



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

INTERNAL AUDIT REPORT

FOR

F. Y. 2019-20

GROUP 1

NAWADA MUNICIPAL COUNCIL

BY

A. P. SANZGIRI & CO. CHARTERED ACCOUNTANTS

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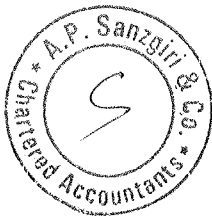
A. P. SANZGIRI & CO.

CHARTERED ACCOUNTANTS

DOCUMENT HISTORY

INTERNAL AUDIT FOR FY 2019-20

| | |
|---------------------------|---|
| Project Title | Selection of Chartered Accountant Firms for Internal Audit of 140 ULBs of Bihar (Tender No. IA-140ULBs/2017-18/2018-19/2019-20) Group – 1 covering 19 ULBs" |
| Report Title | Internal Audit for FY 2019-20 of Nawada Nagar Parishad |
| Reporting Entity | A P SANZGIRI & Co., Chartered Accountants |
| Reporting for | Nawada Nagar Parishad |
| Report Prepared by | Internal Audit Team of A P SANZGIRI & Co., Chartered Accountants |
| Date of Submission | 20.04.2021 |



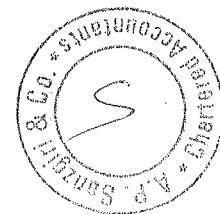
ABBREVIATION AND ACRONYMS

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



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A. P. SANZGIRI & CO.
CHARTERED ACCOUNTANTS

Date:20-04-2021

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

Sub: Submission of Internal Audit Report of Nagar Parishad Nawada for the Financial Year 2019-20

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

Respected Sir,

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

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

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

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

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

Thanking You,

Yours faithfully,

On Behalf of

A P Sanzgiri & Co,

Chartered Accountants

Satish Gupta

CA Satish Gupta

Partner

Membership no.:101134

FRN: 116293W

UDIN: 21101134AAAAJQ3457

Date:16-09-2021



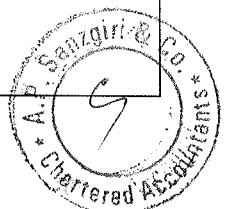
EXECUTIVE SUMMARY

1. INTRODUCTION:

| | |
|---|-------------------------------------|
| Name of the Municipality | - Nawada Nagar Parishad |
| Period covered under Current Audit | - 1st April 2019 to 31st March 2020 |
| Name of Mayor/Chairman | - Smt. Punam Kumari |
| Name of Executive Officer | - Shri Devendra Suman |

2. OBSERVATIONS AND FINDINGS:

| | |
|-------------------|---|
| Strengths | <ol style="list-style-type: none">1. In the existing system as prevailing in the ULB, day to day working is in progressive manner in respect of collection of revenue and execution of the projects.2. There is sufficient co-operation from the management during the course of our audit.3. General Cash book is properly up-to-dated.4. Fixed assets register was prepared by a CA firm as on 01/04/2014 and it was updated till 2015-16 |
| Weaknesses | <ol style="list-style-type: none">1. The collection of rental income is not satisfactory.2. The shopkeeper/tenants have not been paying rent and have huge outstanding debts.3. No physical verification of store is exercised by ULB.4. No Physical verification of cash is exercised by ULB.5. Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the corporation has not been complied.6. Bank Reconciliation Statement has not been prepared of all accounts.7. Fixed assets register is not maintained by ULB8. Compliance report of AG audit is not prepared by the ULB and also report is not provided to us for inspection for FY 2014-15 & 2015-16. Hence, we are unable to comment on the same.9. Statutory compliance of the ULB is not deposited timely and hence it incurs penalty and other charges.10. Certain Statutory Registers and Books are not maintained. <p>11. Non Levy of Taxes:</p> <ul style="list-style-type: none">• Tax on advertisements, other than advertisements published in newspapers• Surcharge on electricity consumption within the municipal area• Tax on congregations. |



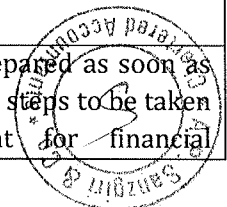
| | |
|--|---|
| | <ul style="list-style-type: none"> • Tax on pilgrims and tourists. • User Charges for Solid Waste Management. • User Charges for Garbage Clearance. • Collection of fees for sanction of building plans and issue of completion certificates. • Collection of Development Charges. <p>12. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 01 to 104 days.</p> <p>13. ULB is not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</p> <p>14. ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter</p> <p>15. Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.</p> <p>16. Non Compliance of Rule 130 of BMAR in some of the cases.</p> <p>17. ULB is not maintaining the accounts as well as not preparing the financial statements.</p> <p>18. ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.</p> |
|--|---|

3. OPINIONS:

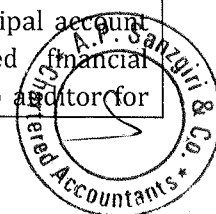
The management has to take stringent effort in forming accountability at various levels of the ULB, introducing reforms in financial management and accounting systems, development of strong internal control and organizational design of Municipalities, ensuring capacity building of the municipal personnel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

4. AUDIT RECOMMENDATION:

| Observed Weaknesses | Audit Recommendations |
|---|--|
| No physical verification of store is exercised by ULB. | Physical verification to be carried out by ULB on interval basis for proper monitoring of the stock and process. |
| No Physical verification of cash is exercised by ULB. | Physical verification to be carried out by ULB on interval basis for proper monitoring of cash. |
| Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the corporation has not been complied. | Internal Audit wing should be created by employing the Municipal Internal Auditor on the Board. |
| Fixed assets register is not maintained at ULB | Fixed assets register should be maintained and updated properly. |
| Compliance report of AG audit is not prepared by the ULB and also report is not provided to us for inspection for FY 2014-15 to 2015-16. | Compliance report should be prepared as soon as the report is received by ULB and steps to be taken for recovery of the amount for financial |



| | |
|---|--|
| Hence, we are unable to comment on the same. | irregularities. |
| Statutory compliance of the ULB are not properly complied, hence it incurs penalty and other charges. | As ULB is not proper complying with statutory obligations, that cause financial implication on ULB in mode of interest and penalty. So, ULB should ensure statutory compliance on time. |
| Certain Statutory Registers and Books are not maintained. | Statutory register and books of accounts should be maintained as per guidelines and BMAR. |
| Non Levy of Taxes: <ul style="list-style-type: none"> • Tax on advertisements, other than advertisements published in newspapers • Surcharge on electricity consumption within the municipal area • Tax on congregations. • Tax on pilgrims and tourists. • User Charges for Solid Waste Management • User Charges for Garbage Clearance • Collection of fees for sanction of building plans and issue of completion certificates, • Collection of Development Charges | As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. ULB should take steps to implement required taxes to boost their revenue |
| During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 01 to 104 days. | As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made. |
| ULB is not prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer. | As per BMAR Rule No. - 121, ULB should prepare of monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the executive officer. |
| ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter | Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis. |
| Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month. | As per BMAM-ULB are required to maintain fund wise receipts & payments. As per BMAM, following funds should be maintained by ULB. <ol style="list-style-type: none"> 1. Municipal General Fund 2. Basic service for urban poor 3. Water supply & sewerage fund 4. Solid Waste Management Fund 5. Road Development & Maintenance 6. Enterprise Fund |
| Non Compliance of Rule 130 of BMAR in some of the cases. | ULB should ensure compliance related to Rule 130 of BMAR on regular basis. |
| ULB is not maintaining the accounts as well as not preparing the financial statements. | ULB is required to maintain the accounts as well as prepare the financial statements at the end of the year. |
| ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor. | ULB should prepare financial statements for each year and get it approved from municipal account committee. As per BMAR, audited financial statements are required to submit to auditor for |



| | |
|--|--|
| | audit. |
| In-consistencies in assessment of property tax | Checked on random basis and found variation between demand raised by ULB or actual demand. |

5. COMMENTS FROM MANAGEMENT

We have conducted audit of the ULB and our report with observation was discussed with ULB officials and their comments are given in discussion note. ***(Kindly refer discussion note attached with the report)***

6. ACKNOWLEDGEMENT

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

On Behalf of

A P Sanzgiri & Co,

Chartered Accountants

Satish Gupta

CA Satish Gupta

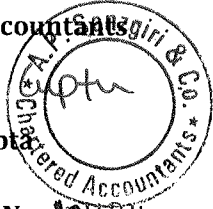
Partner

Membership No. 101134

FRN: 116293W

UDIN: 21101134AAAAJQ3457

Date: 16-09-2021



DETAILED AUDIT REPORT

1. INTRODUCTION:

| Name Of ULB | Period-covered | | Audit Team |
|-----------------------|-----------------------------|-----------------------------|---|
| | From | To | |
| Nawada Nagar Parishad | 1 st April, 2019 | 31 st March 2020 | 1. Team Leader: CA Satish Gupta 2. Name of CA: CA Ronak Agrwal 1. Name of Auditor-1: Md. Mahtab Alam |

2. ADMINISTRATION:

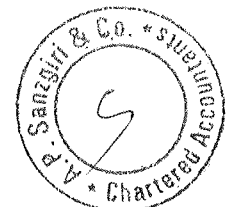
| S.N | Particulars | Details |
|-------|--|--|
| 1 | The present body of the ULB has taken charge on | June, 2017 |
| 2 | The incumbency in the key Administrative and Executive positions was as under: | |
| 2.1 | Name of Mayor: | Smt. Punam Kumari |
| 2.1.1 | Period of Service: | From: 09 th June, 2017 To: Till date |
| 2.2 | Name of Executive Officer: | Shri Devendra Suman |
| 2.2.1 | Period of Service: | From: 10th July, 2018 To: Till date |

3. REVIEW OF OUTSTANDING AUDIT PARAS:

3.1. STATUS OF AUDIT OBSERVATIONS IS AS UNDER:

| Particulars of audit and date of report | Total No. of Audit Para's | Improvement /corrective measures required (Nos. of Para's) | Recovery of cash is proposed (Nos. of Para's) | Recovery has been made (Nos. of Para's) | Total amount of Recovery | No action has been taken | No. & date of compliance report |
|---|---------------------------|--|---|---|--------------------------|--------------------------|--------------------------------------|
| Audit report submitted by AG for the F.Y. 2014-15 & 2015-16 | 14 | 14 | 8 | 0 | 0 | 14 | Not Prepared (Refer Discussion Note) |
| Internal Audit Paras FY 2017-18 & 2018-19. | | | | | | | Not complied (Refer discussion note) |

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



| Audit Para Number | Heading of the audit para | Amount involved | Recovery Proposed | Recovery Completed | Action Taken or Not |
|-------------------|--|-----------------|-------------------|--------------------|---------------------|
| 1 | Non-deposit of collection by tax collector. | 1.02 Lac | Yes | No | No |
| | Less-deposit of collection by tax collector. | 0.25 Lac | Yes | No | No |
| | Non-deposit of amount by the cashier. | 3.44 Lac | Yes | No | No |
| 2 | Loss of revenue due non-inclusion of development permit fees in map approval. | 2.05 Lac | Yes | No | No |
| 3 | Non-collection of mobile towers unauthorised installation and renewal/registration fees. | 27.10 Lac | Yes | No | No |
| 4 | Non-collection of labour cess on map approval. | 19.00 Lac | No | No | No |
| 5 | Non-deduction of Performance securities and Vat. | 0.00 | No | No | No |
| 6 | Non-endowment of SAIRAT for collection of vehicle Registration fees. | 0.12 Lac | Yes | No | No |
| 7 | Irregularities in payment due to non-availabilities of Form N & M. | 1.95 Lac | No | No | No |
| 8 | Idle fund Grant amount against Construction of Urban Government Building. | 135.41 Lac | No | No | No |
| | Loss of Interest due to amount in Current Account. | 4.38 Lac | Yes | No | No |
| 9 | Un-approved expenditure against Daily Wages. | 132.75 Lac | No | No | No |
| 10 | Non-collection of outstanding shop rent & service tax. | 18.48 Lac | Yes | No | No |
| 11 | Non-maintenance of Government Grant Register. | 0.00 | No | No | No |
| 12 | Payment made without quality test against schemes. | 0.00 | No | No | No |
| 13 | Non-maintenance of Assets Register. | 0.00 | No | No | No |
| 14 | Non-presentation of Miscellaneous & H Receipt Book. | 0.00 | No | No | No |

Note-1: Compliance Report has not been prepared by management.

Management Comment: We are preparing Compliance Report for above said period of AG Report, Once it is completed thereafter said Report will be provided.

(Kindly refer discussion note attached with the report)



4. FINANCE

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

| Year | Year- 2017-18 | Year- 2018-19 | Year- 2019-20 |
|-----------------------------|---------------------------|------------------------|-----------------------|
| Final/Revised Budget Data | 26,09,20,076.31 | 28,38,88,459.00 | 674,060,000.00 |
| Actual Expenditure Data | 148,113,493.00 | 74,699,345.00 | 156,969,952.00 |
| Savings(+)/Excess(-) | 11,28,06,583.31.00 | 20,91,89,114.00 | 517,090,048.00 |

Auditor's Comment:

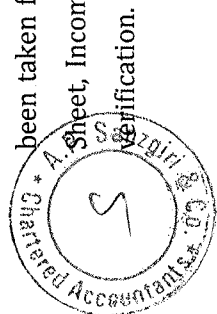
The cash book prepared by ULB in such way that we could not bifurcated or separated data as required in above mentioned format .The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. Financial Statement i.e. Audited Balance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

II. VOLUME OF TRANSACTIONS:

| Period | Budgeted for F.Y. 2019-20 | Actual for the F.Y. 2017-18 | Actual for the F.Y. 2018-19 | Actual for the F.Y. 2019-20 | Cumulative for the current period |
|------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------------|
| Opening balance | 1,633,414.00 | 260,920,076 | 326,144,324 | 299,713,600 | 299,713,600 |
| Receipts | 672,457,500.00 | 213,337,742 | 48,268,621 | 224,785,183 | 224,785,183 |
| Total | 67,40,90,914.00 | 474,257,818 | 374,412,945 | 524,498,783 | 524,498,783 |
| Net expenditure | 674,060,000.00 | 148,113,494 | 74,699,345 | 156,969,952 | 156,969,952 |
| Closing balance | 30,914.00 | 326,144,324 | 299,713,600 | 367,528,831 | 367,528,831 |

Auditor's Comment:

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



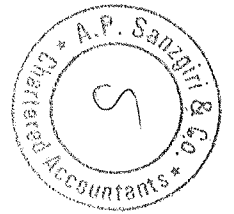
III. BANK RECONCILIATION POSITION AS ON REPORTING DATE:

BANK RECONCILIATION POSITION AS ON 31-03-2020:

| S.N | Name of Bank | Bank A/C No. | Purpose of Bank Account | Balance as per Cash Book | Balance as per Bank Statement | Differences | Reconciled (Yes/No) |
|-----|---------------------|------------------|----------------------------|--------------------------|-------------------------------|--------------|---------------------|
| 1 | State Bank of India | 11136925283 | Town Hall | 92.53 | 92.53 | - | Yes |
| 2 | State Bank of India | 32696046354 | Revenue | 21,32,263.50 | 49,64,944.50 | 28,32,681.00 | No |
| 3 | State Bank of India | 32696047596 | 13th Finance | 1,78,823.00 | 1,78,823.00 | - | Yes |
| 4 | IDBI | 1250104000051457 | NaliGali | 89,44,263.00 | 91,10,022.00 | 1,65,759.00 | No |
| 5 | IDBI | 1250104000031329 | SBM | 45,201.00 | 1,57,701.00 | 1,12,500.00 | No |
| 6 | IDBI | 1250104000051448 | Sahari Pay jal | 370,60,212.00 | 370,65,826.00 | 5,614.00 | No |
| 7 | IDBI | 1250104000011617 | E-Governance | 5,097.00 | 5,097.00 | - | Yes |
| 8 | IDBI | 1250104000037156 | 14th Finance | 40.00 | 40.00 | - | Yes |
| 9 | IDBI | 1250104000011608 | SLUM | 289,07,492.00 | 289,07,492.00 | - | Yes |
| 10 | PNB | 2711000100322355 | NULM | 4,87,306.03 | 4,87,306.03 | - | Yes |
| 11 | ICICI | 133201000314 | SBM | Not update | 26,20,287.00 | 26,20,287.00 | No |
| 12 | PNB | 2711000100317247 | HFA | 11,943.80 | 23,442.80 | 11,499.00 | No |
| 13 | IDBI | 1250104000019992 | Mukhya mantra nagar viaksh | 48,91,312.00 | 48,91,312.00 | - | Yes |

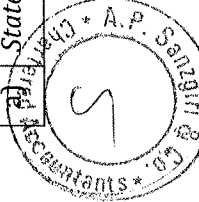
Management Comment:

1. Separate BRS will be prepared as per suggestion given by Internal Auditor.
2. ICICI related fund will be reconciled as soon as possible.
3. BRS relating to PLA accounts has not been prepared as details are not provided by ULB



IV. RECEIPT DETAILS:

| Income Details (Amounts to be provided in Rupees) | | | | | | | |
|---|---|------------------|------------------|------------------|------------------|------------------|------------------|
| S. N | Details | 2017-18 | | 2018-19 | | 2019-20 | |
| | | 2017-18 (Actual) | 2016-17 (Actual) | 2018-19 (Actual) | 2017-18 (Actual) | 2019-20 (Actual) | 2018-19 (Actual) |
| | Total Receipts (A+B) | 21,33,37,742 | 28,69,21,685 | 4,82,68,621 | 21,33,37,742 | 224,785,183 | 4,82,68,621 |
| A | Revenue Receipts (1+2+3) | 6,29,51,914 | 7,91,20,240 | 2,59,09,968 | 6,29,51,914 | 34,263,261 | 2,59,09,968 |
| 1 | Own Revenue (a+b) | 4,89,57,404 | 5,89,23,401 | 2,01,85,099 | 4,89,57,404 | 24,997,130 | 2,01,85,099 |
| a) | Tax Revenue (levied and collected by municipal body) | 4,64,98,686 | 5,64,53,333 | 1,90,14,829 | 4,64,98,686 | 23,963,356 | 1,90,14,829 |
| i) | Property tax | 72,03,600 | 88,57,849 | 57,07,777 | 72,03,600 | 9,495,795 | 57,07,777 |
| ii) | Other tax (levied and collected by municipal body) | 3,92,95,086 | 4,75,95,484 | 1,33,07,052 | 3,92,95,086 | 14,467,562 | 1,33,07,052 |
| b) | Non-tax revenue (levied and collected by municipal body) | 24,58,718 | 24,70,068 | 11,70,270 | 24,58,718 | 1,033,774 | 11,70,270 |
| i) | Fees & fines | 20,35,825 | 18,24,596 | 8,92,810 | 20,35,825 | 939,765 | 8,92,810 |
| ii) | User Charges | 4,22,893 | 6,45,472 | 2,77,460 | 4,22,893 | 94,009 | 2,77,460 |
| iii) | Other non-tax revenue (levied and collected by municipal body) | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | Other Revenue Receipts | 32,93,057 | 34,47,662 | 19,79,209 | 32,93,057 | 3,446,631 | 19,79,209 |
| a) | Income from interest/investments | 32,92,062 | 34,46,432 | 19,26,269 | 32,92,062 | 3,425,517 | 19,26,269 |
| b) | Other Revenue income | 995 | 1,230 | 52,940 | 995 | 21,114 | 52,940 |
| 3 | Transfers/Grants/Assigned Revenues | 1,07,01,453 | 1,67,49,177 | 37,45,660 | 1,07,01,453 | 5,819,500 | 37,45,660 |
| | State Assigned Revenue | 1,07,01,453 | 1,67,49,177 | 37,45,660 | 1,07,01,453 | 5,819,500 | 37,45,660 |



| | | | | | | | | | | |
|----------|--|---------------------|---------------------|--------------------|---------------------|--------------------|--------------------|--------------------|------|----------|
| b) | State Finance Commission (SFC) Grants/Devolution | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| c) | Octroi compensation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| d) | Other State Government Transfers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| e) | Central Finance Commission (CFC) Grant | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| f) | Other Central Government Transfers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| g) | Others | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| B | Capital Receipts | 15,03,85,828 | 20,78,01,445 | 2,23,58,653 | 15,03,85,828 | 2,23,58,653 | 190,521,927 | 2,23,58,653 | | |
| 1 | Sale of Municipal Land | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| 2 | Loans (from State Govt. or Banks etc.) | 0 | 0 | 0 | 0 | 0 | 836,706 | 0 | | 0 |
| 3 | State Capital Account Grant | 15,03,85,828 | 20,78,01,445 | 2,23,58,653 | 15,03,85,828 | 2,23,58,653 | 67,320,735 | 2,23,58,653 | | |
| 4 | Central Capital Account Grant (under Central Schemes etc.) | 0 | 0 | 0 | 0 | 0 | 122,364,486 | 0 | | 0 |
| 5 | Other Capital Receipts | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | | 0 |

Auditor's Comment:

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

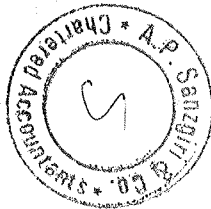


V. EXPENDITURE INFORMATION:

| Expenditure Details (Amounts to be provided in Rupees) | | | | | | | |
|---|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| S.N | Details | 2017-18 | | 2018-19 | | 2019-20 | |
| | | 2017-18 (Actual) | 2016-17 (Actual) | 2018-19 (Actual) | 2017-18 (Actual) | 2019-20 (Actual) | 2018-19 (Actual) |
| | Total Expenditure (1+2) | 14,81,13,494 | 30,22,57,680 | 7,46,99,345 | 14,81,13,494 | 156,969,952 | 7,46,99,345 |
| 1 | Revenue Expenditure | 4,41,52,428 | 4,38,56,038 | 30565186 | 4,41,52,428 | 36,582,156 | 30565186 |
| 1.1 | <i>Administrative Expenses, Establishment and Salaries (All Departments-Regular and contract.</i> | 3,12,18,469 | 2,47,97,692 | 1,70,54,247 | 3,12,18,469 | 27,476,172 | 1,70,54,247 |
| 1.2 | <i>Operation and Maintenance</i> | 80,18,376 | 71,74,802 | 1,13,74,274 | 80,18,376 | 8,317,374 | 1,13,74,274 |
| 1.3 | <i>Loan repayment (Interest payments)</i> | 0 | 649 | 0 | 0 | 8,554 | 0 |
| 1.4 | <i>Others(any other revenue expenditure which is not salaries,</i> | 49,15,583 | 1,18,82,895 | 21,36,665 | 49,15,583 | 780,056 | 21,36,665 |
| 2 | <i>Capital Expenditure</i> | 10,39,61,066 | 25,84,01,642 | 4,41,34,159 | 10,39,61,066 | 120,387,796 | 4,41,34,159 |
| 2.1 | <i>All developmental works under Central/State specific schemes</i> | 10,39,61,066 | 25,84,01,642 | 4,41,34,159 | 10,39,61,066 | 120,387,796 | 4,41,34,159 |
| 2.2 | <i>Loan Repayments(Principal Amount)</i> | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.3 | Other Capital expenditure | 0 | 0 | 0 | 0 | 0 | 0 |

AUDITOR'S COMMENT:

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



VI. STATUS OF IMPLEMENTATION OF DOUBLE ENTRY SYSTEM:

Name of agency: M/s Tibrewal Chand & Co.

DEAS (implemented till date): From F.Y. 2012-13 to 2019-20

Tally Serial No.- 736803585

Tally ID: nawada.ulb@gmail.com

| Particular of work | 2012-13 | 2013-14 | 2019-20 |
|----------------------------|----------------|----------------|-------------------|
| Payment entry (Cashier CB) | Completed | In process | Up to december-19 |
| Receipt entry(Cashier CB) | Completed | In process | Up to December-19 |
| Journal Voucher | Completed | In process | Up to december-19 |
| Salary Payment Entry | In process | In process | In process |
| Contractor Payment | Completed | In process | In process |
| Grant Adjustment | Completed | In process | Up to december-19 |

VII. MUNICIPAL ACCOUNTS COMMITTEE:

Municipal Accounts Committee has not been formed till date, however management replied it will be formed very soon.

(Kindly Refer Discussion Note attached with Report)

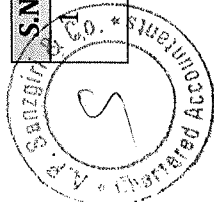
5. AUDIT OBSERVATION:

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

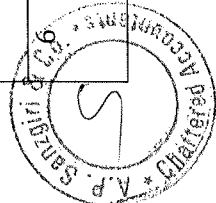
(A) LEAKAGE OF OWN SOURCE REVENUE EITHER DUE TO WRONG ASSESSMENT OR NON-LEVY OF PROPERTY TAX, MOBILE TOWER TAX, RENT ON MUNICIPAL PROPERTIES, ADVERTISEMENT TAX, FEE ETC.

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

| S.N | Head | Comments |
|------------|------------------|---|
| | Objective | The main objective of audit of taxes is to check whether all taxes which are covered under Bihar Municipal Act, 2007, is levied and collected by the ULB. Further to check whether taxes are levied and collected according to applicable |



| | provisions and rules. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----|---|---------------------------|-------------|---------------------------|---|--------------------------------------|-----|---|--|----|---|-----------|----|---|--|----|---|--|----|---|-----------------------|----|---|-------------------------------|----|---|--------------------|----|---|---|----|----|---|----|----|---|----|----|-----------------------------------|----|----|------------------------------------|----|----|---|-----|----|---|-----|----|---|-----|----|-----------------------------------|-----|--|
| 2 | Criteria We have checked list of all the taxes which to be levied and collected by the ULB as per Act. Further we have checked Receipt book, cashier cash book and accountant cash book etc. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Condition As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. In case of Nawada Nagar Parishad The following mentioned tax/charges are not implemented that leads to loss of revenue to ULB: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th data-bbox="375 448 454 526">S.N</th> <th data-bbox="375 526 1212 638">Particulars</th> <th data-bbox="375 638 1212 705">Implemented by ULB or Not</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Property tax on lands and buildings.</td> <td>YES</td> </tr> <tr> <td>2</td> <td>Surcharge on transfer of lands and buildings</td> <td>NO</td> </tr> <tr> <td>3</td> <td>Fire tax.</td> <td>NO</td> </tr> <tr> <td>4</td> <td>Tax on advertisements, other than advertisements published in newspapers</td> <td>NO</td> </tr> <tr> <td>5</td> <td>Surcharge on electricity consumption within the municipal area</td> <td>NO</td> </tr> <tr> <td>6</td> <td>Tax on congregations.</td> <td>NO</td> </tr> <tr> <td>7</td> <td>Tax on pilgrims and tourists.</td> <td>NO</td> </tr> <tr> <td>8</td> <td>Tax on profession.</td> <td>NO</td> </tr> <tr> <td>9</td> <td>Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles.</td> <td>NO</td> </tr> <tr> <td>10</td> <td>User Charges for provision of water-supply, drainage and sewerage</td> <td>NO</td> </tr> <tr> <td>11</td> <td>User Charges for Solid Waste Management</td> <td>NO</td> </tr> <tr> <td>12</td> <td>User Charges for Parking Facility</td> <td>NO</td> </tr> <tr> <td>13</td> <td>User Charges for Garbage Clearance</td> <td>NO</td> </tr> <tr> <td>14</td> <td>Collection of fees for sanction of building plans and issue of completion certificates,</td> <td>YES</td> </tr> <tr> <td>15</td> <td>Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,</td> <td>YES</td> </tr> <tr> <td>16</td> <td>Collection of Fees for issue of birth and death certificates.</td> <td>YES</td> </tr> <tr> <td>17</td> <td>Collection of Development Charges</td> <td>YES</td> </tr> </tbody> </table> | S.N | Particulars | Implemented by ULB or Not | 1 | Property tax on lands and buildings. | YES | 2 | Surcharge on transfer of lands and buildings | NO | 3 | Fire tax. | NO | 4 | Tax on advertisements, other than advertisements published in newspapers | NO | 5 | Surcharge on electricity consumption within the municipal area | NO | 6 | Tax on congregations. | NO | 7 | Tax on pilgrims and tourists. | NO | 8 | Tax on profession. | NO | 9 | Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles. | NO | 10 | User Charges for provision of water-supply, drainage and sewerage | NO | 11 | User Charges for Solid Waste Management | NO | 12 | User Charges for Parking Facility | NO | 13 | User Charges for Garbage Clearance | NO | 14 | Collection of fees for sanction of building plans and issue of completion certificates, | YES | 15 | Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings, | YES | 16 | Collection of Fees for issue of birth and death certificates. | YES | 17 | Collection of Development Charges | YES | |
| S.N | Particulars | Implemented by ULB or Not | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Property tax on lands and buildings. | YES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Surcharge on transfer of lands and buildings | NO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Fire tax. | NO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Tax on advertisements, other than advertisements published in newspapers | NO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Surcharge on electricity consumption within the municipal area | NO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Tax on congregations. | NO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Tax on pilgrims and tourists. | NO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Tax on profession. | NO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles. | NO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | User Charges for provision of water-supply, drainage and sewerage | NO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | User Charges for Solid Waste Management | NO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 | User Charges for Parking Facility | NO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 | User Charges for Garbage Clearance | NO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14 | Collection of fees for sanction of building plans and issue of completion certificates, | YES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 | Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings, | YES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16 | Collection of Fees for issue of birth and death certificates. | YES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17 | Collection of Development Charges | YES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Consequences/Effect No levy of taxes will be resulted in to revenue loss to ULB. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Cause There is lack of standard policies and instructions from department. In some cases policies are prepared by it is not followed by the ULBs. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Corrective Action/Recommendation It is recommended that department should prepare uniform policies for levy and collection of taxes in proper manner and on due time. Further capacity building programmes should be held for ULBs staff and awareness about | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



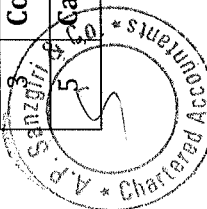
| | |
|---|--|
| | these taxes should be done. |
| 7 | Management Comments Kindly refer discussion note attached with the report. |

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

| S.N | Head | Comments |
|-----|---|---|
| 1 | Objective | As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 the amount of tax collected by the tax collector is required to be handed over to cashier and deposited into bank on the same day on which collection is made. To check compliance of these provisions, we have carried audit of such type of cases. |
| 2 | Criteria | We have checked respective books in order to carry the audit and some cases were checked on random basis. |
| 3 | Condition | During verification of receipts book and deposit slips, we have noticed that there is gap period in collection of tax around 1 to 104 days. Details of such cases are given in Annexure-1 . |
| 4 | Consequences/Effect | In respect of above in most of the cases property tax has not been deposited on same day of collection which resulted in interest loss to ULB. |
| 5 | Cause | It is explained by concern person that due to non-availability of human resources the same issues arises. |
| 6 | Corrective Action/Recommendation | It is recommended that tax collector/cashier should deposit the collected money into bank on same day itself and if he fails to do the same, necessary action should be taken by the ULB management in such cases. |
| 7 | Management Comments | (Kindly refer discussion note attached with the report) |

OBSERVATION-3: NON COLLECTION OF NOTICE FEE

| S.N | Head | Comments |
|-----|----------------------------|---|
| 1 | Objective | As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007, Municipality can issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore. |
| 2 | Condition | ULB is not charging and collecting notice fees. |
| 3 | Consequences/Effect | It is non-compliance of Bihar Municipal Act, 2007 which resulted in loss of revenue to the ULB. |
| 5 | Cause | No proper explanation in this regard given by ULB. |



| | | |
|---|----------------------------|---|
| 6 | Corrective Action | Notice fees should be collected as per applicable provisions and rules. |
| 7 | Management Comments | (Kindly refer discussion note attached with the report) |

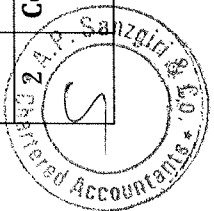
OBSERVATION-4: RECOVERY OF OUTSTANDING TAXES/RENTAL INCOME:

1. RECOVERY OF OUTSTANDING PROPERTY TAX:

| S.N | Head | Comments |
|-----|--|--|
| 1 | Objective | ULB is authorized to collect holding tax from households situated in the municipal area and Property tax have major role in the internal revenue of ULB. |
| 2 | Criteria | It is checked from progress report prepared by ULB |
| 2 | Condition | During checking it is noted that property tax of Rs. 80,45,857.00 was outstanding as on 31/03/2020: |
| 3 | Consequences/Effect | It leads in shortage of fund for ULB and loss of revenue. |
| 5 | Cause | No proper explanation in this regard given by ULB. |
| 6 | Corrective Action/ Recommendation | Notice should be issued to the assessee's on regular interval for recovery of outstanding dues. |
| 7 | Management Comments | (Kindly refer discussion note attached with the report) |

2. RECOVERY OF ADVERTISEMENT TAX:

| S.N | Head | Comments |
|-----|------------------|--|
| 1 | Objective | ULB authorized to charge advertisement tax/fee in municipal are as per act/rule. |
| 2 | Criteria | It is checked from progress report prepared by ULB |
| | Condition | During checking as per information provided it is noted that there is not in Practice of Providing and collecting Advertisement. |



