

**INTERNAL AUDIT REPORT**

**OF ULB**

**(NARKATIAGANJ NAGAR PARISHAD)**

**FOR THE PERIOD**

**01.04.2020 TO 31.03.2021**

**CONDUCTED BY**

**M/s R. N. Singh & Co.  
208, Hem Plaza, Fraser Road  
Near Dak Bunglaw Chauraha,  
Patna – 800001**

**From 02.06.22 TO 08.06.2022**

**Report Issued on 23 June 22**

## 1. Executive Summary

### 1. INTRODUCTION

. Name of the Municipality	NARKATIAGANJ NAGAR PARISHAD
. Period covered undercurrent audit	Annual of the F/Y 2020-21
. Name of the chairman of the ULB for the period under Audit	Sri. Radhe Shyam Tiwari
. Name of Chief Municipal Officer for the period under Audit	Mr. Sahil Ansari

### 2. Results and Findings

<b>. Strengths observed during the audit engagement.</b>
(a) All transaction has supporting documents. (b) Office infrastructure is sufficient for operation. (c) General Cash book has been maintained. (d) All the transaction entered in General cash book has written with clarity and in legible manner.
<b>. Weaknesses observed in the functioning of office, maintenance of records etc .Observed during the audit engagement</b>
(a) Collections made by Narkatiaganj Nagar Parishad has not deposited in to Bank within the prescribed time. (b) All the moneys have not brought to account on the same days. (c) Utilization certificate has not been prepared as per the prescribed Schedule time by the ULB. (d) Monthly Receipts and payments has not been prepared which is to be required as per the Rule 120-121. (e) Tower tax has not been collected, since the establishment of the ULB even though number of tower is 20 as on 31-03-2021. Thus total outstanding tax amount is Rs1456000/- /- For registration fee, renewal fee. (f) We are unable to check compliance report of the previous internal audit and C&AG report due to non-provided of the Compliance report to us by the ULB. (g) Demand and arrear register has not been maintained by the ULB hence we are unable to quantify the amount of the outstanding Property/Holding tax, Advertisement tax, Tower tax, Rent on municipal property sairat etc. (h) Fixed Assets Register has not been maintained. (i) Advance Register has been not maintained. (j) Stock Register has not been maintained. (k) Daily collection register (Revenue receipt wise) has not been maintained in satisfactory format. (l) Property / Holding tax has not been assessed on property by the ULB from Financial Year 2015-2016. Due to which we are unable to identify those property holders who are not paying property tax from long time. (m) Budget has not been sanctioned by the state government (n) In the Cash book transaction have not been recorded as per their nature (like purchase of the Furniture



and Computers have been recorded as office expenses).

- (o) File Movement register has not been maintained
- (p) Section 84 of the Bihar Municipal Act, 2007. Provides that Municipality shall submit its budget intimates for the ensuring year to the State Govt. by 15<sup>th</sup> of the March. But information furnished by the Nagar Parishad revealed that budget estimates were not passed on time by the board, which resulted into delay transmission of the same to the State Government.
- (q) Procurement register has not been prepared by the ULB for all the Procurements above Rs 15000.
- (r) Resources of the ULB have been not utilized in Economic and efficient manner. (like public toilets have been made by the ULB but these are not in usable for the public due to Lock by the ULB)
- (s) Compliances of the income tax by the ULB is not appropriates Such as payments of the Advertisement expenses without deduction TDS.
- (t) V.S.C & Co. have been appointed for the Double entry accounting system and Preparation of the financial statements but Neither Double entry accounting system nor financial statements have been completed for audit at the ULB for the FY 2020-21.

### 3. Opinion

As per Our Opinion the following improvements are required.

- ULB is not working properly, even internal control is poor.
- Revenue collection of the ULB is very poor it has scope to increase to much higher level.
- All cash collection from source of revenue are not deposited in the bank on same day. It should be deposited in the same day as per the Bihar Municipal Act.
- Due to lack of manpower, there is delay in performing day-to-day work.
- There should be proper segregation of duties to perform day-to-day work in efficient manner.
- We find that rules and regulation are there but ULB is not following them properly.
- Most of the Books of Accounts as prescribed by BMAR are not maintained by the ULB.
- There are time lapses in deduction and deposit of statutory dues, such as GST, Royalty, TDS, Labor Cess etc.
- Bank wise cash book should be maintained for each Scheme.
- Utilization certificate should be prepared for each scheme with in prescribed time line.

### 4. Audit Recommendations

The Recommendation of Audit Team on the Observed weakness.

SL No	We Recommend the followings:-
1.	ULB should maintain all the book of accounts, register, records etc. as prescribe in Bihar Municipal Accounts Act, Manual and Rules and same should be regularly verified by the executive Officer.
2.	ULB should prepare receipt and payments accounts on monthly basis. Due to which it become very easy to find out how much fund has been received by the ULB.
3.	ULB must have to refund the unutilized amount to the Urban Development & Housing Department.
4.	ULB have to be statutory returns with in prescribe time line and deposit the deducted amount as specified in statutory law.



5.	As per Rules 22(1) of Bihar Municipal Accounting Rules. 2014 Tax Collected has to be deposited on same day or latest before noon on the following working day.
6.	Executive Officer is required to verify the Collection and deposited of revenue on the regular basis due to which Accurate balances, Prevents thefts, Prevents mistake can be avoided.
7.	ULB should maintain log book of vehicles & generator so that consequently its analysis is possible.
8.	Meeting of Municipal Account Committee are required to be held regularly to analyze the progress of various activities and accounting procedure.
9.	ULB should prepare summary of daily collection in form GEN-13.
10.	ULB should prepare demand and arrear register of holding tax as soon as possible..
11.	ULB should maintain DCR register separately for each head of its own revenue sources for appropriate internal control and also for appropriate disclosures of books of accounts.
12.	ULB should asses the Holding/property tax every year & do survey for the assessment of the same.
13.	ULB should collect all the outstanding dues like Mobile tower tax, Holding/Property tax advertisement tax as soon as possible.
14.	All the statutory dues deducted by the ULB should deposit with in due date .So that Penalty and interest can be avoided.
15.	Resources of the ULB is required to be made in Economic and efficient manner.
16.	ULB is required to compliance all of the irregularities observed during the current as well as previous Internal Audit and AG audit.

#### 5. Comments from Management.

As per discussion with Management, they have ensured that they are looking into the matter and proper action will be taken for all the irregularities coming out from audit.

Detailed discussions on this are given in *Discussion Note* as attached with this report

#### 6. Acknowledgement: -

We thank Mr. Sahil Ansari (Executive Officer), for his support during the period of our audit. We are also thankful to Head Accountant and Najir/accountant and other staff of the Nagar Parishad for their co-operation during the period of audit.



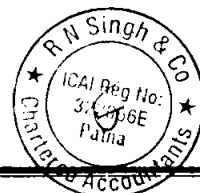
**7. Management Discussion with Risk Assessment.**

Sr. No.	Observations (sort the observations from Medium risk to low)	Risk Rating	Design Gap	System Gap	Operational Gap	Management (CMO) Comments	Reference Page						
1.	During the audit we found that the agreements of sairat tenders have not been executed between contractors and Narkatiaganj Nagar Parishad.	High	Yes	Yes	Yes	No clear Clarification letter demanded from the Registrar for Clarification, Where we are following in this in the same year.							
2.	During the Audit we found that the theirs is difference between as per cash book amount and as per passbook amount of Rs 21635982 and no disclosure of the reason of that difference amount attached.					It will be rectify in future.							
3	As per details provided to us there are total 20 Mobile Towers registered with this ULB up to 31.03.21 and Rs.1456000 /- has not been collected till the date of audit from these tower operators as Tower Tax.	Medium	Yes	Yes	Yes	It will be compliance in future.							
4.	During the Audit ,we observed that the Property tax has been dues on the various property but has not been recovered by the Narkatiaganj Nagar Parishad hence there is losses of the Revenues of the Amount Rs 35438822.	Medium	Yes	Yes	Yes	It will be compliance in future.							
5.	During the Audit, we found that the following properties have not been allotted on lease due to which, there is losses of the revenues income to the ULB.	Medium	Yes	Yes	Yes	No anyone participate in in tender for sairat collection.							
	<table border="1"> <thead> <tr> <th>Particular</th> <th>Amounts</th> </tr> </thead> <tbody> <tr> <td>Public Toilet Near at registry Kachahariof. ice</td> <td>19550</td> </tr> <tr> <td>Cycle and Bike Stand</td> <td>4715</td> </tr> </tbody> </table>	Particular	Amounts	Public Toilet Near at registry Kachahariof. ice	19550	Cycle and Bike Stand	4715						
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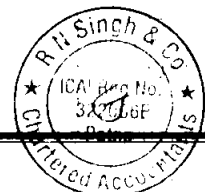


Near at Block						
Cycle and Bike Stand Near at Sugar Meal	3071					
Cycle and Bike Stand at Registry Kachähri office	4140					
Cycle and Bike Stand near at State Bank	4198					
Total	Rs. 35674					

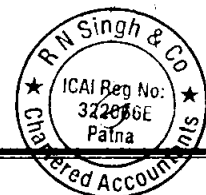
6.	<p>During the audit we observed that the ULB has made payments to contractor without deduction of the TDs and GST on the payment to the contractor. As per the CGST act 2017 and Income tax Act 1961, ULB is required to deduct TDS @2% on IT and CGST(1% in case of payments to Individuals)</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Name of Contractor</th> <th>Amounts (Rs)</th> </tr> </thead> <tbody> <tr> <td>17.4.20</td> <td>Arvind Kumar Sinha</td> <td>676168</td> </tr> <tr> <td>16.5.20</td> <td>--DO--</td> <td>624636</td> </tr> <tr> <td>28.5.20</td> <td>--DO--</td> <td>670071</td> </tr> <tr> <td>3.6.20</td> <td>--DO--</td> <td>678768</td> </tr> <tr> <td>27.6.20</td> <td>--DO--</td> <td>667614</td> </tr> <tr> <td>27.6.20</td> <td>--DO--</td> <td>663534</td> </tr> <tr> <td>27.6.20</td> <td>--DO--</td> <td>673576</td> </tr> <tr> <td>27.6.20</td> <td>--DO--</td> <td>673576</td> </tr> <tr> <td>27.6.20</td> <td>--DO--</td> <td>661506</td> </tr> <tr> <td>27.6.20</td> <td>--DO--</td> <td>655606</td> </tr> <tr> <td>30.6.20</td> <td>--DO--</td> <td>673591</td> </tr> <tr> <td>30.6.20</td> <td>--DO--</td> <td>672048</td> </tr> <tr> <td>27.6.20</td> <td>Ajay kumar Shrivastav</td> <td>659531</td> </tr> </tbody> </table>	Date	Name of Contractor	Amounts (Rs)	17.4.20	Arvind Kumar Sinha	676168	16.5.20	--DO--	624636	28.5.20	--DO--	670071	3.6.20	--DO--	678768	27.6.20	--DO--	667614	27.6.20	--DO--	663534	27.6.20	--DO--	673576	27.6.20	--DO--	673576	27.6.20	--DO--	661506	27.6.20	--DO--	655606	30.6.20	--DO--	673591	30.6.20	--DO--	672048	27.6.20	Ajay kumar Shrivastav	659531	Medium	Yes	Yes	Yes	Project has been executed by ULB itself Hence no requirement of the TDS and other taxes.
Date	Name of Contractor	Amounts (Rs)																																														
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7.	There is huge scope of the	Medium	Yes	Yes	Yes	During the financial																																										



