   | New Zetar          | Yes   | No  | No                                | No   |
| 3   | Hydraulic Tractor  | Yes, But Not Properly                         | No  | No                                | No   |
| 4   | Tipper             | Yes   | Yes   | No                                | No   |
| 5   | Gazez Loader       | Yes   | No  | No                                | No   |
| 6   | Hydrolic Tractor-2 | Yes   | No  | No                                | No   |
| 7   | Tempo-2            | Yes   | No  | No                                | No   |
| 8   | Tempo-3            | Yes   | No  | No                                | No   |
| 9   | Tempo-8            | Yes   | No  | No                                | No   |
| 10  | Tempo-10           | Yes   | No  | No                                | No   |
| 11  | Tempo-09           | Yes   | No  | No                                | No   |

**Note:** Following points observe while carrying out audit of log book of vehicle

1. Meter reading, except for JCB and Tipper, has not been mention in vehicle log book. However in some cases meter reading mentioned but not regularly.
2. Further chief municipal officer or city manager did not authorised the log book mentioned above.

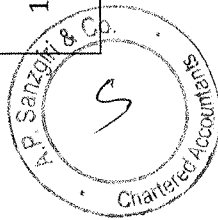
**Management Comment – Refer Discussion Note**

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

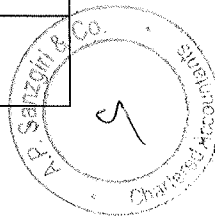
No directives issued during the period of FY 2019-20.

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

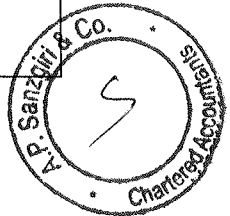
| S.N | Requirement   | Criteria         | Auditors Comment  | Management Comments             |
|-----|---|------------------|---|---------------------------------|
| 1   | The amount of tax collected by the Tax collector is required to be handed over to the cashier and | BMAR Rule No.-22 | <b>Refer point: Part-A (a) (2)</b><br>As per verification of receipt book it is | <b>( Refer Discussion Note)</b> |



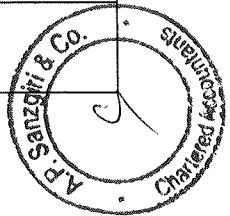
|   |  |                   |   |   |
|---|--|-------------------|---|---|
|   | deposited into bank on the same day on which collection is made  |                   | noted that there was average delay of 01 to 24 days in collection and deposit of tax into bank.   |   |
| 2 | Whether every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.             | BMAR Rule No.- 27 | Yes, Every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.         |   |
| 3 | Whether the collection register was in the personal custody of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection. | BMAR Rule No.- 27 | Yes, Collection register was in the personal custody of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection. |   |
| 4 | Whether bill collector get its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated staff of the Municipality  | BMAR Rule No.- 27 | The ULB has maintained properly collection register as well as the receipt books in respect of issue & deposit.   |   |
| 5 | Whether every bill collector invariably remit his collections (in cash and/or cheques) to Cashier dally before 4.30 PM and take the cashier's acknowledgment in the collection register.     | BMAR Rule No.- 27 | As per verification of receipt book it is noted that there was average delay of 01 to 24 days in collection and deposit of tax into bank.   | <p><b>( Refer Discussion Note)</b></p> <p>There is only one computer operator against all tax collector, we are unable to deposit on time, this is main cause of it. Further we recommend to appoint one more operator.</p> |



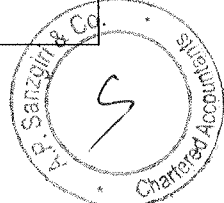
|    |  |                   |   |                               |
|----|--|-------------------|---|-------------------------------|
| 6  | Whether Grant Register as prescribed in BMAR Form 28 was maintained by the Municipality to record receipts and utilization of grants sanctioned by the Government.   | BMAR Rule No.- 69 | Grant register not updated on time.<br>Grant register should be maintained on time.   |                               |
| 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 | <b>Refer point: Part-B (9)</b><br>UC Details are prepared with the help of IA.  | <b>Refer discussion note.</b> |
| 8  | Whether The grant received for a specific purpose was diverted for any other purpose.  | BMAR Rule No.- 69 | No irregularities in this regard was observed.  |                               |
| 9  | Whether the Utilization Certificate was signed by Chief Municipal Officer for verification of the financial outlays and physical progress reported on BMAR Form No 29.   | BMAR Rule No.- 69 | <b>Refer PART-B (9)</b><br>Yes it is signed by concern officer.   |                               |
| 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 | Yes, Municipality has returned unutilized grant for more than three years from date of receipt to the source from where such grant was received |                               |



|    |   |                    |   |  |
|----|---|--------------------|---|--|
| 11 | Whether The Chief Municipal Officer prepare a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.   | BMAR Rule No.- 120 | No, ULB was not preparing a fund wise statement of receipts and payments in MAR Form No. 71 not later than 20th of the subsequent month.  | <i>( Refer Discussion Note)</i>  |
| 12 | Whether ULB prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.  | BMAR Rule No.- 121 | No, ULB was not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.                                    | <i>( Refer Discussion Note)</i><br>No such practices follow in ulb hence we are unable to comment on it. |
| 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. | <i>( Refer Discussion Note)</i>  |
| 14 | The Chief Municipal Officer shall, Within three months after the end of each financial year be prepared financial statements for the preceding year in respect of the accounts of the Municipality. <b>The Financial Statements shall comprise of</b><br>a. Receipts and Payments Account for the year (BMAR Form No.71)<br>b. Income & Expenditure Statement for the year (BMAR Form No.73)<br>c. Balance Sheet as on 31st March of the year | BMAR Rule No.- 122 | ULB not in practice to prepared financial statement.  |  |

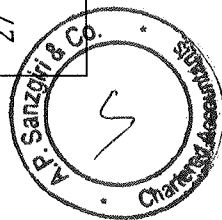


|    |  |                          |   |  |
|----|--|--------------------------|---|--|
|    | <p>(BMAR Form No.74)</p> <p>d. Significant accounting policies adopted by the Municipality in presentation of the financial statements.</p> <p>e. Notes to Accounts, which shall disclose Contingent liabilities, and such other information as, may be useful in understanding the financial statements clearly.</p> <p>f. Comparative amounts shall be entered on the financial statements for the preceding financial year except. In the case of the first year to which those rules apply</p> |                          |   |  |
| 15 | <p>Whether the municipality is regular in depositing statutory dues including tax deducted at source, GST, TDS on GST, service tax, VAT, works contract tax, cess payable to the government etc. and If not, the nature and cause of such delay and the amount not deposited: (BMAR Rule No.-130)</p>  | <p>BMAR Rule No.-130</p> | <p><b>Refer PART-B (6)</b><br/>We observed that ULB was not regular in compliance of statutory dues.</p>  | <p><b>( Refer Discussion Note)</b></p> |
| 16 | <p>Whether the municipality is regular in remittance of pension and leave encashment contributions or any other amounts which the municipality is liable to remit towards the retirement dues of its employees, including employees on deputation;(BMAR Rule No.-130)</p>  | <p>BMAR Rule No.-130</p> | <p><b>Refer PART-B (8)</b><br/>Yes, ULB 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</p> |  |

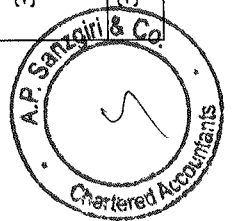


|    |  |                   |  |                          |
|----|--|-------------------|--|--------------------------|
| 17 | Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated In sufficient detail;   | BMAR Rule No.-130 | Up to FY 2011-12, proper records have been maintained after that no records have been maintained according to the requirement of the rules.  |                          |
| 18 | Whether all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB? Whether such deductions have been properly accounted;   | BMAR Rule No.-130 | Yes, all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB. The ULB has made such deductions properly accounted but not accounted on time. |                          |
| 19 | Whether any Special Funds have been created as per the provision of any statute and whether the Special Funds have been utilized for the purposes for which they have been created;  | BMAR Rule No.-130 | No details regarding creation of special fund and their use was made available to comment thereon.   | ( Refer Discussion Note) |
| 20 | Whether the ULB is maintaining proper records showing full particulars, including quantitate details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable Intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account; | BMAR Rule No.-130 | ULB was not maintaining fixed assets Register. Further no fixed assets physically verified report was made available to comment upon.  | ( Refer Discussion Note) |
| 21 | Whether in case of leasehold property given by the ULB, lease rentals are collected regularly by the ULB and that the lease agreements are   | BMAR Rule No.-130 | ULB is not collecting outstanding dues of lease rent in time.  | ( Refer Discussion Note) |

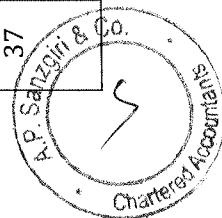
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|    | renewed after their expiry;  |                   |  |                                 |
| 22 | Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets?   | BMAR Rule No.-130 | Yes, ULB followed adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets. |                                 |
| 23 | Whether any expenses of personal nature of the Officers or employees has been charged to the municipality's accounts; If so, the details thereof;  | BMAR Rule No.-130 | We have not observed such type of transaction during audit.  |                                 |
| 24 | Whether the Bank Reconciliation statements have been properly prepared for all the bank accounts of the ULB and the remedial actions including all correcting entries have been taken on timely basis;                 | BMAR Rule No.-130 | <b>Refer Point-04 (III)</b><br>No, ULB has not prepared bank reconciliation for all bank accounts maintained.  | <b>( Refer Discussion Note)</b> |
| 25 | Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;  | BMAR Rule No.-130 | No, ULB has not prepared bank reconciliation for all bank accounts.  |                                 |
| 26 | Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget. whether made originally or subsequently and aro in all cases such as are authorized by Act; | BMAR Rule No.-130 | Yes.   |                                 |
| 27 | Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis;  | BMAR Rule No.-130 | <b>Refer-PART-A (a)(4)</b><br>Yes, ULB has accountant revenue properly. But collection and recovery of   |                                 |



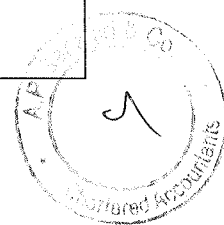
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|----|--|-------------------|---|--|---------------------------------|
|    |  |                   | taxes was in slow pace that's why there was arrear of taxes in ULB.   |  |                                 |
| 28 | Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act;        | BMAR Rule No.-130 | <b>Refer-PART-A (a)(2)</b><br>Yes, all sums due to and received by the ULB have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act. Except; In case of deposit of daily tax collection, that is deposited on average 01 to 60 days delay of collection. |  | <b>( Refer Discussion Note)</b> |
| 29 | Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order;   | BMAR Rule No.-130 | Yes, the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order  |  |                                 |
| 30 | Whether, proper books of account as required by the Act and Rules have been kept by the Municipality so far as It appears from examination of those books. (Rule-130 of BMAR-2014) | BMAR Rule No.-130 | <b>Refer-PART-B (a)</b><br>No, Some required books of accounts as per BMAM/BMAR has not been maintained.  |  | <b>( Refer Discussion Note)</b> |
| 31 | Whether physical verification has been conducted by the ULB at reasonable intervals In respect of stores;  | BMAR Rule No.-130 | No store verification report was made available during the reporting period to comment upon.  |  | <b>( Refer Discussion Note)</b> |
| 32 | Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?   | BMAR Rule No.-130 | No, procedures of physical verification of stores followed by the ULB has been provided to comment upon.  |  | <b>( Refer Discussion Note)</b> |
| 33 | Whether any material discrepancies have been   | BMAR Rule         | No such details provided  |  | <b>( Refer Discussion Note)</b> |



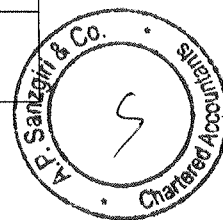
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|    | noticed on physical verification of stores as compared to book records, and If so, whether the same has been properly dealt with in the books of account; Whether proper procedures are in place to Identify any unserviceable or damaged stores and whether provision for the loss in this respect, If any, has been made In the accounts; | No.-130           |   |                          |
| 34 | Whether the valuation of stores is in accordance with the accounting principles laid down In the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of such deviation, if material, should be reported;                                      | BMAR Rule No.-130 | ULB not valued the inventory at reasonable time. Further such practice also not followed in ULB | ( Refer Discussion Note) |
| 35 | Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the Interest and If not, whether reasonable steps have been taken by the municipality for recovery of the principal and interest?  | BMAR Rule No.-130 | ULB has not given advance or loan to third party.   | ( Refer Discussion Note) |
| 36 | Whether advances given to municipal employees and interest thereon are being regularly recovered;   | BMAR Rule No.-130 |   |                          |
| 37 | Bihar Municipal Accounting Manual, 2014, every year budget should be prepared for receipts and expenditure in Performa 75, 77 and 80  | BMAR Rule No.-132 | Yes, the same has been prepared   |                          |