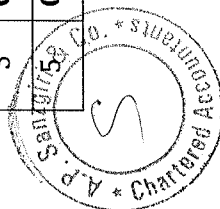
| | | |
|---|------------------------------|---|
| 3 | Consequences/Effect | Delay in collection or outstanding dues results in revenue loss to ULB. |
| 5 | Cause | No proper explanation in this regard given by ULB. |
| 6 | Corrective | ULB should Provide & Collect. |
| | Action/Recommendation | |
| 7 | Management Comments | Kindly refer discussion note attached with the report) |

3. RENT INCOME:

| S.N | Head | Comments |
|-----|------------------------------|--|
| 1 | Objective | ULB authorized to charge rent from municipal properties. |
| 2 | Criteria | It is checked from progress report prepared by ULB |
| 2 | Condition | During checking it is noted that there was 37,42,333.00 rent income outstanding as on 31/03/2020. |
| 3 | Consequences/Effect | Delay in collection or outstanding dues results in revenue loss to ULB. |
| 5 | Cause | No proper explanation in this regard given by ULB. |
| 6 | Corrective | Notice should be issued to the assessee's on regular interval for recovery of outstanding dues |
| | Action/Recommendation | |
| 7 | Management Comments | Kindly refer discussion note attached with the report. |

4. MOBILE TOWER TAX:

| S.N | Head | Comments |
|-----|----------------------------|--|
| 1 | Objective | ULB is authorized to collect tax from telecom companies for mobile towers installed in the municipal area. |
| 2 | Criteria | It is checked from progress report prepared by ULB |
| 2 | Condition | During checking it is noted that mobile tower tax of Rs. 22,98,000.00 was outstanding as on 31/03/2020. |
| 3 | Consequences/Effect | It leads in shortage of fund for ULB and loss of revenue. |
| | Cause | No proper explanation in this regard given by ULB. |



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

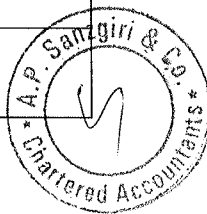
5 OTHER TAX:

| S.N | Head | Comments |
|-----|---|--|
| 1 | Objective | ULB is authorized to collect other various types of taxes/fee. |
| 2 | Criteria | It is checked from progress report prepared by ULB |
| 2 | Condition | During checking it is noted that noother tax was outstanding as on 31/03/2020: |
| 3 | Consequences/Effect | Not Applicable |
| 5 | Cause | Not Applicable |
| 6 | Corrective Action/Recommendation | Not Applicable |
| 7 | Management Comments | Not Applicable. |

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

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

| S.N | Head | Comments | | | | | | | | | | | | | | | | | | | | |
|-----|------------------|--|----------------|-----------------|-----------------|-----------------------|-----------------|-----------------|--------------------|---|---------|-----------------------|-----------|-----------|------------|-----------------------|---|----------------|---------------------|-------------|-------------|------------|
| 1 | Objective | Checking of payment made by ULBs to find out irregularities made during payment | | | | | | | | | | | | | | | | | | | | |
| 2 | Criteria | Payment were checked on random basis | | | | | | | | | | | | | | | | | | | | |
| 3 | Condition | We have checked following payment related to FY 2019-20 during audit: | | | | | | | | | | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>S.N</th> <th>Name of Party</th> <th>Payment Head</th> <th>Invoice Amount</th> <th>Approved Amount</th> <th>Date of Payment</th> <th>Audit Observations</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Chandra</td> <td>Advertisement charges</td> <td>38,595.00</td> <td>38,595.00</td> <td>10.02.2020</td> <td rowspan="2">No irregularity found</td> </tr> <tr> <td>2</td> <td>Balaji traders</td> <td>Purchase of blanket</td> <td>4,75,200.00</td> <td>4,75,200.00</td> <td>18.02.2020</td> </tr> </tbody> </table> | S.N | Name of Party | Payment Head | Invoice Amount | Approved Amount | Date of Payment | Audit Observations | 1 | Chandra | Advertisement charges | 38,595.00 | 38,595.00 | 10.02.2020 | No irregularity found | 2 | Balaji traders | Purchase of blanket | 4,75,200.00 | 4,75,200.00 | 18.02.2020 |
| S.N | Name of Party | Payment Head | Invoice Amount | Approved Amount | Date of Payment | Audit Observations | | | | | | | | | | | | | | | | |
| 1 | Chandra | Advertisement charges | 38,595.00 | 38,595.00 | 10.02.2020 | No irregularity found | | | | | | | | | | | | | | | | |
| 2 | Balaji traders | Purchase of blanket | 4,75,200.00 | 4,75,200.00 | 18.02.2020 | | | | | | | | | | | | | | | | | |



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

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

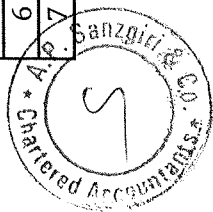
| S.N | Head | Comments |
|-----|---|---|
| 1 | Objective | Field survey and report of 20 high value properties of ULB and report on the basis of area of building, rate of property tax etc of the same. Comparison with the data of same property provided by the ULB and report on variance between them if available. |
| 2 | Criteria | Survey was done for 20 High value properties. |
| 3 | Condition | We have checked twenty high value assessed property and found no variances related to FY 2019-20 during audit. Details of such cases are given in Annexure-2 |
| 4 | Consequences/Effect | Irregularities in this area may cause short recovery of revenue receipt and it will result in loss to the ULB. |
| 5 | Cause | There are no cases found in which variance arise due to assessment of area of property on lower side. |
| 6 | Corrective Action/Recommendation | Management need to carry survey of properties on regular interval. |
| 7 | Management Comments | Kindly refer discussion note attached with the report |

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

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

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

| S.N | Name of Register | Maintained/ Not Maintained | Last date of Updation |
|-----|-------------------------------|----------------------------|-----------------------|
| 1 | Cash Book-Cashier | Maintained | 31.03.2020 |
| 2 | Cash Book-Accountant | Maintained | 31.03.2020 |
| 3 | Collection Register | Maintained | 31.03.2020 |
| 4 | Cheque issue Register | Maintained | |
| 5 | Register of Advance | Maintained | |
| 6 | Register of Permanent Advance | Not Maintained | |
| 7 | Deposit received register | Not Maintained | |



| | | | |
|----|--|----------------|------------|
| 8 | Summary statement of deposit adjusted | Not Maintained | |
| 9 | Demand Register | Maintained | 31.03.2020 |
| 10 | Summary Statement of Bills Raised | Not maintained | |
| 11 | Register of Notice Fees, Warrant Fees, Other Fees | Not maintained | |
| 12 | Summary Statement of Notice Fees, Warrant Fees, Other Fees | Not maintained | |
| 13 | Register of Refunds, Remissions and Write off | Maintained | |
| 14 | Summary statement of Refunds and Remissions | Not maintained | |
| 15 | Summary Statement of Write-offs | Not maintained | |
| 16 | Statement of outstanding Liability for Expenses | Not maintained | |
| 17 | Document Control Register/Stock Account Receipts/Cheque Book | No Maintained | |
| 18 | Fixed Assets Register | Not Maintained | |
| 19 | Summary Statement of Demand Raised on assessment | Not Maintained | |
| 20 | Summary Statement of Head wise Collection of Other Income | Not Maintained | |
| 21 | Summary Statement of Refunds | Not Maintained | |
| 22 | Summary Statement of Write off | Not Maintained | |
| 23 | Grant Register | Not Maintained | |
| 24 | Summary Statement of status of Capital Work in Progress | Not Maintained | |
| 25 | Work Sheet | Not Maintained | |
| 26 | Deposit Works Register | Not Maintained | |
| 27 | Material Receipt Note | Not Maintained | |
| 28 | Store Ledger | Not Maintained | |
| 29 | Statement of Closing Stock | Not Maintained | |
| 30 | Statement of Material Issued | Not Maintained | |
| 31 | BRS of all bank accounts (including dormant accounts) | Not Maintained | |
| 32 | Final Accounts for the F.Y. 2012-13 to 2017-18 | Not maintained | |
| 33 | Audited Balance Sheet | Not maintained | |
| 34 | Audited Income & Expenditure Account | Not maintained | |
| 35 | Audited Receipts & Payment Account | Not maintained | |

(b) IRREGULARITY IN PROCUREMENT PROCESS:

1. COMPLIANCE REGARDING TENDER ISSUED BY THE ULBS:

During audit, we have checked following procurements:



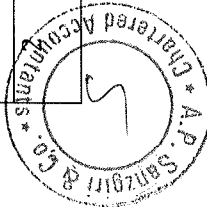
| S.N | Name of Party | Invoice Amount | Check required deductions from bill has made or not | Whether Deductions are with appropriate Rate | Check signature of Commissioner/E O in Payment Order | Whether measurement book & bill signed by the JE of ULB | Whether in respect of all bills for charges on account of all works and other expenditure, proper certificates have been furnished in support of them and that no deviation has been made for the sanctioned plans and the estimates without the sanction of the competent authority; (BMAR Rule No.-30) |
|-----|--------------------|----------------|---|--|--|---|--|
| 1 | Vinay contracti on | 61,60,399.00 | CHECK AND OK | YES | YES | YES | FURNISHED AND NO DEVIATION FOUND |
| 2 | Sajid khan | 5,61,444.00 | CHECK AND OK | YES | YES | YES | FURNISHED AND NO DEVIATION FOUND |
| 3 | Murari mochi | 2,26,203.00 | CHECK AND OK | YES | YES | YES | FURNISHED AND NO DEVIATION FOUND |
| 4 | Sudhir kumar | 28,12,141.00 | CHECK AND OK | YES | YES | YES | FURNISHED AND NO DEVIATION FOUND |
| 5 | Sarita devi | 65,252.00 | CHECK AND OK | YES | YES | YES | FURNISHED AND NO DEVIATION FOUND |

2. DETAILS OF LOG BOOK MAINTAINED:

| S.N | Name of Vehicle | Whether vehicle log book is maintained or not | Whether log book is properly updated or not | Whether vehicle is insured or not | Whether Rate of Diesel/Petrol properly mention in log book |
|-----|-----------------|---|---|-----------------------------------|--|
| 1 | JCB (02 nos.) | Yes | No | No | No |
| 2 | Tractor | Yes | No | No | No |
| 3 | Tipper | Yes | No | No | No |
| 4 | Section Machine | Yes | No | No | No |

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

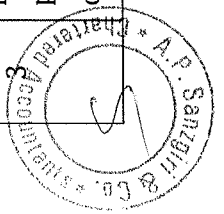
| S.N | Directions Issued by UDHD | Particulars of Circulars/Orders/Notices | Complied or Not |
|-----|---|--|-----------------|
| 1 | Patrank Number : 1888 Dated : 03.04.2019 | Regarding Compliances of Provision of Employees Provident Fund Act, 1952; | Not Complied |
| | Gyapank Number : 2120 Dated : 24.04.2019 | Shortage of Drinking water within municipality area - Kind of steps taken by ULB to prevent this shortage. | Complied |



| | | | |
|---|---|---|--------------|
| 3 | Gyapank Number : 2412 Dated :14.05.2019 | Regarding Deposit of PF amount | Not Complied |
| 4 | Gyapank Number : 1353 Dated :28.05.2019 | Direction regarding processing and disposal of "Solid waste management" | Complied |
| 5 | Patrank Number : 2960 Dated : 13.06.2019 | Regarding Repair and Maintenance of Handpump | Complied |
| 6 | Gyapank Number : 1551 Dated :24.06.2019 | HFA | Complied |
| 7 | Gyapank No.- 1497; Dated- 30.10.2019 | Survey of "use of Ply ash and Bricks" and compliance of direction given in this regard . And availability of copy for compliance of direction for decision taken in the Meeting held in this behalf as on 26.09.2018. | Complied |

(d)NON COMPLIANCE OF ACTS& RULES:

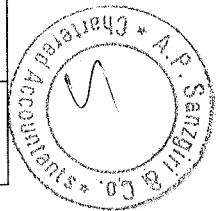
| S.N | Requirement | Criteria | Auditors Comment | Management Comment |
|-----|--|-------------------|--|---------------------------------------|
| 1 | The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made. | BMAR Rule No.-22 | Refer point: Part-A (a) (2) The same rule did not follow by Tax Collector and on an average 1 to 104 days delayed found in hand of Tax Collector | (Kindly Refer Discussion Note) |
| 2 | Whether every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books. | BMAR Rule No.- 27 | Only Tax collector are entrusted to collect municipal revenue within municipality area; | |
| | Whether the collection register was in the personal custody of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection. | BMAR Rule No.- 27 | Yes,Tax Collector kept receipt book in his personal custody. | |



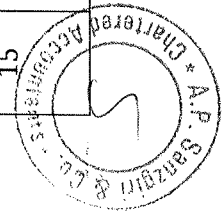
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|---|--|-------------------|---|---|
| 4 | Whether bill collector get its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated stall of the Municipality. | BMAR Rule No.- 27 | Yes, Daily Collection Register is verified by designated Officer of Council. | |
| 5 | Whether every bill collector invariably remit his collections (in cash and/or cheques) to Cashier dally before 4.30 PM and take the cashier's acknowledgment in the collection register. | BMAR Rule No.- 27 | Refer point: Part-A (a) (2) The same rule did not follow by Tax Collector and on an average 1 to 104 days delayed found in hand of Tax Collector; | (Kindly Refer Discussion Note) |
| 6 | Whether Grant Register as prescribed in BMAR Form 28 was maintained by the Municipality to record receipts and utilization of grants sanctioned by the Government. | BMAR Rule No.- 69 | No. | ULB is not in practice of maintaining Grant Register. |
| 7 | Whether specific grants, which have certain conditions attached for utilizing such grants including the requirement to use it for capital purposes or use it in a particular proportion or manner. Usually such grants have requirements for submitting utilization certificates e.g. Finance Commission grant, SFC grant for specific purpose, namely, road repairs. It is the responsibility of the Chief Municipal Officer that the conditions attached to the grant are complied with without exception. | BMAR Rule No.- 69 | Refer point: Part-B (h) | |
| 8 | Whether the grant received for a specific | BMAR Rule | No such case was found and we | |



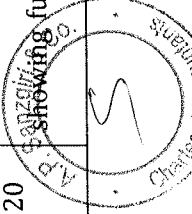
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| | purpose was diverted for any other purpose. | No.- 69 | have checked through cash book and relevant file under different Yojna/Scheme | |
| 9 | Whether the Utilization Certificate was signed by Chief Municipal Officer for verification of the financial outlays and physical progress reported on BMAR Form No 29. | BMAR Rule No.- 69 | Refer PART-B (h) Yes, complete UC has been prepared with the help of IA | (Kindly Refer Discussion Note) |
| 10 | Whether Municipality has returned unutilized grant for more than three years from date of receipt to the source from where such grant was received. | BMAR Rule No.- 69 | No such case found in this ULB. | |
| 11 | Whether The Chief Municipal Officer prepare a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month. | BMAR Rule No.- 120 | Currently Receipt and Payment A/c has not been prepared by ULB; | (Kindly Refer Discussion Note) |
| 12 | Whether ULB prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer. | BMAR Rule No.- 121 | Trail Balance has not been prepared; | ULB not in a practice to prepared Trail balance, Income and Expenditure and Balance Sheet. It will be prepare after implementation of double entry System |
| 13 | Whether ULB sent the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter. | BMAR Rule No.- 121 | No | |



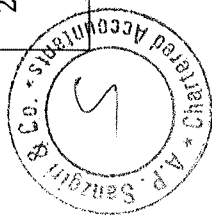
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|-----------|---|---------------------------|---|--|
| <p>14</p> | <p>The Chief Municipal Officer shall, Within three months after the end of each financial year be prepared financial statements for the preceding year in respect of the accounts of the Municipality. The Financial Statements shall comprise of</p> <p>a. Receipts and Payments Account for the year (BMAR Form No.71)</p> <p>b. Income & Expenditure Statement for the year (BMAR Form No.73)</p> <p>c. Balance Sheet as on 31st March of the year (BMAR Form No.74)</p> <p>d. Significant accounting policies adopted by the Municipality in presentation of the financial statements.</p> <p>e. Notes to Accounts, which shall disclose Contingent liabilities, and such other information as, may be useful in understanding the financial statements clearly.</p> <p>f. Comparative amounts shall be entered on the financial statements for the preceding financial year except. In the case of the first year to which those rules apply.</p> | <p>BMAR Rule No.- 122</p> | <p>Financial Statement has not been prepared by municipality.</p> | <p>ULB not in a practice to prepared Trail balance, Income and Expenditure and Balance Sheet. It will be prepare after implementation of double entry System</p> |
| <p>15</p> | <p>Whether the municipality is regular in depositing statutory dues including Tax deducted at source, GST, TDS on GST, service</p> | <p>BMAR Rule No.-130</p> | <p>Refer PART-B (f) Amount of statutory dues has not been deposited on due date.</p> | <p>(Kindly Refer Discussion Note)</p> |



