

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

# INTERNAL AUDIT REPORT

## FOR

### F. Y. 2019-20

## GROUP 1

# MAKHDUMPUR NAGAR PANCHAYAT

## BY

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

PLOT NO. 22, HOUSE NO. 174, ANAND NAGAR LANE,  
BEHIND VAKOLA POLICE STATION, SANTACRUZ (EAST),  
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A. P. SANZGIRI & CO.

CHARTERED ACCOUNTANTS

**ABBREVIATION AND ACRONYMS**

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



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

Date:19-04-2021

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

**Sub:** Submission of Internal Audit Report of Nagar Panchayat Makhdumpur 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: 21101134AAAAJL2321**

**Date:16-09-2021**



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

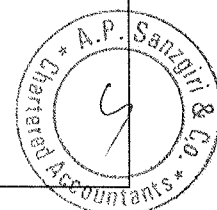
## EXECUTIVE SUMMARY

### 1. Introduction:

<b>Name of the Municipality</b>	-	<b>Nagar Panchayat Makhdumpur</b>
<b>Period covered under Current Audit</b>	-	01 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020
<b>Name of Mayor/Chairman</b>	-	Smt Meena Devi
<b>Name of Executive Officer</b>	-	Shri Dinesh Puri

### 2. Observations and Findings:

<b>Strengths</b>	<ol style="list-style-type: none"><li>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.</li><li>2. There is sufficient co-operation from the management during the course of our audit.</li><li>3. Compliance report of AG audit is prepared by the ULB</li><li>4. General Cash book is properly up-to-dated.</li></ol>
<b>Weaknesses</b>	<ol style="list-style-type: none"><li>1. The collection of rental income is not satisfactory.</li><li>2. The shopkeeper/tenants have not been paying rent and have huge outstanding debts.</li><li>3. List of Outstanding dues is not available.</li><li>4. No physical verification of store is exercised by ULB.</li><li>5. No Physical verification of cash is exercised by ULB.</li><li>6. 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 ULB has not been complied.</li><li>7. Fixed assets register is not maintained by ULB.</li><li>8. Statutory compliance of the ULB is not deposited timely and hence it incurs penalty and other charges.</li><li>9. Certain Statutory Registers and Books are not maintained.</li><li>10. Bank Reconciliation Statement has not been prepared of all accounts.</li></ol> <p><b>11. Non Levy of Taxes:</b></p> <ul style="list-style-type: none"><li>• Tax on advertisements, other than advertisements published in newspapers</li><li>• Surcharge on electricity consumption within the municipal area</li><li>• Tax on congregations.</li><li>• Tax on pilgrims and tourists.</li><li>• User Charges for Solid Waste Management.</li><li>• User Charges for Garbage Clearance</li><li>• Collection of Development Charges</li></ul>



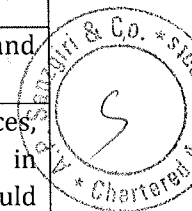
	<p>12. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 4 to 76 days.</p> <p>13. ULB is not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified 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>
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### 3. Opinion:

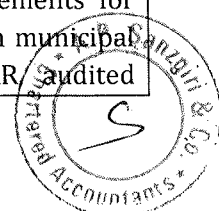
The management has to take stringent effort in forming accountability at various levels of the ULB, introducing reforms in financial management and accounting systems, development of strong internal control and organizational design of Municipalities, ensuring capacity building of the municipal personnel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

### 4. Audit Recommendation:

Observed Weaknesses	Audit Recommendations
The collection of rental income is not satisfactory. The shopkeeper/ tenants have not been paying rent and have huge outstanding debts.	To implement/take action to boost collection of arrear revenue to increase their own source revenue.
No physical verification of store is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of the stock and process.
No Physical verification of cash is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of cash.
Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the ULB has not been complied.	Internal Audit wing should be created by employing the Municipal Internal Auditor on the Board.
Fixed assets register is not maintained by ULB	Fixed assets register should be maintained and updated properly.
Statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.	As ULB is not proper in statutory compliances, that cause financial implication on ULB in mode of interest and penalty. So, ULB should



	ensure statutory compliance on time.
Certain Statutory Registers and Books are not maintained.	Statutory register and books of accounts should be maintained as per guidelines and BMAR.
Bank Reconciliation Statement Properly has not been prepared of all accounts.	ULB should prepare bank reconciliation of all bank accounts including doormat accounts on monthly basis. Bank statements of all bank accounts should be kept in separate file for proper records.
<b>Non Levy of Taxes:</b> <ul style="list-style-type: none"> <li>• Tax on advertisements, other than advertisements published in newspapers</li> <li>• Surcharge on electricity consumption within the municipal area</li> <li>• Tax on congregations.</li> <li>• Tax on pilgrims and tourists.</li> <li>• User Charges for Solid Waste Management.</li> <li>• User Charges for Garbage Clearance.</li> <li>• Collection of Development Charges</li> </ul>	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. ULB should take steps to implement required taxes to boost their revenue
During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 4 to 76 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 prepared monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	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"> <li>1. Municipal General Fund</li> <li>2. Basic service for urban poor</li> <li>3. Water supply &amp; sewerage fund</li> <li>4. Solid Waste Management Fund</li> <li>5. Road Development &amp; Maintenance</li> <li>6. Enterprise Fund</li> </ol>
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.

1. 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*.

2. 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: 21101134AANAAT L2321

Date: 16-09-2021

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## DETAILED AUDIT REPORT

### 1. INTRODUCTION:

Name Of ULB	Period-covered		Audit Team
	From	To	
MakhdumpurNagar Panchayat	1 <sup>st</sup> April, 2019	31 <sup>st</sup> March,2020	<b>1. Team Leader:</b> CA Satish Gupta <b>2. Name of CA:</b> Ronak Agrwal <b>1. Name of Auditor-1:</b> Dipak Sharma

### 2. ADMINISTRATION:

Sl. No.	Particulars	Details
1	The present body of the ULB has taken charge on	August, 2018
2	The incumbency in the key administrative and executive positions was as under:	
2.1	Name of Mayor:	SmtMeena Devi
2.1.1	Period of Service:	<b>From:</b> August, 2018 <b>To:</b> Till date
2.2	Name of Executive Officer:	Shri Dinesh Puri
2.2.1	Period of Service:	<b>From:</b> January 2019 <b>To:</b> Till date

### 3. REVIEW OF OUTSTANDING AUDIT PARAS:

#### 3.1. STATUS OF AUDIT OBSERVATIONS IS AS UNDER:

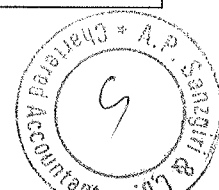
Particulars of audit and date of report	Total no. of audit Para's	Improvement/corrective measures required (Nos. of Para's)	Recovery of cash is proposed (Nos. of Para's)	Recovery has been made (Nos. of Para's)	Total amount of Recovery	No action has been taken	No. & date of compliance report
Audit report submitted by AG for the F.Y. 2012-13 to 2015-16	17	17	9	1	-	16	487/Dated 31.07.2019
Internal Audit paras of FY 2017-18 & 2018-19							Not complied (Refer discussion note)