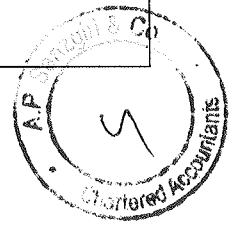
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|----|---|-------------------------|--|--|
|    | Preparing Budgets as per the Rules framed under Bihar Municipal Accounts Rule 2014. Rule 132 regarding Public Participation in Preparation Of Budget. Moreover, as required under provisions of Rule 139, mid-year review of Budget.  |                         |  |  |
| 38 | <b>Municipal Fund:</b> Whether ULB has created required fund as mentioned in chapter IX of BMA-2007   | BMA,2007:<br>Chapter IX | No, ULB is using single entry accounting system, so there was no fund was accounting followed. |  |
| 39 | <b>Payment not to be made out of Municipal Fund unless covered by budget grant:</b> Whether any payment made out of Municipal Fund that is not covered by budget grant.   | BMA,2007:<br>Chapter X  | No payment made out of Municipal Fund that is not covered by budget grant.                     |  |
| 40 | <b>Procedure when money not covered by budget grant is paid.</b> Whether the case is put up with Empowered Standing Committee, in case any payment made out of Municipal Fund that is not covered by budget grant.  | BMA,2007:<br>Chapter X  | No such case observed  |  |
| 41 | <b>Investment of surplus money.</b> Whether municipality has invested surplus fund as per the requirement of the chapter-X of BMA-2007. Auditor will report on the fixed deposit and other funds should be in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period. Check whether comparative interest rate is | BMA,2007:<br>Chapter X  | As per ULB, No investment was done by ULB.   |  |



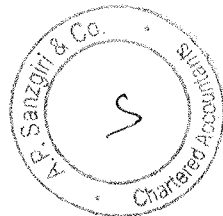
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|    | invited from parties before investing surplus funds:   |                       |  |                          |
| 42 | <p><b>Preparation of budget estimate of Municipality.</b></p> <p>Whether The budget estimate stated the rates at which various taxes, surcharges, cesses and fees shall be levied by the Municipality in the year next following,</p>  | BMA,2007: Chapter XI  | No, Estimation should be based on the past experience and after considering the fact that how the condition might change in future though the provision of Section 82 of the Act regarding preparation of budget have been complied. |                          |
| 43 | <p><b>Maintenance of accounts.</b> Whether the Commissioner/ Chief Municipal Officer prepared and maintained accounts of receipts and expenditure of the Municipality in such form, and in such manner, as may be prescribed,</p>  | BMA,2007: Chapter XII | As ULB was following single entry accounting system. So receipts and payments details were being maintained in form of cash book. Audited receipts & payments account as per BMAM was not prepared by ULB.                           |                          |
| 44 | <p><b>Financial Statement.</b></p> <p>Whether The Chief Municipal Officer shall, within four months of the close of a year, cause to prepare a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality,</p> | BMA,2007: Chapter XII | No, ULB was not preparing a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality.                              | ( Refer Discussion Note) |



|    |   |                       |  |                                |
|----|---|-----------------------|--|--------------------------------|
| 45 | <p><b>Submission of financial statement and balance sheet to auditor.</b></p> <p>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 <b>this behalf by the State Government.</b></p>  | BMA,2007: Chapter XII | No, Financial Statements were not provided for audit by ULB.           | <i>(Refer Discussion Note)</i> |
| 46 | <p><b>As per section 127, 128, 129 &amp; 131 of chapter XV Bihar Municipal Act,2007 various tax are applicable on ULBs</b></p> <p>Section 145,146 and 147 of the Bihar Municipal Act 2007 chapter XVII provides for Advertisement tax on Advertisement in Urban Areas. Chapter XVII of the Bihar municipal Act, 2007 required license of Advertisement of any holding, etc. As per act Every person who erects, exhibited, fixes or retain upon or over any land, building ,wall, boarding, frame, post, kiosk, structure, vehicle, neon-sign or sky sign any advertisement, or display any advertisement to public view in any manner whatsoever (including any advertisement exhibited by means of cinematograph),visible from a public street a public place in any location</p> | BMA,2007: Chapter XV  | <b>Refer-PART-A (a) (1)</b> for status of taxes not collecting by ULB. | <i>(Refer Discussion Note)</i> |



|    |   |                             |  |  |
|----|---|-----------------------------|--|--|
| 47 | <p>in a municipal area including airport or a port or a railway station ,shall pay or every advertisement, which is so erected ,exhibited, fixed or retained or so displayed to public view, a tax calculated at such rate as may be determined regulations. it requires payment of certain fee for advertisement.</p> <p>As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007,) Municipality shall, by regulations, provide for issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore,</p> | BMA,2007:<br>Chapter XIX    | <p><b>Refer-PART-A(a)(3)</b><br/>No, ULB is not issuing notice fees to defaulter and collecting notice fees.</p>   |  |
| 48 | <p>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.</p>  | BMA,2007:<br>Chapter XXXVII | <p>Yes, ULB is collecting trade license fee from different types of Trader, who are trading in Concerned Municipal area. Although many of them even are not registered as per concerned officer.</p> | <p><b>( Refer Discussion Note)</b></p> |



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

1. Store procurement should be followed proper rules as per BMAR Rules & Provisions.
2. ULB should follow Books of Account, Trial Balance, FAR, FS, and other records as per BMAR.
3. ULB should prepare& Maintain monthly BRS.
4. Stock Register is not updated properly.
5. No MIS was prepared for tracking of payments
6. Statutory compliance reconciliation was not maintained
7. Year-end reconciliation was not available

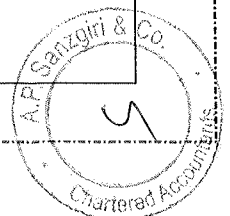
**( f ) NON-COMPLIANCE OF TDS, VAT AND OTHER RELEVANT STATUTE**

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

| Name of Party           | Invoice Value | Amount of deduction | Due date of deposit | Actual Date of deposit | Cheque/ Challan Number |
|-------------------------|---------------|---------------------|---------------------|------------------------|------------------------|
| Suman Devi              | 2,66,700.00   | 2,667.00            |                     |                        |                        |
| Nehal Akhter            | 96,400.00     | 964.00              |                     |                        |                        |
| Shree Shankar Kr. Gaund | 4,50,000.00   | 4,500.00            |                     |                        |                        |
| Promod Kr. Maurya       | 8,94,400.00   | 8,944.00            |                     |                        |                        |
| Adhirajo Devi           | 5,14,800.00   | 5,148.00            |                     |                        |                        |
| Gita Devi               | 5,14,800.00   | 5,148.00            |                     |                        |                        |
| Gita Devi               | 4,18,500.00   | 4,185.00            |                     |                        |                        |
| Gita Devi               | 4,50,000.00   | 4,500.00            |                     |                        |                        |
| Gita Devi               | 1086000.00    | 10,860.00           |                     |                        |                        |
| Mahavir Singh           | 8,98,900.00   | 8,989.00            |                     |                        |                        |
| Bhola Prasad            | 8,98,700.00   | 8,987.00            |                     |                        |                        |
| Gita Devi               | 8,98,700.00   | 8,987.00            |                     |                        |                        |
| Adhirajo Devi           | 8,98,400.00   | 8,984.00            |                     |                        |                        |
| Rajnish Kr. Singh       | 6,30,000.00   | 6,300.00            |                     |                        |                        |
| Ravi shankar Kr.        | 6,37,000.00   | 6,370.00            |                     |                        |                        |
| Priyanka Devi           | 8,89,700.00   | 8,897.00            |                     |                        |                        |
| Brijnandan Kr.          | 3,76,500.00   | 3,765.00            |                     |                        |                        |
| Chhotelal Singh         | 10,14,300.00  | 10,143.00           |                     |                        |                        |
| Vidyapati Singh         | 819800.00     | 8,198.00            |                     |                        |                        |
| Ravinder Kr.            | 5,25,300.00   | 5,253.00            |                     |                        |                        |
| JaiprakashSwarup        | 7,80,000.00   | 7,800.00            |                     |                        |                        |
| Vidyapati Singh         | 8,81,600.00   | 8,816.00            |                     |                        |                        |
| Jagdanand Singh         | 7,20,900.00   | 7,209.00            |                     |                        |                        |
| Raushan Singh           | 2,06,000.00   | 2,060.00            |                     |                        |                        |

**Not deposited**

NA



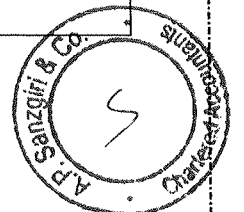
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|-----------------|----------------|-------------|--|--|
| RajnikantSingha | 2,53,200.00    | 2,532.00    |  |  |
| Total           | 1,60,20,600.00 | 1,60,206.00 |  |  |

**B. DETAILS OF DELAY IN DEPOSIT OF VAT ARE MENTIONED BELOW:**

During Financial Year 2019-20 no liability arise in respect of VAT.

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

| Name of Party           | Invoice Value  | Amount of deduction | Actual Date of deposit | Cheque/Challan Number |  |  |
|-------------------------|----------------|---------------------|------------------------|-----------------------|--|--|
| Suman Devi              | 2,66,700.00    | 5,334.00            | Not Deposited          | NA                    |  |  |
| Nehal Akhter            | 96,400.00      | 1,927.00            |                        |                       |  |  |
| Shree Shankar Kr. Gaund | 4,50,000.00    | 9,000.00            |                        |                       |  |  |
| Promod Kr. Maurya       | 8,94,400.00    | 17,888.00           |                        |                       |  |  |
| Adhirajo Devi           | 5,14,800.00    | 10,206.00           |                        |                       |  |  |
| Gita Devi               | 5,14,800.00    | 10,296.00           |                        |                       |  |  |
| Gita Devi               | 4,18,500.00    | 8,370.00            |                        |                       |  |  |
| Gita Devi               | 4,50,000.00    | 9,000.00            |                        |                       |  |  |
| Gita Devi               | 1086000.00     | 21,719.00           |                        |                       |  |  |
| Mahavir Singh           | 8,98,900.00    | 17,978.00           |                        |                       |  |  |
| Bhola Prasad            | 8,98,700.00    | 17,975.00           |                        |                       |  |  |
| Gita Devi               | 8,98,700.00    | 17,975.00           |                        |                       |  |  |
| Adhirajo Devi           | 8,98,400.00    | 44,919.00           |                        |                       |  |  |
| Rajnish Kr. Singh       | 6,30,000.00    | 12,600.00           |                        |                       |  |  |
| Ravi shankar Kr.        | 6,37,000.00    | 12,740.00           |                        |                       |  |  |
| Priyanka Devi           | 8,89,700.00    | 17,385.00           |                        |                       |  |  |
| Brijnandan Kr.          | 3,76,500.00    | 7,530.00            |                        |                       |  |  |
| Chhotelal Singh         | 10,14,300.00   | 17,951.00           |                        |                       |  |  |
| Vidyapati Singh         | 819800.00      | 16,396.00           |                        |                       |  |  |
| Ravinder Kr.            | 5,25,300.00    | 10,507.00           |                        |                       |  |  |
| JaiprakashSwarup        | 7,80,000.00    | 15,601.00           |                        |                       |  |  |
| Vidyapati Singh         | 8,81,600.00    | 17,631.00           |                        |                       |  |  |
| Jagdanand Singh         | 7,20,900.00    | 14,418.00           |                        |                       |  |  |
| Raushan Singh           | 2,06,000.00    | 4,120.00            |                        |                       |  |  |
| RajnikantSingha         | 2,53,200.00    | 5,064.00            |                        |                       |  |  |
| <b>Total</b>            | 1,60,20,600.00 | 3,44,530.00         |                        |                       |  |  |