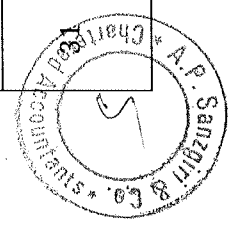
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| | tax, VAT, works contract tax, cess payable to the government etc. and If not, the nature and cause of such delay and the amount not deposited: (BMAR Rule No.-130). | | | | |
| 16 | Whether the municipality is regular in remittance of pension and leave encashment contributions or any other amounts which the municipality is liable to remit towards the retirement dues of its employees, including employees on deputation;(BMAR Rule No.-130). | BMAR Rule No.-130 | Refer PART-B (g) Yes deposited on time except some cases. | | (Kindly Refer Discussion Note) |
| 17 | Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated In sufficient detail. | BMAR Rule No.-130 | No trial balance is prepared hence classification of transaction was not done; | | |
| 18 | Whether all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB? Whether such deductions have been properly accounted. | BMAR Rule No.-130 | Yes recorded properly in grant register as well cash book , but no case of deduction was found; | | |
| 19 | Whether any Special Funds have been created as per the provision of any statute and whether the Special Funds have been utilized for the purposes for which they have been created. | BMAR Rule No.-130 | No special fund created; | | |
| 20 | Whether the ULB is maintaining proper records showing full particulars, including quantitative | BMAR Rule No.-130 | There are no FAR, has not maintained; There is no system developed to physically verify the existing assets | | (Kindly Refer Discussion Note) |



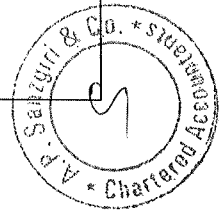
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|----|---|-------------------|--|--|---------------------------------------|
| | details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable Intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account. | | | | |
| 21 | Whether in case of leasehold property given by the ULB, lease rentals are collected regularly by the ULB and that the lease agreements are renewed after their expiry. | BMAR Rule No.-130 | Part-A(a)(4) | | <i>(Kindly Refer Discussion Note)</i> |
| 22 | Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets? | BMAR Rule No.-130 | Yes Procedure have been followed. | | |
| 23 | Whether any expenses of personal nature of the Officers or employees has been charged to the municipality' s accounts; If so, the details thereof. | BMAR Rule No.-130 | No such case was found during the period of Audit. | | |
| 24 | Whether the Bank Reconciliation statements have been property prepared for all the bank accounts of the ULB and the remedial actions including all correcting entries have been taken on timely basis. | BMAR Rule No.-130 | Refer Point-04 (III) Yes BRS of all existing bank a/cs, except SOME bank a/c, have been prepared. | | |
| 25 | Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules. | BMAR Rule No.-130 | YES, | | |



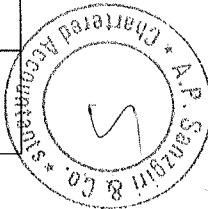
| | | | | | |
|----|--|-------------------|--|--|---------------------------------------|
| 26 | Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget. whether made originally or subsequently and in all cases such as are authorized by Act. | BMAR Rule No.-130 | YES. | | |
| 27 | Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis. | BMAR Rule No.-130 | Refer-PART-A (a)(4) | | |
| 28 | Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act. | BMAR Rule No.-130 | Refer-PART-A (a)(2) Yes, sums due to and received by ULB have been brought to books of accounts. But it takes on an average 1 to 104 days in case of holding tax. This delay was found in hand of tax collector; | | (Kindly Refer Discussion Note) |
| 29 | Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order. | BMAR Rule No.-130 | UC have been prepared in prescribed format in timely manner | | (Kindly Refer Discussion Note) |
| 30 | Whether, proper books of account as required by the Act and Rules have been kept by the Municipality so far as It appears from examination of those books. (Rule-130 of BMAR-2014) | BMAR Rule No.-130 | Refer-PART-B (a) Some Books of accounts has not been prepared; | | (Kindly Refer Discussion Note) |
| | Whether physical verification has been conducted by the ULB at reasonable intervals In respect of stores; | BMAR Rule No.-130 | No such practices followed by ULB; | | (Kindly Refer Discussion Note) |



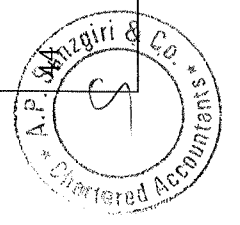
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| 32 | Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate? | BMAR Rule No.-130 | No physical verification is carried out. | No physical verification is carried out |
| 33 | Whether any material discrepancies have been noticed on physical verification of stores as compared to book records, and If so, whether the same has been properly dealt with in the books of account; Whether proper procedures are in place to Identify any unserviceable or damaged stores and whether provision for the loss In this respect, If any, has been made In the accounts; | BMAR Rule No.-130 | ULB not maintained stock register properly and further physical verification is also not carried out; | (Kindly Refer Discussion Note) |
| 34 | Whether the valuation of stores is in accordance with the accounting principles laid down In the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of such deviation, if material, should be reported; | BMAR Rule No.-130 | ULB did not follow the practice of valuation of stock. | (Kindly Refer Discussion Note) |
| 35 | Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the Interest and If not, whether reasonable steps have been taken by the municipality for recovery of the principal and interest? | BMAR Rule No.-130 | Advance Register has not been maintained | (Kindly Refer Discussion Note) |



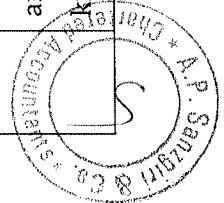
| | | | | |
|----|--|----------------------|---|---------------------------------------|
| 36 | Whether advances given to municipal employees and interest thereon are being regularly recovered; | BMAR Rule No.-130 | Advance Register has not been maintained | <i>(Kindly Refer Discussion Note)</i> |
| 37 | Bihar Municipal Accounting Manual, 2014, every year budget should be prepared for receipts and expenditure in Performa 75,77 and 80 Preparing Budgets as per the Rules framed under Bihar Municipal Accounts Rule 2014. Rule 132 regarding Public Participation in Preparation Of Budget. Moreover, as required under provisions of Rule 139, mid -year review of Budget. | BMAR Rule No.-132 | Yes, budget is prepared | |
| 38 | Municipal Fund: Whether ULB has created required fund as mentioned in chapter IX of BMA-2007 | BMA,2007: Chapter IX | Not found | |
| 39 | Payment not to be made out of Municipal Fund unless covered by budget grant: Whether any payment made out of Municipal Fund that is not covered by budget grant. | BMA,2007: Chapter X | No such case was found during Audit period. | |
| 40 | Procedure when money not covered by budget grant is paid. Whether the case is put up with Empowered Standing Committee, in case any payment made out of Municipal Fund that is not covered by budget grant. | BMA,2007: Chapter X | <i>(Refer Discussion Note)</i> | <i>(Kindly Refer Discussion Note)</i> |



| | | | | |
|----|---|--|--|---|
| 41 | <p>Investment of surplus money. Whether municipality has invested surplus fund as per the requirement of the chapter-X of BMA-2007. Auditor will report on the fixed deposit and other funds should be in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period. Check whether comparative interest rate is invited from parties before investing surplus funds:</p> | | No fund has been invested by ULB as investment.. | <i>ULB does not follow the practices of investing its surplus amount.</i> |
| 42 | <p>Preparation of budget estimate of Municipality. Whether The budget estimate stated the rates at which various taxes, surcharges, cesses and fees shall be levied by the Municipality in the year next following,</p> | | Yes, the same is levied at specified rate. | |
| 43 | <p>Maintenance of accounts.Whether the Chief Municipal Officer prepared and maintained accounts of receipts and expenditure of the Municipality in such form, and in such manner, as may be prescribed,</p> <p>Financial Statement. Whether The Chief Municipal Officer shall, within four months of the close of a year, cause to prepare a financial statement containing an</p> | | Receipt and Expenditure A/c has not been prepared; | <i>(Kindly Refer Discussion Note)</i> |
| | | | Not Prepared; | <i>(Kindly Refer Discussion Note)</i> |



| | | | | |
|----|---|--|---|---------------------------------------|
| | income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality, | | | |
| 45 | <p>Submission of financial statement and balance sheet to auditor.</p> <p>The financial statement prepared under section 88 and the balance sheet of the assets and the liabilities prepared under section 89 shall be placed by the Chief Municipal Officer before the Empowered Standing Committee which, after examination of the same, shall adopt and remit them to the Auditor as may be appointed in this behalf by the State Government.</p> | | Financial Statement has not been submitted. | <i>(Kindly Refer Discussion Note)</i> |
| 46 | <p>As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act,2007 various tax are applicable on ULBs</p> <p>Section 145,146 and 147 of the Bihar Municipal Act 2007 chapter XVII provides for Advertisement tax on Advertisement in Urban Areas. Chapter XVII of the Bihar municipal Act, 2007 required license of Advertisement of any holding, etc. As per act Every person who erects, exhibited, fixes or retain upon or over any land, building ,wall, boarding, frame, post, kiosk, structure, vehicle, neon-sign or sky sign</p> | | YES | |



| | | | |
|--|---|-------------------------------------|---|
| | | | <p>any advertisement, or display any advertisement to public view in any manner whatsoever (including any advertisement exhibited by means of cinematograph), visible from a public street a public place in any location in a municipal area including airport or a port or a railway station ,shall pay or every advertisement, which is so erected ,exhibited, fixed or retained or so displayed to public view, a tax calculated at such rate as may be determined regulations. it requires payment of certain fee for advertisement.</p> |
| | <p>Refer-PART-A(a)(3) Yes, Notice of demand issued but levy of Notice Fee is not followed currently.</p> | <p>BMA,2007: Chapter XIX</p> | <p>As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007,) Municipality shall, by regulations, provide for issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore,</p> |
| | <p>(Kindly Refer Discussion Note)</p> | <p>BMA,2007: Chapter XXXVII</p> | <p>As per section 342 of Bihar Municipal Act, 2007 Trade license fee is to be collected from different types of Trader, who are trading in Concerned Municipal area.</p> |



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

- a. Tax should be collected & deposited on timely basis as per BMAR Rules-As per trend every tax collector takes 01 to 104 days to deposit the same after collection.
- b. ULB should follow Books of Account, Trial Balance, FAR, FS, and other records as per BMAR- Neither Trial Balance nor Financial Statement have been prepared by ULB.
- c. ULB should prepare & Maintain monthly BRS- Monthly Bank Reconciliation statement has not been prepared, however year end reconciliation has been prepared.
- d. Necessary sub-ledger is not maintained by the ULB. For instance, register of fuel, bleaching powder etc. not maintained separately.
- e. In respect of budget, realistic approach is not adopted by the ULB in preparation of budget.
- f. Appropriate staff is not deployed at appropriate place.
- g.No MIS was prepared for tracking of payments.

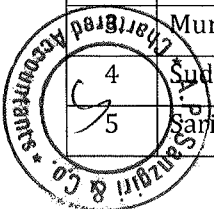
(f) NON-COMPLIANCE OF TDS, VAT AND OTHER RELEVANT STATUTE

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

| S.N | Name of Party | Invoice Value | Amount of deduction | Due date of deposit | Actual Date of deposit | Cheque/Challan Number |
|-----|-------------------|---------------|---------------------|---------------------|------------------------|-----------------------|
| 1 | Vinay contraction | 61,60,399.00 | 1,23,208.00 | 7.04.2020 | 6.04.2020 | 8 |
| 2 | Sajid khan | 5,61,444.00 | 5,614.00 | 7.04.2020 | 9.04.2020 | 1 |
| 3 | Murari mochi | 2,26,203.00 | 2,262.00 | 7.03.2020 | Not deposited | |
| 4 | Sudhir kumar | 28,12,141.00 | 28,121.00 | 7.4.2020 | | |
| 5 | Sarita devi | 65,252.00 | 6,53.00 | 7.04.2020 | | |
| 6 | Md sajid | 12,56,360.00 | 12,564.00 | 07.10.2019 | 10.10.2019 | 3 |
| 7 | Sanjit kumar | 5,47,200.00 | 5,760.00 | 07.10.2019 | 06.12.2019 | 5 |
| 8 | Amit kumar | 5,06,755.00 | 5,068.00 | 07.09.2019 | 22.10.2019 | 6 |
| 9 | Sarwankumar | 5,75,830.00 | 5,758.00 | 07.10.2019 | 22.10.2019 | 6 |
| 10 | Sunita Devi | 19,87,009.00 | 19,870.00 | 07.10.2019 | 01.10.2019 | 11 |
| 11 | Bipinkumar | 3,90,457.00 | 3,905.00 | 07.11.2019 | 05.11.2019 | 11 |
| 12 | Abhinashkumar | 19,59,464.00 | 19,595.00 | 07.11.2019 | 05.11.2019 | 10 |
| 13 | Sanjay kumar | 4,99,527.00 | 4,995.00 | 07.11.2019 | 22.10.2019 | 6 |

b.DETAILS OF DEPOSIT OF ROYALTY ARE MENTIONED BELOW:

| S.N | Name of Party | Invoice Value | Amount of deduction | Date deposit of | Cheque/Challan Number |
|-----|-------------------|---------------|---------------------|-----------------|-----------------------|
| 1 | Vinay contraction | 61,60,399.00 | 94,709.00 | Not Deposited | |
| 2 | Sajid khan | 5,61,444.00 | 11,521.00 | | |
| 3 | Murari mocha | 2,26,203.00 | 4,524.00 | | |
| 4 | Sudhir kumar | 28,12,141.00 | 56,424.00 | | |
| 5 | Sarita devi | 65,252.00 | 7,84.00 | | |



| | | | | | |
|----|---------------|--------------|-----------|--|--|
| 6 | Mdsajid | 12,56,360.00 | 25,127.00 | | |
| 7 | Sanjitkumar | 5,47,200.00 | 11,520.00 | | |
| 8 | Amit kumar | 5,06,755.00 | 10,135.00 | | |
| 9 | Sarwankumar | 5,75,830.00 | 11,517.00 | | |
| 10 | Sunita Devi | 19,87,009.00 | 19,870.00 | | |
| 11 | k.ksinha | 5,49,954.00 | 11,000.00 | | |
| 12 | Umes Prasad | 5,50,000.00 | 11,000.00 | | |
| 13 | Bipinkumar | 3,90,457.00 | 7,809.00 | | |
| 14 | Abhinashkumar | 19,59,464.00 | 39,189.00 | | |
| 15 | Sanjay kumar | 4,99,527.00 | 9,991.00 | | |
| 16 | Murari Mocha | 3,49,797.00 | 6,996.00 | | |
| 17 | MdNaushad | 5,64,348.00 | 11,287.00 | | |
| 18 | k.k,sinha | 5,44,090.00 | 10,992.00 | | |
| 19 | Umes Prasad | 5,50,000.00 | 13,127.00 | | |

Note: - Royalty not deposited by the ULB.

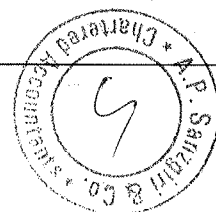
Management comment: (Kindly Refer Discussion Note attached with the Report)

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

| S.N | Name of Party | Invoice Value | Amount of deduction | Date deposit of | Cheque/Challan Number |
|-----|-------------------|---------------|---------------------|-----------------|-----------------------|
| 1 | Vinay contraction | 61,60,399.00 | 61,604.00 | Not Deposited | |
| 2 | Sajid khan | 5,61,444.00 | 5,614.00 | | |
| 3 | Murari mochi | 2,26,203.00 | 2,262.00 | | |
| 4 | Sudhir kumar | 28,12,141.00 | 28,121.00 | | |
| 5 | Sarita devi | 65,252.00 | 6,53.00 | | |
| 6 | Mdsajid | 12,56,360.00 | 12,564.00 | | |
| 7 | Sanjitkumar | 5,47,200.00 | 5,760.00 | | |
| 8 | Amit kumar | 5,06,755.00 | 5,068.00 | | |
| 9 | Sarwankumar | 5,75,830.00 | 5,758.00 | | |
| 10 | Sunita Devi | 19,87,009.00 | 19,870.00 | | |
| 11 | k.ksinha | 5,49,954.00 | 5,500.00 | | |
| 12 | Umes Prasad | 5,50,000.00 | 5,500.00 | | |
| 13 | Bipinkumar | 3,90,457.00 | 3,905.00 | | |
| 14 | Abhinashkumar | 19,59,464.00 | 19,595.00 | | |
| 15 | Sanjay kumar | 4,99,527.00 | 4,995.00 | | |
| 16 | Murari Mocha | 3,49,797.00 | 3,498.00 | | |
| 17 | MdNaushad | 5,64,348.00 | 5,643.00 | | |
| 18 | k.ksinha | 5,44,090.00 | 5,496.00 | | |
| 19 | Umesh Prasad | 5,50,000.00 | 5,500.00 | | |

Note: - Labour Cess not deposited by the ULB.