	collection for advertisement tax/fees at the ULB but ULB is not practice to collection of such type of taxes, hence causing revenues losses to the Nagar Parishad.					year 22-23 ULB has been started to collect such types of the taxes.
8.	We are not able to check the Compliance Status of Internal Audit Observations for FY 2019-20 & Previous years, and AG audit observation of the F/Y 2018-19 as compliance report has not been provided to us by the ULB.	Medium	Yes	Yes	Yes	Report has not been received by the Department auditor, hence we are unable to prepared compliances.
9.	Nagar Parishad Narkatiaganj has not been constituted Municipal Accounts Committee under section 98 of the Municipal Act, 2007. It is necessary for the municipality to constitute a Municipal Accounts committee at the first meeting in each year as soon as possible may be at the subsequent meeting thereto	Medium	Yes	Yes	Yes	It will be compliance in future.
10.	During the Examination of the General cash book we found that the initial signature of the executive officer is missing. EO is required to verify the each transaction entered in to cash book with initial sign.	Medium	Yes	Yes	Yes	It will be compliance in future.
11.	During the audit we observed that, the Taxes and Other fees collected have not been deposited in to the bank on the same days. Sometime period of the collection and deposited are more than two weeks' days. As per the BMA collection should be deposited on the same days.	Medium	Yes	Yes	Yes	We deposit the collection amount on the weekly, but we are trying to deposit such collection on the daily basis.
12.	ULB is not practice to prepared Bank reconciliation statement and bank wise cash books. As per the BM Rules BRS is required to be prepared	Medium	Yes	Yes	Yes	V.S.C company has been assigned to prepare the BRS but Company has not Visit in ULB.



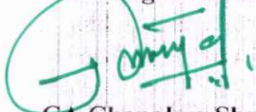
	on the monthly basis.					
13.	Demand register is not maintained or up to date by the ULB. We are unable to quantify the total outstanding demand of Property Tax, Tower Tax, Advertisement Tax, Rent on Municipal Properties etc.	Medium	Yes	Yes	Yes	Demand Register are maintained by the ULB staff. And It will be Shown to the Auditor.
14.	ULB has not been in practice to prepare financial statements.	Medium	Yes	Yes	Yes	V.S.C company has been assigned to prepare the BRS but Company has not Visit in ULB.
15.	ULB has not been in practice to prepare monthly receipt and payment account & Trial Balance.	Medium	Yes	Yes	Yes	V.S.C company has been assigned to prepare the BRS but Company has not Visit in ULB.
16.	ULB has not been prepared Utilization certificate within the prescribed Period.	Medium	Yes	Yes	Yes	UC will be provided to auditor .
17.	Various registers, books of records etc. are not being prepared by the ULB. Such as Bank Wise Cashbook, Pay Roll Register, Leave Register, Fixed Asset Register, Advance & Recovery Register, Demand Register, Bill Register, File Movement Register etc.	Medium	Yes	Yes	Yes	It will be Comply in Near future.
18.	Physical verification of inventory & Fixed assets has not been done by ULB on regular interval.	Medium	Yes	Yes	Yes	It will be compliance in future.
19.	Double Entry Accounting System has been incomplete in the ULB. Hence we are unable to check/Examination of the financial statements.	Medium	Yes	Yes	Yes	V.S.C company has been assigned to prepare the BRS but Company has not Visit in ULB.
20.	Details of Directives issued by UD&HD have not been provided to us during the course of audit, so we are unable to check Compliance of the same.	Medium	Yes	Yes	Yes	All the direction is available with ULB and it will be provided to the Auditor.



21.	During the period of an audit, we observed that the Narkatiaganj Nagar Parishad has not assess the holding tax as well as mobile tower from 2017-18 and during this period there are many Residential house have been developed/converted in commercial properties and mobile towers have been installed.	Medium	Yes	Yes	Yes	Assessment has been made but survey is pending, and it will be conducted in coming year.
22	Due to Non agreement of the point-1, Revenue losses to ULB in form of Stamp Duty and other taxes @8% on tender amounts i.e. Rs 408732 (8% of 4500+2041000+997000+1030500+865000+65660+105500)	Medium	Yes	Yes	Yes	It will be comply in future.

For R. N. SINGH & CO.

Chartered Accountant  
ICAI Reg.No:322066E



CA Chanakya Shree  
Partner

M.No: -079322

UDIN:- 22079322AOWUBM4993

Date:- 12-08-2022



Municipal Commissioner /  
Executive Officer

Nagar Parishad Narkatiaganj

Date:

Place: Narkatiaganj

## 2. Auditee Profile

### 1. Introduction

The Internal audit of (Narkatiaganj Nagar Parishad) covering the period from 1<sup>st</sup> April' 2020 to 31<sup>st</sup> March' 2021 was conducted by following persons under guidance of TL CA Ashok Kumar Pandey and MAE CA Birendra Kumar Singh:

- i. Mr. Rajmodin Ahmad

### 2. Administration

The present body of the ULB has taken charge on 7<sup>th</sup> July 2021, the incumbency in the key administrative and executive positions was as under:

Sri. Radhe Shyam, Tiwari (Chairman) from 10<sup>th</sup> June 2017 to till date.

. Smt. Rita Kumari (Executive Officer) from 04<sup>th</sup> July 20 to 6<sup>th</sup> July 21.

Mr. Sahil Ansari. (Executive Officer) from 07<sup>th</sup> July 2021 to till date.

### 3. Review of outstanding audit paras:

Status of Audit Observations is as under:

Sl. No.	Particulars of Audit and date of report	Total no. of audit Paras	Total no. of audit Paras where necessary improvement/ corrective measure is 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 outstanding paras where no action has been taken	No. and Date of Compliance Report
1	AG Audit Report, 2016-2018	20	20	6	0	0	20	Compliance Report has not been provided to us.
2.	Internal Audit Report 19-20.	14	14	0	0	0	14	Compliance of the Report have not been provided to us.



#### 4. Finance

##### I. Budgetary provisions and expenditure for the last three years

Year	2018-19	2019-20	2020-21
Final/Revised Budget	88,67,50,000.00	91,20,32,000.00	95,38,80,000.00
Actual Expenditure	4,66,24,448.00	7,28,14,585.00	10,41,78,967.00
Savings(+)/ Excess(-)	84,01,25,552.00	83,92,17,415.00	84,97,01,033.00

Note: Actual expenditure for Year 2020-21 has been taken up to 4th Quarter (Financial year 20-21)

##### II. Volume of transactions

Period	Budgeted (2020-21)	Previous Year (For one Year) 2019-20	Cumulative for the current period
Opening balance	353995578	324301362	354533050
Receipts	1011990600	103046273	197985659
Total	1365986178	427347635	552518709
Net expenditure	953880000	72814585	104178967
Closing balance	412106178	354533050	448339742

Note: -

- We annexed the figure mentioned above of budget column, taken from the Budget of 20-21, which was provided to us by concern officers of ULB.
- Accumulated differences as per the cash book and Bank passbook during the financial year 20-21 has been reported in discussion note with the management's comments with this.

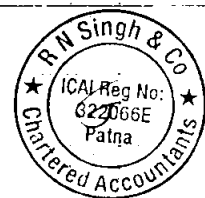
##### III. Bank Reconciliation: -

Since different scheme has been maintained in single cashbook therefore segregation of balances of different Scheme as on 31.03.2021 cannot be determined. Similarly, since through one bank account different schemes are being operated the bank balance of a particular scheme on a particular date cannot be determined. Bank Reconciliation Statement has not been prepared by the ULB.



**Details of closing balance**

Sl.No.	Name of the Scheme	Bank/ Account No.	Balance as Per the Pass Book 31.03.2021	Balance as Per the Cash Book 31.03.2021	Differences	Remarks BRS Prepared/ Not Prepared
1.	Various Scheme	Treasury P/L A/C	Data not provided to us.	Data not provided to us	-- Data not provided to us --	BRS has not been prepared by the ULB
2.	Samiti Nidhi	UBGB 0481	445847.35	--do--	445847.35	--do--
3.	BRGF Scheme	BKGB 3422	1426421	--do--	1426421	--do--
4.	Pension	UBGB 2388	8514331.10	--do--	8514331.10	--do--
5.	MNAS	UBGB 1645	15737	--do--	15737	--do--
6.	IDSMT	CKGB 1535	338748	--do--	338748	--do--
7.	Jangranna	UBGB 1527	277142	--do--	277142	--do--
8.	SJSRY	CKGB 1644	9295	--do--	9295	--do--
9.	MVY	UBGB 5124	648590	--do--	648590	--do--
10.	N.S.D.P.	SBI 5608	Data not provided	--do--	--	--do--
11.	12 <sup>th</sup> Finance	SBI 5619	Data not provided	--do--	--	--do--
12.	Samiti Nidhi	SBI 5596	194032.45	--do--	194032.45	--do--
13.	IDSMT	SBI 0181	5479702.00	--do--	5479702.00	--do--
14.	SBM	SBI 6309	1952607.25	--do--	1952607.25	--do--
15.	DPR	SBI 3766	Data not provided	--do--		--do--
16.	Kabir Anthyosti	CBI 9481	1249949.60	--do--	1249949.60	--do--
17.	13 <sup>th</sup> finance	CBI 8296	0	--do--	0	--do--
18.	SJSRY	CBI 7454	26288965.40	--do--	26288965.40	--do--



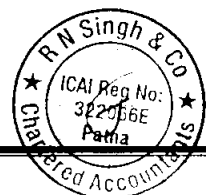
19.	Nali Nirman	CBI 5437	1023476	--do--	1023476	--do--
20.	Path Nirman	CBI 5426	0	--do--	0	--do--
21.	Administrative Building	CBI 1389	1132741	--do--	1132741	--do--
22.	Matching grant	CBI 7386	0	--do--	0	--do--
23.	N.A.S.	CBI 5554	15212	--do--	15212	--do--
24.	Sansad Nidhi	CBI 8532	0	--do--	0	--do--
25.	Kabir Anthyosti	CBI 3587	2412284	--do--	2412284	--do--
26.	Holding Tax	PNB 0971	1844292.88	--do--	1844292.88	--do--
27.	Sairat& Holding Tax	PNB 0944	3147151.56	--do--	3147151.56	--do--
28.	Rajya Yojna	PNB 0962	Data not provided	--do--	--	--do--
29.	4th Finance	PNB 0980	Data not provided	--do--	--	--do--
30.	Housing For All	PNB 9558	66189057	--do--	66189057	--do--
31.	PF	PNB 9645	147939.78	--do--	147939.78	--do--
32.	DAY NULM	BOB 5561	299552	do--	299552	--do--
33.	IDSMT	CKGB 0535	15737	do--	15737	--do--