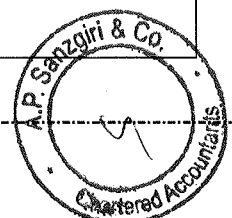


D. DETAILS OF DEPOSIT OF LABOUR CESS ARE MENTIONED BELOW:

| Name of Party           | Invoice Value         | Amount of deduction | Actual Date of deposit | Cheque/Challan Number |
|-------------------------|-----------------------|---------------------|------------------------|-----------------------|
| Suman Devi              | 2,66,700.00           | 2,667.00            | Not deposited          | NA                    |
| Nehal Akhter            | 96,400.00             | 964.00              |                        |                       |
| Shree Shankar Kr. Gaund | 4,50,000.00           | 4,500.00            |                        |                       |
| Promod Kr. Maurya       | 8,94,400.00           | 8,944.00            |                        |                       |
| Adhirajo Devi           | 5,14,800.00           | 5,148.00            |                        |                       |
| Gita Devi               | 5,14,800.00           | 5,148.00            |                        |                       |
| Gita Devi               | 4,18,500.00           | 4,185.00            |                        |                       |
| Gita Devi               | 4,50,000.00           | 4,500.00            |                        |                       |
| Gita Devi               | 1086000.00            | 10,860.00           |                        |                       |
| Mahavir Singh           | 8,98,900.00           | 8,989.00            |                        |                       |
| Bhola Prasad            | 8,98,700.00           | 8,987.00            |                        |                       |
| Gita Devi               | 8,98,700.00           | 8,987.00            |                        |                       |
| Adhirajo Devi           | 8,98,400.00           | 8,984.00            |                        |                       |
| Rajnish Kr. Singh       | 6,30,000.00           | 6,300.00            |                        |                       |
| Ravi shankar Kr.        | 6,37,000.00           | 6,370.00            |                        |                       |
| Priyanka Devi           | 8,89,700.00           | 8,897.00            |                        |                       |
| Brijnandan Kr.          | 3,76,500.00           | 3,765.00            |                        |                       |
| Chhotelal Singh         | 10,14,300.00          | 10,143.00           |                        |                       |
| Vidyapati Singh         | 819800.00             | 8,198.00            |                        |                       |
| Ravinder Kr.            | 5,25,300.00           | 5,253.00            |                        |                       |
| JaiprakashSwarup        | 7,80,000.00           | 7,800.00            |                        |                       |
| Vidyapati Singh         | 8,81,600.00           | 8,816.00            |                        |                       |
| Jagdanand Singh         | 7,20,900.00           | 7,209.00            |                        |                       |
| Raushan Singh           | 2,06,000.00           | 2,060.00            |                        |                       |
| RajnikantSingha         | 2,53,200.00           | 2,532.00            |                        |                       |
| <b>Total</b>            | <b>1,60,20,600.00</b> | <b>1,60,206.00</b>  |                        |                       |

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

| Name of Party           | Invoice Value | Amount of deduction | Actual Date of deposit | Cheque/Challan Number |
|-------------------------|---------------|---------------------|------------------------|-----------------------|
| Suman Devi              | 2,66,700.00   | 5,334.00            | 10.06.2020             | 2005100001<br>2437    |
| Nehal Akhter            | 96,400.00     | 1,927.00            |                        |                       |
| Shree Shankar Kr. Gaund | 4,50,000.00   | 9,000.00            |                        |                       |
| Promod Kr. Maurya       | 8,94,400.00   | 17,888.00           |                        |                       |
| Adhirajo Devi           | 5,14,800.00   | 10,206.00           |                        |                       |

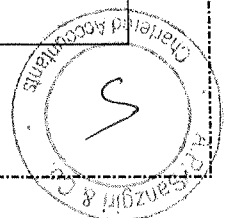


|                   |                       |                    |  |  |
|-------------------|-----------------------|--------------------|--|--|
| Gita Devi         | 5,14,800.00           | 10,296.00          |  |  |
| Gita Devi         | 4,18,500.00           | 8,370.00           |  |  |
| Gita Devi         | 4,50,000.00           | 9,000.00           |  |  |
| Gita Devi         | 1086000.00            | 21,719.00          |  |  |
| Mahavir Singh     | 8,98,900.00           | 17,978.00          |  |  |
| Bhola Prasad      | 8,98,700.00           | 17,975.00          |  |  |
| Gita Devi         | 8,98,700.00           | 17,975.00          |  |  |
| Adhirajo Devi     | 8,98,400.00           | 44,919.00          |  |  |
| Rajnish Kr. Singh | 6,30,000.00           | 12,600.00          |  |  |
| Ravi shankar Kr.  | 6,37,000.00           | 12,740.00          |  |  |
| Priyanka Devi     | 8,89,700.00           | 17,385.00          |  |  |
| Brijnandan Kr.    | 3,76,500.00           | 7,530.00           |  |  |
| Chhotelal Singh   | 10,14,300.00          | 17,951.00          |  |  |
| Vidyapati Singh   | 819800.00             | 16,396.00          |  |  |
| Ravinder Kr.      | 5,25,300.00           | 10,507.00          |  |  |
| JaiprakashSwarup  | 7,80,000.00           | 15,601.00          |  |  |
| Vidyapati Singh   | 8,81,600.00           | 17,631.00          |  |  |
| Jagdanand Singh   | 7,20,900.00           | 14,418.00          |  |  |
| Raushan Singh     | 2,06,000.00           | 4,120.00           |  |  |
| RajnikantSingha   | 2,53,200.00           | 5,064.00           |  |  |
| <b>Total</b>      | <b>1,60,20,600.00</b> | <b>3,44,530.00</b> |  |  |

**F. DETAILS OF TDS RETURNS FILLED ARE MENTIONED BELOW:** No TDS return has been filed during 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   | Not Maintained            |
| 6   | Whether deduction of PF/ESI made from contract employee  | Yes deducted              |
| 7   | Whether biometric devices and payroll software is implemented in ULB. If Yes, then is it integrated with accounting software | Biometric not implemented |



### 7.1 Details of delay of deposit of EPF:

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

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

### (h) UTILISATION OF GRANT AND REPORT ON MISSING UTILISATION CERTIFICATES

| SN   | Head   | Details  |
|------|--|--|
| (h)1 | STATUS OF UTILIZATION CERTIFICATE:               | UC is prepared.  |
| (h)2 | STATUS OF USE OF GRANT AS PER DEFAULT ALLOCATION | Specifically grant allocation details has not been maintained, however it is maintained in grant register.<br><i>(Refer Discussion Note)</i> |

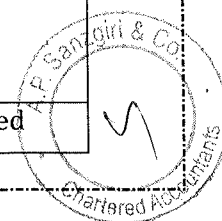
(i) **PHYSICAL VERIFICATION OF INVENTORY/STORES** Refer point 31-40 PART-B (d). ULB did not follow the practice of physical verification of stock.  
*(Refer Discussion Note)*

(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)*

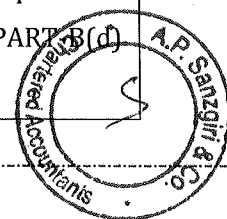
(k) Any other matters as may be prescribed in due course-As all relevant matters has been covered in above mentioned points

### III. PART-C

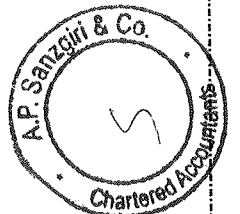
| S.N | Particulars   | Complied or Not             |
|-----|---|-----------------------------|
| A   | Auditor should report in a separate section for non-compliance of rules/directives of UD&HD, GoB; Auditor should see the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD.  | Complied<br>Refer-PART-B(d) |
| B   | Auditor should Report in a separate chapter on implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment procedures to check any in-consistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actuals as per internal audits; | Complied<br>Refer-PART-A(c) |
| C   | Auditor should report on compliance of Bihar Municipal Accounting   | Complied                    |



|   |  |   |
|---|--|---|
|   | Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR :   | Refer-PART-B(d)                           |
|   | <b>Rule 22:</b> All moneys to be brought to account  |   |
|   | <b>Rule 27:</b> Collections to be deposited into Bank on the same day  |   |
|   | <b>Rule 69:</b> Grant Related Compliance   |   |
|   | <b>Rule 120-121:</b> Monthly Receipt & Payment Account and Trial Balance   |   |
|   | <b>Rule 130:</b> Audit to be completed & reported within 6 month   |   |
| D | Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, GoB.   | Complied<br>Refer-PART-B(c)               |
| E | Report and quantify all major own revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairatetc;  | Complied<br>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<br>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<br>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<br>Refer-PART-B(i)               |
| 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<br>Refer-Audit<br>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<br>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<br>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<br>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<br>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<br>Refer-PART-B(f)                         |
| O | Internal Auditor will ensure that all the C&AG audit & Internal audit Paras has been complied by the ULBs, if not complied the Internal Auditor shall help the ULBs staffs to prepare the compliance report.                                    | Complied<br>Point-03 of<br>Detailed Audit<br>Report |



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

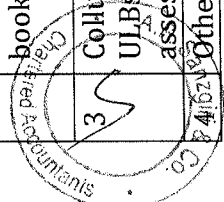
**RISK ASSESSMENT**

Name of the ULB: NAGAR PARISHAD SASARAM

| SN                       | Observations  | Risk Rating | Design Gap | System Gap | Operating Gap | Management Comment   | Auditor Recommendations  |
|--------------------------|---|-------------|------------|------------|---------------|--|--|
| <b>DEMAND GENERATION</b> |   |             |            |            |               |  |  |
| 1                        | Loss of Revenue due to under assessment/ wrong generation of demand                   | H           | NO         | YES        | YES           | Due to lack of manpower some gap arose, However we are trying to minimize the gap every month. | We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval. The ULB has not proper mechanisms for supervision and monitoring of the Taxes due to which result in Revenue Loss. |
| 2                        | Collusion with citizen regarding assessment   | NA          | NO         | NO         | NO            |  |  |
| 3                        | Non-updating various register like hand book, DCB register, Assessment register, etc. | M           | NO         | NO         | YES           | Instructions given to the staff for updation of books of accounts on time.                     | Books of accounts should be updated on real time basis and ULB management should check it on regular interval.   |
| 4                        | Others  | NA          | NA         | NA         | NA            |  |  |

**RECEIPT AND BANKING**

|   |   |    |    |    |     |  |  |
|---|---|----|----|----|-----|--|--|
| 1 | Error in collections, loss of receipts and perpetrated frauds                     |    |    |    |     | It will be rectify very soon in near future  | It is recommended that <ul style="list-style-type: none"> <li>➤ Collection must be in timely manner ;</li> <li>➤ Amount collected must be deposited without making any delay;</li> <li>➤ And Regular check by competent authority to mitigate any type of fraud in this regard.</li> </ul> |
| 2 | Non-updating various register like hand book, DCB register, cash book, etc.       | H  | NO | NO | YES | We have shortage of skilled employees and due to this we are facing problem like this. | The various register like DCB, hand book Cash Book etc. should be maintained on real time basis.   |
| 3 | Collusion with the citizen and the ULBs staff to make wrong assessments of income | NA | NO | NO | NO  |  |  |
| 4 | Others  | NA | NA | NA | NA  |  |  |



| <b>REVENUE EXPENDITURE</b>       |  |    |    |    |    |     |  |   |    |    |
|----------------------------------|--|----|----|----|----|-----|--|---|----|----|
| 1                                | Error in Over Payment  | NA | NA | NA | NA | NA  | NA   | NA  | NA | NA |
| 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                                | 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 billregister with payment figureetc.  | M  | NA | NA | NA | YES | We have shortage of skilled employees and due to this we are facing problem like this. | Bill registers etc should be update on real time basis transaction. |    |    |
| 6                                | Others   | NA | NA | NA | NA | NA  | NA   | NA  | NA | NA |
| <b>ESTABLISHMENT EXPENDITURE</b> |  |    |    |    |    |     |  |   |    |    |
| 1                                | Error in Over Payment  | NA | NA | NA | NA | NA  | NA   | NA  | NA | NA |
| 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 billregister with payment figureetc.  | NA | NA | NA | NA | NA  | NA   | NA  | NA | NA |
| 6                                | Others   | NA | NA | NA | NA | NA  | NA   | NA  | NA | NA |
| <b>CAPITAL EXPENDITURE</b>       |  |    |    |    |    |     |  |   |    |    |
| 1                                | Error in Over Payment  | NA | NA | NA | NA | NA  | NA   | NA  | NA | NA |
| 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 workregister, MB, bill register, Fixed Assetsregister, Service book/record, advanceregister, etc. | NA | NA | NA | NA | NA  | NA   | NA  | NA | NA |
| 7                                | Others   | NA | NA | NA | NA | NA  | NA   | NA  | NA | NA |
| <b>PROCUREMENT AND INVENTORY</b> |  |    |    |    |    |     |  |   |    |    |
| 1                                | Error in Over Payment  | NA | NA | NA | NA | NA  | NA   | NA  | NA | NA |
| 2                                | Loss of supporting documents   | NA | NA | NA | NA | NA  | NA   | NA  | NA | NA |
| 3                                | Loss of authentication/ Procedural   | NA | NA | NA | NA | NA  | NA   | NA  | NA | NA |