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

Period of AG Audit Report : 2012-13 to 2015-16

Compliance Report Date & Number : 487/Dated 31.07.2019

Para Nos.	Heading of the Audit Para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
1	Less deposit amount by Tax Collector.	0.003 Lac	Yes	No	No

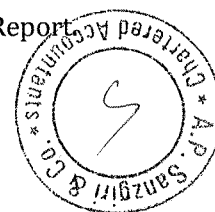


	Non-deposit of collected amount by Tax Collector.	0.57 Lac	Yes	No	No
2	Non-deposit of collection amount by Tax Collector into the Bank Passbook.	5.05 Lac	Yes	Yes	Yes
3	Expenditure against purchase of Two sided Solar Light was filed.	13.47 Lac	No	No	No
4	Irregularities in purchase of two sided Solar Light.	0.96 Lac	Yes	No	No
	Irregularities in purchase of CFL Light.	0.07 Lac	Yes	No	No
	Irregularities in purchase of Dustbin.	5.74 Lac	No	No	No
	Irregularities in purchase of JCB.	16.90 Lac	No	No	No
5	Irregularities in payment against purchase of Cleaning Equipments.	10.03 Lac	Yes	No	No
6	Expenditure against purchase of JCB, Section Machine & Fogging Machine was filed.	28.45 Lac	No	No	No
7	Non-deduction of performance securities.	12.73 Lac	No	No	No
8	Non-deduction of VAT amount against purchase of Street Light, Section Machine & Fogging Machine.	1.09 Lac	Yes	No	No
9	Non-deposit of outstanding amount of Endowment.	2.96 Lac	Yes	No	No
10	Unauthorised installation and non-collection of registration & renewal fees of Mobile Tower.	25.76 Lac	Yes	No	No
11	Irregularities in execution of planning.	4.54 Lac	No	No	No
12	Non-deduction of labour cess.	0.00	No	No	No
13	Non-maintenance of Grant Register	0.00	No	No	No
14	Non-maintenance of Assets Register	0.00	No	No	No
15	Non-implementation of Property Tax.	0.00	No	No	No
16	Non-presentation of Miscellaneous and H receipts.	0.00	No	No	No
17	Irregular maintenance of Stock Register.	0.00	No	No	No

**Note-1:** ULB did not provide AG report thereafter we have taken from UD & HD website.

**Note-2:** Further Compliance Report has been prepared by management.

**Management Comment:** ULB prepared Compliance Report for above said period of AG Report  
(Refer Discussion Note).



**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	15,71,59,000.00	19,17,33,390.00	45,89,85,000.00
Actual Expenditure Data	10,84,19,618.00	11,73,96,038.00	94,959,938.00
Savings(+)/Excess(-)	4,87,39,382.00	7,43,37,352	364,025,062.00

**Auditor's Comment:**

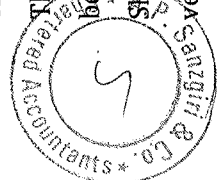
The cash book prepared by ULB in such way that we could not bifurcated or separated data as required in above mentioned format .The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. Financial Statement i.e. Audited Balance 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	12,75,46,467.00	174,060,515	156,378,940	130,251,270	130,251,270
Receipts	41,68,31,000.00	90,738,043	91,268,368	84,887,034	84,887,034
<b>Total</b>	<b>54,43,77,467.00</b>	<b>264,798,558</b>	<b>247,647,308</b>	<b>215,138,304</b>	<b>215,138,304</b>
Net expenditure	45,89,85,000.00	108,419,618	117,396,038	94,959,938	94,959,938
<b>Closing balance</b>	<b>8,53,92,467.00</b>	<b>156,378,940</b>	<b>130,251,270</b>	<b>120,178,366</b>	<b>120,178,366</b>

**Auditor's Comment:**

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

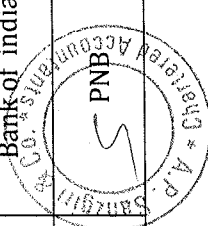


III. BANK RECONCILIATION POSITION AS ON REPORTING DATE:

:-

BANK RECONCILIATION POSITION AS ON 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	Treasury	PL A/c 021	State Plan	2,42,15,490.30			
			5th Finance	3,69,97,250.00			
			14th Finance	1,62,85,006.00			
			Ward Counsellor Allowance	28,993.00			
			City Manager Allowance	35,440.00			
			Peshaker	14,90,080.00			
			Safayeebaybasthasudhar	1,60,605.00			
			E.O salary	37,798.00			
			Jal Jeevan Hariyali Cm	7,10,092.00			
			ShahriNaliGaliNischayYojna	53,29,597.00			
			Stamp Duty	71,12,207.00			
2	State Bank of India	33981157712	RastriyePariwarikLabh	68,127.00	82421.50	(14,294.50)	No
3	State Bank of India	31689063331	E-Govt	17,689.30	607,991.50	(5,90,302.20)	No
4	Bank of india	447810100009748	Census	45,400.00	1,313,131.27	(12,67,731.27)	No
5	PNB	16115000100023906	NSDP	1,58,103.00	10,109.48	1,47,993.52	No



6	MBGB	72050100104031	General Fund KabirAnthysthi	10,69,830.75 83,000.00	118,677.95	10,34,152.80	No
7	MBGB	72050100161540	Pay Jal NischayYojna	15,830.34	142,798.20	(1,26,967.86)	No
8	MBGB	72050100161531	NaliGaliNischayYojna	12,25,475.50	48,368.62	11,77,106.88	No
9	Allahabad Bank	50273883956	BRGF	16,47,858.5	9,01,579.43	7,46,279.07	No
10	Allahabad Bank	50298520618	S. B. M	2,05,573.00	9,26,799.00	(7,21,226.00)	No
11	Allahabad Bank	50344306446	HFA	52,628.00	96,023.00	(43,395.00)	No
12	Allahabad Bank	50380250250	NULM SJSRY	13,59,648.98	66,911.00	12,92,737.98	No
<b>Total</b>				<b>9,83,51,722.67</b>	<b>10,46,14,884.95</b>	<b>(62,63,162.28)</b>	

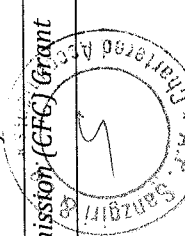
**Note: All over Bank Reconciliation Done on Monthly Basis**

A single cash book maintained for a 'YOJNA/MISSION/SCHEME' whereas under a 'YOJNA/MISSION/SCHEME' more than one bank account has been opened, hence it is suggested by us to maintain separate cash book in respect of each bank account so that reconciliation can be made between cash book and bank statement.