#### IV. Revenue & Capital Receipts Information: -

Income Details (Amounts to be provided in Rupees)							
Sl. No.	Details	2018-19		2019-20		2020-21	
		2018-19	2017-18	2019-20	2018-19	2020-21	2019-20
	<b>Total Receipts (A+B)</b>	<b>128827695</b>	<b>99177810</b>	<b>103046273</b>	<b>128827695</b>	<b>197985659</b>	<b>103046273</b>
A.	<b>Revenue Receipts (1+2+3)</b>	<b>17955299</b>	<b>32525971</b>	<b>23010195</b>	<b>61101967</b>	<b>102953495</b>	<b>23010195</b>
1.	<b>Own Revenue Receipts (a+b)</b>	<b>6774786</b>	<b>18707471</b>	<b>6457044</b>	<b>58903717</b>	<b>58211420</b>	<b>6457044</b>
a)	<b>Tax Revenue(levied and collected by municipal body)</b>	<b>6526057</b>	<b>10430729</b>	<b>6336386</b>	<b>957124</b>	<b>13245263</b>	<b>6336386</b>



i)	Property tax	6526057	10270729	6336386	10461523	10461523	6336386
ii)	Other tax (levied and collected by municipal body)	--	160000	--	2783740	2783740	--
b)	Non-tax revenue (levied and collected by municipal body)	248729	276742	120658	575555	44966157	120658
i)	Fees & fines	248729	127391	120658	--	--	120658
ii)	User Charges	--	149351	--	--	--	--
iii)	Other non-tax revenue (levied and collected by municipal body)	--	--	--	44966157	44966157	--
<b>2</b>	<b>Other Revenue Receipts</b>	<b>9732793</b>	<b>8874049</b>	<b>14045807</b>	<b>2890547</b>	<b>2890547</b>	<b>14045807</b>
a)	Income from interest/investments	4313373	4234784	3986654	2890547	2890547	3986654
b)	Other Revenue income	5419420	4639265	10059153	--	--	10059153
<b>3.</b>	<b>Transfers/ Grants/ Assigned Revenues</b>	<b>1447720</b>	<b>12944451</b>	<b>2507344</b>	<b>41851528</b>	<b>41851528</b>	<b>2507344</b>
a)	State Assigned Revenue	-	--	--	--	--	--
b)	State Finance Commission (SFC) Grants/ Devolution	1447720	3401451	1877344	15538124	15538124	1877344
c)	Octroi compensation	--	--	--	--	--	--
d)	Other State Govt. Transfer	--	--	630000	--	--	630000
e)	Central Finance Commission (CFC) Grant	--	--	--	--	26313404	--
f)	Other Central Govt. Transfer	--	--	--	--	--	--
g)	Others	--	9543000	--	--	--	--
<b>B.</b>	<b>Capital Receipts</b>	<b>110872396</b>	<b>66651839</b>	<b>80036078</b>	<b>110872396</b>	<b>95032164</b>	<b>80036078</b>
1	Sale of Municipal Land	--	--	--	--	--	--
2	Loans (from State Govt. or Banks etc.)	--	--	--	--	--	--
3	State Capital Account Grant (under State Schemes etc.)	81812173	42835291	48967621	81812173	16230421	48967621
4	Central Capital Account Grant (under Central Schemes etc.)	29060223	23816548	31068457	29060223	78801743	31068457



5	Other Capital Receipts	--	---	--	--	---	--
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v. Revenue and Capital Expenditure Information: -

Expenditure Details (Amounts to be provided in Rupees)							
Sl. No.	Details	2018-19		2019-20		2020-21	
		2018-19	2017-18	2019-20	2018-19	2020-21	2019-20
	<b>Total Expenditure (1+2)</b>	<b>46624448</b>	<b>56469959</b>	<b>72814585</b>	<b>46624448</b>	<b>104178967</b>	<b>72814585</b>
1	<b>Revenue Expenditure</b>	<b>15172959</b>	<b>14727425</b>	<b>26410193</b>	<b>15172959</b>	<b>67425787</b>	<b>26410193</b>
1.1	Administrative Expenses, Establishment and Salaries (All Departments- Regular and Contractual Staff)	9929581	9338298	16814394	9929581	13928897	16814394
1.2	Operation and Maintenance (O&M)	2898747	2513555	6446173	2898747	---	6446173
1.3	Loan repayment (Interest payments)	--	--	--	--	--	--
1.4	Others (any other revenue expenditure which is not salaries, O&M or Interest Payment)	2344631	2875572	3149926	2344631	53496890	3149926
2.	<b>Capital Expenditure</b>	<b>31451489</b>	<b>41742534</b>	<b>46404392</b>	<b>31451489</b>	<b>36753180</b>	<b>46404392</b>
2.1	All developmental works under Central/State specific schemes	31451489	41712634	45906951	31451489	3675180	45906951
2.2	Loan Repayments	--	--	--	--	--	--



(Principal Amount)						
2.3 Other Capital expenditure	--	29900	497441	--	--	497441

#### VI. Status of implementation of Double Entry Accounting System

Vinod Singhal & Co (L.L.P) has started doing double entry accounting system but it is in process. The year wise Status of DEAS are as follows;

- FY- 2016-17: Completed
- FY- 2017-18: Completed
- FY- 2018-19: Completed
- FY- 2019-20: Completed
- FY- 2020-21: In Progress
- Interval of accounting entry passed in tally: Daily Basis
- Opening Balance Sheet: Not Prepared.
- Annual Financial Statement: Not Prepared.
- Tally License Id: [NAGARPARISHADNARKATIAGANJ1972@GMAIL.COM](mailto:NAGARPARISHADNARKATIAGANJ1972@GMAIL.COM)
- Tally Serial No.:766646991
- Installed in: Narkatiaganj Nagar Parishad System.

**VII. Status of Municipal Accounts Committee;** -Narkatiaganj Nagar Parishad has not been constituted Municipal Accounts Committee under section 98 of the Municipal Act, 2007. It is necessary for the municipality to constitute a Municipal Accounts committee at the first meeting in each year as soon as possible may be at the subsequent meeting thereto.

### 3. Summary Audit Observations

#### Part – A (Monetary implication)

All Audit objections/irregularities which has monetary implication, particularly in following areas

- (a) Leakage of own source revenue (tax and non-tax) either due to wrong assessment or non-levy of property tax, mobile tower tax, rent on municipal properties, advertisement tax, trade license fee, user Charges and fee etc.

(i) **Mobile Tower Collection: -**

**Audit Objective**– As per Point No. – 5 of TOR

**Criteria** – Tower Tax is taxes on Communication Tower & related structure as defined in BIHAR COMMUNICATION TOWERS AND RELATED STRUCTURES RULES, 2012. As per the rule, all operators are required to register with their concerned ULBs and pay registration fee & renewal



charges on annual basis for communication tower erected within municipal area. Currently the registration fee for Nagar Parishad Rs. 40,000/- per tower and annual renewal fee is Rs. 10000/- per annum per tower

**Condition** –As per details provided to us there are total 20 Twenty Mobile Towers registered with this ULB up to 31.3.21 and **Rs1456000/-** has not been collected till the date of audit from these tower operators as Tower Tax.

**Consequence Effect/ Impact** - Due to non-collection of Tower Rent with in prescribe time line. ULB incurred interest loss and also the due to non-collection of taxes, public interest has also been suffered.

**Cause** – 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 Tower Rent due to which result in Revenue leakage.

**Corrective Action / Recommendation** – As per our opinion, management should review the collections on monthly and take appropriate actions against irregularity.

S. N.	Company Name	No of Tower	Dues up to 31-03-2018	Renewal	Collection	Dues Balance As on 31.3.2021
1	ATC	3	40000	112000	18000	134000
2	TATA	1	60000	24000	0	84000
3	AIRTEL	5	220000	120000	0	340000
4	AIRCEL	4	180000	196000	0	376000
5	RELIANCE	2	90000	48000	36000	102000
6.	GIL	1	60000	24000	0	84000
7.	BHARTIYA INFRATECH	1	60000	24000	0	84000
8	IDEA	1	60000	24000	0	84000
9	TELENIER	2	120000	48000	0	168000
	<b>Total</b>	<b>20</b>				<b>1456000</b>

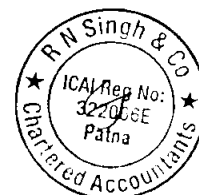
(ii) **Advertisement Tax**

**Audit Objective** – As per Point No. – 5 of TOR

**Criteria**– Non – levied of advertisement tax by the ULB.

**Consequence / Effect / Impact** - Due to non - levied of collection of advertisement tax, there is a revenue loss to ULB.

**Cause**– This happens due to lack of awareness of imposition of advertisement tax of concerned person of the ULB.



**Corrective Action / Recommendation** – There should be proper monitoring and further steps are required to be taken for collection of advertisement tax by concerned ULB.

**(iii) Holding & Property Tax Deposit – Irregularity: -**

**Audit Objective** – As per Point No. – 5 of TOR

**Criteria** – As per Rules 22(1) of Bihar Municipal Accounting Rules, 2014 Tax Collected has to be deposited on same day or latest before noon on the following working day.

**Condition** - During the verification of the property tax collection receipt and deposit receipt, first property tax collected by the tax collector deposited to the inspector and inspector deposit same amount in the next days or after same days. Due to this there is double gap between tax collection and tax deposit and also daily cash register is either not prepared or not up to date.

**Consequence / Effect / Impact** – Due to non-deposit of Tax on due time, ULBs is suffering from Revenue Loss in the form of Bank Interest which could have been earned on these Receipts. Further this is a lapse on Internal Control due to non-submission of Counterfoil and record updating of assesses due.

**Cause** – This happens due to non-follow up and monitoring of activities of Tax Collector by the concerned officer on regular interval.

**Corrective Action / Recommendation** – There should be day to day monitoring on Collection of Taxes by Tax Inspector/Collectors and deposit of collection into Bank either on same day or latest before noon on the following working day.

Details of some of the cases checked property tax collection by tax Inspector and deposition.

Sl. No	Amount	Date of Receipt	Date of Deposited
See the point No. II of Discussion note Commented by the ULB in this regard.			

**(iv) Holding & Property Tax Collection: -**

**Audit Objective** – As per Point No. – 5 of TOR

**Criteria** – Non-Collection of Property Tax/Holding Tax by the concerned ULB.

**Condition** – Property Tax is collected by the tax collector from all wards.

**Consequence / Effect / Impact** - Holding / Property Tax is collected by the tax collector from all wards but in some cases, property tax is not being collected from long period by the tax collector. Due to non-collection of Property/Holding Tax, there is a major operational revenue loss to ULB and there is no record / register to know total current & arrear demand of holding tax. Demand / Arrear Register have also not been provided to us for verification.

**Cause** – This happens due to lack of proper follow up and monitoring of activities of Tax Inspector / Collector by the concerned officers on regular interval.

**Corrective Action / Recommendation** – There should be day to day monitoring on Collection of Taxes and also maintenance and updating of Demand & Collection Register on regular interval.



Details some of the Holding Tax Arrears /Outstanding.

Particular	2019-20	2020-21
Arrear of Demand	34928049	35766300
Current Demand	6262655	6262655
<b>Total Demand</b>	<b>41190704</b>	<b>42028955</b>
Total Collection	54244004	6590133
<b>Outstanding Demand</b>	<b>35766300</b>	<b>35438822</b>

**Note:** -The above recorded information /data has been provided by the tax collectors of the ULB

(v) **Market/Shop Rent Collection:** –

**Audit Objective**– As per Point No. – 5 of TOR

**Criteria**– Non-Collection of Market/Shop Rent and imposition of late fine by the concerned ULB.

**Condition**– ULB has no any own shop in their Nagar Parishad.

**Consequence / Effect / Impact**- Due to non-collection of Shop Rent there is a revenue loss to ULB.

**Cause**– This happens due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval. The ULB does not have proper mechanisms for supervision and monitoring of the Rent which results in Revenue leakage.