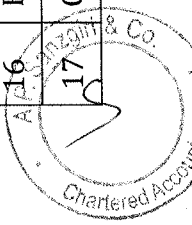
**LIST OF IMPORTANT REGISTERS**

Nagar Parishad Sasaram

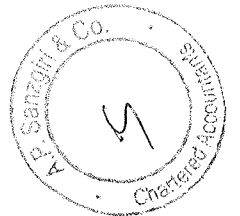
HIGH

SUBMITTED

| 1  | NAME OF THE ULB   | Audit Observation |      |      | Associates Risk                        | Management Comment | Status (Resolved or not) |
|----|---|-------------------|------|------|--|--------------------|--------------------------|
| 2  | RISK RATING:  | Particulars       |      |      |  |                    |                          |
| 3  | CAG OBSERVATIONS STATUS                                     |                   |      |      |  |                    |                          |
| SN |   |                   |      |      |  |                    |                          |
| 1  | Cash Book   | Maintained        | NA   | NA   | NA                                     | NA                 | NA                       |
| 2  | Ledger  | Not Maintained    | HIGH | HIGH | Will be maintained from upcoming year. | Not Resolved       |                          |
| 3  | Journal   | Not Maintained    | HIGH | HIGH | Will be maintained from upcoming year. | Not Resolved       |                          |
| 4  | Register Journal/Magazines/Newspapers                       | Not Maintained    | HIGH | HIGH | Will be maintained from upcoming year. | Not Resolved       |                          |
| 5  | Register for Temporary Advances                             | Not Maintained    | HIGH | HIGH | Will be maintained from upcoming year. | Not Resolved       |                          |
| 6  | Register of Money Orders/Bank Draft Received                | Maintained        | NA   | NA   | NA                                     | NA                 | NA                       |
| 7  | Cheque Issue Register                                       | Maintained        | NA   | NA   | NA                                     | NA                 | NA                       |
| 8  | Register of Remittances made into bank                      | Not Maintained    | HIGH | HIGH | Will be maintained from upcoming year. | Not Resolved       |                          |
| 9  | Bank Passbook   | Maintained        | NA   | NA   | NA                                     | NA                 | NA                       |
| 10 | Register of Bank drafts dispatched                          | Not Maintained    | HIGH | HIGH | Will be maintained from upcoming year. | Not Resolved       |                          |
| 11 | Bill Register   | Maintained        | NA   | NA   | NA                                     | NA                 | NA                       |
| 12 | Establishment Register                                      | Not Maintained    | HIGH | HIGH | Will be maintained from upcoming year. | Not Resolved       |                          |
| 13 | Stock Register  | Maintained        | NA   | NA   | NA                                     | NA                 | NA                       |
| 14 | Capital Goods/ Consumable articles, non-consumable articles | Not Maintained    | HIGH | HIGH | Will be maintained from upcoming year  | Not Resolved       |                          |
| 15 | Statutory Deduction Register                                | Not Maintained    | HIGH | HIGH | Will be maintained from upcoming year  | Not Resolved       |                          |
| 16 | Fixed Assets Register                                       | Not Maintained    | HIGH | HIGH | Will be maintained from upcoming year  | Not Resolved       |                          |
| 17 | Grant Register  | Maintained        | NA   | NA   | NA                                     | NA                 | NA                       |

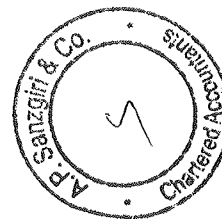


|    |  |                |      |                                       |              |
|----|--|----------------|------|---------------------------------------|--------------|
| 18 | Scheme Register  | Not Maintained | HIGH | Will be maintained from upcoming year | Not Resolved |
| 19 | Monthly accounts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

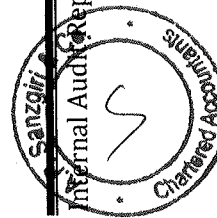


| <b>CASH AND BANK</b>           |   |   |                      |                        |  |                               |
|--------------------------------|---|---|----------------------|------------------------|--|-------------------------------|
| <b>Name of the ULB</b>         |   | <b>Nagar Parishad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

|    |   |  |    |        |  |    |
|----|---|--|----|--------|--|----|
| 7  | Check whether no any fraud payment or payment to other person has been made,                      | No such case found payments selected for audit | NA | NA     | NA   | NA |
| 8  | Whether bank statement for all account have been promptly received from bank.                     | YES  | NA | NA     | NA   | NA |
| 9  | Number of Bank accounts maintained  | 15 bank accounts are maintained.               | NA | Medium | Will issue instructions to staff to collect monthly statements from bank | No |
| 10 | Original copy of cancelled receipt is attached with duplicate copy with "CANCELLED" marked on it. | Not Maintained                                 | NA | High   | It will be implemented now onwards                                       | No |
| 11 | Liability for stale cheques account review is done and necessary reversal entries are passed      | Done   | NA | NA     | NA   | NA |
| 12 | Any other   | NA   | NA | NA     | NA   | NA |



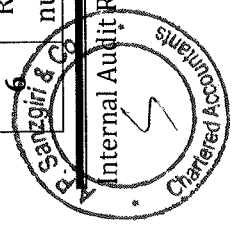
| PUBLIC WORKS |   |  |               |                 |                    |                        |
|--------------|---|--|---------------|-----------------|--------------------|------------------------|
|              | NAME OF THE ULB   | Nagar Parishad Sasaram                               | 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





| Cash Book              |   |  |               |                 |   |                        |
|------------------------|---|--|---------------|-----------------|---|------------------------|
| Nagar Parishad Sasaram |   |  |               |                 |   |                        |
| HIGH                   |   |  |               |                 |   |                        |
| SUBMITTED              |   |  |               |                 |   |                        |
| 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 September, 2019 hence we cannot comment on it. | NA            | NA              | NA  | NA                     |
| 4                      | Whether there is any clerical error (casting or/and posting error, etc) or not  | No such instances found  | NA            | NA              | NA  | NA                     |
| 5                      | Whether any delay in deposit of amount of collection by cashier,  | Yes<br>Kindly refer Annexure-I Attached with report.               | NA            | HIGH            | We will take steps for deposition of collection on very next day. | No                     |
| 6                      | conduct physical verification of cash and report heavy cash balance if any  | ULB did not physically verify Cash.                                | NA            | LOW             | We will put the matter before board and follow accordingly.       | No                     |
| 7                      | Any Other   | NA   | NA            | NA              | NA  | NA                     |

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

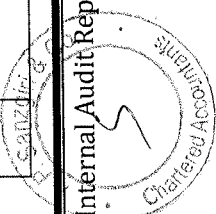


|    |   |  |    |        |   |    |
|----|---|--|----|--------|---|----|
| 7. | Whether all collections made during the day are account for & banked on next working day or there is any teaming & lading.                                  | No, There is gap between collection and deposit of money in to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

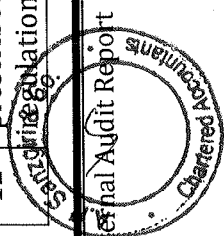


|    |  |  |    |    |    |
|----|--|--|----|----|----|
|    |  | after duly sanction or without sanction. |    |    |    |
| 16 | Whether any immediate steps has been taken or not for cheque dishonored received | No such cases found during audit         | NA | NA | NA |
| 17 | Whether reversal of payment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

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

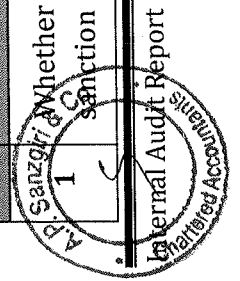


|    |   |  |    |        |    |  |    |
|----|---|--|----|--------|----|--|----|
|    |   | results of this ULB suffering revenue loss for not revising method of valuation.   |    |        |    |  |    |
| 5  | Whether any refund/remission granted are admissible under the law and that have been duly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

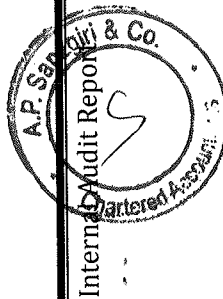


|    |  |   |    |      |    |   |    |
|----|--|---|----|------|----|---|----|
|    |  | concerned property holder to recover dues from them.                                  |    |      |    | concern person for the same.                                      |    |
| 13 | Whether penalty (@2% P.M/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

| ESTABLISHMENT |   |   |                        |                 |                    |                        |
|---------------|---|---|------------------------|-----------------|--------------------|------------------------|
|               |   |   | Nagar Parishad Sasaram |                 |                    |                        |
|               | NAME OF THE ULB   |   | HIGH                   |                 |                    |                        |
|               | RISK RATING:  |   | HIGH                   |                 |                    |                        |
| S/N           | Particulars   | Audit Observation   | Amt. Involved          | Associates Risk | Management Comment | Status (Resolved /Not) |
| 1             | Whether establishment expenditure is sanctioned by authorised person & it has been within | Yes, it has been authorized by appropriate person within limit. | NA                     | NA              | NA                 | NA                     |

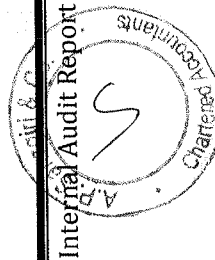


|   |  |   |    |    |        |  |    |  |
|---|--|---|----|----|--------|--|----|--|
|   | sanctioned limit,  |   |    |    |        |  |    |  |
| 2 | Whether service log book has been maintained & up to date or not,  | It is not produced before us during audit.  | NA | NA | NA     | We did not maintain,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

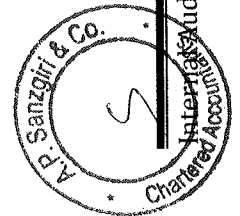


|    |  |   |    |        |  |    |
|----|--|---|----|--------|--|----|
| 9  | Whether disbursement of pay & allowance are duly recorded in books & accepted by employee specifying separate date with date of receive (In case of arrear).                             | Yes   | NA | NA     | NA          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

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



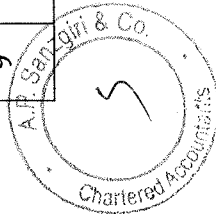
| GRANT |   |   |               |                 |   |                        |
|-------|---|---|---------------|-----------------|---|------------------------|
|       | NAME OF THE ULB   | Nagar Parishad Sasaram  |               |                 |   |                        |
|       | RISK RATING: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



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



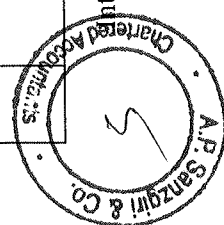
| RECEIPT VOUCHER |  |                                |               |                 |  |                        |
|-----------------|--|--------------------------------|---------------|-----------------|--|------------------------|
| NAME OF THE ULB |  | Nagar Parishad Sasaram         |         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



|                      |   |   |    |      |      |                                      |    |    |    |
|----------------------|---|---|----|------|------|--------------------------------------|----|----|----|
|                      | their circle  |   |    |      |      |                                      |    |    |    |
| 10                   | Check whether TC have same "Receipt Voucher" which was actually issued by store & it must be authorized by the appropriate authority.                       | Yes   | NA | NA   | NA   | NA                                   | NA | NA | NA |
| 11                   | Check that there should be proper recording at each stage (where authority has been changed) of log book/ register for issue/receipt of "Receipt Vouchers". | Yes, the same has been maintained.  | NA | NA   | NA   | NA                                   | NA | NA | 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,   | Yes.  | 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 |
| <b>Other Revenue</b> |   |   |    |      |      |                                      |    |    |    |
| 1                    | Advertisement Tax   | No such record provided by ULB  | NA | High | High | There is no demand register for it.  | No |    |    |
| 2                    | Tower Tax   | No such record provided by ULB  | NA | High | High | There is no demand register for it.. | No |    |    |
| 3                    | Professional Tax  | NA  | NA | NA   | NA   | NA                                   | NA |    |    |
| 4                    | Assigned Revenue (As details annexed)   | NA  | NA | NA   | NA   | NA                                   | NA |    |    |
| 5                    | Rental Charges (As details annexed)   | There is no demand and collection register in this respect. And no any other data provided by ULB | NA | High | High | We will maintained very soon.        | No |    |    |
| 6                    | Fee & uses Charges (As details annexed)   | NA  | NA | NA   | NA   | NA                                   | NA |    |    |

|   |                     |                                |    |      |                                     |    |
|---|---------------------|--------------------------------|----|------|-------------------------------------|----|
| 7 | Other Revenue Items | No such record provided by ULB | NA | High | There is no demand register for it. | No |
|---|---------------------|--------------------------------|----|------|-------------------------------------|----|