**IV. RECEIPT DETAILS:**

INCOME DETAILS (Amounts IN INR)							
SN	Details	2017-18		2018-19		2019-20	
		2017-18 (Actual)	2016-17 (Actual)	2018-19 (Actual)	2017-18 (Actual)	2019-20 (Actual)	2018-19 (Actual)
	<b>Total Receipts (A+B)</b>	90,738,043	11,90,00,259	91,268,368	90,738,043	84,887,034	91,268,369
<b>A</b>	<b>Revenue Receipts (1+2+3)</b>	16,330,149	7,76,789	32,610,737	16,330,149	19,722,348	32,610,737
1	Own Revenue Receipts (a+b)	769,801	0	1,014,533	769,801	1,294,809	1,014,533
a)	Tax Revenue(Collected by ULB)	358,379	0	898,415	358,379	692,100	898,415
i)	Property Tax	178,108	0	398,415	178,108	692,100	398,415
ii)	Other tax (Collected by ULB)	180,271	0	500,000	180,271	-	500,000
b)	Non-tax revenue (Collected by ULB)	411,422	86,311	116,118	411,422	602,709	116,118
i)	Fees & fines	69,134	46,311	22,682	69,134	40,184	22,682
ii)	User Charges	321,061	40,000	11,780	321,061	26,600	11,780
iii)	Other non-tax revenue	21,227	0	81,656	21,227	535,925	81,656
<b>2</b>	<b>Other Revenue Receipts</b>	3,038,535	6,90,478	3,038,535	3,038,535	1,528,203	3,038,535
a)	Income from interest/investments	1,654,512	1,56,410	1,045,980	1,654,512	468,679	1,045,980
b)	Other Revenue income	1,384,023	5,34,068	379,763	1,384,023	1,059,524	379,763
<b>3</b>	<b>Transfers/Grants/Assigned Revenues</b>	12,521,813	0	30,170,460	12,521,813	16,899,336	30,170,461
a)	State Assigned Revenue	11,419,855	0	30,170,460	11,419,855	16,899,336	30,170,461
b)	State Finance Commission(SFC) Grants	-	0	-	-	-	-
c)	Octroi compensation	1,101,958	0	-	1,101,958	-	-
d)	Other State Government Transfers	-	0	-	-	-	-
e)	Central Finance Commission (CFC) Grant	-	0	-	-	-	-



f)	Other Central Government Transfers	-	0	-	-	-	-	-
B	Capital Receipts	74,407,894	11,82,23,470	58,657,632	74,407,894	65,164,686	58,657,632	-
1	Sale of Municipal Land	-	0	-	-	-	-	-
2	Loans (from State Govt. of Banks etc.)	-	0	-	-	-	-	-
3	State Capital Account Grant	51,726,657	5,54,65,728	58,657,632	51,726,657	34,461,767	58,657,632	-
4	Central Capital Account Grant	15,270,437	6,27,57,742	-	15,270,437	23,925,563	-	-
5	Other Capital Receipts	7,410,800	0	-	7,410,800	6,777,356	-	-

**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.**

S.N	Details	2017-18		2018-19		2019-20		2018-19 (Actual)	2018-19 (Actual)
		2017-18 (Actual)	2016-17 (Actual)	2018-19 (Actual)	2017-18 (Actual)	2019-20 (Actual)	2018-19 (Actual)		
	<b>Total Expenditure (1+2)</b>	108,419,618	11,28,35,486	117,396,038	108,419,618	94,959,938	117,396,038		
<b>1</b>	<b>Revenue Expenditure</b>	18,265,888	3,88,62,579	16,631,498	18,265,888	27,653,862	16,631,498		
1.1	Administrative Expenses, Establishment and Salaries (All Departments-Regular and contract)	4,084,527	48,46,144	3,632,814	4,084,527	5,197,981	3,632,814		
1.2	Operation and Maintenance	11,168,707	51,28,343	12,994,778	11,168,707	12,181,688	12,994,778		
1.3	Loan repayment (Interest payments)	3,012,654	0	-	3,012,654	-	-		
1.4	Others(any other revenue expenditure )	-	2,88,88,092	3,906	-	10,274,193	3,906		
<b>2</b>	<b>Capital Expenditure</b>	90,153,730	7,39,72,908	100,764,540	90,153,730	67,306,076	100,764,540		
	All developmental works under Central/ State Loan Repayments(Principal Amount)	86,129,036	7,39,72,908	99,786,264	86,129,036	67,237,236	99,786,264		
2.2	Loan Repayments(Principal Amount)	-	0	-	-	-	-		
2.3	Other Capital expenditure	4,024,694	0	978,276	4,024,694	68,840	978,276		

**V. EXPENDITURE INFORMATION:**

**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:**

It is told by the ULB that there one Agency M/S Sahani Bansal & Associates was appointed for the DEAS work and it has completed following activities till FY 2015-16. Further at present there **M/s Sarkar Gurumurthy & Associates** is appointed for implementation of Double Entry Accounting System.

SN	Activity	Work Done
1	Fixed Assets Register	Opening FAR was prepared as on 01/04/2014 and it was updated for FY 2014-15 and 2015-16
2	Property Tax Register	Opening PTR was prepared as on 01/04/2014 and it was updated for FY 2014-15 and 2015-16
3	Opening Balance Sheet	Opening Balance Sheet was prepared as on 01/04/2014
4	Annual Financial Statements	Annual Financial Statements were prepared for FY 2014-15 and 2015-16.
5	Installation of Tally License	Tally was installed by CA firm but now ULB staff is not aware about it.

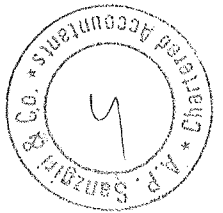
**VII. MUNICIPAL ACCOUNTS COMMITTEE:**

At present committee is not formed but it was told by the ULB officials that it is under process and matter will be put before board for constitution of committee. **(Kindly refer discussion note attached with this report)**

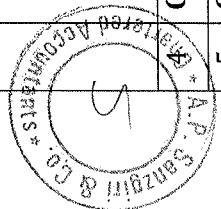
**5. AUDIT OBSERVATION:**

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

- (A) LEAKAGE OF OWN SOURCE REVENUE EITHER DUE TO WRONG ASSESSMENT OR NON-LEVY OF PROPERTY TAX, MOBILE TOWER TAX, RENT ON MUNICIPAL PROPERTIES, ADVERTISEMENT TAX, FEE ETC.**  
**OBSERVATION-1 : TAXES/CHARGES WHICH ARE NOT IMPLEMENTED BY ULB ACCORDING TO THE BIHAR MUNICIPAL ACT, 2007**