**Corrective Action / Recommendation**– There should be proper monitoring and further steps are required to be taken for collection of Shop Rent by concerned ULB.

b. **Excess payment against bill, lack of prudence in payment against voucher, inefficiency in controls resulting loss to ULB's:**

- No observation found during the course of audit.
- Further, the details of some case checked during the course of Audit are as follows:-

Date	Particular	Amounts	Remarks	Cheq No.
9.6.20	Rudra Enterprises	2743728	240Ltr Dustbin Purchased	cfms
16.6.20	Rudra Enterprises	2743728	240Ltr Dustbin Purchased	cfms



30.6.20	Rudra Enterprises	231864	Purchased of Hand fogging Machine	cfms
13.8.20	T.K Company	39800	Purchased of Printer	067120
12.11.20	Eco Green Ent.	568068	Wheel Barrow	cfms
4.12.20	Rudra Ent.	2130495	Dustbin purchased	cfms
4.12.20	Rudra Ent.	2878016	Purchased of Auto Tipper	cfms

c. Report on findings of field survey of Property Tax of minimum 20 high value properties:

**Report on field survey of 20 high value properties**

**Name ULB: -Narkatiaganj**

**Date of survey: - 05.06.22 to 08.06.22**

Sl. No.	Owner Property Name	Ward No	Type of construction	Taxable area	Rate/sqft	Annual Property Tax	Types of the Uses.	Remarks by Auditor
1	Vinay Prasad Jaishwal	1	RCC	842	43	4888	Commercial	No Observation found in this regards.
2	Ajay Jaishwal	1	RCC	1248	29	3527	Commercial	No Observation found in this regards.
3	Hari Narayan Sah Prasad	3	RCC	1196	43	6943	Commercial	No Observation found in this regards.
4	Brijesh Yadav	4	RCC	862	43	5004	Commercial	No Observation found in this regards.
5	Kanya Prasad Yadav	16	RCC	2986	43	17334	Commercial	No Observation found in this regards.
6	Bindeshwar Prasad Yadav	5	RCC	420	14	530	Residential	No Observation found in this regards.
7	Irsad Alam	5	RCC	470	14	592	Residential	No Observation found in this regards.
8	Sayed Tabrej Alam	5	RCC	1064	14	1342	Residential	No Observation found in this regards.



9	Sambhu Sah	14	RCC	1360	29	3550	Commercial	No Observation found in this regards.
10	Ashok Niwas	20	RCC	1512	14	1905	Residential	No Observation found in this regards.
11	Sanjay Kumar	8	RCC	9787	43	56814	Residential	No Observation found in this regards.
12	Fuldei Devi	15	RCC	4440	43	25774	Residential	No Observation found in this regards.
13	Bhagwat Prasad	15	RCC	3072	29	8018	Residential	No Observation found in this regards.
14	Ram jee Prasad	15	RCC	2426	29	6322	Residential	No Observation found in this regards.
15	Ashok Kumar Yadav	15	RCC	3500	29	13702	Residential	No Observation found in this regards.
16	Biswanath Prasad	25	RCC	2980	29	7718	Residential	No Observation found in this regards.
17	Munnilal Prasad	2	RCC	2042	29	5330	Residential	No Observation found in this regards.
18	Vijay Mani Tiwari	13	RCC	2100	43	12190	Commercial	No Observation found in this regards.
19	Sharita Devi	13	RCC	2297	29	5996	Commercial	No Observation found in this regards.
20	New Sugar Meal	10	RCC	921500	43	2557882	Commercial	No Observation found in this regards.

**Note: Property / Holding tax are assessed by the ULB. On test check basis, we have calculated the Area and no variance found. However, it is very difficult to do the Field Survey due to resentment of property holders and sometimes it gets very ugly.**

- d. Implementation of the self-assessment system (SAS) of the property tax in the ULB;**  
 Self-assessment System (SAS) of the Property tax has been implemented in Narkatiaganj Nagar Parishad but we have found that assessee is very less aware of that. ULB should conduct time to time awareness programme to make people aware of SAS.



## Part-B (Non-Monetary Implication)

All Audit objections/regularities which has no 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: -**

It has been noticed during the audit that the following Books of Accounts & Registers has not been maintained or not properly maintained (*Status as mentioned*).

Sl. No.	Particulars	Status
1.	File Movement Register	Not Maintained
2.	Ledger Book	Not Maintained
3.	Bill Register	Not Maintained
4.	Advance Register	Not Maintained
5.	Pay-Roll Register	Not Maintained
6.	Vehicle LOG Book	Not Maintained
7.	Store Register	Not Maintained
8.	Fixed Assets Register	Not Maintained
9.	Demand & Collection Register of Property Tax, Mobile Tower Tax, Shop Rent etc.	Not Maintained
10.	GST Register	Not Maintained
11.	TDS Register	Not Maintained
12.	Procurement Register	Not Maintained
13.	Leave Register	Not Maintained
14.	Labour Cess Register	Not Maintained
15.	Royalty Register	Not Maintained
16.	Contingency Register	Not Maintained
17.	Security Deposit Register	Not Maintained

**b. Irregularity in procurement process: -**

During the course of Audit, we have demanded the procurement register; same has not been produced before us and in absence of that we are unable to comment on the authenticity of the Procurements made at the ULB level

**c. Non-compliance of directives by UD &HD, Government of Bihar: -**

Details of Directive issued by UD & HD have not been provided to us during the course of audit, so we are unable to check compliance of the same.

**d. Non- compliance of Act & Rules: -**

As per section 127 of the Bihar Municipal Act, the Municipality can levy the following taxes:

- Property tax on land and building
- Surcharge on transfer of land and building.
- Tax on deficit in parking space in any non-residential building.



- Water tax,
- Fire tax,
- Tax on advertisement
- Surcharges on entertainment tax,

We observed that only property tax has been collected during the year other taxes have not been levied till date.

**e. Lack of internal control measures: -**

1. During the course of our Audit, we have observed various discrepancies in the Cash Book, which are enumerated below: -
  - Head wise expenditure were not clearly entered and recorded.
  - The cash book balances are not reconciled with the Balances in Bank Pass Book.
  - Cash book has not been regularly authorized by the executive officer.
  - Collection and Deposited are not monitoring by the higher level officer at the interval time period.
2. Cash book has not been properly prepared by Narkatiaganj Nagar Parishad
  - Cash book is maintained from pass book; it means at the time of payment cash book is not maintained that shows a departmental failure.
3. After analyzing operating control, it was observed that there is shortage of Man Power in ULB. Consequently, it is not functioning smoothly with respect to completion of works on time, provide and review the service efficiently which is the main function of ULB, preparation of books and records on time etc.

**f. Non-compliance of TDS, GST and other relevant statute: -**

During the Audit, ULB has not been provided Complete information/Documents of the TDS deduction & Return under IT and GST, and also ULB has not maintained the concern register to identify the exact amount of the deduction and deposited, hence we are unable to comment on this.

**g. Deficiency in pay-roll system: -**

Pay-Roll Register has not been shown to us during the period of internal audit, records relating to statutory deduction like PF, ESIC, Income tax are not maintained The PF, ESIC with respect to contractual employee are neither deducted not paid to statutory authority. Thus we are unable to comment on deficiency in pay-roll system.

**h. Utilizations of grant and report on missing Utilization certificates:**

During the course of audit ULB has not provided to us any details relating to UC's Prepared and submitted for the financial year 20-21. We have shared our irregularities in this regard to the concerned authority several times on Email. However, we will try to provide and mention the appropriate details in the next financial year, if the appropriate details provided by the ULB.



**i. Physical verification of inventory/stores: -**

Inventory/ Stores Register and Fixed Assets Register have not been maintained in concerned ULB and in the absence of above register; it is difficult to verify the same.

**j. Advances, their adjustment & recovery: -**

Advance Register has not been maintained by the concerned ULB and in the absence of above register it is difficult to check or comments on adjustment and recovery of advances. Advance has been given to staff for office expenses without any advance requisition.

**K. Comments on the management fixed and other assets: -**

Fixed assets register has not maintained in concerned ULB, and in absence of above register it is difficulty to verify the same.

**l. Reports on Compliance of Financial Guideline of the Scheme of MOHUA and UD & HD, GoB.**

No such types of the Guidance have been provided to us by the ULB. Hence, unable to Comments on this.

**m. Any other matters as may be prescribed due Course: -Nil**

**PART – “C”  
(OTHER)**

Sl. No.	Particular	Remarks/ Observation				
a)	Status of adequacy and appropriateness of the documentation, approvals, compliance of procedures etc, of all payments on or above Rs. 10,000.	No Irregularities Found in this regard. Further, the details of some of the cases checked during the audit period are as follows:-				
		Date	Particular	Amount	Remarks	Cheq. No.
		9.6.20	Rudra Ent.	2743728	240 ltr dustbin purchased.	CFM MS
		16.6.20	Rudra Ent.	2743728	240 ltr dustbin purchased	CFM MS
		30.6.20	Rudra Ent.	231864	Purchased of hand Fogging Machine.	CFM MS
		13.8.20	T.K Company	39800	Purchased of printer	067120



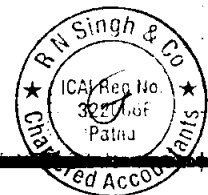
		12.11.20	Eco Green Ent.	568068	Wheel Barrow Purchased	cfms
		4.12.20	Rudra Ent.	2130495	Dustbin Purchased	cfms
		4.12.20	Rudra Ent.	2878016	Auto Tipper Purchased	cfms
b)	Whether all Procurement made including through E-Tendering and E-Auction indicating exceptions, if any; and whether a register is kept for all Procurements with value above Rs. 15,000/-002E	During the course of Audit, we have demanded the procurement register; same has not been produced before us and in absence of that we are unable to comment on the authenticity of the Procurements made at the ULB level				
c)	Verify instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	We have verified such instances and found some irregularities. Details of irregularity have been annexed in Executive Summary in Observation Para. and recommendations have also been annexed in Recommendation in Executive Summary.				
d).	Whether 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.	During the Audit, ULB has not been provided Complete information/Documents of the TDS deduction & Return under IT and GST, and also ULB has not maintained the concern register to identify the exact amount of the deduction and deposited, hence we are unable to comment on this.				
e)	Whether Compliance of the C & AG and Internal Audit Report by the ULB.	Compliance report has not been prepared by the ULB regarding the observation of CAG and Internal Auditors, due to this we are unable to verify the same.				
f).	Any Other deficiencies noticed during the audit to improve internal control systems	It was observed that there is shortage of Man Power in ULB. Consequently, it is not functioning smoothly with respect to completion of works on time, provide and review the service efficiently which is the main function of ULB, preparation of books and records on time etc.				