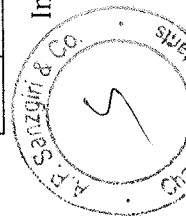
| REVENUE EXPENSES       |  |   |               |                 |   |                        |
|------------------------|--|---|---------------|-----------------|---|------------------------|
| Nagar Parishad Sasaram |  |   |               |                 |   |                        |
| Medium                 |  |   |               |                 |   |                        |
| S.N                    | Particulars  | Audit Observation   | Aml. 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      | No                     |





|    |   |  |    |    |    |    |    |
|----|---|--|----|----|----|----|----|
|    | or before 31 <sup>st</sup> March, where the bill is received after that date have been accounted for (either on the basis of purchase order, tender rate or as per bill), |  |    |    |    |    |    |
| 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 |
| 19 | Whether all statutory deduction or adjustment has been made before payment,   | Yes, payment has been made after deduction and adjustment. | NA | NA | NA | NA | NA |
| 20 | Whether entry of any event during service has been made in service book by authorized person.   | No   | NA | NA | NA | NA | NA |

| STATUTORY REQUIREMENT |  |  |               |                 |   |                        |  |
|-----------------------|--|--|---------------|-----------------|---|------------------------|--|
|                       | NAME OF THE ULB  | Nagar Parishad Sasaram   |               |                 |   |                        |  |
|                       | 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.<br>Deducted amount of TDS is not deposited on timely basis as prescribed in Law. | NA            | High            | Ok, we will deposit on timely basis from next time. | No                     |  |
| 3                     | Whether regulatory requirement for submission of Return has been followed, | No.<br>Return for TDS, GST and PF has not submit on or                               | NA            | High            | Ok, we will comply.                                 | No                     |  |



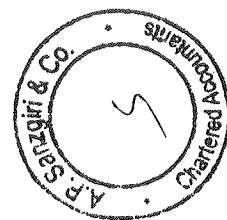
|   | Whether any deduction is made in any act, must be deposited as per their respective act,                | before due date.                        |    |      |                     |
|---|---|---|----|------|---------------------|
| 4 | Verify whether in case of "through rate" contract, there is no any payment for material, etc by the ULB | Yes, deposited but not on timely basis. | NA | High | Ok, we will comply. |
| 5 | Any demand is outstanding from regulatory authority for non compliance                                  | Yes no deviation found                  | NA | NA   | NA                  |
| 6 |   | No notice of demand found in ULB.       | NA | NA   | NA                  |

**TENDER DETAILS**

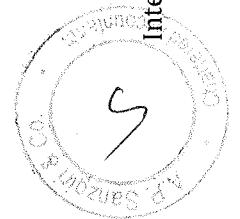
| NAME OF THE ULB |  | Nagar Parishad Sasaram           |               |                 |                    |                        |
|-----------------|--|----------------------------------|---------------|-----------------|--------------------|------------------------|
| RISK RATING:    |  | HIGH                             |               |                 |                    |                        |
| 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 | 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 | NA |
| 8  | To check whether the direction were followed for notification/advertising and opening of bids at notified date, time and place in the presence of bidders.   | Yes, direction in this regard followed by ULB | NA | NA | NA | NA | NA |
| 9  | Award of contract and its execution is as per procedure and guidelines issued by the Govt. of India in view of conditions agreed with the Development partners (DFID, World Bank, & European Union etc.) | NA  | NA | NA | NA | NA | NA |
| 10 | To check whether bids were evaluated in terms of the provisions of the bid documents and the evaluation report was available.  | Yes   | NA | NA | NA | NA | NA |
| 11 | To check whether contract was awarded to the lowest evaluated responsive bidders, who fulfilled qualification requirements, specified in the tenders documents.  | Yes, ULB awarded contract to lowest bidder.   | NA | NA | NA | NA | NA |
| 12 | In case of negotiations of prices, it should be checked whether the negotiation was made with L1 bidder and all the relevant records thereof were available.   | NA  | NA | NA | NA | NA | NA |
| 13 | To check whether articles were received/work was completed in time as per delivery schedule.   | Yes   | NA | NA | NA | NA | NA |
| 14 | The stores/goods are properly recorded in the Stock Registers /Asset Register.   | Yes   | NA | NA | NA | NA | NA |
| 15 | Whether any complaint was received regarding procurement and payment and existence of mechanism for Redressal of Complaints  | No such case observed                         | NA | NA | NA | NA | NA |



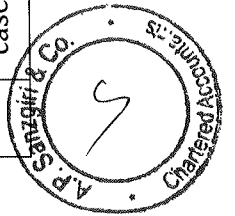
| VEHICLE LOG BOOK |  |  |               |                 |  |                        |
|------------------|--|--|---------------|-----------------|--|------------------------|
|                  | Nagar Parishad Sasaram   |  |               |                 |  |                        |
|                  | <b>HIGH</b>  |  |               |                 |  |                        |
| S.N              | Particulars  | Audit Observation  | Amt. Involved | Associates Risk | Management Comment   | Status (Resolved /Not) |
| 1                | Whether logbook has maintained or not & up to date with proper details like journeys, work undertaken, covering root, visited place, kilometer, etc. | Log book is not properly maintained and updated.   | NA            | High            | We have given instruction to follow.   | No                     |
| 2                | Whether logbook of journey is maintained in detail & signed by the officials using them,   | No   | NA            | High            | We have given instruction to follow.   | No                     |
| 3                | Whether it should be used for official purpose, otherwise charges are recoverable.   | Yes  | NA            | NA              | NA   | NA                     |
| 4                | Whether details of fuel for the same has been maintained in log book,  | No   | NA            | High            | We have given instruction to follow.   | No                     |
| 5                | Whether full details of repairs has been maintained & it have been through authorized center   | No   | NA            | High            | We have given instruction to follow.   | No                     |
| 6                | Whether authorized person have proper check over log book.   | No proper control found as there is many requirement of log book which is to be fulfilled remain incomplete. | NA            | High            | We will look in to this matter and will be placed skilled person to comply the same. | NA                     |



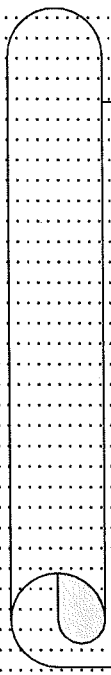
| <b>FIXED ASSETS</b>    |   |   |                      |                        |   |                               |  |
|------------------------|---|---|----------------------|------------------------|---|-------------------------------|--|
| <b>NAME OF THE ULB</b> |   | <b>Nagar Parishad Sasaram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



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



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



**Implication/ Risk**

HIGH

**Recommendation**

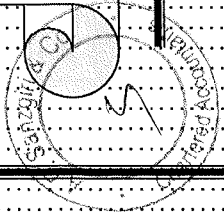
Deducted amount of TDS is not deposited on timely basis as prescribed in Law.

**Management Comments**

We will deposit on prescribed due date from next time.

Person Responsible:

Timeless:



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

**ULB- SASARAM**

**INTERNAL AUDIT REPORT- 2019-20 (Qtr-1)**

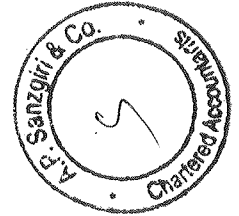
| S.N | Serial Number |       | Amount of Tax | Date of Collection as per Receipts Book | Amount Deposited with Cashier | Delay in deposit with cashier | Date of Deposit into Bank as per Deposit Slip | Delay in deposit with Bank |
|-----|---------------|-------|---------------|---|-------------------------------|-------------------------------|---|----------------------------|
|     | From          | To    |               |   |                               |                               |   |                            |
| 1   | 21811         | 21825 | 43407         | 08.04.19 to 06.05.19                    | 43407                         | 1-43                          | 21.05.2019                                    | -                          |
| 2   | 21826         | 21833 | 13273         | 08.05.19 to 26.05.19                    |                               |                               | Not deposited till date                       | -                          |
| 3   | 44            |       | 161423        | 04.04.19 to 28.04.19                    | 161423                        | 1-40                          | 14.05.2019                                    | -                          |
| 4   | 26            |       | 40197         | 04.04.19 to 28.04.19                    | 40197                         | 1-47                          | 21.05.2019                                    | -                          |
| 5   | 8             |       | 48723         | 04.04.19 to 28.04.19                    | 48723                         | 1-82                          | 15.06.2019                                    | -                          |
| 6   | 26            |       | 127570        | 01.05.19 to 31.05.19                    | 127570                        | 1-44                          | 15.06.2019                                    | -                          |
| 7   | 18            |       | 42247         | 01.05.19 to 31.05.19                    | 42247                         | 1-71                          | 11.07.2019                                    | -                          |
| 8   | 102           |       | 216907        | 01.06.19 to 30.06.19                    | 216907                        | 1-41                          | 11.07.2019                                    | -                          |
| 9   |               |       | 60437         | 01.06.19 to 30.06.19                    |                               | 1-41                          | Not deposited till date                       | -                          |
| 10  | 21245         | 21265 | 35460         | 06.04.19 to 03.05.19                    | 35460                         | 1-39                          | 14.05.2019                                    | -                          |
| 11  | 21266         | 21283 | 20137         | 03.05.19 to 15.06.19                    | 20137                         | 1-48                          | 20.06.2019                                    | -                          |
| 12  | 72            |       | 115575        | 01.04.19 to 30.04.19                    | 115575                        | 1-44                          | 14.05.2019                                    | -                          |
| 13  | 78            |       | 134263        | 01.05.19 to 31.05.19                    | 134263                        | 1-50                          | 20.06.2019                                    | -                          |
| 14  | 83            |       | 402608        | 01.06.19 to 30.06.19                    | 402608                        | 1-48                          | 18.07.2019                                    | -                          |
| 15  | 21666         | 21682 | 31861         | 09.04.19 to 27.05.19                    | 31861                         | 1-51                          | 29.05.19                                      | -                          |
| 16  | 21688         | 21700 | 49471         | 28.05.19 to 06.06.19                    | 49471                         | 1-29                          | 27.06.19                                      | -                          |
| 17  | 75            |       | 81660         | 03.04.19 to 30.04.19                    | 81660                         | 1-51                          | 24.05.19                                      | -                          |
| 18  | 110           |       | 194944        | 02.05.19 to 31.05.19                    | 194944                        | 1-48                          | 20.06.19                                      | -                          |
| 19  | 100           |       | 127684        | 01.06.19 to 30.06.19                    | 127684                        | 1-39                          | 09.07.19                                      | -                          |
| 20  | 21752         | 21775 | 35836         | 04.04.19 to 06.05.19                    | 35836                         | 1-47                          | 21.05.19                                      | -                          |
| 21  | 21776         | 21782 | 66860         | 14.05.19 to 28.05.19                    | 66860                         | 1-16                          | 30.05.19                                      | -                          |
| 22  | 21783         | 21796 | 11474         | 28.05.19 to 12.06.19                    | 11474                         | 1-28                          | 27.06.19                                      | -                          |
| 23  | 54            |       | 61397         | 01.04.19 to 30.04.19                    | 61397                         | 1-60                          | 30.05.19                                      | -                          |
| 24  | 47            |       | 46397         | 01.05.19 to 31.05.19                    | 46397                         | 1-56                          | 27.06.19                                      | -                          |
| 25  | 45            |       | 68638         | 01.06.19 to 30.06.19                    |                               | 1-42                          | Not deposited till 12.07.19                   | -                          |
| 26  | 21348         | 21362 | 22824         | 08.04.19 to 07.05.19                    | 22824                         | 1-71                          | 19.06.19                                      | -                          |
| 27  | 21363         | 21387 | 26265         | 25.05.19 to 27.06.19                    |                               | 1-46                          | Not deposited                                 | -                          |



|    |       |       |       |                      |       |      |               |   |
|----|-------|-------|-------|----------------------|-------|------|---------------|---|
| 28 | 21480 | 21500 | 14106 | 08.04.10 to 03.05.19 | 14106 | 1-76 | 25.06.19      | - |
| 29 |       |       | 47926 | 01.04.19 to 30.04.19 | 47926 | 1-59 | 29.05.19      | - |
| 30 |       |       | 32565 | 01.05.19 to 31.05.19 | 32565 | 1-56 | 25.06.19      | - |
| 31 |       |       | 25398 | 01.05.19 to 31.05.19 |       | 1-71 | Not deposited | - |
| 32 |       |       | 66431 | 01.06.19 to 30.06.19 |       | 1-41 | Not deposited | - |

**Note:**

1. Rs 39280 for the month of April'2019 still not deposited by tax collectors which was in the custody of computer operator for online tax deposited.
2. During the verification of property tax Raseed and Syah register it was found a huge gap(in days) in deposit with cashier by tax collector as mentioned above. As a result of this default, Nagar Parishad lost huge opportunity of income due to default of tax collector.
3. The above figure of delay and position of amount not deposited was taken till 11.07.2019.
4. Total number of householder was taken in place of Raseed number in case of online.