Management comment: (Kindly Refer Discussion Note attached with the Report)



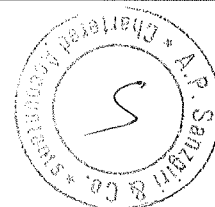
d. Details of deposit of TDS on GST are mentioned below:

| S.N | Name of Party | Invoice Value | Amount of deduction | Actual Date of deposit | Cheque/ Challan Number |
|-----|---------------|---------------|---------------------|------------------------|------------------------|
| 2 | Sajid khan | 5,61,444.00 | 11,228.00 | Not deposited | |
| 3 | Murari mocha | 2,26,203.00 | 4,524.00 | | |
| 4 | Sudhir kumar | 28,12,141.00 | 56,242.00 | | |
| 5 | Sarita devi | 65,252.00 | 1,306.00 | | |
| | Mdsajid | 12,56,360.00 | 25,127.00 | | |
| | Sanjitkumar | 5,47,200.00 | 11,520.00 | | |
| | Amit kumar | 5,06,755.00 | 10,135.00 | | |
| | Sarwankumar | 5,75,830.00 | 11,517.00 | | |
| | Sunita Devi | 19,87,009.00 | 19,870.00 | | |
| | k.k.sinha | 5,49,954.00 | 9,625.00 | | |
| | Umesh Prasad | 5,50,000.00 | 16,169.00 | | |
| | Bipinkumar | 3,90,457.00 | 7,810.00 | | |
| | Abhinashkumar | 19,59,464.00 | 39,190.00 | | |
| | Sanjay kumar | 4,99,527.00 | 9,991.00 | | |
| | Murari Mocha | 3,49,797.00 | 6,996.00 | | |
| | MdNaushad | 5,64,348.00 | 11,286.00 | | |
| | k.ksinha | 5,44,090.00 | 8,493.00 | | |
| | Umesh Prasad | 5,50,000.00 | 7,778.00 | | |

Management comment:(Kindly Refer Discussion Note attached with the Report)

(g). DEFICIENCY IN PAYROLL SYSTEM:

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



DETAILS OF DELAY OF DEPOSIT OF EPF:

| Month of Deduction | Amount PF Deduction | PF Advance (Loan) | Due date of deposit | Amount Deposit | Actual Date of deposit | Delay in days/ Year |
|--------------------|---------------------|-------------------|---------------------|----------------|------------------------|---------------------|
| April - 19 | 76,756.00 | - | 15.05.2019 | 76,756.00 | 24.10.2019 | 160 |
| May - 19 | 79,118.00 | - | 15.06.2019 | 79,118.00 | | 130 |
| June - 19 | 73,996.00 | - | 15.07.2019 | 73,996.00 | | 99 |
| July - 19 | 73,043.00 | - | 15.08.2019 | 73,043.00 | 04.10.2019 | 50 |
| Aug - 19 | 73,744.00 | - | 15.09.2019 | 73,744.00 | Not deposited | More than one year |
| Sep - 19 | 64,809.00 | - | 15.10.2019 | 64,809.00 | | |
| Oct - 19 | 68,646.00 | - | 15.11.2019 | 68,646.00 | | |
| Nov - 19 | 69,116.00 | - | 15.12.2019 | 69,116.00 | | |
| Dec - 19 | 70,241.00 | - | 15.01.2020 | 70,241.00 | | |
| Jan - 20 | 66,208.00 | - | 15.02.2020 | 66,208.00 | | |
| Feb - 20 | 64,946.00 | - | 15.03.2020 | 64,946.00 | | |
| March - 20 | 69,240.00 | - | 15.04.2020 | 69,240.00 | | |

Management comment: (Kindly Refer Discussion Note attached with the Report)

(h) .UTILISATION OF GRANT AND REPORT ON MISSING UTILISATION CERTIFICATES:

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

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

(i) Physical verification of inventory/stores

(kindly Refer Attached Discussion Note)

(j) Advances, their adjustment & recovery

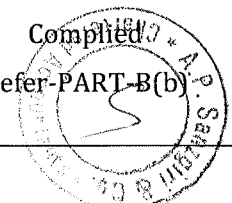
(kindly Refer Attached Discussion Note)

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



III. PART-C

| S.N | Particulars | Complied or Not |
|-----|---|-----------------------------|
| A | Auditor should report in a separate section for non-compliance of rules/directives of UD&HD, GoB; Auditor should see the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD. | Complied Refer-PART-B(b) |
| B | Auditor should Report in a separate chapter on implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment procedures to check any in-consistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actuals as per internal audits; | Complied Refer-PART-A(c) |
| C | Auditor should report on compliance of Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR : | Refer-PART-B(c) |
| | Rule 22: All moneys to be brought to account | |
| | Rule 27: Collections to be deposited into Bank on the same day | |
| | Rule 69: Grant Related Compliance | |
| | Rule 120-121: Monthly Receipt & Payment Account and Trial Balance | |
| | Rule 130: Audit to be completed & reported within 6 month | |
| D | Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, GoB. | Complied Refer-PART-B(b) |
| E | Report and quantify all major own revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairatetc; | Complied Refer-PART-A(a) |
| F | Auditor should Report on adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments above Rs. 10,000 and above. | Complied Refer-PART-B(b) |
| G | Auditor should Report on Procurement made including through E-Tendering and E-Auction indicating exceptions, if any and whether a register is kept for all Procurements with value above | Complied Refer-PART-B(b) |



| | | |
|---|--|---|
| | Rs. 15,000/- | |
| H | Auditor should Report on presence or absence of a system of issuance of utilisation certificate for the different schemes for any utilisation made during the reporting period; Where there is no system for issuance of U/Cs, the Internal Audit report shall prepare Utilisation Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website. | Complied Refer-PART-B(h) |
| I | Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future. | Complied Refer-Audit Recommendation |
| J | Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies. | Complied Refer-PART-B(b)(a) |
| K | Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies | Complied Refer- PART-B(b)(a) |
| L | Auditor will report on that the fixed deposit and other funds should be in nationalized Banks/Approved financial institutions and should earn maximum interest at their gestation period. | Complied Refer-PART-B(c) |
| M | Internal Auditor will identify major areas of ULBs own revenue loss and auditor will access the loss and Prepare a statement of loss. | Complied Refer-PART-A(a) |
| N | Auditor will report on that all kind of tax deductions i.e. Commercial tax, Income tax, provident fund etc. Should be deducted from the payments as applicable, deposited properly and also should be properly recorded in appropriate ledgers. | Complied Refer-PART-B(f) |
| O | Internal Auditor will ensure that all the C&AG audit & Internal audit Paras has been complied by the ULBs, if not complied the Internal Auditor shall help the ULBs staffs to prepare the compliance report. | Complied Point-03 of Detailed Audit Report |



4. DETAIL AUDIT OBSERVATIONS

RISK ASSESSMENT

Name of the ULB: Nagar Parishad Nawada

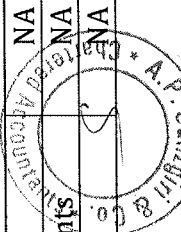
| SN | Observations | Risk Rating | Design Gap | System Gap | Operating Gap | Management Comment | Auditor Recommendations |
|--------------------------|---|-------------|------------|------------|---------------|--|--|
| DEMAND GENERATION | | | | | | | |
| 1 | Loss of Revenue due to under assessment/ wrong generation of demand | NA | NA | NA | NA | NA | NA |
| 2 | Collusion with citizen regarding assessment | NA | NO | NO | NO | NA | NA |
| 3 | Non-updating various register like hand book, DCB register, Assessment register, etc. | M | NO | NO | YES | Instructions given to the staff for updation of Books of Accounts on time. | Books of accounts should be updated on real time basis and ULB management should check it on regular interval. |
| 4 | Others | NA | NA | NA | NA | | |

RECEIPT AND BANKING

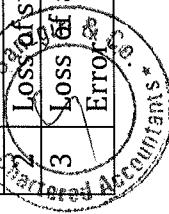
| | | | | | | | |
|---|---|----|----|-----|----|--|--|
| 1 | Error in collections, loss of receipts and perpetrated frauds | | | | | It will be rectified very soon in near future. | It is recommended that ➤ Collection must be in timely manner; ➤ Amount collected must be deposited without making any delay;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

REVENUE EXPENDITURE

| | | | | | | | |
|---|------------------------------|----|----|----|----|----|----|
| 1 | Error in Over Payment | NA | NA | NA | NA | NA | NA |
| 2 | Loss of supporting documents | NA | NA | NA | NA | NA | NA |
| 3 | Loss of authentication | NA | NA | NA | NA | NA | NA |



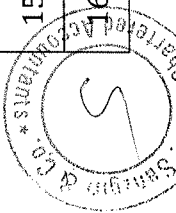
| | | | | | | | | | | | |
|----------------------------------|--|----|----|----|----|-----|--|----|----|----|--|
| 4 | Perpetrated Fraud (Like Payment more than one time on same bill) | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 5 | Non-updating various register like bill register with payment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



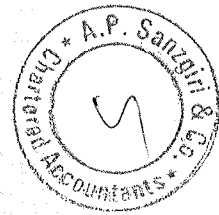
| | | | | | | | | | | | | |
|--|---|----|----|----|----|----|-----|--|--|----|----|----|
| 4 | Collusion with Employee | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 5 | Perpetrated Fraud (Like Payment more than one time on same bill) | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 6 | Non-updating various register likes store register, issue register, bill register with payment fig., advance register, etc. | M | NA | NA | NA | NA | YES | We have shortage of skilled employees and due to this we are facing problem like this. | store register, issue register, bill register with payment fig., advance register, etc should be updated on real time basis transaction. | NA | NA | NA |
| 7 | Others | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| GRANT AND LOANS AND UTILIZATION THEREOF | | | | | | | | | | | | |
| 1 | Not utilization of grant or grant un-spent | M | NA | NA | NA | NA | YES | Due to practical and operational issues, there are some cases of non utilization of grant. It will be utilizing in future. | Grant must be utilized as per guidelines in timely manner. | NA | NA | NA |
| 2 | Not furnishing of UC | H | NA | NA | NA | NA | YES | It will be submitted . | UC must be furnished on time as per specified guidelines and format. | NA | NA | NA |
| 3 | Non fulfillment of condition part thereto | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 4 | Perpetrated fraud (Like payment more than one time same contractor) | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 5 | Non-updating various register like grant register, work register, bill register with payment fig., advance register etc. | H | NA | NA | NA | NA | Yes | Will be updated very soon by deploying skilled staff. | Grant register, work register, bill register with payment fig., advance register etc. must maintain. | NA | NA | NA |
| 6 | Others | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| FIXED DEPOSIT AND INVESTMENT | | | | | | | | | | | | |
| 1 | Not deposited at appropriate time (Loss of revenue) | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 2 | Loss of Investment certificate | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 3 | Non fulfillment of condition part thereto | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 4 | Collusion with bank officials to invest at lower rate | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 5 | Deposit into Current account | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 6 | Non-updating various register like | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |

LIST OF IMPORTANT REGISTERS

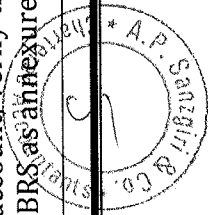
| NAME OF THE ULB | | Nawada Nagar Parishad | | | | |
|-------------------------|---|--|-----------------|--|--------------------------|--|
| RISK RATING: | | HIGH | | | | |
| CAG OBSERVATIONS STATUS | | COMPLIANCE REPORT STILL NOT PREPARED (REFERRED PARA-3 OF THIS REPORT) | | | | |
| SN | Particulars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



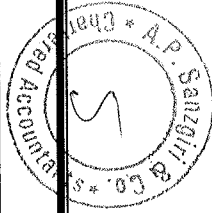
| | | | | | |
|----|--|----------------|------|---------------------------------------|--------------|
| 17 | Grant Register | Not Maintained | HIGH | Will be maintained from upcoming year | Not Resolved |
| 18 | Scheme Register | Not Maintained | HIGH | Will be maintained from upcoming year | Not Resolved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



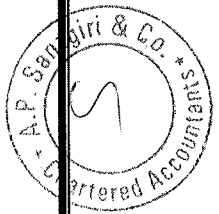
| CASH AND BANK | | | | | | |
|---|---|--|---------------|-----------------|--------------------------------------|---|
| Name of the ULB | | Nawada Nagar Parishad | | | | |
| RISK RATING: | | HIGH | | | | |
| COMPLIANCE REPORT STILL NOT PREPARED (REFERRED PARA-3 OF THIS REPORT) | | | | | | |
| F.Y.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



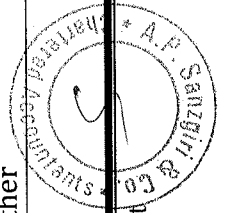
| PUBLIC WORKS | | | | | | |
|--------------|---|--|---------------|-----------------|--------------------|------------------------|
| | NAME OF THE ULB | Nawada Nagar Parishad | | | | |
| | RISK RATING: | HIGH | | | | |
| | CAG OBSERVATIONS STATUS | COMPLIANCE REPORT STILL NOT PREPARED (REFERRED PARA-3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



| | | | | | | | | | |
|----|---|--|--|--|--|----|--|----|-----|
| 7 | Whether master roll (machine numbered & authorized) has been maintained for details of store, specifying: | | | | | | | | |
| 8 | • Date of Issue | | | | | NA | | | |
| 9 | • Name of Subordinate | | | | | NA | | | |
| 10 | • Name of Work | | | | | NA | | | |
| 11 | • Number of Labour | | | | | NA | | | |
| 12 | • Period of Engagement | | | | | NA | | | |
| 13 | • Details of Payment (Date, amount, Cheque no etc.) | | | | | NA | | | |
| 14 | Whether the same has been periodically verified. | | | | | NA | | NA | NA. |
| 15 | Whether payment are as predefined approval level sanctioned u/s 75 of BMA, 2007, | | | | | NA | | NA | NA |
| 16 | Any Other | | | | | NA | | NA | NA |

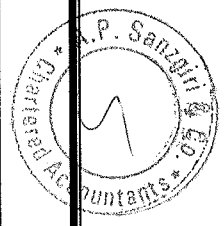


| Cash Book | | | | | | |
|---|---|--|---------------|-----------------|---|------------------------|
| | Nawada Nagar Parishad | | | | | |
| | HIGH | | | | | |
| COMPLIANCE REPORT STILL NOT PREPARED (REFERRED PARA-3 OF THIS REPORT) | | | | | | |
| S.N | Particulars | Audit Observation | Amt. Involved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



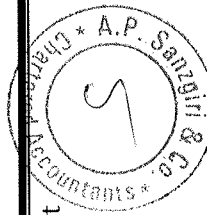
| Collection | | | | | | |
|------------|---|--|---------------|-----------------|---|------------------------|
| | NAME OF THE ULB | Nawada Nagar Parishad | | | | |
| | RISK RATING: | HIGH | | | | |
| | CAG OBSERVATIONS STATUS | COMPLIANCE REPORT STILL NOT PREPARED (REFERRED PARA-3 OF THIS REPORT) |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

| | or there is any teaming & lading, | Annexure-1 attached with this report | | | | |
|----|---|---|----|--------|--------------------------|----|
| 8 | Whether no any collection are directly expended without prior approval, | No such instances found during the audit. | NA | NA | NA | NA |
| 9 | Whether collections are made by all the holding fall under the same TC or Civics Centre | No such type of records is maintained at ULB Level. | NA | Medium | NA | No |
| 10 | Whether government share of collections (like Education Cess & Health Cess) are properly & timely deposited in its own account, (if applicable) | NA | NA | NA | NA | NA |
| 11 | Whether there is any short/non collection or short deposit or not deposit | Yes, property tax is not collected from all households | NA | HIGH | We will look in to this. | No |
| 12 | Whether penalty (@2% P.M/ 1.5%) has been duly charged on late payment. | We have checked transactions on random basis and it is found that penalty is charged. | NA | NA | NA | NA |
| 13 | Whether daily collections are entered into hand book, collection register maintained by TC & it should be properly entered in demand & collection register, | Yes | NA | NA | NA | NA |
| 14 | Whether collection by way of cheque are properly banked & credited into account, | Yes | NA | NA | NA | NA |
| 15 | Whether any refund/remission granted are admissible under the law and that have been duly sanctioned, | Yes, in case of taxes remission/discount is given to households but there is no mechanism to trace that this refund or remission was given after duly sanction or without sanction. | NA | NA | NA | NA |
| 16 | Whether any immediate steps has been taken or not for cheque dishonored received | No such cases found during audit | NA | NA | NA | NA |