SN	Head	Comments																																																						
1	<b>Objective</b>	The main objective of audit of taxes is to check whether all taxes which are covered under Bihar Municipal Act, 2007, is levied and collected by the ULB. Further to check whether taxes are levied and collected according to applicable provisions and rules.																																																						
2	<b>Criteria</b>	We have checked list of all the taxes which to be levied and collected by the ULB as per Act. Further we have checked Receipt book, cashier cash book and accountant cash book etc.																																																						
3	<b>Condition</b>	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. <b>In case of Nagar Panchayat Makhdumpur</b> , The following mentioned tax/charges are not implemented that leads to loss of revenue to ULB:																																																						
		<table border="1"> <thead> <tr> <th>S.N</th> <th>Particulars</th> <th>Implemented by ULB or Not</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Property tax on lands and buildings.</td> <td>YES</td> </tr> <tr> <td>2</td> <td>Surcharge on transfer of lands and buildings</td> <td>YES</td> </tr> <tr> <td>3</td> <td>Fire tax.</td> <td>NO</td> </tr> <tr> <td>4</td> <td>Tax on advertisements, other than advertisements published in newspapers</td> <td>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>YES</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>YES</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>No</td> </tr> </tbody> </table>	S.N	Particulars	Implemented by ULB or Not	1	Property tax on lands and buildings.	YES	2	Surcharge on transfer of lands and buildings	YES	3	Fire tax.	NO	4	Tax on advertisements, other than advertisements published in newspapers	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	YES	11	User Charges for Solid Waste Management	NO	12	User Charges for Parking Facility	YES	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	No
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16	Collection of Fees for issue of birth and death certificates.	YES																																																						
17	Collection of Development Charges	No																																																						
	<b>Consequences/Effect</b>	No levy of taxes will be resulted in to revenue loss to ULB.																																																						
5	<b>Cause</b>	There is lack of standard policies and instructions from department. In some cases policies are prepared by it is not followed by the ULBs.																																																						



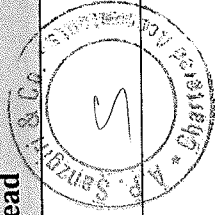
6	<b>Corrective Action</b>	It is recommended that department should prepare uniform policies for levy and collection of taxes in proper manner and on due time. Further capacity building programmes should be held for ULBs staff and awareness about these taxes should be done.
7	<b>Management Comments</b>	Kindly refer discussion note attached with the report.

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

SN	Head	Comments
1	<b>Objective</b>	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 the amount of tax collected by the Tax collector is required to be handed over to cashier and deposited into bank on the same day on which collection is made. To check compliance of these provisions, we have carried audit of such type of cases.
2	<b>Criteria</b>	We have checked respective books in order to carry the audit and some cases were checked on random basis.
3	<b>Condition</b>	During verification of receipts book and deposit slips, we have noticed that there is gap period in collection of tax and deposit of tax around 4 to 76 days. Details of such cases are given in <b>Annexure-1</b> .
4	<b>Consequences/Effect</b>	In respect of above in most of the cases property tax has not been deposited on same day of collection which resulted in interest loss to ULB.
5	<b>Cause</b>	It is explained by concern person that due to non- availability of human resources the same issues arises.
6	<b>Corrective Action/Recommendation</b>	It is recommended that tax collector/cashier should deposit the collected money into bank on same day itself and if he fails to do the same, necessary action should be taken by the ULB management in such cases.
7	<b>Management Comments</b>	Kindly refer discussion note attached with the report.

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

SN	Head	Comments
1	<b>Objective</b>	As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007, Municipality can issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty



		therefore.
2	<b>Condition</b>	ULB is not charging and collecting notice fees.
3	<b>Consequences/Effect</b>	It is non-compliance of Bihar Municipal Act, 2007 which resulted in loss of revenue to the ULB.
5	<b>Cause</b>	No proper explanation in this regard given by ULB.
6	<b>Corrective Action/Recommendation</b>	Notice fees should be collected as per applicable provisions and rules.
7	<b>Management Comments</b>	Kindly refer discussion note attached with the report.

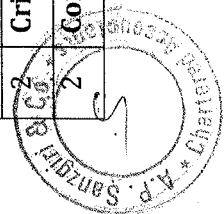
**OBSERVATION-4: RECOVERY OF OUTSTANDING TAXES/RENTAL INCOME**

**1. RECOVERY OF OUTSTANDING PROPERTY TAX**

SN	Head	Comments
1	<b>Objective</b>	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	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	During checking it is noted that property tax of Rs. 59.20lacs was outstanding as on 31/03/2020
3	<b>Consequences/Effect</b>	It leads in shortage of fund for ULB and loss of revenue.
5	<b>Cause</b>	No proper explanation in this regard given by ULB.
6	<b>Corrective Action/Recommendation</b>	Notice should be issued to the Assessee's on regular interval for recovery of outstanding dues.
7	<b>Management Comments</b>	Kindly refer discussion note attached with the report.

**2. RECOVERY OF ADVERTISEMENT TAX**

SN	Head	Comments
1	<b>Objective</b>	ULB authorized to charge advertisement tax/fee in municipal are as per act/rule.
2	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	During checking it is noted there was no outstanding dues as on 31/03/2020 .



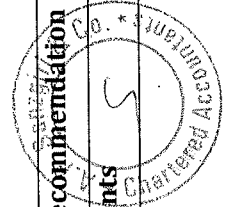
3	<b>Consequences/Effect</b>	Delay in collection or outstanding dues results in revenue loss to ULB.
5	<b>Cause</b>	Not Applicable
6	<b>Corrective Action/Recommendation</b>	Not Applicable
7	<b>Management Comments</b>	Not Applicable

### 3. RENT INCOME

SN	Head	Comments
1	<b>Objective</b>	ULB authorized to charge rent from municipal properties.
2	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	During checking it is noted that there was no rent income outstanding as on 31/03/2020 .
3	<b>Consequences/Effect</b>	Not Applicable
5	<b>Cause</b>	Not Applicable
6	<b>Corrective Action/Recommendation</b>	Not Applicable
7	<b>Management Comments</b>	Not Applicable.

### 4. MOBILE TOWER TAX

SN	Head	Comments
1	<b>Objective</b>	ULB is authorized to collect tax from telecom companies for mobile towers installed in the municipal area.
2	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	During checking it is noted that mobile tower tax of <b>Rs. 27.51lacs</b> was outstanding as on 31/03/2020 .
3	<b>Consequences/Effect</b>	It leads in shortage of fund for ULB and loss of revenue.
5	<b>Cause</b>	No proper explanation in this regard given by ULB.
6	<b>Corrective Action/Recommendation</b>	Notice should be issued to the Assessee's on regular interval for recovery of outstanding dues.
7	<b>Management Comments</b>	Kindly refer discussion note attached with the report



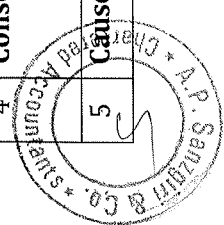
**5 OTHER TAX**

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

SN	Head	Comments														
1	<b>Objective</b>	Checking of payment made by ULBs to find out irregularities made during payment														
2	<b>Criteria</b>	Payment were checked on random basis														
3	<b>Condition</b>	We have checked following payment related to FY 2019-20 during audit: <table border="1" style="width: 100%; margin-top: 5px;"> <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 colspan="7" style="text-align: center;">No irregularities Found During the Audit</td> </tr> </tbody> </table>	S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Date of Payment	Audit Observations	No irregularities Found During the Audit						
S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Date of Payment	Audit Observations										
No irregularities Found During the Audit																
4	<b>Consequences/Effect</b>	Irregularities in payment lead to excess payment, wrong deductions, non-compliance with agreement and statutory compliances.														
5	<b>Cause</b>	No such cases were identified during audit.														