## 4. Detail Audit Observations

### RISK ASSESSMENT

Name of the ULB		NARKATIAGANJ NAGAR PARISAD					
Sr. No.	Observations	Risk Rating	Design Gap	System gap	Operating Gap	Mgt. Comment	Auditor Recommendation
<b>DEMAND GENERATION:</b>							
1.	Loss of Revenue due to under Assessment /wrong Generation Of demand.	HIGH	No	No	Yes	There is scarcity of manpower in the ULB; however we will comply in the near future.	Demand/Assessment register should be appropriately maintained ward wise with all required details with previous dues and made the assessment year wise before preparation of BUDGET of ULB.
2.	Collusion with Citizen regarding Assessment.	MEDIUM	No	No	No	We are trying our best to comply the same in near future.	Management should take initiative to assess the property as quickly as possible to improve the internal revenue of the ULB. Further, management should hire Independent Person or Organization for assessment of properties.
3.	Non-Updating Various Register like hand book, DCB register, Assessment registered.	MEDIUM	No	No	Yes	It will be taken care in future.	Management should take initiative to update these registers as quickly as possible. it really helpful for ULB for appropriate calculation of dues and also helpful to serve demand to the respective Property Holders.
4.	Others	-	-	-	-	-	-

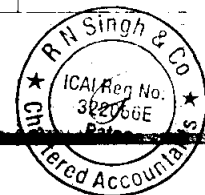


**RECEIPTS AND BANKING:**

1.	<b>Error in collections, loss of receipts and perpetrated frauds</b>	<b>HIGH</b>	Yes	Yes	Yes	It will be taken care in future.	Management should ensure the implementation of system to serve the notice to the holders of property who are not depositing the holding tax. Further, management should ensure that the amount which is collected has to be deposited as per prescribed norms.
2.	<b>Non-updating various register like hand book, DCB register, cash book, etc.</b>	<b>MEDIUM</b>	Yes	Yes	Yes	It will be taken care in future.	Cash book should account on the basis of DCB.
3.	<b>Collusion with the citizen and the ULBs staff to make wrong assessments of income</b>	<b>HIGH</b>	No	No	No	There is scarcity of manpower in the ULB; however we will comply in the near future.	Management should segregate the work regarding collection, demand initiation, notice serving work, balancing of demand and collection register, and assessment of properties.
4.	<b>Others</b>	-	-	-	-	-	-

**REVENUE EXPENDITURE:**

1.	<b>Error in over payment</b>	<b>HIGH</b>	No	No	No	-	No Such cases found.
2.	<b>Loss of supporting document</b>	<b>HIGH</b>	No	No	No	-	No Such cases found.
3.	<b>Loss of authentication</b>	<b>HIGH</b>	No	No	No	-	No Such cases found.
4.	<b>Perpetrated fraud (Like payment more than one time on same bill)</b>	<b>HIGH</b>	No	No	No	-	No Such cases found.
5.	<b>Non-updating</b>	<b>MEDIUM</b>	No	No	No	-	No Such cases found.



	various register like Bill register with payment fig., etc.	M					
6.	Others	-	-	-	-	-	-

**ESTABLISHMENT EXPENDITURE:**

1.	Error in over payment	HIGH	No	No	No	-	No Such cases found.
2.	Loss of supporting document	HIGH	No	No	No	-	No Such cases found.
3.	Loss of authentication	HIGH	No	No	No	-	No Such cases found.
4.	Collusion with employee	HIGH	No	No	No	-	No Such cases found.
5.	Perpetrated fraud (Like payment more than one time to same or ghost employee)	HIGH	No	No	No	-	No Such cases found.
6.	Non-updating various register like salary register, PF register, Service book/record, advance register, etc.	HIGH	Yes	Yes	Yes	It will be taken care in future.	Management should take initiative to update the registers as quickly as possible.
7.	Others	-	-	-	-	-	-

**CAPITAL EXPENDITURE:**

1.	Error in over payment	HIGH	No	No	No	-	No Such cases found.
2.	Loss of supporting document	HIGH	No	No	No	-	No Such cases found.
3.	Loss of authentication	HIGH	No	No	No	-	No Such cases found.
4.	Collusion with contractor	HIGH	No	No	No	-	No Such cases found.
5.	Perpetrated fraud (Like payment more than one time to same contractor).	HIGH	No	No	No	-	No Such cases found.
6.	Non-updating various register like work register, MB, bill register, Fixed	MEDIU M	Yes	Yes	Yes	It will be taken care in future.	Management should take initiative to update the registers as quickly as possible.



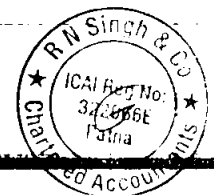
	Assets register, Service book/record, advance register, etc.						
7.	Others	-	-	-	-	-	-

**PROCUREMENT AND INVENTORY:**

1.	Error in over payment	HIGH	No	No	No	-	No Such cases found.
2.	Loss of supporting document	HIGH	No	No	No	-	No Such cases found.
3.	Loss of authentication/Procedural error	HIGH	No	No	No	-	No Such cases found.
4.	Collusion with contractor	HIGH	No	No	Yes	It is notified for future.	ULB should follow the prescribe norms of shopping procedure regarding purchasing of stocks as well as fixed assets.
5.	Perpetrated fraud (Like payment more than one time to same contractor)	HIGH	No	No	No	-	No Such cases found.
6.	Non-updating various register like store register, issue register, bill register with payment fig., advance register, etc.	MEDIUM	Yes	Yes	Yes	It will be taken care in future.	Management should take initiative to update the registers as quickly as possible.
7.	Others	-	-	-	-	-	-

**GRANT AND LOANS AND UTILISATION THEREOF:**

1.	Non utilization of grant or grant unspent.	MEDIUM	No	No	No	It will be taken care in future and refund the unspent grant.	The unspent grant should be refund to the department.
2.	Not furnishing of UC	HIGH	No	No	No	-	-
3.	Non fulfillment of condition part thereto	MEDIUM	No	No	No	-	No Such cases found.



4.	Perpetrated fraud (Like payment more than one time same contractor)	HIGH	No	No	No	-	No Such cases found.
5.	Non-updating various register like grant register, work register, bill register with payment fig., advance register, etc.	MEDIUM	Yes	Yes	Yes	It will be taken care in future.	Management should take initiative to update the registers as quickly as possible.
6.	Others	-	-	-	-	-	-

**FIXED DEPOSITS AND INVESTMENTS:**

1.	Not deposited at appropriate time (loss of revenue)	HIGH	Yes	Yes	Yes	It will be taken care in future.	Management should invest or open swipec account to get more interest income.
2.	Loss of Investment certificate	HIGH	No	No	No	-	-
3.	Non fulfillment of condition part thereto	MEDIUM	No	No	No	-	-
4.	Collusion with bank officials to invest at lower rate	HIGH	No	No	No	-	-
5.	Deposit into Current account	MEDIUM	No	No	No	-	-
6.	Non-updating various register like investment register, Bank book, cash book, etc.	MEDIUM	No	No	Yes	It will be taken care in future.	Register should be updated on daily to avoid non updation of Cash Book.
7.	Others	-	-	-	-	-	-

**LOANS AND ADVANCES:**

1.	Unauthorized release of advance	HIGH	No	No	No	-	-
2.	Release of advance beyond authority	HIGH	No	No	No	-	-
3.	Non-adjustment of loan or advance during the year	MEDIUM	No	No	No	-	-
4.	Collusion with employee/party to	HIGH	No	No	No	-	-



	release advance/loan beyond authority						
5.	Advance/loan not account for	HIGH	No	No	No	-	-
6.	Non-updating various register like Loan & advance, Bank book, cash book, etc.	MEDIU M	Yes	Yes	Yes	It will be taken care in future.	Management should take initiative to update the registers as quickly as possible.
7.	Others	-	-	-	-	-	-

## List of Important Registers

	Name of the ULB	NARKATIAGANJ NAGAR PARISAD			
	RISK RATING:	MEDIUM			
	CAG OBSERVATIONS STATUS	NOT AVAILABLE			
		PERIOD: 01.04.20 to 31.03.21			
Sl. No.	Particulars	Audit Observation	Associates Risk	MGT. Comment	Status (Resolved/ or not)
1.	Cash Book	General Cash Book & Subsidiary Cash Book has been maintained by the ULB but opening and closing balance has not been updated on daily basis.	Due to non-closing of cash book on daily basis there may be chance of making back dated entry. This may leads to fraud & defalcation.	It will be taken care in future.	Not Resolved
2.	Ledger	Tally data has not been provided to us by the DEAS team at ULB.	It is quite difficult to prepare appropriate financial statement.	It will be taken care in future.	Not Resolved
3.	Journal	Journal Register has not been maintained.	Advance has been accounted as expenditure and in case of amount has not been transferred to	It will be taken care in future.	Not Resolved



			beneficiary, only expenditure is being reversed in respect of accounting as liability.		
4.	<b>Register for Journal/Magazines/Newspapers</b>	Not-Maintained	This may leads to misplacement of Journal, Magazines & Newspapers.	It will be taken care in future.	Not Resolved
5.	<b>Register for Temporary Advances</b>	Not-Maintained	It may leads to fraud & Defalcation.	It will be taken care in future.	Not Resolved
6.	<b>Register of Money Orders/Bank Draft Received</b>	Maintained	-	-	-
7.	<b>Cheque Issue Register</b>	Maintained	-	-	-
8.	<b>Register of Remittances made into bank</b>	Not-Maintained	It may also lead to dual payment and further create difficulty to prepare BRS.	It will be maintained from next financial year or as earlier possible.	Not Resolved
9.	<b>Bank Passbook</b>	Maintained	-	-	-
10.	<b>Register of Bank drafts Dispatched</b>	Not-Maintained	Non-maintenance may lead to dual claim by the concern parties, due to this there is a problem to maintain segregated record regarding returning of DD. Further, it is also problematic to record the details of the person who receipt the same. It may also lead dishonor of DD due to loss of the 3 months from the date of issue.	It will be maintained from next financial year.	Not Resolved





files.

23. Any other (Name of the register)

## Cash and Bank

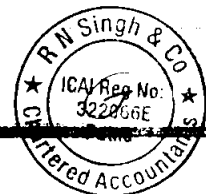
Name of the ULB NARKATIAGANJ NAGAR PARISAD

RISK RATING: HIGH

CAG OBSERVATIONS STATUS Compliance Report has not been provided.

PERIOD: 01.04.20 to 31.03.21

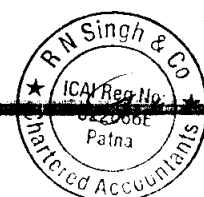
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved/ or not)
1.	Check whether there is no any undue delay in presentation of cheque/DD received, to bank,	No Such cases Found.	-	-	-	-
2.	Whether cheque/ draft issue/ receipt/ dishonored register have been maintained as per prescribed form (As Per BMAM) & entry are made on properly, accurately & timely basis.	We observed that only cheque issue register is being maintained at ULB.	-	It may lead to dual payment and further create difficulty to prepare BRS.	It will be taken care in future.	Not Resolved
3.	Whether banking transactions (receipts & Payments) are matched with cash book, Cheque issue register, collection register, etc., Verify the same with Bank statement & BRS,	We observed that Bank wise BRS has not been prepared at the ULB.	-	It is difficult to verify the BRS bank wise and it may leads to mis utilisation fund and difficult to find out the same.	It will be taken care in future.	Not Resolved
4.	Whether cheque issue register are matched	No observation found in this regard.	-	-	-	-



5.	Whether proper steps has been taken for dishonored cheque, it was realized in cash or not,	No such cases found.	-	-	-	-
6.	Whether Bank Reconciliation has been made for each account, verify the status of BRS, (attached BRS as annexure )	Not Prepared.	-	It may lead to miss-appropriation of fund.	It will be taken care in future.	Not Resolved
7.	Check whether no any fraud payment or payment to other person has been made,	No such cases found.	-	-	-	-
8.	Whether bank statement for all account have been promptly received from bank.	No observation found in this regard.	-	-	-	-
9.	Number of Bank account maintained	No details provided to us	-	-	-	-
10.	Original copy of cancelled receipt is attached with duplicate copy with "CANCELLED" marked on it.	No such cases found.	-	-	-	-
11.	Liability for stale cheques account review is done and necessary reversal entries are passed	No such cases found.	-	-	-	-
12.	Any other	-	-	-	-	-