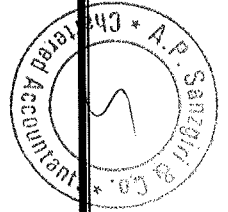


| | | | | | | |
|----|---|----------------------------------|----|----|----|----|
| 17 | Whether reversal of payment has been made for any dishonored cheque | No such cases found during audit | NA | NA | NA | NA |
|----|---|----------------------------------|----|----|----|----|

| DEMAND | | | | | | |
|--------|---|--|---------------|-----------------|---------------------------------|------------------------|
| | NAME OF THE ULB | Nawada Nagar Parishad | | | | |
| | RISK RATING: | HIGH | | | | |
| | NAME OF TAX COLLECTOR | | | | | |
| S.N | Particulars | Audit Observation | Amt. Involved | Associates Risk | Management Comment | Status (Resolved /Not) |
| 1 | Ensure whether closing balance of previous year is accurately brought forward, | Yes, brought accurately from previous year to current year. | NA | NA | NA | NA |
| 2 | Whether determination of demand is on manual or computerized way, & it would be as per updated rules, regulation, guidelines & other required details for proper calculation, | Manual cum computerized. As per requirement. | NA | NA | NA | NA |
| 3 | Whether data for calculation is correct & properly verified by appropriate authority/ Internal Auditor by way of physical survey, | It is found that for calculation of property tax, area of property or use of property, is on the basis of physical survey. | NA | NA | NA | NA |
| 4 | Whether revision of valuation of holding properly made after specified period | ULB not revised its valuation method after specified period. As a results of this ULB suffering revenue loss for not revising method of valuation. | NA | High | We will look in to this matter. | No |
| 5 | Whether any refund/remission granted are admissible under the law and that have been duly sanctioned, | Yes, in case of taxes remission/discount is given to households but there is no mechanism to trace that | NA | NA | NA | NA |



| | | | | | | | | | |
|----|---|--|----|--------|--|----|----|----|----|
| | | | | | | | | | |
| 6 | Ensure whether there is any clerical error in calculation, | this refund or remission was given after duly sanction or without section. | NA | NA | NA | NA | NA | NA | NA |
| 7 | Whether demand register in prescribed format is maintained or not, | Not Maintained | NA | Medium | We will maintain it now onwards. | No | | | |
| 8 | Whether persons involve in calculation/collection have knowledge of their responsibility. | Yes, but they do not have knowledge of BMAM and BMAR | NA | NA | We will conduct training for the same and trained them accordingly. | No | | | |
| 9 | Whether there is proper distribution of responsibility for calculation, recovery & updation of register for demand, so that no single person have control on two or process at the same time, | These activities are done by one person at ULB. | NA | High | Due to lack of staff, it is not possible to allot this task to multiple members. | No | | | |
| 10 | Whether there is any under/no assessment, | No such case observed | NA | NA | NA | NA | | | |
| 11 | Whether there is appropriate measures(As Per section 155 & 158 of BMA, 2007) are adopted for recovery of Government/bid dues, | Yes | NA | NA | NA | NA | | | |
| 12 | Whether notice for demand has been made in prescribed format (As Per BMAR) & as per rules & regulations, | We found ULB is not in a regular practice to send notice of demand to concerned property holder to recover dues from them. | NA | High | We look in to this matter and will send notice to concern person for the same. | No | | | |
| 13 | Whether penalty (@2% P.M/ 1.5%) has been charged on late payment, | We have checked transactions on random basis and it is found that penalty is charged. | NA | NA | NA | NA | | | |

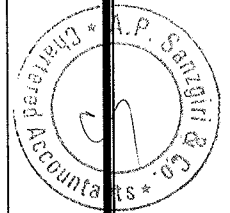


| | | | | | | |
|----|--|---|----|------|---|----|
| 14 | Whether Demand, Collection & Balance Register has been prepared on daily basis for all receipts or not, & it would be authorized by proper authority or not, | Demand, Collection and Balance register is not maintained by the ULB. | NA | High |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

| ESTABLISHMENT | | | | | | |
|---------------|---|---|---------------|-----------------|--|------------------------|
| | NAME OF THE ULB | Nawada Nagar Parishad | | | | |
| | RISK RATING: | HIGH | | | | |
| S.N | Particulars | Audit Observation | Amt. Involved | Associates Risk | Management Comment | Status (Resolved /Not) |
| 1 | Whether establishment expenditure is sanction by authorised person & it has been within sanctioned limit, | Yes, it has been authorized by appropriate person within limit. | NA | NA | NA | NA |
| 2 | Whether service log book has been maintained & up to date or not, | Not Maintained | NA | High | We did not maintain, however same will be maintained from upcoming time. | No |



| | | | | | | |
|----|--|---|----|--------|--|----|
| 3 | Audit whether apart from comparing the pay & allowance drawn by each employee in the pay bill with the corresponding entries in the pay column of the service book and checking the acquaints roll of employee who have been paid in cash, | Service book was not produced before us during audit hence we are not able to comment on it. | NA | NA | We did not maintain, however same will be maintained from upcoming time. | No |
| 4 | Whether each employee has unique identification number & it has been referred in all matter in relation to service book Whether payment made to employee has been verified with attendance register/logbook, | No such practice followed by ULB to assigned separate identity to each employee with unique number. | NA | Medium | We do not have any instructions for this matter. | No |
| 5 | Whether service book for calculation of payable has been authorized by the proper person, | Service book was not produced before us during audit hence we are not able to comment on it. | NA | NA | We did not maintain, however same will be maintained from upcoming year. | No |
| 6 | Whether account department has prepared the advice & instructed the bank for the payment as per advice, | Yes | NA | NA | NA | NA |
| 7 | Whether undistributed amount of pay & allowance as shown in cash book matched with balance of undistributed salary balance, | No such practice followed by ULB | NA | Medium | Practice will be followed in near future. | No |
| 8 | Whether undistributed amount of pay & allowance are not for more than 3 months as cash in hand, | No such instances found | NA | NA | NA | NA |
| 9 | Whether disbursement of pay & allowance are duly recorded in books & accepted by employee specifying separate hade with date of receive (In case of arrear), | Yes | NA | NA | NA | NA |
| 10 | Whether the bill prepared according to sanctioned scale, | Yes | NA | NA | NA | NA |

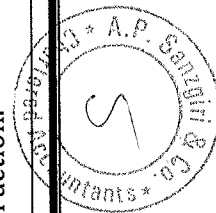


| | | | | | | |
|----|--|---|----|--------|-----------------------------------|----|
| 11 | Whether no any payment is made to employee whose service retired in any Manner | No such instances found | NA | NA | NA | NA |
| 12 | Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment, | No such instances found | NA | NA | NA | NA |
| 13 | Whether all statutory deduction or adjustment has been made before payment, | Yes | NA | NA | NA | NA |
| 14 | To check compliance of rules in regard to establishment matters viz., travel, daily allowance, leave, advances (House building and vehicle advance etc.) and settlement thereof. | Yes | NA | NA | NA | NA |
| 15 | To check salary bills. | No Salary bill is prepared by the ULB. | NA | Medium | It will be implemented in future. | No |
| 16 | Position of outstanding advances paid to Employees | NA | NA | NA | NA | NA |
| 17 | To check deduction of provident fund and ESI has been made as per rules | Yes, it is deducted. | NA | NA | NA | NA |
| 18 | Whether PF slips are issued to the employees on yearly basis and to see whether all the statutory returns for PF are submitted to the concerned authorities. | Neither PF slip provided to its employees nor return submitted | NA | NA | NA | NA |
| 19 | To check whether salary bill is prepared in such a manner that it gives breakup of the amount of bill and all adjustments such as deduction of PF, TDS and other advances and loans etc. | No salary bill prepared by ULB; however a register containing of all details of deduction and their adjustment has been maintained. | NA | NA | NA | NA |
| 20 | Check Retirement benefit to employee | No such instances found | NA | NA | NA | NA |
| 21 | Personnel Appointments and to see whether all records are updated from time to time. | Yes | NA | NA | NA | NA |
| 22 | Dismissal and Resignation/ Termination | No Such case found. | NA | NA | NA | NA |

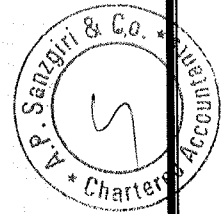


| | | | | | | | |
|----|--|-------------------------------------|----|--------|--|----|----|
| 23 | Temporary workers | Yes | NA | NA | NA | NA | NA |
| 24 | Overtime | No Such case found | NA | NA | NA | NA | NA |
| 25 | Attendance Register To check number of persons mentioned in the attendance register tally with the sanctioned strength of a unit. | Checked and found ok | NA | NA | NA | NA | NA |
| 25 | Personnel Files | Not produced before us during audit | NA | NA | NA | NA | NA |
| 27 | Training of employees(including Skill development Levy) | No such practice at ULB | NA | Medium | Training for capacity building of employees will be implemented. | No | |
| 28 | Leave Register - To check whether a leave register is maintained as per types of leave as medical Leave/CL/EL/maternity/paternity leave. | Yes | NA | NA | NA | NA | NA |

| GRANT | | | | | | | |
|-----------------------|---|---------------------------------------|---------------|-----------------|--|------------------------|--|
| Nawada Nagar Parishad | | | | | | | |
| RISK RATING: HIGH | | | | | | | |
| S.N | Particulars | Audit Observation | Amt. Involved | Associates Risk | Management Comment | Status (Resolved /Not) | |
| 1 | Maintenance/Updation registers regarding detail of funds received and expenditure. | Grant register not maintained by ULB. | NA | HIGH | Grant received through CFMS hence register is not maintained, will maintain in future. | No | |
| 2 | Any diversion/re-appropriation of funds not covered under the provision of BMA, 2007 should be pointed out for remedial action. | No such case found | NA | NA | NA | NA | |



| | | | | | | |
|---|---|---|----|------|---|----|
| 3 | To check whether utilization certificate is for actual utilization of funds received | No such UC submitted during this audit period. | NA | HIGH | We are working on it and will be submit after completion of it. | No |
| 4 | It should also be checked that utilization certificate is issued as per prescribed time frame given in the Manual and issue of UCs is not delayed | No such UC submitted during this audit period. | NA | HIGH | We are working on it and will be submit after completion of it. | No |
| 5 | Internal Auditor should also check whether expenditure incurred on each activity does not exceed the budget. | We have checked and found no expenditures exceeds to its budgets. | NA | NA | NA | NA |

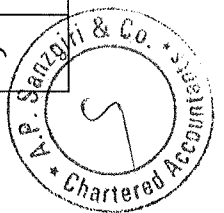


| PAYMENT OF BILLS OF CONTRACTORS | | | | | | |
|---------------------------------|---|--|---------------|-----------------|--------------------|------------------------|
| NAME OF THE ULB | | Nawada Nagar Parishad | | | | |
| RISK RATING: | | HIGH | | | | |
| S.N | Particulars | Audit Observation |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

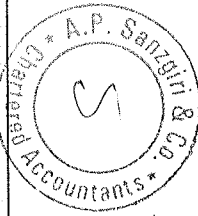


Internal Audit Report

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

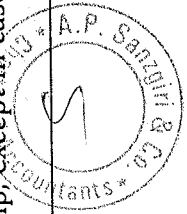


| | | | | | | | |
|----------------------|---|--|------------|------|---|----|----|
| 10 | Check whether TC have same "Receipt Voucher" which was actually issued by store & it must be authorized by the appropriate authority. | Yes | NA | NA | NA | NA | NA |
| 11 | Check that there should be proper recording at each stage (where authority has been changed) of log book/ register for issue/receipt of "Receipt Vouchers". | Yes, the same has been maintained. | NA | NA | NA | NA | NA |
| 12 | Confirm that all unused "Receipt Vouchers" are under the custody of authorized person, | Yes, under the custody of store keeper. | NA | NA | NA | NA | NA |
| 13 | Verify that any cancelled vouchers have in both original & carbon copy, | No such case observed. | NA | NA | NA | NA | NA |
| 14 | Verify whether reversible carbon has been used during receipt. | Yes | NA | NA | NA | NA | NA |
| Other Revenue | | | | | | | |
| 1 | Advertisement Tax | ULB is not in a practice to collect it. | NA | NA | NA | NA | NA |
| 2 | Tower Tax | ULB has huge outstanding balance to recover and recovery procedure followed is slow. | 22.98 lakh | High | We will implement necessary step very soon. | No | No |
| 3 | Professional Tax | NA | NA | NA | NA | NA | NA |
| 4 | Assigned Revenue (As details annexed) | NA | NA | NA | NA | NA | NA |
| 5 | Rental Charges (As details annexed) | ULB has huge outstanding balance to recover and recovery procedure followed is slow. | 40.19 Lakh | High | We will implement necessary step very soon. | No | No |
| 6 | Fee & uses Charges (As details annexed) | NA | NA | NA | NA | NA | NA |
| 7 | Other Revenue Items | NA | NA | NA | NA | NA | NA |



| REVENUE EXPENSES | | | | | | | |
|------------------|--|---|---------------|-----------------|--|------------------------|--|
| NAME OF THE ULB | | Nawada Nagar Parishad | | | | | |
| RISK RATING: | | Medium | | | | | |
| S.N | Particulars | Audit Observation | Amt. Involved | Associates Risk | Management Comment | Status (Resolved /Not) | |
| 1 | Whether payment is on the basis of sanction/work order letter & incurred by authorized person, | Yes. | NA | NA | NA | NA | |
| 2 | Whether payment is made through prescribed voucher (As per BMAM), | No, ULB make payment on the basis of bill raised by contractor or supplier. | NA | | We will follow the prescribed procedure from next time. | No | |
| 3 | Whether payment is made without any undue delay or whether any cheque issued are promptly issued to the respective person, | No delay observed during audit period. | NA | NA | NA | NA | |
| 4 | Whether there is bifurcation of responsibility towards person making payment & person preparing MB, receipt of goods, maintenance of Payment file, etc., | Yes, the hierarchy is maintained toward contracts work assigned. | NA | NA | NA | NA | |
| 5 | Whether updation of accounts/books are on proper & timely basis, | No | NA | Medium | Due to lack of human resources the same issues has been arise. | No | |
| 6 | Whether authorized person verify & sign the document involve, | Yes | NA | NA | NA | NA | |
| 7 | Whether data base for the same has been properly maintained & safeguard measures are taken, | Yes | NA | NA | NA | NA | |
| 8 | Whether exact amount (no any over payment) are paid and verified by supporting document, & no any | No such type of case observed. | NA | NA | NA | NA | |

| | | | | | | | | | |
|----|---|--|----|----|----|----|--------|--|----|
| | collusion with party, | | | | | | | | |
| 9 | Whether register for settlement of service bill has been maintained and up to date, | NA | NA | NA | NA | NA | NA | NA | NA |
| 10 | Whether payment made to the same to whom it might be payable and no any second claim in this regard, | Yes | NA | NA | NA | NA | NA | NA | NA |
| 11 | Whether payment has been made after deducting statutory dues or advances, | Yes | NA | NA | NA | NA | NA | NA | NA |
| 12 | Whether the expenditure are made with a period & amount as sanctioned, | Yes | NA | NA | NA | NA | NA | NA | NA |
| 13 | Whether there is undue rush of expenditure at the end of financial year, | NA | NA | NA | NA | NA | NA | NA | NA |
| 14 | Whether payment has to be made after confirmation from store, | No such type of practice followed. | NA | NA | NA | NA | Medium | Will follow in future. | No |
| 15 | Whether payment for repairs, etc, has to be made on the basis of logbook maintained, | No such type of practice followed. | NA | NA | NA | NA | Medium | We have make payment on the basis of bill raised by service provider | No |
| 16 | Whether payment are as per defined approval level sanctioned u/s 75 of BMA,2007, | Yes | NA | NA | NA | NA | NA | NA | NA |
| 17 | Confirm whether goods/assets received/accepted on or before 31 st March, where the bill is received after that date have been accounted for (either on the basis of purchase order, tender rate or as per bill), | No | NA | NA | NA | NA | NA | NA | NA |
| 18 | Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment, | No such type of cases observed during period of Audit. | NA | NA | NA | NA | NA | NA | NA |



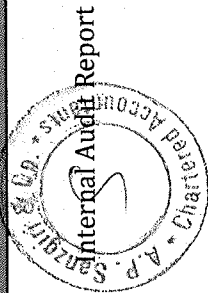
| | | | | | | |
|----|---|--|----|----|----|----|
| 19 | Whether all statutory deduction or adjustment has been made before payment, | Yes, payment has been made after deduction and adjustment. | NA | NA | NA | NA |
| 20 | Whether entry of any event during service has been made in service book by authorised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

| STATUTORY REQUIREMENT | | | | | | |
|-----------------------|---|--|---------------|-----------------|---------------------|------------------------|
| | NAME OF THE ULB | Nagar Parishad Nawada | | | | |
| | RISK RATING: | HIGH | | | | |
| S.N | Particulars | Audit Observation | Amt. Involved | Associates Risk | Management Comment | Status (Resolved /Not) |
| 1 | Whether deduction of TDS on payment has been made as per law, | Yes | NA | NA | NA | NA |
| 2 | Whether TDS deducted are timely deposited into bank with same amount, | No. Deducted amount of TDS is deposited on timely basis as prescribed in Law. | NA | NA | NA | NA |
| 3 | Whether regulatory requirement for submission of Return has been followed, | No. Return for TDS, GST and PF has not submit on or before due date. | NA | High | Ok, we will comply. | No |
| 4 | Whether any deduction is made in any act, must be deposited as per their respective act, | Yes, deposited but not on timely basis. | NA | High | Ok, we will comply. | No |
| 5 | Verify whether in case of "through rate" contract, there is no any payment for material, etc by the ULB | Yes no deviation found | NA | NA | NA | NA |
| 6 | Any demand is outstanding from regulatory authority for non compliance | No notice of demand found in ULB. | NA | NA | NA | NA |