6	<b>Corrective Action/Recommendation</b>	Management can implement standard checklist for each payment so that irregularities in payments can be avoided.
7	<b>Management Comments</b>	NA

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

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

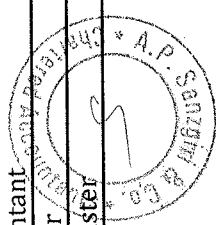
SN	Head	Comments
1	<b>Objective</b>	Field survey and report of 20 high value properties of ULB and report on the basis of area of building ,rate of property tax etc of the same. Comparison with the data of same property provided by the ULB and report on variance between them if available.
2	<b>Criteria</b>	Survey was done for 20 High value properties.
3	<b>Condition</b>	We have checked twenty high value assessed property and found variances related to FY 2019-20 during audit. Details of such cases are given in <b>Annexure-2</b>
4	<b>Consequences/Effect</b>	Irregularities in this area may cause short recovery of revenue receipt and it will result in loss to the ULB.
5	<b>Cause</b>	There are some cases found in which variance arise due to assessment of area of property on lower side.
6	<b>Corrective Action/Recommendation</b>	Management need to carry survey of properties on regular interval.
7	<b>Management Comments</b>	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:**

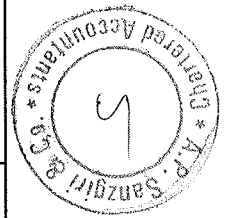
**(a) NON MAINTENANCE OF BOOKS OF ACCOUNTS, SUBSIDIARY REGISTERS:**

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

S.N	Name of Register	Maintained/ Not Maintained	Last date of Update
1	Cash Book-Cashier	Not Maintained	
2	Cash Book-Accountant	Maintained	31.03.2020
3	Collection Register	Maintained	31.03.2020
4	Cheque issue Register	Maintained	31.03.2020



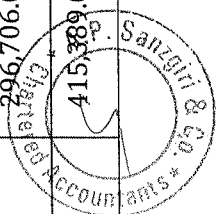
5	Register of Advance	Not Maintained	
6	Register of Permanent Advance	Not Maintained	
7	Deposit received register	Not Maintained	
8	Summary statement of deposit adjusted	Not Maintained	
9	Demand Register	Not maintained	
10	Summary Statement of Bills Raised	Not maintained	
11	Register of Notice Fees, Warrant Fees, Other Fees	Not maintained	
12	Summary Statement of Notice Fees, Warrant Fees, Other Fees	Not maintained	
13	Register of Refunds, Remissions and Write off	Yojna panji	
14	Summary statement of Refunds and Remissions	Not maintained	
15	Summary Statement of Write-offs	Not maintained	
16	Statement of outstanding Liability for Expenses	Not maintained	
17	Document Control Register/Stock Account Receipts/Cheque Book	Not maintained	
18	Fixed Assets Register	Not Maintained	
19	Summary Statement of Demand Raised on assessment	Not Maintained	
20	Summary Statement of Head wise Collection of Other Income	Not Maintained	
21	Summary Statement of Refunds	Maintained in Yojna Panji	31.03.2020
22	Summary Statement of Write off	Not Maintained	
23	Grant Register	Maintained	31.03.2020
24	Summary Statement of status of Capital Work in Progress	Not Maintained	
25	Work Sheet	Not Maintained	
26	Deposit Works Register	Not Maintained	
27	Material Receipt Note	Not Maintained	
28	Store Ledger	Not Maintained	
29	Statement of Closing Stock	Not Maintained	
30	Statement of Material Issued	Not Maintained	
31	BRS of all bank accounts (including dormant accounts)	Maintained	31.03.2020
32	Final Accounts for the F.Y. 2012-13 to 2019-20	Not maintained	
33	Audited Balance Sheet	Not maintained	
34	Audited Income & Expenditure Account	Not maintained	
35	Audited Receipts & Payment Account	Not maintained	



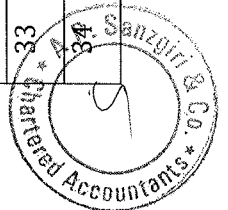
**(b) IRREGULARITY IN PROCUREMENT PROCESS:**

**1. COMPLIANCE REGARDING TENDER ISSUED BY THE ULBS:** During audit, we have checked following procurements :

S.N	Name of Party	Invoice Amount	Deduction has made or not	Whether Deductions are with appropriate Rate	Check signature of Commissioner /EO 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 no deviation has been made for the sanctioned plans and the estimates without the sanction of the competent authority (B.MAR Rule No.-130)
1	Sanjay kumarPalya	280,741.00	YES	YES	YES	YES	Furnished and no deviation found
2	Satyendra Yadav	638,632.00	YES	YES	YES	YES	Furnished and no deviation found
3	Satyendra Yadav	340,788.00	YES	YES	YES	YES	Furnished and no deviation found
4	Sanjivkumar	1,881,919.00	YES	YES	YES	YES	Furnished and no deviation found
5	Agargami public welfare	1,331,781.00	YES	YES	YES	YES	Furnished and no deviation found
6	Agargami public welfare	890,118.00	YES	YES	YES	YES	Furnished and no deviation found
7	Agargami public welfare	1,246,167.00	YES	YES	YES	YES	Furnished and no deviation found
8	Tros consultancy service Pvt. ltd	180,900.00	YES	YES	YES	YES	Furnished and no deviation found
9	Agargami public welfare	443,927.00	YES	YES	YES	YES	Furnished and no deviation found
10	Agargami public welfare	296,706.00	YES	YES	YES	YES	Furnished and no deviation found
11	Agargami public welfare	415,389.00	YES	YES	YES	YES	Furnished and no deviation found



12	Satyendra Yadav	511,816.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
13	Anju Devi	748,045.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
14	Satyendra Yadav	452,149.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
15	Sanjay kumarBirra	751,127.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
16	Sanjay kumarBirra	425,350.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
17	Sunil kumarjhunathi	2,301,614.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
18	Sunil kumarjhunathi	410,683.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
19	Sanjay kumarBirra	2,414,507.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
20	Saryukumar	966,501.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
21	BrijKishor Sharma	1,749,826.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
22	Lalankumar	966,804.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
23	Sanjay kumarPalya	431,932.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
24	BrijKishor Sharma	1,749,973.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
25	Saryukumar	1,282,942.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
26	Saryukumar	1,040,432.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
27	Sanjay kumarBirra	1,737,129.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
28	Sanjay kumarSaren	1,209,623.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
29	Sanjay kumarSaren	775,451.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
30	Rinku Devi	958,682.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
31	Lalankumar	675,998.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
32	Lalukumar Singh	216,757.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
33	Lalukumar Singh	726,366.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
34	Anju Devi	935,619.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found