## Public Works

Name of the ULB	NARKATIAGANJ NAGAR PARISAD
RISK RATING:	LOW
CAG OBSERVATIONS STATUS	Compliance Report has not been provided.
PERIOD: 01.04.20 to 31.03.21	



Sl. No.	Particulars	Audit Observation	Amount involved	Associates Risk	MGT. Comment	Status (Resolved/ or 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,	No observation found in this regard.	-	-	-	-
2.	Whether bill has been signed by proper in charge,	No observation found in this regard.	-	-	-	-
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)	No observation found in this regard.	-	-	-	-
4.	Verify whether any payment made for removing /dismantling material which have scrap value must be indicated in the bill,	No observation found in this regard.	-	-	-	-
5.	Whether measuring has done by the engineer concerned,	No observation found in this regard.	-	-	-	-
6.	Whether expenditure on construction of work was debited to WIP & verified with MB maintained,	No observation found in this regard.	-	-	-	-
7.	Whether master roll(machine numbered & authorized) has been maintained for details of store, specifying:	No observation found in this regard.	-	-	-	-
	Date of Issue,	-	-	-	-	-
	Name of subordinate,	-	-	-	-	-
	Name of work,	-	-	-	-	-



	Number of labour,	-	-	-	-	-
	Period of engagement,	-	-	-	-	-
	Details of payment(date, Amount, Cheque no, etc.)	-	-	-	-	-
8.	Whether the same has been periodically verified.	No observation found in this regard.	-	-	-	-
9.	Whether payment are as per defined approval level sanctioned u/s 75 of BMA, 2007,	No observation found in this regard.	-	-	-	-

## Cash Book

Name of the ULB	NARKATIAGANJ NAGAR PARISAD
RISK RATING:	MEDIUM
CAG OBSERVATIONS STATUS	NOT AVAILABLE

PERIOD: 01.04.20 to 31.03.21

Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Whether Opening Balance & Closing Balance was worked out or not,	No observation found in this regard.	-	-	-	-
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.,	No observation found in this regard.	-	-	-	-
3.	Whether posting in on daily basis,	No observation found in this regard.	-	-	-	-



4.	Whether there is any clerical error (casting or/and posting error, etc) or not,	No observation found in this regard.	-	-	-	-
5.	Whether any delay in deposit of amount of collection by cashier,	The revenue earned from internal source of ULB has not been deposited same day.	-	It leads to interest revenue loss to the ULB.	It will be taken care in future.	Not Resolved
6.	conduct physical verification of cash and report heavy cash balance if any	No discrepancies found in this regard.	-	-	-	-
7.	Any Other	No	-	-	-	-

## Collection

Name of the ULB	NARKATIAGANJ NAGAR PARISAD
RISK RATING:	HIGH
Name of Tax Collector	Rajesh Kumar,Pankaj Kumar,Vijay Ram & Vijay Kumar Verma

**PERIOD: 01.04.20 to 31.03.21**

Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Whether collection procedure are as per guidelines/direction of ULB,	Collection procedure is not being appropriate followed at the level of ULB.	-	It may leads revenue loss to the ULB.	It will be prepared in future.	Not Resolved
2.	Whether collections are made on the basis of Demand & Collection Register,	Collection is not being made on the basis of Demand & Collection Register.	-	It may leads revenue loss to the ULB.	It will be prepared in future.	Not Resolved
3.	Whether collection are made in the same	Yes	-	-	-	-



	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,					
4.	Whether collections are bifurcated in different heads as required,	Yes	-	-	-	-
5.	Whether a separate bank account has been maintained for each circle, (for PMC only)	N/A	-	-	-	-
6.	Whether all collections are made in proper "Receipt Voucher Book" having same serial number which was actually issued to TC,	Yes	-	-	-	-
7.	Whether all collections made during the day are account for & banked on next working day or there is any teaming & lading,	All collections made during the day are not being account for & banked on next working day.	-	It leads to interest revenue loss to the ULB.	It will be taken care in future.	Not Resolved
8.	Whether no any collection are directly expended without prior approval,	No such cases are found during this quarter.	-	-	-	-
9.	Whether collections are made by all the holding fall under the same TC or Civics Centre,	Appropriate details have not been mentioned in Demand Register due to this we are unable to quantify the status of	-	It may leads to revenue losses.	It will be taken care in future.	Not Resolved



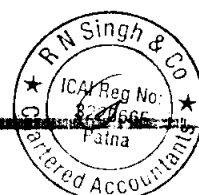
		collection. Further, as per the DCB we observed that collection are not being made by all the holdings.				
10.	<b>Whether government share of collections (like Education cess &amp; health cess) are properly &amp; timely deposited in its own account, (if applicable)</b>	No Education/Health cess is not being charged or deposited in this quarter. Further liability register is not being maintained at the level of ULB to quantify the same.	-	It is a statutory irregularity, government may issue notice for penalty as well as interest.	It will be taken care in future.	Not Resolved
11.	<b>Whether there is any short/non collection or short deposit or not deposit,</b>	No observation found in this regard.	-	-	-	-
12.	<b>Whether penalty(@2% P.M/ 1.5%) has been duly charged on late payment,</b>	No observation found in this regard.	-	-	-	-
13.	<b>Whether daily collections are entered into hand book, collection register maintained by TC &amp; it should be properly entered in demand &amp; collection register,</b>	Daily Collection register has been maintained but it has not been entered in demand & collection register.	-	It may lead to wrong demand generation on the concerned property holders/trade license holders. It may also lead to wrong estimation of revenue earned by the ULB.	It will be taken care in future.	Not Resolved
14.	<b>Whether collection by way of cheque are properly banked &amp; credited into account,</b>	No Such cases found.	-	-	-	-



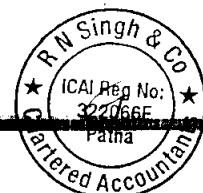
15.	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	No Such cases found.	-	-	-	-
16.	Whether any immediate steps has been taken or not for cheque dishonored received,	No Such cases found.	-	-	-	-
17.	Whether reversal of payment has been made for any dishonored cheque.	No Such cases found.	-	-	-	-

## Demand

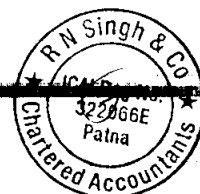
Name of the ULB		NARKATIAGANJ NAGAR PARISAD				
RISK RATING:		HIGH				
Name of Tax Collector		Rajesh Kumar,Pankaj Kumar,Vijay Ram & Vijay Kumar Verma				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Ensure whether closing balance of previous year is accurately brought forward,	No closing balance of previous year is brought forward in this year. Amount has not been quantified due to non-maintenance of Demand Register.	-	It may leads to revenue losses.	It will be taken care in future.	Not Resolved
2.	Whether determination of demand is on manual or computerized way, & it would be as per updated rules, regulation, guidelines & other required details	Nagar Parisad is not being in practice to raise the demand. No proper details are recorded in	-	It may leads to revenue losses.	It will be taken care in future.	Not Resolved



	for proper calculation,	the manual register.				
3.	Whether data for calculation is correct & properly verified by appropriate authority/ Internal Auditor by way of physical survey,	No verification is being conducted by appropriate authority. Further, as per previous quarter report the no difference has been found during assessment of 20 high value property.	-	It may leads to revenue losses.	It is notified for future reference.	Not Resolved
4.	Whether revision of valuation of holding properly made after specified period	Not updated till the date of audit.	-	It may leads to revenue losses.	It will be taken care in future.	Not Resolved
5.	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	No Such cases found.	-	-	-	-
6.	Ensure whether there is any clerical error in calculation,	No Such cases found.	-	-	-	-
7.	Whether demand register in prescribed format is maintained or not,	No demand register is being maintained at the level of ULB.	-	It may leads to revenue losses.	It will be taken care in future.	Not Resolved
8.	Whether persons involve in calculation/ collection have knowledge of their responsibility,	Yes	-	-	-	-
9.	Whether there is proper distribution of responsibility for calculation, recovery &	Due to lack of Manpower all these work has been	-	It may leads to fraud & Defalcation.	Need more skilled employees.	Not Resolved



	<b>updation of register for demand, so that no single person have control on two or process at the same time,</b>	controlled single handedly.				
10.	<b>Whether there is any under/no assessment,</b>	No	-	It may leads to revenue losses.	It will be taken care in future.	Not Resolved
11.	<b>Whether there is appropriate measures( As Per section 155 &amp; 158 of BMA, 2007) are adopted for recovery of Government/bid dues,</b>	No measures have been taken for recovery of Government Dues.	-	It may leads to revenue losses.	It will be taken care in future.	Not Resolved
12.	<b>Whether notice for demand has been made in prescribed format (As Per BMAR) &amp; as per rules &amp; regulations,</b>	No notices of demand are being served.	-	It may leads to revenue losses.	It will be taken care in future.	Not Resolved
13.	<b>Whether penalty(@2% P.M/ 1.5%) has been charged on late payment,</b>	No penalty is being charged on late payment	-	It may leads to revenue losses.	It will be taken care in future.	Not Resolved
14.	<b>Whether Demand, Collection &amp; Balance Register has been prepared on daily basis for all receipts or not, &amp; it would be authorized by proper authority or not,</b>	No register is being maintained at the level of ULB for reconciliation of Demand, Collection and Balance due.	-	It may leads to revenue losses.	It will be taken care in future.	Not Resolved
15.	<b>Whether there are adequate safeguard on data has been operated or not,</b>	Yes	-	-	-	-
16.	<b>Whether self-assessment property tax return for payment of property tax has been filed by the assesses in the prescribed format,</b>	Yes	-	-	-	-



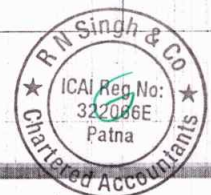
17.	Whether there is any collusion with customer/holding w.r.t., assessment, payment, etc.	No Such cases found.	-	-	-	-
18.	Any Other	No	-	-	-	-

## Establishment

Name of the ULB		NARKATIAGANJ NAGAR PARISAD				
RISK RATING:		LOW				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Whether establishment expenditure is sanction by authorized person & it has been within sanctioned limit,	Yes	-	-	-	-
2.	Whether service log book has been maintained & up to date or not	Yes	-	-	-	-
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,	Yes	-	-	-	-
4.	Whether each employee has unique identification number & it has be referred in all matter in relation to service book Whether payment made to employee has been verified with attendance register/logbook,	Yes	-	-	-	-
5.	Whether service book for calculation of payable has been authorized by the proper person,	Yes	-	-	-	-
6.	Whether account depart has prepared the advice & instructed the bank for the payment as per advice,	Yes	-	-	-	-