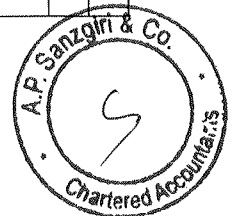


**ANNEXURE-1: DELAY IN DEPOSIT OF PROPERTY TAX**

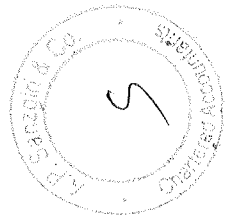
**ULB- SASARAM**

**INTERNAL AUDIT REPORT- Q-2 of F.Y. 2019-20**

| Serial Number          | From  | To | Amount of Tax | Date of Collection as per Receipts Book | Amount Deposited with Cashier | Date of deposit with cashier | Delay in deposit with cashier | Date of Deposit into Bank as per Deposit Slip | Delay in days in deposit with Bank |
|------------------------|-------|----|---------------|---|-------------------------------|------------------------------|-------------------------------|---|------------------------------------|
|                        |       |    |               |   |                               |                              |                               |   |                                    |
| 21825                  | 21834 |    | 33,903.00     | 06.05.19 to 28.06.19                    | 33,903.00                     | 06.08.2019                   | 1-92                          | 07.08.2019                                    | 1                                  |
| 13 ( No. of Property)  |       |    | 26,775.00     | June & July'19                          | 26,775.00                     | 07.08.2019                   | 1-38                          | 07.08.2019                                    | -                                  |
| 29 ( No. of Property)  |       |    | 63,919.00     | Aug'19                                  | 63,919.00                     | 26.08.2019                   | 1-18                          | 26.08.2019                                    | -                                  |
| 29 ( No. of Property)  |       |    | 1,84,055.00   | Aug'19 & Sep'19                         | 1,84,055.00                   | 24.09.2019                   | 1-28                          | 24.09.2019                                    | -                                  |
| 16 ( No. of Property)  |       |    | 88,176.00     | Sep'19 & Oct'19                         | 88,176.00                     | 17.10.2019                   | 1-23                          | 17.10.2019                                    | -                                  |
| 22009                  | 22095 |    | 92,287.00     | 15.04.19 to 27.06.19                    | 92,287.00                     | 23.07.2019                   | 1-101                         | 23.07.2019                                    | -                                  |
| 35 ( No. of Property)  |       |    | 37,893.00     | June & July'19                          | 37,893.00                     | 23.07.2019                   | 1-26                          | 23.07.2019                                    | -                                  |
| 112 ( No. of Property) |       |    | 1,12,689.00   | July'19                                 | 1,12,689.00                   | 07.08.2019                   | 1-38                          | 07.08.2019                                    | -                                  |
| 117 ( No. of Property) |       |    | 1,06,518.00   | July'19 & Aug'19                        | 1,06,518.00                   | 14.08.2019                   | 1-26                          | 14.08.2019                                    | -                                  |
| 64 ( No. of Property)  |       |    | 67,344.00     | Sep'19 & Oct'19                         | 67,344.00                     | 21.10.2019                   | 1-51                          | 21.10.2019                                    | -                                  |
| 22309 to 22314         |       |    | 5,544.00      | 30.07.19 to 07.08.19                    | 5,544.00                      | 16.08.2019                   | 1-16                          | 16.08.2019                                    | -                                  |
| 57 ( No. of Property)  |       |    | 73,767.00     | July'19                                 | 73,767.00                     | 16.08.2019                   | 1-46                          | 16.08.2019                                    | -                                  |
| 22315 to 22325         |       |    | 10,294.00     | 09.08.19 to 07.09.19                    | 10,294.00                     | 23.09.2019                   | 1-43                          | 23.09.2019                                    | -                                  |
| 30 ( No. of Property)  |       |    | 1,18,664.00   | August'19                               | 1,18,664.00                   | 23.08.2019                   | 1-53                          | 23.08.2019                                    | -                                  |
| Online                 |       |    | 99,621.00     | July'19                                 | 99,621.00                     | 29.07.2019                   | 1-29                          | 29.07.2019                                    | -                                  |
| Online                 |       |    | 83,413.00     | Aug'19                                  | 83,413.00                     | 26.08.2019                   | 1-28                          | 26.08.2019                                    | -                                  |
| Online                 |       |    | 1,76,007.00   | Aug'19 & Sep'19                         | 1,76,007.00                   | 13.09.2019                   | 1-16                          | 13.09.2019                                    | -                                  |
| Online                 |       |    | 2,10,640.00   | July'19                                 | 2,10,640.00                   | 08.08.2019                   | 1-31                          | 08.08.2019                                    | -                                  |
| Online                 |       |    | 77,710.00     | Aug'19                                  | 77,710.00                     | 07.09.2019                   | 1-29                          | 07.09.2019                                    | -                                  |
| Online                 |       |    | 1,61,325.00   | Sep'19                                  | 1,61,325.00                   | 24.09.2019                   | 1-17                          | 24.09.2019                                    | -                                  |



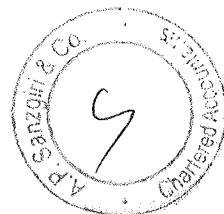
|        |             |                  |        |            |      |            |   |
|--------|-------------|------------------|--------|------------|------|------------|---|
| Online | 22,790.00   | Sep'19 & Oct'19  | 22790  | 10.10.2019 | 1-16 | 10.10.2019 | - |
| Online | 74,581.00   | July'19          | 74581  | 14.08.2019 | 1-43 | 14.08.2019 | - |
| Online | 78,421.00   | Aug'19 & sep'19  | 78421  | 17.09.2019 | 1-33 | 17.09.2019 | - |
| Online | 1,29,258.00 | Sep'19           | 129258 | 24.09.2019 | 1-37 | 24.09.2019 | - |
| Online | 50,903.00   | July'19 & Aug'19 | 50903  | 21.08.2019 | 1-35 | 21.08.2019 | - |
| Online | 61,196.00   | Aug'19 & Sep'19  | 61196  | 24.09.2019 | 1-33 | 24.09.2019 | - |
| Online | 2,42,110.00 | July'19 & Aug'19 | 242110 | 28.08.2019 | 1-40 | 28.08.2019 | - |



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

**INTERNAL AUDIT REPORT- Q-3 of F.Y. 2019-20**

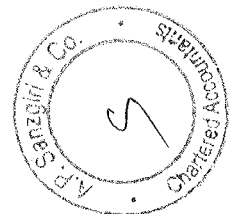
| Serial Number |                    | Amount of Tax | Date of Collection as per Receipts Booked | Amount Deposited with Cashier | Date of deposit with cashier | Delay in deposit with cashier | Date of Deposit into Bank as per Deposit Slip | Delay in (days) deposit with Bank |
|---------------|--------------------|---------------|---|-------------------------------|------------------------------|-------------------------------|---|-----------------------------------|
| From          | To                 |               |   |                               |                              |                               |   |                                   |
| 16            | ( No. of Property) | 88,176        | Sep'19                                    | 88,176                        | 16.10.2019                   | 1-46                          | 17.10.2019                                    | 1                                 |
| 97            | ( No. of Property) | 1,53,208      | Oct & nov'19                              | 1,53,208                      | 13.11.2019                   | 1-27                          | 13.11.2019                                    | -                                 |
| 48            | ( No. of Property) | 1,18,277      | Nov & Dec'19                              | 1,18,277                      | 09.12.2019                   | 1-26                          | 09.12.2019                                    | -                                 |
| 21888         | 21900              | 39,328        | 07.11.19 to 31.11.19                      | 39,328                        | 10.01.2020                   | 1-64                          | 10.01.2020                                    | -                                 |
| 22009         | 22095              | 92,287        | 15.04.19 to 27.06.19                      | 92,287                        | 23.07.2019                   | 1-101                         | 23.07.2019                                    | -                                 |
| 64            | ( No. of Property) | 67,344        | Sep'19                                    | 67,344                        | 04.10.2019                   | 1-29                          | 04.10.2019                                    | -                                 |
| 96            | ( No. of Property) | 1,14,775      | Sep & oct'19                              | 1,14,775                      | 21.10.2019                   | 1-36                          | 21.10.2019                                    | -                                 |
| 33            | ( No. of Property) | 31,512        | Oct & nov'19                              | 31,512                        | 15.11.2019                   | 1-36                          | 15.11.2019                                    | -                                 |
| 22326         | to 22337           | 9,956         | 07.09.19 to 30.09.19                      | 9,956                         | 09.10.2019                   | 1-23                          | 09.10.2019                                    | -                                 |
| 41            | ( No. of Property) | 35,588        | Sep'19                                    | 35,588                        | 21.10.2019                   | 1-51                          | 21.10.2019                                    | -                                 |
|               | Online             | 293885        | Sep'19 & Oct'19                           | 293885                        | 11.10.2019                   | 1-28                          | 11.10.2019                                    | -                                 |
|               | Online             | 46332         | Oct'19                                    | 46332                         | 05.11.2019                   | 1-24                          | 05.11.2019                                    | -                                 |
|               | Online             | 118854        | Octo'19                                   | 118854                        | 18.10.2019                   | 1-8                           | 18.10.2019                                    | -                                 |
|               | Online             | 19591         | Octo'19 & Nov'19                          | 19591                         | 07.11.2019                   | 1-19                          | 07.11.2019                                    | -                                 |
|               | Online             | 106897        | Oct'19                                    | 106897                        | 13.11.2019                   | 1-44                          | 13.11.2019                                    | -                                 |
|               | Online             | 110596        | Oct'19 & Nov'19                           | 110596                        | 07.11.2019                   | 1-20                          | 07.11.2019                                    | -                                 |
|               | Online             | 61776         | Oct'19 & Nov'19                           | 61776                         | 28.11.2019                   | 1-35                          | 28.11.2019                                    | -                                 |
|               | Online             | 11410         | Oct'19                                    | 11410                         | 07.11.2019                   | 1-16                          | 07.11.2019                                    | -                                 |
|               | Online             | 162139        | Oct'19                                    | 162139                        | 18.11.2019                   | 1-48                          | 18.11.2019                                    | -                                 |
|               | Online             | 50568         | Sep'19 & Oct'19                           | 50568                         | 10.10.2019                   | 1-16                          | 10.10.2019                                    | -                                 |
|               | Online             | 37237         | Oct'19                                    | 37237                         | 18.10.2019                   | 1-8                           | 18.10.2019                                    | -                                 |