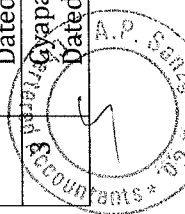
35	NeetuSingh	1,507,356.00	YES	YES	YES	YES	YES	Furnished and no deviation found
36	Lalukumar Singh	2,065,695.00	YES	YES	YES	YES	YES	Furnished and no deviation found
37	Manju Devi	1,663,147.00	YES	YES	YES	YES	YES	Furnished and no deviation found
38	Neetu Singh	745,250.00	YES	YES	YES	YES	YES	Furnished and no deviation found
39	Anju Devi	1,197,047.00	YES	YES	YES	YES	YES	Furnished and no deviation found
40	Manju Devi	2,175,856.00	YES	YES	YES	YES	YES	Furnished and no deviation found
41	Agargami public welfare	443,927.00	YES	YES	YES	YES	YES	Furnished and no deviation found
42	Agargami public welfare	296,706.00	YES	YES	YES	YES	YES	Furnished and no deviation found
43	Agargami public welfare	296,706.00	YES	YES	YES	YES	YES	Furnished and no deviation found
44	Tros consultancy Pvt. Ltd	142,308.00	YES	YES	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 mentioned in log book
1	Bolero	YES	YES	YES	NO
2	Tractor	YES	YES	NO	NO
3	J.C.B	YES	YES	NO	NO
4	Tata Magic-3	YES	YES	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
2	Gyapank Number : 2120 Dated : 24.04.2019	Shortage of Drinking water within municipality area - Kind of steps taken by ULB to prevent this shortage.	Complied
3	Gyapank Number : 2412 Dated : 14.05.2019	Regarding Deposit of PF amount	Not Complied

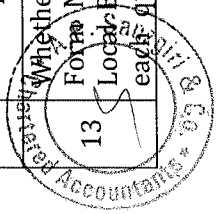


4	Gyapank Number : 1353 Dated : 28.05.2019	Direction regarding processing and disposal of "Solid waste management"	Complied
5	Patrank Number : 2960 Dated : 13.06.2019	Regarding Repair and Maintenance of Handpump	Complied
6	Gyapank Number : 1551 Dated : 24.06.2019	HFA	Complied
7	Gyapank No.- 1497; Dated- 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

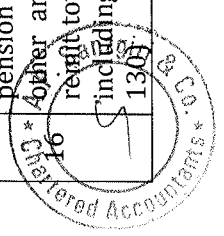
**(d) NON COMPLIANCE OF ACTS & RULES:**

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	<b>Refer point: Part-A (a) (2)</b> On an Average 4 to 76 days delayed and amount collected was in hand with Tax Collector.	( Refer Discussion Note)
2	Whether every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	BMAR Rule No.- 27	Yes, Tax collector and other municipal employees are entrusted to collect municipal revenue within municipality area.	
3	Whether the collection register was in the personal custody of the bill collector and the particulars in it 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;	
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 remits his collections (in cash and/or cheques) to Cashier daily before 4.30 PM and take the cashier's acknowledgment in the collection register.	BMAR Rule No.- 27	<b>Refer point: Part-A (a) (2)</b> The same rule did not followed by Tax Collector and on an average 4 to 76 days delayed found during which collected amount was in hand of Tax	( Refer Discussion Note)

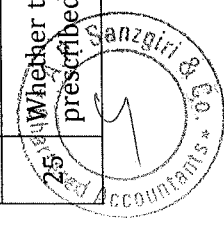
			Collector.	
6	Whether Grant Register as prescribed in BMAR Form 28 was maintained by the Municipality to record receipts and utilization of grants sanctioned by the Government.	BMAR Rule No.- 69	Yes, Grant Register has been maintained by ULB.	
7	Whether specific grants, which have certain conditions attached for utilizing such grants including the requirement to use it for capital purposes or use it in a particular proportion or manner. Usually such grants have requirements for submitting utilization certificates e.g. Finance Commission grant, SFC grant for specific purpose, namely, road repairs. It is the responsibility of the Chief Municipal Officer that the conditions attached to the grant are complied with without exception.	BMAR Rule No.- 69	Yes, Complied.	
8	Whether the grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.- 69	No irregularities were found.	
9	Whether the Utilization Certificate was signed by Chief Municipal Officer for verification of the financial outlays and physical progress reported on BMAR Form No 29.	BMAR Rule No.- 69	<b>Refer PART-B (8)</b> Yes, complete UC has been prepared.	<b>(Refer Discussion Note).</b>
10	Whether Municipality has returned unutilized grant for more than three years from date of receipt to the source from where such grant was received	BMAR Rule No.- 69	Earlier Period unutilized grant has been transferred by closing Account.	
11	Whether The Chief Municipal Officer prepare a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.	BMAR Rule No.- 120	Currently Receipt and Payment A/c has not been prepared by ULB.	Currently it is not prepared, However we will proceed further. <b>(Refer Discussion Note)</b>
12	Whether ULB prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	BMAR Rule No.- 121	Trial Balance has not been prepared.	ULB not following to prepare Trial Balance, Income & Expenditure on monthly basis. It will be prepare after implementation of double entry Accounting System.
13	Whether ULB sent the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each	BMAR Rule No.- 121	The ULB was not sending the Demand Statement in BMAR Form No. 23 and	<b>(Refer Discussion Note)</b>



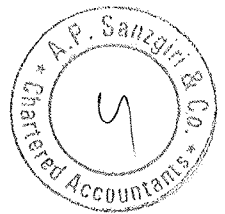
	quarter		Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter.	
14	<p>The Chief Municipal Officer shall, Within three months after the end of each financial year be prepared financial statements for the preceding year in respect of the accounts of the Municipality. <b>The Financial Statements shall comprise of</b></p> <p>a. Receipts and Payments Account for the year (BMAR Form No.71)</p> <p>b. Income &amp; 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>	BMAR Rule No.-122	Financial Statement has not been prepared by municipality.	ULB is not in practice to prepare Trial Balance, Income and Expenditure and Balance Sheet. It will be prepared after implementation of Double entry Accounting System.
15	Whether the municipality is regular in depositing statutory dues including Tax deducted at source, GST, TDS on GST, service tax, VAT, works contract tax, cess payable to the government etc. and If not, the nature and cause of such delay and the amount not deposited: (BMAR Rule No.-130)	BMAR Rule No.-130	<b>Refer PART-B (6)</b> Amount of statutory dues has not been deposited on due date. Like TDS should be deposited 7 <sup>th</sup> day of next month and same has been delayed.	<b>( Refer Discussion Note)</b>
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	<b>Refer PART-B (7)</b>	<b>( Refer Discussion Note)</b>



17	Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated in sufficient detail;	BMAR Rule No.-130	No Trial balance is prepared hence classification of transaction was not done.	(Refer Discussion Note)
18	Whether all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB? Whether such deductions have been properly accounted;	BMAR Rule No.-130	Yes, recorded properly in grant register as well as in cash book, but no case of deduction was found.	
19	Whether any Special Funds have been created as per the provision of any statute and whether the Special Funds have been utilized for the purposes for which they have been created;	BMAR Rule No.-130	No special fund created.	(Refer Discussion Note)
20	Whether the ULB is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;	BMAR Rule No.-130	Fixed assets register was prepared MS Sahani Bansal & Associates as on 01/04/2014. There is no system developed to physically verify the existing assets.	(Refer Discussion Note)
21	Whether in case of leasehold property given by the ULB, lease rentals are collected regularly by the ULB and that the lease agreements are renewed after their expiry;	BMAR Rule No.-130	Yes, Lease rental has been collected, but collection procedure is slow.	Necessary action will be taken to realise outstanding amount. (Refer Discussion Note)
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, There exist an adequate Internal control system in purchasing of Stores etc.	
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 properly prepared for all the bank accounts of the ULB and the remedial actions including all correcting entries have been taken on timely basis;	BMAR Rule No.-130	<b>Refer Point-04 (III)</b> No BRS of all existing bank a/chavenot been prepared.	(Refer Discussion Note)
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.-130	YES, Reconciliation Procedures have been carried out.	