7.	Whether undistributed amount of pay & allowance as shown in cash book matched with balance of undistributed salary balance,	No Such cases found.	-	-	-	-
8.	Whether undistributed amount of pay & allowance are not for more than 3 months as cash in hand,	No Such cases found.	-	-	-	-
9.	Whether disbursement of pay & allowance are duly recorded in books & accepted by employee specifying separate hade with date of receive (In case of arrear),	No Such cases found.	-	-	-	-
10.	Whether the bill prepared according to sanctioned scale,	Yes	-	-	-	-
11.	Whether no any payment is made to Employee whose service retired in any manner,	No Such cases found.	-	-	-	-
12.	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	No observation found in this regard.	-	-	-	-
13.	Whether all statutory deduction or adjustment has been made before payment,	No observation found in this regard.	-	-	-	-
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.	No Such cases found.	-	-	-	-
15.	To check salary bills.	No observation found in this regard.	-	-	-	-
16.	Position of outstanding advances paid to employees	No Such cases found.	-	-	-	-
17.	To check deduction of provident fund and ESI has been made as per rules	Yes	-	-	-	-
18.	Whether PF slips are issued to the employees on yearly basis and to see whether all statutory returns for PF are submitted to	N/A	-	-	-	-



	the concerned authorities.					
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.	Yes	-	-	-	-
20.	Check Retirement benefit to employee	No observation found in this regard.	-	-	-	-
21.	Personnel Appointments and to see whether all records are updated from time to time.	Yes, updated from time to time.	-	-	-	-
22.	Dismissal and Resignation/ Termination	No Such cases found.	-	-	-	-
23.	Temporary workers	No observation found in this regard.	-	-	-	-
24.	Overtime	No Such cases found.	-	-	-	-
25.	Attendance Register To check number of persons mentioned in the attendance register tally with the sanctioned strength of a unit.	No observation found in this regard.	-	-	-	-
26.	Personnel Files	No observation found in this regard.	-	-	-	-
27.	Training of employees(including Skill development Levy)	No Such cases found.	-	-	-	-
28.	Leave Register – To check whether a leave register is maintained as per types of leave as medical Leave/CL/EL/maternity/paternity leave.	Not Maintained	-	It may leads to over/less payments.	It will be taken care in future.	Not Resolved

## Grant

<b>Name of the ULB</b>	<b>NARKATIAGANJ NAGAR PARISAD</b>
<b>RISK RATING:</b>	<b>Medium</b>

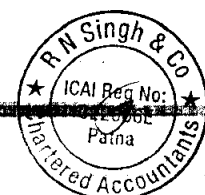




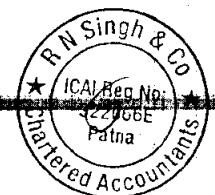
	and corrections in the bill.	regard.				
3.	All Supporting documents are attached with the bills.	No observation found in this regard.	-	-	-	-
4.	The rates, security deposit, and deductions are as per terms and conditions specified in the agreement	No observation found in this regard.	-	-	-	-
5.	The variations in quantities and completion period etc. have been authorized by the competent authority	No observation found in this regard.	-	-	-	-
6.	Job completion certificate has been processed by the dealing assistant.	No observation found in this regard.	-	-	-	-
7.	Bills passed for payment are as per rules & T & C of Tender.	No observation found in this regard.	-	-	-	-
8.	All terms and conditions of the contract are fulfilled before passing the bills.	No observation found in this regard.	-	-	-	-
9.	Every final bill is checked in detail with measurement books.	No observation found in this regard.	-	-	-	-
10.	Cash/Bank Vouchers to be checked for authorization etc.	No observation found in this regard.	-	-	-	-
11.	Overall review of the books of accounts.	No observation found in this regard.	-	-	-	-
12.	Position of outstanding advances paid to suppliers/contractors.	No observation found in this regard.	-	-	-	-

## Receipt Voucher

Name of the ULB	NARKATIAGANJ NAGAR PARISAD
RISK RATING:	MEDIUM



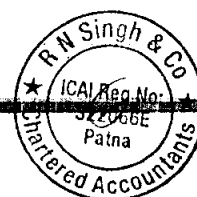
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Whether "Receipt Vouchers" are in the prescribed format & having machined serial number & there is no any manuscript form,	Yes	-	-	-	-
2.	Check;		-	-	-	-
3.	What is the date of printing,	Checked	-	-	-	-
4.	What quantity of serial number was printed out,	Checked	-	-	-	-
5.	What is the date of dispatched, quantity of receipt vouchers & their serial number;	Checked	-	-	-	-
6.	Log book/ Register maintained at printing press regarding printing of "Receipt Vouchers".	Checked	-	-	-	-
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,	Yes	-	-	-	-
8.	Verify Log book/ Register maintained at every collection center & cash counter with regard to receipt & return quantity & serial number,	Yes	-	-	-	-
9.	Verify the log book/ Register of 'Receipt Vouchers' & cross verified the allotments to TC(Log Book) with their date of issue, serial number, name of TC & their circle	Yes	-	-	-	-



10.	Check whether TC have same "Receipt Voucher" which was actually issued by store & it must be authorized by the appropriate authority,	Yes	-	-	-	-
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",	No Such cases found.	-	-	-	-
12.	Confirm that all unused "Receipt Vouchers" are under the custody of authorized person,	Yes	-	-	-	-
13.	Verify that any cancelled vouchers have in both original & carbon copy,	Yes	-	-	-	-
14.	Verify whether reversible carbon has been used during receipt.	Yes	-	-	-	-

### Other Revenue:

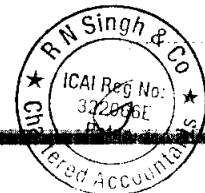
1.	<b>Advertisement Tax</b>	No System Developed for collection of advertisement tax.	-	It will affect municipal fund.	System will be developed very soon.	Not Resolved
2.	<b>Tower Tax</b>	Rs 54000 has been collected as Tower Tax in this financial year and appropriate steps have been taken for recovery of	1456000	It will affect municipal fund.	Notice will be send to concerned tower operator.	In Process



		dues.				
3.	Professional Tax	No professional tax collected.	-	-	-	-
4.	Assigned Revenue (As details annexed)	No Such cases found.	-	-	-	-
5.	Rental Charges (As details annexed)	No observation found in this regard.	-	-	-	-
6.	Fee & uses Charges	Collected	-	-	-	-
7.	Other Revenue Items	-	-	-	-	-

## Revenue Expenses

	Name of the ULB	NARKATIAGANJ NAGAR PARISAD				
	RISK RATING:	LOW				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Whether payment is on the basis of Sanction / work order letter & incurred by authorized person.	Yes	-	-	-	-
2.	Whether payment is made through prescribed format.	Yes	-	-	-	-
3.	Whether payment is made without any undue delay or whether any cheque issued are promptly issued to the respective person.	Yes	-	-	-	-
4.	Whether there is bifurcation of responsibility towards person making payment & person preparing MB, receipt of goods , maintenance of payment file, etc.	Yes	-	-	-	-



5.	Whether updation of accounts/books are on proper & timely basis,	Yes	-	-	-	-
6.	Whether authorized person verify & sign the document involve,	Yes	-	-	-	-
7.	Whether data base for the same has been properly maintained & safeguard measures are taken,	No database has been maintained by the ULB.	-	Important information may be lost or stolen.	We will take necessary step to implement the DBMS is near future.	Not Resolved.
8.	Whether exact amount (no any over payment) are paid and verified by supporting document, & no any collusion with party,	Yes	-	-	-	-
9.	Whether register for settlement of service bill has been maintained and up to date,	Yes	-	-	-	-
10.	Whether payment made to the same to whom it might be payable and no any second claim in this regard,	Yes	-	-	-	-
11.	Whether payment has been made after deducting statutory dues or advances,	Yes	-	-	-	-
12.	Whether the expenditure are made with a period & amount as sanctioned,	Yes	-	-	-	-
13.	Whether there is undue rush of expenditure at the end of financial year,	No	-	-	-	-
14.	Whether payment has to be made after confirmation from store,	Yes	-	-	-	-



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

## Statutory Requirement

Name of the ULB		NARKATIAGANJ NAGAR PARISAD				
RISK RATING:		MEDIUM				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)



1.	Whether deduction of TDS on payment has been made as per law,	Yes	-	-	-	-
2.	Whether TDS deducted are timely deposited into bank with same amount,	Yes	-	-	-	-
3.	Whether regulatory requirement for submission of Return has been followed,	Yes but not on time.	Unable to quantify.	There may be levied statutory interest/penalty	It will be taken care in future.	Not Resolved.
4.	Whether any deduction is made in any act, must be deposited as per their respective act,	Yes but deposited late.	Unable to quantify.	There may be levied statutory interest/penalty	It will be taken care in future.	Not Resolved.
5.	Verify whether in case of "through rate" contract, there is no any payment for material, etc. by the ULB	No Such cases found.	-	-	-	-
6.	Any demand is outstanding from regulatory authority for non-compliance.	Details have not been provided to us to comment.	-	-	-	-

### Tender Details (Work Order Wise )

Name of the ULB		NARKATIAGANJ NAGAR PARISAD				
RISK RATING:		MEDIUM				
Work order No.		-				
		PERIOD: 01.04.20 to 31.03.21				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	To check whether the provisions contained in Tender Advertisement for procurement were followed in award of contracts.	No such cases found.	-	-	-	-
2.	To check that the time/date of receipt and	No such cases found.	-	-	-	-



	opening of tenders was properly incorporated in the tender documents.					
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.	No such cases found.	-	-	-	-
4.	The purchase proposal was approved by the competent authority. as per delegation of powers	No such cases found.	-	-	-	-
5.	Indent for purchase indicates the details of quantity required, last purchase rate, period for which stores are needed and name of consignee.	No such cases found	-	-	-	-
6.	Approval of mode of procurement	No such cases found	-	-	-	-
7.	The tender documents are prepared properly and description of items to be procured, quantity and estimated value should be indicated.	No such cases found	-	-	-	-
8.	To check whether the direction was followed for notification /advertising and opening of bids at notified date, time and place in the presence of bidders.	No such cases found	-	-	-	-
9.	Award of contract and its execution is as per procedure and	No such cases found	-	-	-	-



	guidelines issued by the Govt. of India in view of conditions agreed with the Development partners (DFID, World Bank, & European Union etc.)					
10.	To check whether bids were evaluated in terms of the provisions of the bid documents and the evaluation report was available.	No such cases found	-	-	-	-
11.	To check whether contract was awarded to the lowest evaluated responsive bidders who fulfilled qualification requirements, specified in the tender's documents.	No such cases found	-	-	-	-
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.	No such cases found	-	-	-	-
13.	To check whether articles were received/work was completed in time as per delivery schedule.	No such cases found	-	-	-	-
14.	The stores/goods are properly recorded in the Stock Registers /Asset Register.	Stock/Asset Register has been maintained but not updated.	-	There may be chances of misplacement goods/stores.	It will be taken care in future.	Not resolved.
15.	Whether any complaint was received regarding procurement and payment and existence of mechanism for redressal of Complaints	No such cases found	-	-	-	-

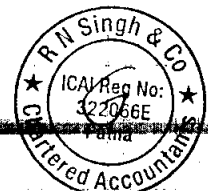


## Vehicle Log Book

Name of the ULB		NARKATIAGANJ NAGAR PARISAD				
RISK RATING:		MEDIUM				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Whether logbook has maintained or not & up to date with proper details like journeys, wok undertaken, covering root, visited place, kilometer, etc.,	Not provided	-	-	-	-
2.	Whether logbook of journey is maintained in detail & signed by the officials using them,		-	-	-	-
3.	Whether it should be used for official purpose, otherwise charges are recoverable,		-	-	-	-
4.	Whether details of fuel for the same has been maintained in log book,		-	-	-	-
5.	Whether full details of repairs have been maintained & it have been through authorized center,		-	-	-	-
6.	Whether authorized person have proper check over logbook.		-	-	-	-