**ANNEXURE-1: DELAY IN DEPOSIT OF PROPERTY TAX  
ULB- SASARAM  
INTERNAL AUDIT REPORT- Q-4 of F.Y. 2019-20**

| Serial Number |    | Amount of Tax | Date of Collection as per Receipts Book | Amount Deposited with Cashier | Date of deposit with cashier | Delay in deposit with cashier | Date of Deposit into Bank as per Deposit Slip | Delay in (days) deposit with Bank |
|---------------|----|---------------|---|-------------------------------|------------------------------|-------------------------------|---|-----------------------------------|
| From          | To |               |   |                               |                              |                               |   |                                   |
| Online        |    | 28849         | Jan'2020                                | 28,849.00                     | 02.03.2020                   | 1-61                          | 02.03.2020                                    | -                                 |
| Online        |    | 42885         | Feb'20                                  | 42,885.00                     | 31.03.2020                   | 1-58                          | 24.04.2020                                    | 24                                |
| Online        |    | 92108         | January'2020                            | 92,108.00                     | 18.02.2020                   | 1-59                          | 18.02.2020                                    | -                                 |
| Online        |    | 133414        | Feb'2020                                | 1,33,414.00                   | 31.03.2020                   | 1-60                          | 24.04.2020                                    | 24                                |
| Online        |    | 131849        | January'19                              | 1,31,849.00                   | 24.02.2020                   | 1-55                          | 24.02.2020                                    | -                                 |
| Online        |    | 95133         | January'19 & Feb                        | 95,133.00                     | 31.03.2020                   | 1-35                          | 24.04.2020                                    | 24                                |
| Online        |    | 178489        | January'2020                            | 1,78,489.00                   | 05.02.2020                   | 1-33                          | 05.02.2020                                    | -                                 |
| Online        |    | 43696         | Feb'2020                                | 43,696.00                     | 31.03.2020                   | 1-59                          | 24.04.2020                                    | 24                                |
| Online        |    | 260397        | January'2020                            | 2,60,397.00                   | 05.02.2020                   | 1-33                          | 05.02.2020                                    | -                                 |
| Online        |    | 91315         | January'2020                            | 91,315.00                     | 26.02.2020                   | 1-57                          | 26.02.2020                                    | -                                 |
| Online        |    | 248946        | Feb'2020                                | 2,48,946.00                   | 31.03.2020                   | 1-59                          | 24.04.2020                                    | 24                                |
| Online        |    | 69033         | Feb'20                                  | 69,033.00                     | 31.03.2020                   | 1-59                          | 24.04.2020                                    | 24                                |

**Note-** There is no collection after mid of Month February 2020 due technical default in online server.



# SASARAM NAGAR PARISHAD

## Discussion Note

Date: 27.12.2019  
Sasaram Nagar Parishad  
With  
AP Sangziri & Co.  
(Chartered Accountants)

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

| S.N. | Auditor observation  | Management comment  |
|------|--|---|
| 1    | Non submission of AG Compliance Report for f.Y. 2012-13 & 13-14;   | It will be submitted at the time of Q-2 of F.Y. 2019-20 Audit;  |
| 2    | No Municipal Accounts committee established;   | It is under process, and matter will be put before board for constitution of "Municipal Accounts Committee";                        |
| 3    | Non levy of Notice fee;  | Currently in Sasaram Nagar Parishad "Notice Fee" is not collecting but it will be collected as per rules framed in this behalf;     |
| 4    | Non levy of Taxes in IAR under Para "1 Part-A a) (1);  | We will collect in near future of those taxes which is imposible within municipality area;  |
| 5    | Late deposit of property Tax;  | Due to wok pressure and Tax Collector are busy in another work the amount so collected has not been deposited on same day ;         |
| 6    | Late deposit of statutory deduction including TDS;   | It will deposit on or before due date from now;   |
| 7    | Delay in deposit for deducted amount of EPF;   | It will be deposited on time from now;  |
| 8    | Non Preparation of Payment Voucher   | It will be implemented from Q-4 of 2019-20  |
| 9    | Non preparation of Complete UC details ;   | It is under process with the help of "Internal Auditor" and will be submit in coming next month;                                    |
| 10   | Non practice of Stock valuation;   | It will be follow as per rule and management will decide about reasonable period of valuation i.e. frequency of time for valuation; |
| 11   | Non return of "Unutilized Grant":  | It is under process;  |
| 12   | Directives/Notificatons/ Orders issued by UD & HD;   | The same has been complied;   |
| 13   | Maintenance of grant record with bifurcation like amount for Salary, water management, nail gall solid waste management and so on; | It will be submitted at the time of Q-2 of F.Y. 2019-20 Audit;  |
| 14   | Non maintenance of book refer to Para : II-PART B (a) of Internal Audit Report of above said period;                               | It will be maintained as per applicability of the same;   |
| 15   | Report Relating to 20 High Value Property;   | "Report on survey relating to 20 high value property will be Reported in 19-20 Report after physically survey"                      |

## SASARAM NAGAR PARISHAD

|    |  |   |
|----|--|---|
| 16 | Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet ( Financial Statement) | Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet will be prepare after implementation of Double Entry Accounting System.  |
| 17 | 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;  |
| 18 | Non Maintenance Fixed Assets register  | Fixed Assets Register were prepare up to 01.04.2011 by P. Puneet & Co. ( Chartered Accountants), after 01.04.2011 ULB not maintaining the same, however it will be prepare very soon with the help of Agency appointed to implement Double Entry Accounting System; |
| 19 | Non Renewal of Leasehold property  | This matter will be put before Next Board Meeting and after approval, it will be collected as per resolution passed by Board;   |
| 20 | Outstanding Taxes Refer to PART-A (a)(4) of Internal Audit Report:   | The recovery procedure are under process;   |
| 21 | Non preparation of Bank Reconciliation statement on Monthly Basis:   | It will be prepared with the help of Agency Appointed to "Implement Double Entry Accounting System"   |
| 22 | 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;   |
| 23 | Non implementation of Biometric Devices and Payroll Software   | Not implemented, however it is under process.   |
| 24 | Electricity –DPS   | The Fund available with respective Grant has been fully utilized for payment of salary of ULB Staff, and after that Due to Non Availability of Fund, ULB Sasaram delay the payment. However It will be consider from next time to deposit before due date;          |
| 25 | Non filing of TDS Return on Due date:  | The same has been complied thereafter with the help of agency Appointed to Implement Double Entry Accounting System;  |
| 26 | Non Deposit of Property tax mentioned in Report for above said period  | The said amount has been deposited with respective tax collector.   |

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

is on behalf of Sasaram Nagar Parishad.

*[Handwritten Signature]*  
27/12/19



Sasaram Nagar Parishad

Discussion note

2019-20(Qtr-2)

Letter No.

Date: 20.06.2020

To

AP Sangziri & Co.

(Chartered Accountants)

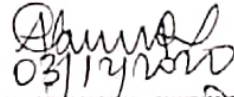
Subject: Regarding confirmation and discussion of documents not maintained and management comment in Audit report for F.Y. 2019-20 (Qtr-2)

We, Sasaram Nagar Parishad, discussed with internal auditor and confirm the following:

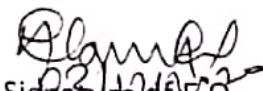
| S.N | Audit observation  | Management comment   |
|-----|--|--|
| 1   | No Municipal Accounts Committee constituted.   | No Municipal Accounts committee has been constituted.  |
| 2   | Non-Levy of taxes in IAR I. PART-A (a)1  | Some of taxes is collected by other department of GOB. like professional tax; and there are many taxes in this para are not collected by ULB due to not providing services in this respect like fire tax, water tax Otherwise discussed in meeting of board and implement as soon as possible. |
| 3   | Late deposit of property tax   | Property taxes deposited late due to lack of staff and over load of work.  |
| 4   | Non Collection of Notice fee   | Currently not collecting but it is considered and will be collected as soon as possible.   |
| 5   | Not prepared Payment voucher   | Due to lack of revenue staff but It will be preparing as soon as possible.   |
| 6   | Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Advertisement Tax, Mobile Tower Tax and Other Tax . | Detailed records has not been maintained but now we will maintain such type of records.  |
| 7   | Non-implementation of biometric devices and payroll software.  | It is under process.   |
| 8   | Income Tax and TDS on GST not Deposited  | It will be deposited.  |

|    |  |  |
|----|--|--|
| 9  | Royalty not deposited  | It will be deposited from now.   |
| 10 | Labourcess not Deposited   | It will be deposited from now.   |
| 11 | TDS Quarterly Return not Filed.  | It is under process.   |
| 12 | Permanent Employee PF amountnot deposited.   | It will be deposited very soon.  |
| 13 | Contractual employee Pf deposited after due date.  | Due to Lack of staff and starting of CFMS but now it will be deposited before due date.  |
| 14 | Complete UC details.   | It is prepared.  |
| 15 | Observation in respect of Part-A (B)   | In of Penalty levied by Electricity Department- Due to shortage of fund the same has not been deposited on time.                         |
| 16 | As per information provided there is no tender issued during said quarter of Audit.  | There is no tender issued during above said quarter of Audit.  |
| 17 | There is no Valuation Of stock in Nagar Parishad.  | We do not have any directivities/guidelines/instruction, issue by department for valuation of stock.                                     |
| 18 | Non preparation of BRS   | It is currently going on with the help of DEAS agency  |
| 19 | Vehicles are not insured.  | It is under process.   |
| 20 | Advances & their adjustment.   | ULB did not provide advances, hence no adjustment done.  |
| 21 | Report on 20 high value property.  | Due to some unavoidable situation it is not done currently.<br>We will assist audit team for survey of 20 high value property very soon. |
| 22 | Non preparation of Receipt and Payment A/C , Trial balance, Income and expenditure A/C and Balance sheet (Financial Statement) | It will be prepared after Double Entry accounting System implemented by agency.  |
| 23 | Non completion of survey of trade license.   | It will be done very soon.   |
| 24 | Non-preparation of Rent collections and demand registers as per rule.  | It will be prepared.   |
| 25 | Directives compliances.  | No directives issued during qtr-2.   |
| 26 | Non maintenance of fixed assets register.  | It will be maintained.   |
| 27 | Whether expenditure on   | ULB did not follow practice to debit WIP   |



  
 03/12/2020  
 का. अ. अ. न. दा. वि. प. ग. री  
 नगर परिषद, सासाराम

|    |   |   |
|----|---|---|
|    | construction of work was debited to WIP & verified with MB maintained.  | for expenditure incurred on Construction.   |
| 28 | Books of accounts are not timely updated like cash book, daily collection book, store register, issue register, Grant Register, bill register with payment fig., Register of Remittances made into bank, Statutory Deduction Register, Scheme Register etc. | Due to lack of human resources the same has not been updated on timely basis, however we will update from now.              |
| 29 | ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer. Details of Repairs and Maintenance have not been mentioned in log book.  | We will comply the same.  |
| 30 | Depreciation is not charged to Fixed Assets.  | ULB do not follow Double Entry Accounting System, hence depreciation is not accounted in our book.                          |
| 31 | Non maintenance of books from where ledger balances mentioned in Major head, minor head and detailed head as prescribed in rule can be extract.   | This is possible only when ULB follow double Entry Accounting System, hence we are unable to provide such ledgers balances. |
| 32 | Non creation of Special Funds   | No such directives issued for same.   |
| 33 | Physical verification Inventory/Stores.   | ULB did not follow the practice of physical verification of stock.  |
| 34 | Non-compliance of Act & Rules.  | It will be complied.  |
| 35 | Compliances of AG and Intc audit paras.   | It will be complied.  |
| 36 | Outstanding of taxes.   | Necessary steps will be taken from us.  |

  
 Signature of E.O.  
 नगर परिषद, सासाराम



Sasaram Nagar Parishad

Discussion note

2019-20(Qtr-3)

Letter No.