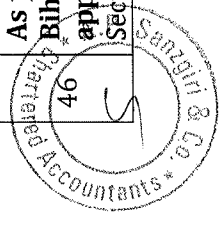
26	Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget. whether made originally or subsequently and in all cases such as are authorized by Act;	BMAR Rule No.- 130	YES. Expenditure has been authorised by competent authority.	
27	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis;	BMAR Rule No.- 130	<b>Refer-PART-A (a)(4)</b> Yes, Revenue has been properly assessed and collected but recovery procedure is slow.	<i>( Refer Discussion Note)</i>
28	Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act;	BMAR Rule No.- 130	<b>Refer-PART-A (a)(2)</b> Yes, amount due to and received by ULB have been brought in to books of accounts not within prescribed time limits.	<i>( Refer Discussion Note)</i>
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	<i>( Refer Discussion Note)</i>
30	Whether, proper books of account as required by the Act and Rules have been kept by the Municipality so far as it appears from examination of those books. (Rule-130 of BMAR-2014)	BMAR Rule No.- 130	<b>Refer-PART-B (a)</b> Books of Account are maintained except some Books of accounts.	<i>( Refer Discussion Note)</i>
31	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.	It will be followed by F.Y. 2019-20. <i>( Refer Discussion Note)</i>
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.	It is considered and will be followed as per rule.
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 did not maintained stock register properly and further periodical physical verification of stores also not carried out.	<i>( Refer Discussion Note)</i>



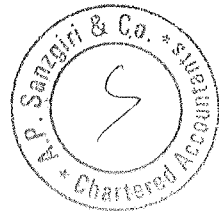
34	Whether the valuation of stores is in accordance with the accounting principles laid down in the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of such deviation, if material, should be reported;	BMAR Rule No.- 130	ULB did not follow the practice of valuation of stock.	<i>(Refer Discussion Note)</i>
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	No loan given during F.Y.2019-20,	ULB does not give any loan and advances. <i>(Refer Discussion Note)</i>
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.- 130	No loan given during F.Y.2019-20,	ULB does not give loan & advances to employees. <i>(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 has been prepared.	<i>(Refer Discussion Note)</i>
38	<b>Municipal Fund:</b> Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007: Chapter IX	The required fund has not been created as per said chapter of act.	<i>(Refer Discussion Note)</i>
39	<b>Payment not to be made out of Municipal Fund unless covered by budget grant:</b> Whether any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	No such case was found during Audit period.	
40	<b>Procedure when money not covered by budget grant is paid.</b> Whether the case is put up with Empowered Standing Committee, in case any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	<i>(Refer Discussion Note)</i>	<i>(Refer Discussion Note)</i>



41	<p><b>Investment of surplus money.</b> Whether municipality has invested surplus fund as per the requirement of the chapter-X of BMA-2007. Auditor will report on the fixed deposit and other funds should be in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period. Check whether comparative interest rate is invited from parties before investing surplus funds:</p>	No fund has been invested by ULB as investment.	ULB does not follow the practices of investing its surplus amount.
42	<p><b>Preparation of budget estimate of Municipality.</b> 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><b>Maintenance of accounts.</b>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>	Receipt and Expenditure A/c has not been prepared;	<i>( Refer Discussion Note)</i>
44	<p><b>Financial Statement.</b> Whether The Chief Municipal Officer shall, within four months of the close of a year, cause to prepare a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality,</p>	Financial Statement has not been prepared.	<i>( Refer Discussion Note)</i>
45	<p><b>Submission of financial statement and balance sheet to auditor.</b> The financial statement prepared under section 88 and the balance sheet of the assets and the liabilities prepared under section 89 shall be placed by the Chief Municipal Officer before the Empowered Standing Committee which, after examination of the same, shall adopt and remit them to the Auditor as may be appointed in this behalf by the State Government.</p>	Financial Statement has not been submitted.	<i>( Refer Discussion Note)</i>
46	<p><b>As per section 127, 128, 129 &amp; 131 of chapter XV Bihar Municipal Act,2007 various tax are applicable on ULBs</b> Section 145,146 and 147 of the Bihar Municipal Act</p>	. Refer PART-A-(4) for status of Taxes not Collecting by ULB	



	<p>2007 chapter XVII provides for Advertisement tax on Advertisement in Urban Areas. Chapter XVII of the Bihar municipal Act, 2007 required license of Advertisement of any holding, etc. As per act Every person who erects, exhibited, fixes or retain upon or over any land, building ,wall, boarding, frame, post, kiosk, structure, vehicle, neon-sign or sky sign any advertisement, or display any advertisement to public view in any manner whatsoever (including any advertisement exhibited by means of cinematograph).visible from a public street a public place in any location in a municipal area including airport or a port or a railway station ,shall pay or every advertisement, which is so erected ,exhibited, fixed or retained or so displayed to public view, a tax calculated at such rate as may be determined regulations. it requires payment of certain fee for advertisement.</p>			
47	<p>As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007,) Municipality shall, by regulations, provide for issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore,</p>	<p>BMA,2007: Chapter XIX</p>	<p><b>Refer-PART-A(a)(3)</b> Yes, Notice of demand issued but levy of Notice Fee is not followed currently.</p>	<p><b>( Refer Discussion Note)</b></p>
48	<p>As per section 342 of Bihar Municipal Act, 2007 Trade license fee is to be collected from different types of Trader, who are trading in Concerned Municipal area.</p>	<p>BMA,2007: Chapter XXXVII</p>	<p>Yes, Trade licence Fees have been collected.</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 every tax collector taken 4 to 76 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 be 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. So that the actual amount of expenditure from cash book could not be verified
- e. In respect of budget, realistic approach is not adopted by the ULB in preparation of budget.
- f. Appropriate staff is not appointed at appropriate place
- g. No MIS was prepared for tracking of payments.