## Fixed Assets

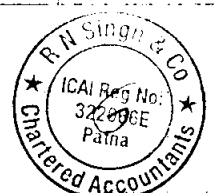
Name of the ULB		NARKATIAGANJ NAGAR PARISAD				
RISK RATING:		MEDIUM				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)



1.	Status on Maintenance of Fixed Assets Register	It has not been maintained yet.	-	It may leads to misplacement of assets.	Being Prepared by DEAS Team.	Not Resolved
2.	Budget availability is confirmed before acquisition	Yes	-	-	-	-
3.	Fixed assets are recognized at cost of acquisition and if so, check whether the cost components are incidental to its acquisition	Unable to comment on it, since fixed asset register is not finalized till now.	-	-	Being Prepared by DEAS Team.	Not Resolved
4.	all fixed assets are acquired only after obtaining approval of the concerned authority	Yes	-	-	-	-
5.	Physical verification of fixed assets is done and discrepancies are reconciled with Fixed Asset Register.	No Physical Verification has been done.	-	It may leads to misplacement of assets.	Being Prepared by DEAS Team.	Not Resolved
6.	Depreciation is provided on each class of fixed assets at the prescribed rates	No Depreciation is provided.	-	It leads to over valuation of fixed assets.	It will be levied once when fixed asset register has been finalized.	Not Resolved
7.	Asset Replacement Register is properly maintained asset class-wise	No such cases found.	-	-	-	-

### Others

	Name of the ULB	NARKATIAGANJ NAGAR PARISAD				
	RISK RATING:	MEDIUM				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)



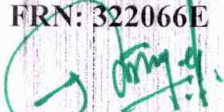
1.	<b>All permanent changes made in the assessment of buildings and lands have been recorded in this register with reference to the monthly lists, Register of Revision Petitions, Register of Appeal Petitions, and Register of Writes-off.</b>	No assessment has been done till the date of audit.	-	It may lead to revenue loss.	It will be taken care in future.	Not Resolve
2.	<b>Demands of current year and previous year have been reconciled with reference to the above details</b>	No reconciliation is being made due to demand register has not been prepared.	-	It may lead to revenue loss.	It will be taken care in future.	Not Resolve
<b>Register of Suits</b>						
1.	<b>All suits filed by the municipality for recovery of any sum due are entered.</b>	No register of suits is being maintained at the ULB so; we are unable to comment on these matters.	-			
2.	<b>All suits filed against the municipality are entered</b>		-	-	-	-
3.	<b>Sanction from the Council obtained for filing/defending the suit</b>		-	-	-	-
4.	<b>All details like the Assessment Number, amount involved, Name of Court and Suit Number etc. are clearly entered</b>		-	-	-	-
5.	<b>Execution Petitions are filed for recovery of sums, in cases the suits are disposed in favour of municipality.</b>		-	-	-	-



**General Observations: -**

There is lots of scope for improvement with respect to maintenance of Records and Registers. The important and basic records like Demand Register, Advance Register, Annual Accounts, Assets Register were not maintained. Effective steps should be taken to improve the maintenance of accounts and increasing of its own sources of revenues.

For R.N. Singh & Co.  
Chartered Accountants  
FRN: 322066E

  
CA Chanakya Shree  
Partner  
Mem No: 079322



Narkatiaganj Nagar Parishad

Discussion Note

FY Year 20-21

1. Management Discussion with Risk Assessment:

Sr. No.	Observations (sort the observations from Medium risk to low)	Risk Rating	Design Gap	System Gap	Operational Gap	Management(CMO) Comments	Reference Page
1.	During the audit we found that the agreements of sairat tenders have not been executed between contractors and Narkatiaganj Nagar Parishad.	High	Yes	Yes	Yes	No clear Clarification letter demanded from the Registrar for Clarification, Where we are following in this in the same year.	
2.	During the Audit we found that the theirs is difference between as per cash book amount and as per passbook amount of Rs 21635982 and no disclosure of the reason of that difference amount attached.					It will be rectify in future.	
3	As per details provided to us there are total 20 Mobile Towers registered with this ULB up to 31.03.21 and Rs.1456000 /- has not been collected till the date of audit from these tower operators as Tower Tax.	Medium	Yes	Yes	Yes	It will be compliance in future.	
4.	During the Audit ,we observed that the Property tax has been dues on the various property but has not been recovered by the Narkatiaganj Nagar Parishad hence there is losses of the Revenues of the Amount Rs 35438822.	Medium	Yes	Yes	Yes	It will be compliance in future.	
5.	During the Audit, we found that the following properties have not been allotted on lease due to which, there is losses of the revenues income	Medium	Yes	Yes	Yes	No anyone participate in in tender for sairat collection.	



to the ULB.

Particular	Amounts
Public Toilet Near at registry Kachaharioff ce	19550
Cycle and Bike Stand Near at Block	4715
Cycle and Bike Stand Near at Sugar Meal	3071
Cycle and Bike Stand at Registry Kachahri office	4140
Cycle and Bike Stand near at State Bank	4198
Total	Rs. 35674

6. During the audit we observed that the ULB has made payments to contractor without deduction of the TDs and GST on the payment to the contractor. As per the CGST act 2017 and Income tax Act 1961, ULB is required to deduct TDS @2% on IT and CGST(1% in case of payments to Individuals)

Date	Name of Contractor	Amounts (Rs)
17.4.20	Arbind Kumar Sinha	676168
16.5.20	--DO--	624636

Medium

Yes

Yes

Yes

Project has been executed by ULB itself Hence no requirement of the TDS and other taxes.



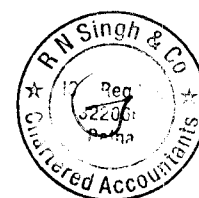
	28.5.20	--DO--	670071						
	3.6.20	--DO--	678768						
	27.6.20	--DO--	667614						
	27.6.20	--DO--	663534						
	27.6.20	--DO--	673576						
	27.6.20	--DO--	673576						
	27.6.20	--DO--	661506						
	27.6.20	--DO--	655606						
	30.6.20	--DO--	673591						
	30.6.20	--DO--	672048						
	27.6.20	Ajay kumarS hriwast av	659531						
7.	There is huge scope of the collection for advertisement tax/fees at the ULB but ULB is not practice to collection of such type of taxes, hence causing revenues losses to the Nagar Parishad.			Medium	Yes	Yes	Yes	During the financial year 22-23 ULB has been started to collect such types of the taxes.	
8.	We are not able to check the Compliance Status of Internal Audit Observations for FY 2019-20 & Previous years, and AG audit observation of the F/Y 2018-19 as compliance report has not been provided to us by the ULB.			Medium	Yes	Yes	Yes	Report has not been received by the Department/ auditor, hence we are unable to prepared compliances.	
9.	Nagar Parishad Narkatiaganj has not been constituted Municipal Accounts Committee under section 98 of the Municipal Act, 2007.It is necessary for the municipality to constitute a Municipal Accounts committee at the first meeting in each year as soon as possible may be at the subsequent meeting thereto			Medium	Yes	Yes	Yes	It will be compliance in future.	
10.	During the Examination of the General cash book we found that the initial signature of the executive			Medium	Yes	Yes	Yes	It will be compliance in future.	



	officer is missing, EO is required to verify the each transaction entered in to cash book with initial sign.						
11.	During the audit we observed that, the Taxes and Other fees collected have not been deposited in to the bank on the same days, Sometime period of the collection and deposited are more than two weeks' days. As per the BMA collection should be deposited on the same days.	Medium	Yes	Yes	Yes	We deposit the collection amount on the weekly, but we are trying to deposit such collection on the daily basis.	
12.	ULB is not practice to prepared Bank reconciliation statement and bank wise cash books. As per the BM Rules BRS is required to be prepared on the monthly basis.	Medium	Yes	Yes	Yes	V.S.C company has been assigned to prepare the BRS but Company has not Visit in ULB.	
13.	Demand register is not maintained or up to date by the ULB. We are unable to quantify the total outstanding demand of Property Tax, Tower Tax, Advertisement Tax, Rent on Municipal Properties etc.	Medium	Yes	Yes	Yes	Demand Register are maintained by the ULB staff, And It will be Shown to the Auditor.	
14.	ULB has not been in practice to prepare financial statements.	Medium	Yes	Yes	Yes	V.S.C company has been assigned to prepare the BRS but Company has not Visit in ULB.	
15.	ULB has not been in practice to prepare monthly receipt and payment account & Trial Balance.	Medium	Yes	Yes	Yes	V.S.C company has been assigned to prepare the BRS but Company has not Visit in ULB.	
16.	ULB has not been prepared Utilization certificate within the prescribed Period.	Medium	Yes	Yes	Yes	UC will be provided to auditor .	
17.	Various registers, books of records etc. are not being	Medium	Yes	Yes	Yes	It will be Comply in Near future.	



	prepared by the ULB. Such as Bank Wise Cashbook, Pay Roll Register, Leave Register, Fixed Asset Register, Advance & Recovery Register, Demand Register, Bill Register, File Movement Register etc.						
18.	Physical verification of inventory & Fixed assets has not been done by ULB on regular interval.	Medium	Yes	Yes	Yes	It will be compliance in future.	
19.	Double Entry Accounting System has been incomplete in the ULB. Hence we are unable to check/Examination of the financial statements.	Medium	Yes	Yes	Yes	V.S.C company has been assigned to prepare the BRS but Company has not Visit in ULB.	
20.	Details of Directives issued by UD&HD have not been provided to us during the course of audit, so we are unable to check Compliance of the same.	Medium	Yes	Yes	Yes	All the direction is available with ULB and it will be provided to the Auditor.	
21.	During the period of an audit ,We observed that the Narkatiaganj Nagar Parishad has not assess the holding tax as well as mobile tower from 2017-18 and during this period there are many Residential house have been developed/converted in commercial properties and mobile towers have been installed.	Medium	Yes	Yes	Yes	Assessment has been made but survey is pending, and it will be conducted in coming year.	
22.	Due to Non agreement of the point-1, Revenue losses to ULB in form of Stamp Duty and other taxes @8% on tender amounts ieRs 408732 (8% of 4500+2041000+997000+1030500+865000+65660+105500)	Medium	Yes	Yes	Yes	It will be comply in future.	



For R. N. SINGH&CO.

Chartered Accountant

ICAI Reg.No:322066E



CA Chanakya Shree

Partner

M.No: -079322

Municipal Commissioner / Executive  
Officer नगर परिषद, नरकटियागंज

Nagar Parisad Narkatiaganj

Date:

Place:Narkatiaganj

17/06/22

1. Arrears Mobile Tower Tax.

S. N.	Company Name	No of Tower	Dues up to 31-03-2018	Renewal	Collection	Dues Balance As on 31.3.2021
1	ATC	3	40000	112000	18000	134000
2	TATA	1	60000	24000	0	84000
3	AIRTEL	5	220000	120000	0	340000
4	AIRCEII	4	180000	196000	0	376000
5	RELIANCE	2	90000	48000	36000	102000
6.	GIL	1	60000	24000	0	84000
7.	BHARTIY A INFRATEC H	1	60000	24000	0	84000
8	IDEA	1	60000	24000	0	84000
9	TELENIER	2	120000	48000	0	168000
<b>Total</b>		<b>20</b>				<b>1456000</b>

(And also Narktiaganj Nagar Parishad should recovered Interest @1.5pm on the outstanding dues amount)