Date: 04.07.2020

To

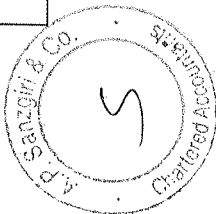
AP Sangziri & Co.(Chartered Accountants)

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

We, Sasaram Nagar Parishad, discussed with internal auditor and confirm the following:

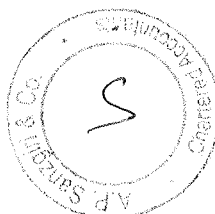
| S.N | Audit observation  | Management comment   |
|-----|--|--|
| 1   | No Municipal Accounts Committee constituted.   | No Municipal Accounts committee has been constituted.  |
| 2   | Non-Levy of taxes in IAR I. PART-A (a)1  | Some of taxes is collected by other department of GOB. like professional tax; and there are many taxes in this para are not collected by ULB due to not providing services in this respect like fire tax, water tax Otherwise discussed in meeting of board and implement as soon as possible. |
| 3   | Late deposit of property tax   | Property taxes deposited late due to lack of staff and over load of work.  |
| 4   | Non Collection of Notice fee   | Currently not collecting but it is considered and will be collected as soon as possible.   |
| 5   | Not prepared Payment voucher   | Due to lack of revenue staff but It will be preparing as soon as possible.   |
| 6   | Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Advertisement Tax, Mobile Tower Tax and Other Tax . | Detailed records has not been maintained but now we will maintain such type of records.  |
| 7   | Non-implementation of biometric devices and payroll software.  | It is under process.   |
| 8   | Income Tax and TDS on GST not Deposited  | It will be deposited.  |
| 9   | Royalty not deposited  | It will be deposited from now.   |

*Alam*  
03/12/2020  
कार्यपालक पदाधिकारी  
नगर परिषद्, सासाराम




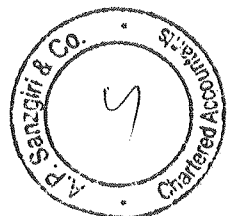
|    |   |  |
|----|---|--|
| 10 | Labourcess not Deposited  | It will be deposited from now.   |
| 11 | TDS Quarterly Return not Filed.   | It is under process.   |
| 12 | Permanent Employee PF amountnot deposited.  | It will be deposited very soon.  |
| 13 | Contractual employee Pf deposited after due date.   | it will be deposited before due date.  |
| 14 | Complete UC details.  | It is prepared.  |
| 15 | Observation in respect of Part-A (B)  | In of Penalty levied by Electricity Department- Due to shortage of fund the same has not been deposited on time.                         |
| 16 | As per information provided there is no tender issued during said quarter of Audit.   | There is no tender issued during above said quarter of Audit.  |
| 17 | There is no Valuation Of stock in Nagar Parishad.   | We do not have any directivities/guidelines/instruction, issue by department for valuation of stock.                                     |
| 18 | Non preparation of BRS  | It is currently going on with the help of DEAS agency  |
| 19 | Vehicles are not insured.   | It is under process.   |
| 20 | Advances &their adjustment.   | ULB did not provide advances, hence no adjustment done.  |
| 21 | Report on 20 high value property.   | Due to some unavoidable situation it is not done currently.<br>We will assist audit team for survey of 20 high value property very soon. |
| 22 | Non preparation of Receipt and Payment A/C ,Trial balance, Income and expenditure A/C and Balance sheet (Financial Statement) | It will be prepared after Double Entry Accounting System implemented by Agency.  |
| 23 | Non completion of survey of trade license.  | It will be done very soon.   |
| 24 | Non-preparation of Rent collections and demand registers as per rule.   | It will be prepared.   |
| 25 | Directives compliances.   | No directives issued during qtr-2.   |
| 26 | Non maintenance of fixed assets register.   | It will be maintained.   |
| 27 | Whether expenditure on construction of work was debited to WIP & verified with  | ULB did not follow practice to debit WIP for expenditure incurred on Construction.   |

*[Handwritten Signature]*  
03/11/2020  
कार्यपालक पदाधिकारी  
नगर परिषद, सासाराम



|    |  |  |
|----|--|--|
|    | MB maintained.   |  |
| 28 | Books of accounts are not timely updated like cash book, daily collection book , store register, issue register, Grant Register, bill register with payment fig., Register of Remittances made into bank, Statutory Deduction Register, Scheme Register etc. | Due to lack of human resources the same has not been updated on timely basis, however we will update from now.               |
| 29 | ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer. Details of Repairs and Maintenance have not been mentioned in log book.   | We will comply the same.   |
| 30 | Depreciation is not charged to Fixed Assets.   | ULB do not follow Double Entry Accounting System, hence depreciation is not accounted in our book.                           |
| 31 | Non maintenance of books from where ledger balances mentioned in Major head, minor head and detailed head as prescribed in rule can be extract.  | This is possible only when ULB follow Double Entry Accounting System, hence we are unable to provide such ledgers balances . |
| 32 | Non creation of Special Funds  | No such directives issued for same.  |
| 33 | Physical verification of Inventory/Stores.   | ULB did not follow the practice of physical verification of stock.   |
| 34 | Non-compliance of Act & Rules.   | It will be complied.   |
| 35 | Compliances of AG and Internal audit paras.  | It will be complied.   |
| 36 | Outstanding of taxes.  | Necessary steps will be taken from us.   |

  
 Signature of E.O  
 कार्यपालक पदाधिकारी  
 नगर पंचायत, सातसारास



Sasaram Nagar Parishad

Discussion note

2019-20(Qtr-4)

Letter No.

Date: 10.07.2020

To

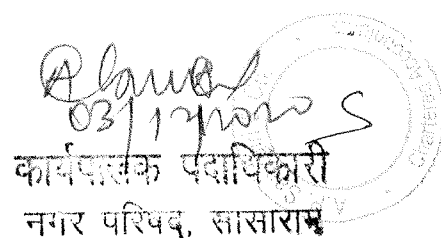
AP Sangziri & Co.

(Chartered Accountants)

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


We, Sasaram Nagar Parishad, discussed with internal auditor and confirm the following:

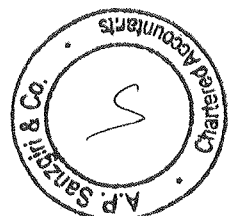
| S.N | Audit observation  | Management comment   |
|-----|--|--|
| 1   | No Municipal Accounts Committee constituted.   | No Municipal Accounts committee has been constituted.  |
| 2   | Non-Levy of taxes in IAR I. PART-A (a)1  | Some of taxes is collected by other department of GOB. like professional tax; and there are many taxes in this para are not collected by ULB due to not providing services in this respect like fire tax, water tax Otherwise discussed in meeting of board and implement as soon as possible. |
| 3   | Late deposit of property tax   | Property taxes deposited late due to lack of staff and over load of work.  |
| 4   | Non Collection of Notice fee   | Currently not collecting but it is considered and will be collected as soon as possible.   |
| 5   | Not prepared Payment voucher   | Due to lack of revenue staff but It will be preparing as soon as possible.   |
| 6   | Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Advertisement Tax, Mobile Tower Tax and Other Tax . | Detailed records has not been maintained but now we will maintain such type of records.  |
| 7   | Non-implementation of biometric devices and payroll software.  | It is under process.   |
| 8   | Income Tax not deposited and TDS on GST late Deposited   | It will be deposited on time now.  |
| 9   | Royalty not deposited  | It will be deposited from now.   |

  
कार्यपालक पदाधिकारी  
नगर परिषद, सासाराम

|    |  |  |
|----|--|--|
| 10 | Labourcess not Deposited   | It will be deposited from now.   |
| 11 | TDS Quarterly Return not Filed.  | It is under process.   |
| 12 | Permanent Employee PF amountnot deposited.   | It will be deposited very soon.  |
| 13 | Contractual employee Pfnot deposited.  | it will be deposited before due date.  |
| 14 | Complete UC details.   | It is prepared.  |
| 15 | Observation in respect of Part-A (B)   | In of Penalty levied by Electricity Department- Due to shortage of fund the same has not been deposited on time.                         |
| 16 | As per information provided there is no tender issued during said quarter of Audit.  | There is no tender issued during above said quarter of Audit.  |
| 17 | There is no Valuation Of stock in Nagar Parishad.  | We do not have any directivities/guidelines/instruction, issue by department for valuation of stock.                                     |
| 18 | Non preparation of BRS   | It is currently going on with the help of DEAS agency  |
| 19 | Vehicles are not insured.  | It is under process.   |
| 20 | Advances &their adjustment.  | ULB did not provide advances, hence no adjustment done.  |
| 21 | Report on 20 high value property.  | Due to some unavoidable situation it is not done currently.<br>We will assist audit team for survey of 20 high value property very soon. |
| 22 | Non preparation of Receipt and Payment A/C ,Trial balance, Income and expenditure A/C and Balance sheet (Financial Statement)    | It will be prepared after Double Entry Accounting System implemented by Agency.  |
| 23 | Non completion of survey of trade license.   | It will be done very soon.   |
| 24 | Non-preparation of Rent collections and demand registers as per rule.  | It will be prepared.   |
| 25 | Demand and collection register for "Mobile Tower Tax, Rental Income from municipal properties, license Fee and Properties Taxes" | ULB – sasaram did not have any such data. However we are under process to resolve the same issues.                                       |

|    |  |  |
|----|--|--|
| 26 | Non maintenance of fixed assets register.  | It will be maintained.   |
| 27 | 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.   |
| 28 | Books of accounts are not timely updated like cash book, daily collection book , store register, issue register, Grant Register, bill register with payment fig., Register of Remittances made into bank, Statutory Deduction Register, Scheme Register etc. | Due to lack of human resources the same has not been updated on timely basis, however we will update from now.               |
| 29 | ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer. Details of Repairs and Maintenance have not been mentioned in log book.   | We will comply the same.   |
| 30 | Depreciation is not charged to Fixed Assets.   | ULB do not follow Double Entry Accounting System, hence depreciation is not accounted in our book.                           |
| 31 | Non maintenance of books from where ledger balances mentioned in Major head, minor head and detailed head as prescribed in rule can be extract.  | This is possible only when ULB follow Double Entry Accounting System, hence we are unable to provide such ledgers balances . |
| 32 | Non creation of Special Funds  | No such directives issued for same.  |
| 33 | Physical verification of Inventory/Stores.   | ULB did not follow the practice of physical verification of stock.   |
| 34 | Non-compliance of Act & Rules.   | It will be complied.   |
| 35 | Compliances of AG and Internal audit paras.  | It will be complied.   |
| 36 | Outstanding of taxes.  | Necessary steps will be taken from us.   |
| 37 | Directives compliances.  | No directives issued during qtr-2.   |

  
 03/12/2020  
 Signature of M.O.  
 पदाधिकारी  
 नगर परिषद, सासाराम



**SASARAM NAGAR PARISHAD**  
**STATUS OF UTILIZATION CERTIFICATION FOR FY 2019-20**

| S.No | Head   | Approval order and date | Sanctioned Amount | Expenses Incurred | Balance Amount | UC Submitted against Expenses | UC Pending Against Expenses | % of UC Submitted against expenses | % of UC Pending against expenses | Letter Number & Date of Submission of UC |
|------|--|-------------------------|-------------------|-------------------|----------------|-------------------------------|-----------------------------|------------------------------------|----------------------------------|--|
| 1    | Honorarium of city manager                         | 26/20.06.2019           | 1.20              | -                 | 1.20           | -                             | -                           | NIL                                | NIL                              | Transfer to PL                           |
| 2    | Civil Liberties                                    | 112/06.11.2019          | 149.45            | -                 | 149.45         | -                             | -                           | NIL                                | NIL                              | Transfer to PL                           |
| 3    | 14th finance                                       | 127/27.11.19            | 393.29            | -                 | 393.29         | -                             | -                           | NIL                                | NIL                              | Transfer to PL                           |
| 4    | 5th finance  | 56/13.08.19             | 656.51            | -                 | 656.51         | -                             | -                           | NIL                                | NIL                              | Transfer to PL                           |
| 5    | 5th financ   | 54/13.08.2019           | 679.49            | -                 | 679.49         | -                             | -                           | NIL                                | NIL                              | Transfer to PL                           |
| 6    | Chairman / Deputy Chairman<br>Councillor Allowance | 81/20.09.2019           | 9.00              | -                 | 9.00           | -                             | -                           | NIL                                | NIL                              | Transfer to PL                           |
| 7    | City manager                                       | 78/13.09.2019           | 2.40              | -                 | 2.40           | -                             | -                           | NIL                                | NIL                              | Transfer to PL                           |
| 8    | Water logging (auxiliary grant)                    | 104/10.10.2019          | 1,000.00          | -                 | 1,000.00       | -                             | -                           | NIL                                | NIL                              | Transfer to PL                           |
| 9    | Civil Liberties                                    | 101/10.10.2019          | 127.53            | -                 | 127.53         | -                             | -                           | NIL                                | NIL                              | Transfer to PL                           |
| 10   | Executive officer salary                           | 83/20.09.2019           | 6.00              | -                 | 6.00           | -                             | -                           | NIL                                | NIL                              | Transfer to PL                           |
| 11   | Salary payment                                     | 42/12.07.19             | 3.00              | -                 | 3.00           | -                             | -                           | NIL                                | NIL                              | Transfer to PL                           |
| 12   | 14th Finance                                       | 38/11.07.2019           | 393.29            | -                 | 393.29         | -                             | -                           | NIL                                | NIL                              | Transfer to PL                           |