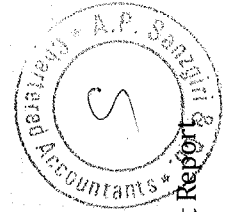


| | | | | | | | | |
|----|--|---|----|----|----|----|----|----|
| 9 | Award of contract and its execution is as per procedure and guidelines issued by the Govt. of India in view of conditions agreed with the Development partners (DFID, World Bank, & European Union etc.) | NA | NA | NA | NA | NA | NA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

| VEHICLE LOG BOOK | | | | | | | | |
|------------------|-------------|-----------------------|---------------|-----------------|--------------------|------------------------|--|--|
| NAME OF THE ULB | | Nagar Parishad Nawada | | | | | | |
| RISK RATING: | | HIGH | | | | | | |
| S.N | Particulars | Audit Observation | Amt. Involved | Associates Risk | Management Comment | Status (Resolved /Not) | | |

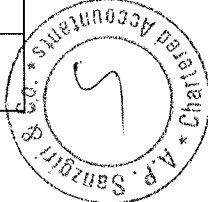


| | | | | | | |
|---|---|--|----|------|---|----|
| 1 | Whether logbook has maintained or not & up to date with proper details like journeys, work undertaken, covering route, visited place, kilometer, etc. | Log book is not properly maintained and updated. | NA | High | We have given instruction to follow. | No |
| 2 | Whether logbook of journey is maintained in detail & signed by the officials using them, | No | NA | High | We have given instruction to follow. | No |
| 3 | Whether it should be used for official purpose, otherwise charges are recoverable. | Yes | NA | NA | NA | NA |
| 4 | Whether details of fuel for the same has been maintained in log book, | Yes | NA | NA | NA | NA |
| 5 | Whether full details of repairs has been maintained & it have been through authorized center | Yes | NA | NA | NA | NA |
| 6 | Whether authorized person have proper check over log book. | No | NA | High | Due to lack of time the same thing happened, however we will follow from now. | No |

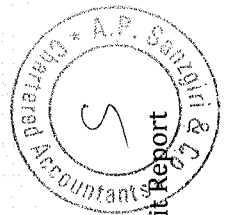


FIXED ASSETS

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



| | | | | | | |
|---|---|--|----|------|------------------------------------|----|
| 7 | Asset Replacement Register is properly maintained asset class- wise | | NA | High | Will follow and maintain from now. | No |
|---|---|--|----|------|------------------------------------|----|



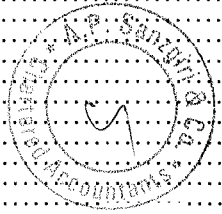
Internal Audit Report

| Others | | | | | | |
|-----------------------------|---|--|---------------|-----------------|--------------------|------------------------|
| | Nawada Nagar Parishad | | | | | |
| | HIGH | | | | | |
| S.N | Particulars | Audit Observation | Amt. Involved | Associates Risk | Management Comment | Status (Resolved /Not) |
| Register of Mutation | | | | | | |
| 1 | All permanent changes made in the assessment of buildings and lands have been recorded in this register with reference to the monthly lists, Register of Revision Petitions, Register of Appeal Petitions, and Register of Writes-off | Yes, ULB charges for all such thing mentioned. | NA | NA | NA | NA |
| 2 | Demands of current year and previous year have been reconciled with reference to the above details | Yes | NA | NA | NA | NA |
| Register of Suits | | | | | | |
| 1 | All suits filed by the municipality for recovery of any sum due are entered | NA | NA | NA | NA | NA |
| 2 | All suits filed against the municipality are entered | NA | NA | NA | NA | NA |
| 3 | Sanction from the Council obtained for filing / defending the suit | NA | NA | NA | NA | NA |
| 4 | All details like the Assessment Number, amount involved, Name of Court and Suit Number etc. are clearly entered | NA | NA | NA | NA | NA |
| 5 | Execution Petitions are filed for recovery of sums, in cases the suits are disposed in favor of municipality | NA | NA | NA | NA | NA |



H INADEQUATE MONITORING OF TAX DEDUCTED AT SOURCE AND AS DEPOSITED

Empty rounded rectangular box for notes or details.



Implication/ Risk

HIGH

Recommendation

Deducted amount of TDS is deposited on timely basis as prescribed in Law.

Management Comments

We will deposit on or before prescribed due date as Deposited in this quarter.

Person Responsible:

Timeless:

INTERNAL AUDIT REPORT FOR F.Y 2019-20
ULB-NAWADA NAGAR PARISHAD
ANNEX-1 REPORT ON LATE DEPOSIT OF PROPERTY TAX

| S.N | Serial Number | | Amount of Tax | Date of Collection as per Receipts Book | Amount Deposited with Cashier | Date of deposit with Cashier | Delay in Deposit with Cashier | Date of Deposit into Bank as per Deposit Slip | Delay in deposit with Bank |
|-----|---------------|-------|---------------|---|-------------------------------|------------------------------|-------------------------------|---|----------------------------|
| | From | To | | | | | | | |
| 1 | 82401 | 82450 | 41,396 | 6.1.2020 to 22.1.2020 | 41,396 | 24.1.2020 | 2 days | 23.4.2020 | 58 days |
| 2 | 82451 | 82500 | 47,432 | 29.1.2020 to 31.1.2020 | 47,432 | 18.2.2020 | 18 days | 3.6.2020 | 104 days |
| 3 | 82801 | 82815 | 88,594 | 52.2020 to 15.2.2020 | 88,594 | 19.2.2020 | 4 days | 3.6.2020 | 103 days |
| 4 | 82816 | 82850 | 16,901 | 16.2.2020 to 29.2.2020 | 16,901 | 18.3.2020 | 18 days | 19.6.2020 | 91 days |
| 5 | 82851 | 82880 | 11,246 | 6.3.2020 to 15.3.2020 | 11,246 | 2.5.2020 | 47 days | 25.6.2020 | 53 days |
| 6 | 81876 | 81900 | 57,139 | 3.1.2020 to 29.2.2020 | 57,139 | 20.3.2020 | 20 days | 19.6.2020 | 79 days |

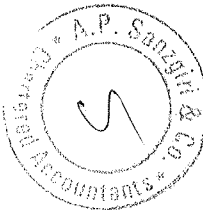


INTERNAL AUDIT REPORT FOR F.Y 2019-20

ULB- NAWADA NAGAR PARISHAD

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

| S.N | Holding Name | W.N | H.N. | Type of Use of Property | | Area of Property | | | Tax Amount | | | Remarks |
|-----|-------------------------|-----|---------|----------------------------|----------------------------|------------------|----------------|------------|------------------|----------------|------------|---------|
| | | | | As per Collector | As per Auditor | As per Collector | As per Auditor | Difference | As per Collector | As per Auditor | Difference | |
| 1 | Suresh Prasad Sinha | 12 | 144 | Residential cum Commercial | Residential cum Commercial | 18646 | 18646 | - | 57114 | 57114 | - | - |
| 2 | Mejar Ajay Krishn | 12 | 154 | Commercial | Commercial | 11040 | 11040 | - | 53655 | 53655 | - | - |
| 3 | Gopal Bohra | 12 | 156/157 | Residential cum Commercial | Residential cum Commercial | 10535 | 10535 | - | 34637 | 34637 | - | - |
| 4 | Md Syed Manohar Mohshin | 12 | 166 | Commercial | Commercial | 8840 | 8840 | - | 37234 | 37234 | - | - |
| 5 | Mahant Sukh Ram Das | 12 | 181 | Residential cum Commercial | Residential cum Commercial | 19382 | 19382 | - | 70392 | 70392 | - | - |
| 6 | Shail Kumari | 11 | 191 | Commercial | Commercial | 5922 | 5922 | - | 30026 | 30026 | - | - |
| 7 | Brij Bhushan Singh | 11 | 161 | Residential cum Commercial | Residential cum Commercial | 14788 | 14788 | - | 32958 | 32958 | - | - |
| 8 | Shiv Prasad Bhagat | 9 | 85/86 | Commercial | Commercial | 16824 | 16824 | - | 31000 | 31000 | - | - |
| 9 | Ramesh Chandra Singh | 11 | 156 | Residential cum Commercial | Residential cum Commercial | 12598 | 12598 | - | 24750 | 24750 | - | - |
| 10 | Manorma Devi | 11 | 152 | Residential cum Commercial | Residential cum Commercial | 4224 | 4224 | - | 9808 | 9808 | - | - |
| 11 | Sant Josheph School | 26 | 06 | Commercial | Commercial | 74678 | 74678 | - | 141838 | 141838 | - | - |



| | | | | | | | | | | | | | |
|----|-----------------------|----|---------|----------------------------|----------------------------|----------------------------|---------|---------|---|-------|-------|---|---|
| 12 | Subodh Pandit | 25 | 111 | Commercial | Commercial | Commercial | 10584 | 10584 | - | 27435 | 27435 | - | - |
| 13 | Md Ehshan Ali | 28 | 115/193 | Commercial | Commercial | Commercial | 7238 | 7238 | - | 18761 | 18761 | - | - |
| 14 | Sarda Devi | 25 | 103 | Residential cum Commercial | Residential cum Commercial | Residential cum Commercial | 5861 | 5861 | - | 17862 | 17862 | - | - |
| 15 | Arjun | 28 | 276/12 | Commercial | Commercial | Commercial | 1870.74 | 1870.74 | - | 14204 | 14204 | - | - |
| 16 | Ranjana Sharma | 9 | 386/1 | Commercial | Commercial | Commercial | 11684 | 11684 | - | 9288 | 9288 | - | - |
| 17 | Kunti Devi | 7 | 254/1 | Residential cum Commercial | Residential cum Commercial | Residential cum Commercial | 15323 | 15323 | - | 40545 | 40545 | - | - |
| 18 | Md Shahansha Bokt | 24 | 02 | Residential cum Commercial | Residential cum Commercial | Residential cum Commercial | 8405 | 8405 | - | 21404 | 21404 | - | - |
| 19 | Madarsa Islamia Dukan | 23 | 74 | Commercial | Commercial | Commercial | 3244 | 3244 | - | 1350 | 1350 | - | - |
| 20 | Md Shahid Ayub Khan | 25 | 163/k | Commercial | Commercial | Commercial | 5546 | 5546 | - | 9943 | 9943 | - | - |



Nawada Municipal Council

Letter No. 1691
Date: 18.12.2020
To
A.P Sanzgiri & Co.
(Chartered Accountants)

Subject: Regarding confirmation of documents not maintained and management comment in Audit report for F.Y. 2019-20 (Qtr-1)

We, Municipal Council Nawada, confirm the following books of accounts/ documents/ file has not been maintained, hence we could not produce it:

| S.N. | Auditor observation | Management comment |
|------|--|--|
| 1 | Non implementation of Double entry system; | Currently DEAS work has been started. |
| 2 | AG Compliance Report; and compliances of internal audit paras. | It is under process and management will submit it as soon as possible; |
| 3 | Non maintenance of Advance Register; | ULB has prepared Advance Register but it is not updated since F.Y. 2016-17. Advance Register also not maintained as per BMAR. |
| 4 | No Municipal Accounts committee established; | Under process, and matter will be put before board for constitution of "Municipal Accounts Committee"; |
| 5 | Notice fee; | Currently not collecting, but it will be consider and collected accordingly; |
| 6 | TDS return acknowledgement; | Due to CFMS Implementation ,No payment has been made that's why no deduction during 1.04.2019 to 30.06.2019 |
| 7 | Non levy of Taxes in IAR Para "I Part-A a) (1); | Some of Taxes is collected by other department of Government like professional tax; And there is many taxes mentioned in this Para are not collected by ULB due to not providing services in this respect like fire taxes. For rest we will discussed in meeting of board and implement accordingly; |
| 8 | Late deposit of property Tax; | Show cause notice has been issued to tax collector in this respect and it will be collected as per Act. |
| 9 | Statutory deduction of TDS, Royalty, Labourcess, TDS on gst. | Due to CFMS Implementation ,No payment has been made that's why no deduction during 1.04.2019 to 30.06.2019 |
| 10 | Delay in deposit of EPF | Due to implementation of CFMS the same problem arise. |
| 11 | Non preparation of Complete UC details; | It is prepared with the help of Internal auditor. |

Asm Asm
18.12.20 18.12.20



Nawada Municipal Council

| | | |
|----|---|--|
| 12 | Non maintenance of log book. | ULB has prepared and updated Log book except few vehicle, but not maintained as per BMAR. |
| 13 | Non-maintenance of books of accounts para ii- PART B (a) | Due to lack of qualified staff we could not maintain books of accounts as per Para ii PART-B (a) it will be maintained. |
| 14 | Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/c and Balance Sheet (Financial Statement) | Receipt and Payment A/c, Trial Balance, Income and Expenditure A/c and Balance Sheet will be prepare after implementation of DEAS. |
| 15 | Non creation Special Fund and Fund Mentioned in Chapter ix of BMAR,2007 | The same will be created on applicability of relevant provision of said act; |
| 16 | Non Maintenance of Fixed Assets Register | It will be updated |
| 17 | Collection of Outstanding Taxes | We will makes our best effort to realized it by established camp in ward; |
| 18 | Bank Reconciliation on Monthly Basis | It will be maintained on monthly basis of all accounts. |
| 19 | Any payment made out of Municipal Fund that is not covered by BUDGET. | Payment made out of budget provision. No such payment made that is not cover by budget; |
| 20 | Non implementation of Biometric Devices and Payroll Software | It is under process; |
| 21 | Directive/Circular issued during Q-1 of 2019-20 | It is complied. |
| 22 | Not prepared Payment voucher | It will be prepared as soon as possible. |
| 23 | Advances and their adjustment. | No Advances and loan given. |

Asm
18/12/20

Asm
18/12/20



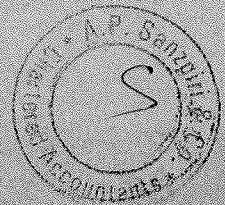
Nawada Municipal Council

| | | |
|----|--|--|
| 24 | Bank a/c which are closed. | No any bank A/c closed yet. |
| 25 | Non utilization of grant or grant unspent | Due to practical and operation issues, there are some cases of non-utilization of grant. It will be utilizing in future. |
| 26 | Physical verification of inventory/Stores | ULB did not follow the practice of physical verification of stock. It will be regularized. |
| 27 | Vehicles are not insured. | It is under process. |
| 28 | Cash book and various registers like store register, issue register, bill register with payment fig., Register of Remittances made into bank, Statutory Deduction Register, Scheme Register. Is not maintained on regular basis. | It will be maintained. |
| 29 | There is no Valuation Of stock in nagarParishad. | We do not have any directivities/guidelines/instruction, issue by department for find valuation of stock. |
| 30 | Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Advertisement Tax, Mobile Tower Tax and Other Tax. | Detailed records has not been maintained but now we will maintain such type of records. |
| 31 | Non preparation of receipt and payment A/C trial balance, income and expenditure A/C and balance sheet (financial statement. | It will be prepared by agency appointed for implementation of double entry accounting system. |
| 32 | Depreciation is not charged to Fixed Assets | ULB not follows double entry accounting system, hence depreciation is not accounted in our book. |

Further we confirm/affirm the management comment given in Internal Audit report for 2019-20 (QTR-1) is on behalf of Municipal Council Nawada.

Signature of E.O

bay
18/12.20
पालिक पदाधिकारी
नगर परिषद, नवादा
18-12-2020



Nawada Nagar Parishad

Discussion note

2019-20 (Qtr-2)

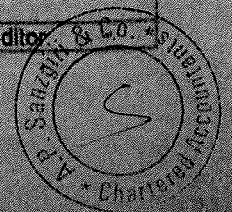
Letter No. 1692
Date: 18.12.2020
To
A.P. Sanzgiri & Co.
(Chartered Accountants)

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

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

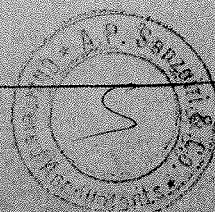
| S.N. | Auditor observation | Management comment |
|------|--|--|
| 1 | Non implementation of Double entry system; | Currently DEAS work has been started. |
| 2 | AG Compliance Report; and compliances of internal audit paras. | It is under process and management will submit it as soon as possible; |
| 3 | Non maintenance of Advance Register; | ULB has prepared Advance Register but it is not updated since F.Y. 2016-17. Advance Register also not maintained as per BMAR. |
| 4 | No Municipal Accounts committee established; | Under process, and matter will be put before board for constitution of "Municipal Accounts Committee"; |
| 5 | Notice fee; | Currently not collecting, but it will be consider and collected accordingly; |
| 6 | TDS return acknowledgement; | It will be filed on or before due date from now. |
| 7 | Non levy of Taxes in IAR Para " I Part-A a) (1); | Some of Taxes is collected by other department of Government like professional tax; And there is many taxes mentioned in this Para are not collected by ULB due to not providing services in this respect like fire taxes. For rest we will discussed in meeting of board and implement accordingly; |
| 8 | Late deposit of property Tax; | Show cause notice has been issued to tax collector in this respect and it will be collected as per Act. |
| 9 | Late /Non deposition of TDS, Royalty, Labourcess, TDS on gst. | It will be deposited on time. |
| 10 | Delay in deposit/ Non Deposition of EPF | It will be deposited on time now. |
| 11 | Non preparation of Complete UC details ; | It is prepared with the help of internal auditor. |

18/12/20 18/12/20



| | | |
|----|---|--|
| 12 | Non maintenance of log book | ULB has prepared and updated Log book except few vehicle, but not maintained as per BMAR. |
| 13 | Non-maintenance of books of accounts para II-PART B (a) | Due to lack of qualified staff we could not maintain books of accounts as per Para II PART-B (a)It will be maintained. |
| 14 | Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/c and Balance Sheet (Financial Statement) | Receipt and Payment A/c, Trial Balance, Income and Expenditure A/c and Balance Sheet will be prepare after implementation of DEAS. |
| 15 | Non creation Special Fund and Fund Mentioned in Chapter ix of BMAR,2007 | The same will be created on applicability of relevant provision of said act, |
| 16 | Non Maintenance of Fixed Assets Register | It will be updated |
| 17 | Collection of Outstanding Taxes | We will makes our best effort to realized it by established camp in ward, |
| 18 | BRS Issues relating to non- production of Bank statement and non Updation of related records Non Preparation of BRS on time. | Bank Statement will be provided on time from now. BRS will be prepared on time now. |
| 19 | Any payment made out of Municipal Fund that is not covered by BUDGET. | Payment made out of budget provision. No such payment made that is not cover by budget; |
| 20 | Non implementation of Biometric Devices and Payroll Software | It is under process; |
| 21 | Directive/Circular issued during Q-2 of 2019-20 | No directives issued during qtr-2. |
| 22 | Not prepared Payment voucher | It will be prepared as soon as possible . |
| 23 | Advances and their adjustment. | No Advances and loan given. |


19/5/20 Bay
18/12/20 18/12/20



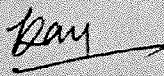
| | | |
|----|--|--|
| 24 | Bank a/c which are closed | No any bank A/c closed yet. |
| 25 | Non utilization of grant or grant unspent | Due to practical and operation issues, there are some cases of non-utilization of grant. It will be utilizing in future. |
| 26 | Physical verification of inventory/Stores | ULB did not follow the practice of physical verification of stock. It will be regularized. |
| 27 | Vehicles are not insured. | It is under process. |
| 28 | Cash book and various registers like store register, issue register, bill register with payment fig., Register of Remittances made into bank, Statutory Deduction Register, Scheme Register. Is not maintained on regular basis. | It will be maintained. |
| 29 | There is no Valuation Of stock in nagarParishad. | We do not have any directivities/guidelines/instruction, issue by department for find valuation of stock. |
| 30 | Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Advertisement Tax, Mobile Tower Tax and Other Tax . | Detailed records has not been maintained but now we will maintain such type of records. |
| 31 | Non preparation of receipt and payment A/C trial balance, income and expenditure A/C and balance sheet (financial statement). | It will be prepared by agency appointed for implementation of double entry accounting system. |
| 32 | Depreciation is not charged to Fixed Assets | ULB not follows double entry accounting system, hence depreciation is not accounted in our book. |

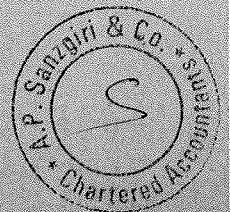
Further we confirm/affirm the management comment given in Internal Audit report for 2019-20 (QTR-2) is on behalf of Municipal Council Nawada.

Signature of E.O


 P. M. Singh
 18-12-20

नगरपालिका प्रशासक
 नगर परिषद, नवलपरासी


 18/12/20



Nawada Nagar Parishad

Discussion note

2019-20(Qtr-3)

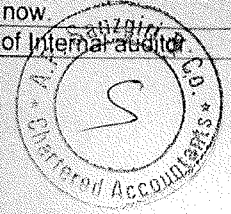
Letter No. **1693**
 Date: 18.12.2020
 To
 A.P. Sanzgiri & Co.
 (Chartered Accountants)

Subject: Regarding confirmation and discussion of documents not maintained and management comment in Audit report for F.Y. 2019-20 (Q3)

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

| S.N. | Auditor observation | Management comment |
|------|--|--|
| 1 | Non implementation of Double entry system, | Currently DEAS work is going on. |
| 2 | AG Compliance Report, and compliances of internal audit paras. | It is under process and management will submit it as soon as possible; |
| 3 | Non maintenance of Advance Register; | ULB has prepared Advance Register but it is not updated since F.Y. 2016-17. Advance Register also not maintained as per BMAR. |
| 4 | No Municipal Accounts committee established, | Under process, and matter will be put before board for constitution of "Municipal Accounts Committee"; |
| 5 | Notice fee; | Currently not collecting, but it will be consider and collected accordingly; |
| 6 | TDS return acknowledgement; | It will be filed on or before due date from now. |
| 7 | Non levy of Taxes in IAR Para " I Part-A a) (1); | Some of Taxes is collected by other department of Government like professional tax; And there is many taxes mentioned in this Para are not collected by ULB due to not providing services in this respect like fire taxes. For rest we will discussed in meeting of board and implement accordingly; |
| 8 | Late deposit of property Tax; | Show cause notice has been issued to tax collector in this respect and it will be collected as per Act. |
| 9 | Late /Non deposition of TDS, Royalty, Labourcess, TDS on gst. | It will be deposited on time. |
| 10 | Delay in deposit/ Non Deposition of EPF | It will be deposited on time now |
| 11 | Non preparation of Complete UC details ; | It is prepared with the help of Internal auditor |

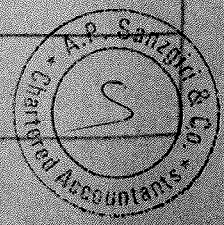
By *bay*
 18/12/20 18/12/20



| | | |
|----|--|--|
| 12 | Non maintenance of log book. | ULB has prepared and updated Log book except few vehicle, but not maintained as per BMAR. |
| 13 | Non-maintenance of books of accounts para ii-PART B (a) | Due to lack of qualified staff we could not maintain books of accounts as per Para ii PART-B (a)It will be maintained. |
| 14 | Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/c and Balance Sheet (Financial Statement) | Receipt and Payment A/c, Trial Balance, Income and Expenditure A/c and Balance Sheet will be prepare after implementation of DEAS. |
| 15 | Non creation Special Fund and Fund Mentioned in Chapter ix of BMAR,2007 | The same will be created on applicability of relevant provision of said act; |
| 16 | Non Maintenance of Fixed Assets Register | It will be updated. |
| 17 | Collection of Outstanding Taxes | We will makes our best effort to realized it by established camp in ward; |
| 18 | BRS Issues relating to non- production of Bank statement and non Updation of related records. Non Preparation of BRS on time. | Bank Statement will be provided on time from now. BRS will be prepared on time now. |
| 19 | Any payment made out of Municipal Fund that is not covered by BUDGET. | Payment made out of budget provision. No such payment made that is not cover by budget; |
| 20 | Non implementation of Biometric Devices and Payroll Software | It is under process; |
| 21 | Directive/Circular issued during Q-3 of 2019-20 | It is complied. |
| 22 | Not prepared Payment voucher | It will be prepared as soon as possible . |
| 23 | Advances and their adjustment. | No Advances and loan given. |

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| 24 | Bank a/c which are closed. | No any bank A/c closed yet. |
| 25 | Non utilization of grant or grant unspent | Due to practical and operation issues, there are some cases of non-utilization of grant. It will be utilizing in future. |
| 26 | Physical verification of inventory/Stores | ULB did not follow the practice of physical verification of stock. It will be regularized . |
| 27 | Vehicles are not insured. | It is under process. |
| 28 | Cash book and various registers like store register, issue register, bill register with payment fig., Register of Remittances made into bank, Statutory Deduction Register, Scheme Register. Is not maintained on regular basis. | It will be maintained. |
| 29 | There is no Valuation Of stock in nagarParishad. | We do not have any directivities/guidelines/instruction, issue by department for find valuation of stock. |
| 30 | Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Advertisement Tax, Mobile Tower Tax and Other Tax . | Detailed records has not been maintained but now we will maintain such type of records. |
| 31 | Non preparation of receipt and payment A/C trial balance, income and expenditure A/C and balance sheet (financial statement). | It will be prepared by agency appointed for implementation of double entry accounting system. |
| 32 | Depreciation is not charged to Fixed Assets | ULB not follows double entry accounting system , hence depreciation is not accounted in our book. |

Further we confirm/affirm the management comment given in Internal Audit report for 2019-20 (QTR-3) is on behalf of Municipal Council Nawada.

Signature of E.O

Bay
18/12/20
कार्यपालक पदाधिकारी
नगर परिषद, नवादा
Bay
18-12-2020



Nawada Nagar Parishad

Discussion note

2019-20(Qtr-4)

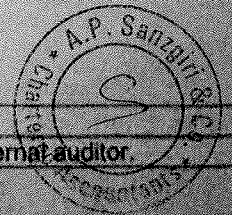
Letter No. **1694**
Date: 18.12.2020

To
A.P Sanzgiri & Co.
(Chartered Accountants)

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

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

| S.N. | Auditor observation | Management comment |
|------|---|--|
| 1 | implementation of Double entry system; | Currently DEAS work is going on. |
| 2 | AG Compliance Report;and compliances of internal audit paras. | It is under process and management will submit it as soon as possible; |
| 3 | Non maintenance of Advance Register; | ULB has prepared Advance Register but it is not updated since F.Y. 2016-17. Advance Register also not maintained as per BMAR. |
| 4 | No Municipal Accounts committee established; | Under process, and matter will be put before board for constitution of "Municipal Accounts Committee"; |
| 5 | Notice fee; | Currently not collecting, but it will be consider and collected accordingly; |
| 6 | TDS return acknowledgement; | It will be filed on or before due date from now. |
| 7 | Non levy of Taxes in IAR Para " I Part-A a) (1); | Some of Taxes is collected by other department of Government like professional tax; And there is many taxes mentioned in this Para are not collected by ULB due to not providing services in this respect like fire taxes. For rest we will discussed in meeting of board and implement accordingly; |
| 8 | Late deposit of property Tax; | Show cause notice has been issued to tax collector in this respect and it will be collected as per Act. |
| 9 | Late /Non deposition of TDS, Royalty, Labourcess, TDS on gst. | It will be deposited on time. |
| 10 | Delay in deposit/ Non Deposition of EPF | It will be deposited on time now. |
| 11 | Non preparation of Complete UC details ; | It is prepared with the help of Internal auditor. |



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| 12 | Non maintenance of log book | ULB has prepared and updated Log book except for vehicle, but not maintained as per BMAR. |
| 13 | Non-maintenance of books of accounts para ii-PART B (a) | Due to lack of qualified staff we could not maintain books of accounts as per Para ii PART-B (a) it will be maintained. |
| 14 | Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/c and Balance Sheet (Financial Statement) | Receipt and Payment A/c, Trial Balance, Income and Expenditure A/c and Balance Sheet will be prepare after implementation of DEAS. |
| 15 | Non creation Special Fund and Fund Mentioned in Chapter ix of BMAR,2007 | The same will be created on applicability of relevant provision of said act. |
| 16 | Non Maintenance of Fixed Assets Register | It will be updated. |
| 17 | Collection of Outstanding Taxes | We will makes our best effort to realized it by established camp in ward. |
| 18 | BRS Issues relating to non- production of Bank statement and non Updation of related records. Non Preparation of BRS on time. | Bank Statement will be provided on time from now. BRS will be prepared on time now. |
| 19 | Any payment made out of Municipal Fund that is not covered by BUDGET. | Payment made out of budget provision. No such payment made that is not cover by budget. |
| 20 | Non implementation of Biometric Devices and Payroll Software | It is under process; |
| 21 | Directive/Circular issued during Q-4 of 2019-20 | No directives are issued during audit period. |
| 22 | Not prepared Payment voucher | It will be prepared as soon as possible. |
| 23 | Advances and their adjustment. | No Advances and loan given. |



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| 24 | Bank a/c which are closed. | No any bank A/c closed yet. |
| 25 | Non utilization of grant or grant unspent | Due to practical and operation issues, there are some cases of non-utilization of grant. It will be utilizing in future. |
| 26 | Physical verification of inventory/Stores | ULB did not follow the practice of physical verification of stock. It will be regularized. |
| 27 | Vehicles are not insured. | It is under process. |
| 28 | Cash book and various registers like store register, issue register, bill register with payment fig., Register of Remittances made into bank, Statutory Deduction Register, Scheme Register. Is not maintained on regular basis. | It will be maintained. |
| 29 | There is no Valuation Of stock in nagarParishad. | We do not have any directivities/guidelines/instruction, issue by department for find valuation of stock. |
| 30 | Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Advertisement Tax, Mobile Tower Tax and Other Tax. | Detailed records has not been maintained but now we will maintain such type of records. |
| 31 | Non preparation of receipt and payment A/C trial balance, income and expenditure A/C and balance sheet (financial statement). | It will be prepared by agency appointed for implementation of double entry accounting system. |
| 32 | Depreciation is not charged to Fixed Assets | ULB not follows double entry accounting system, hence depreciation is not accounted in our book. |

Further we confirm/affirm the management comment given in Internal Audit report for 2019-20 (QTR-4) is on behalf of Municipal Council Nawada.

Signature of E.O

कार्यपालक महाधिकारी
नगर पार्षद, नवादा
18.12.20



NAWADA MUNICIPAL COUNCIL
STATUS OF UTILIZATION CERTIFICATION FOR FY 2019-20

| S.No | Head | Approval order and date | Sanctioned Amount | Expenses Incurred | Balance Amount | UC Submitted against Expenses | UC Pending Against Expenses | % of UC Submitted against expenses | % of UC Pending against expenses | Letter Number & Date of Submission of UC |
|------|--|-------------------------|-------------------|-------------------|----------------|-------------------------------|-----------------------------|------------------------------------|----------------------------------|--|
| 1 | Honorarium of city manager | 26/20.06.2019 | 1.20 | 1.20 | - | - | 1.20 | 0% | 100% | UC against expense 1.20 is not submitted |
| 2 | 14th finance | 127/27.11.19 | 259.00 | - | 259.00 | - | - | NIL | NIL | Unutilised amount |
| 3 | 5th finance | 56/13.08.19 | 432.26 | - | 432.26 | - | - | NIL | NIL | Unutilised amount |
| 4 | 5th financ | 54/13.08.2019 | 447.39 | - | 447.39 | - | - | NIL | NIL | Unutilised amount |
| 5 | Civil Liberties | 72/06.09.2019 | 200.00 | - | 200.00 | - | - | NIL | NIL | Unutilised amount |
| 6 | Chairman / Deputy Chairman Councilor Allowance | 81/20.09.2019 | 7.74 | 7.44 | 0.30 | - | 7.44 | 0% | 100% | UC against expense of 7.44 not submitted and 0.30 is unutilised amount |
| 7 | City manager | 78/13.09.2019 | 2.40 | 2.40 | - | - | 2.40 | 0% | 100% | UC against expense of 2.40 is not submitted |
| 8 | Executive officer salary | 83/20.09.2019 | 4.39 | - | 4.39 | - | - | NIL | NIL | Unutilised amount |
| 9 | Salary payment | 42/12.07.19 | 3.00 | - | 3.00 | - | - | NIL | NIL | Unutilised amount |
| 10 | Civil Liberties | 48/06.08.19 | 110.89 | 42.82 | 68.07 | - | 42.82 | 0% | 100% | UC against expense of 42.82 not submitted and 68.07 is unutilised amount |
| 11 | Vocational item | 52/09.08.19 | 45.18 | 5.82 | 39.36 | - | 5.82 | 0% | 100% | UC against expense of 5.82 not submitted and 39.36 is unutilised amount |
| 12 | 14th Finance | 38/11.07.2019 | 259.00 | - | 259.00 | - | - | NIL | NIL | Unutilised amount |