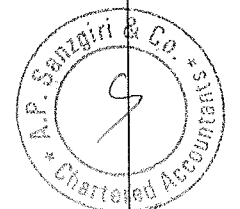
**( f ) NON-COMPLIANCE OF TDS, VAT AND OTHER RELEVANT STATUTE**

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

S.N	Name of Party	Invoice Value	Amount of deduction	Due date of deposit	Actual Date of deposit	Cheque / Challan Number
1	Sanjay kumarPalya	2,80,741.00	2,808.00	07.02.2020	Not Deposited Up to 31 <sup>st</sup> March 2020	
2	Sanjivkumar	18,81,919.00	18,819.00	07.02.2020		
3	Agargami public welfare	13,31,781.00	26,636.00	07.02.2020		
4	Agargami public welfare	8,90,118.00	17,802.00	07.02.2020		
5	Agargami public welfare	12,46,167.00	24,923.00	07.02.2020		
6	Tros consultancy service Pvt. ltd	1,80,900.00	18,090.00	07.02.2020		
7	Agargami public welfare	4,43,927.00	8,879.00	07.03.2020		
8	Agargami public welfare	2,96,706.00	5,934.00	07.03.2020		
9	Agargami public welfare	4,15,389.00	8,308.00	07.03.2020		
10	Anju Devi	7,48,045.00	7,480.00	07.03.2020		
11	Sanjay kumarBirra	7,51,127.00	7,511.00	07.03.2020		
12	Sanjay kumarBirra	4,25,350.00	4,254.00	07.03.2020		



13	Sunil kumarjhunathi	23,01,614.00	23,016.00	07.03.2020
14	Sunil kumarjhunathi	4,10,683.00	4,107.00	07.03.2020
15	Sanjay kumarBirra	24,14,507.00	24,145.00	31.03.2020
16	Saryukumar	9,66,501.00	9,665.00	31.03.2020
17	BrijKishor Sharma	17,49,826.00	17,498.00	31.03.2020
18	Lalankumar	9,66,804.00	9,668.00	31.03.2020
19	Sanjay kumarPalya	4,31,932.00	4,319.00	31.03.2020
20	BrijKishor Sharma	17,49,973.00	17,500.00	31.03.2020
21	Saryukumar	12,82,942.00	12,829.00	31.03.2020
22	Saryukumar	10,40,432.00	10,404.00	31.03.2020
23	Sanjay kumarBirra	17,37,129.00	17,371.00	31.03.2020
24	Sanjay kumarSaren	12,09,623.00	12,096.00	31.03.2020
25	Sanjay kumarSaren	7,75,451.00	7,755.00	31.03.2020
26	Rinku Devi	9,58,682.00	9,587.00	31.03.2020
27	Lalankumar	6,75,998.00	6,760.00	31.03.2020
28	Lalukumar Singh	2,16,757.00	2,168.00	31.03.2020
29	Lalukumar Singh	7,26,366.00	7,264.00	31.03.2020
30	Anju Devi	9,35,619.00	9,356.00	31.03.2020
31	NeetuSingh	15,07,356.00	15,074.00	31.03.2020
32	Lalukumar Singh	20,65,695.00	20,657.00	31.03.2020
33	Manju Devi	16,63,147.00	16,631.00	31.03.2020
34	Neetu Singh	7,45,250.00	7,453.00	31.03.2020
35	Anju Devi	11,97,047.00	11,970.00	31.03.2020
36	Manju Devi	21,75,856.00	21,759.00	31.03.2020
37	Agargami public welfare	4,43,927.00	8,879.00	31.03.2020
38	Agargami public	2,96,706.00	5,934.00	31.03.2020



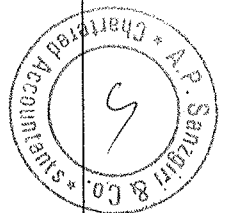
	welfare					
39	Agargami public welfare	2,96,706.00	5,934.00	31.03.2020		
40	Tros consultancy Pvt. Ltd	1,42,308.00	14,231.00	31.03.2020		
<b>Total</b>		<b>3,99,77,007.00</b>	<b>4,85,474.00</b>			

**2. DETAILS OF DELAY IN DEPOSIT OF VAT /GST ARE MENTIONED BELOW:**

S.N	Name of Party	Invoice Value	Amount of deduction	Due date of deposit	Actual Date of deposit	Cheque/Challan Number
<b>There is no liability for VAT /GST during F.Y 2019-20</b>						

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

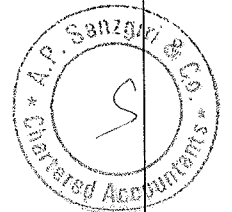
S.N	Name of Party	Invoice Value	Amount of deduction	Actual Date of deposit	Cheque/Challan Number
1	Sanjay kumarPalya	280,741.00	5,615.00	Not Deposited Till Audit Period	
2	Satyendra Yadav	638,632.00	12,773.00		
3	Satyendra Yadav	340,788.00	6,992.00		
4	Sanjivkumar	1,881,919.00	37,638.00		
5	Satyendra Yadav	511,816.00	10,236.00		
6	Anju Devi	748,045.00	14,961.00		
7	Satyendra Yadav	452,149.00	9,043.00		
8	Sanjay kumarBirra	751,127.00	15,023.00		
9	Sanjay kumarBirra	425,350.00	8,507.00		
10	Sunil kumarjhunathi	410,683.00	8,214.00		
11	Sanjay kumarBirra	2,414,507.00	48,290.00		
12	Saryukumar	966,501.00	19,330.00		
13	BrijKishor Sharma	1,749,826.00	34,997.00		
14	Lalankumar	966,804.00	19,336.00		
15	Sanjay kumarPalya	431,932.00	8,639.00		
16	BrijKishor Sharma	1,749,973.00	34,999.00		
17	Saryukumar	1,282,942.00	25,659.00		
18	Saryukumar	1,040,432.00	20,809.00		
19	Sanjay kumarBirra	1,737,129.00	34,743.00		
20	Sanjay kumarSaren	1,209,623.00	24,192.00		
21	Sanjay kumarSaren	775,451.00	15,509.00		



22	Rinku Devi	958,682.00	19,174.00		
23	Lalankumar	675,998.00	13,520.00		
24	Lalukumar Singh	216,757.00	4,335.00		
25	Lalukumar Singh	726,366.00	14,527.00		
26	Anju Devi	935,619.00	18,712.00		
27	NeetuSingh	1,507,356.00	30,147.00		
28	Lalukumar Singh	2,065,695.00	41,314.00		
29	Manju Devi	1,663,147.00	33,263.00		
30	Neetu Singh	745,250.00	14,905.00		
31	Anju Devi	1,197,047.00	23,941.00		
32	Manju Devi	2,175,856.00	43,517.00		
<b>Total</b>		<b>3,36,34,143.00</b>	<b>6,72,860.00</b>	-	

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

S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/Challan Number
1	Sanjay kumarPalya	280,741.00	2,808.00	Not Deposited Till Audit Period	
2	Satyendra Yadav	638,632.00	6,386.00		
3	Satyendra Yadav	340,788.00	3,496.00		
4	Sanjivkumar	1,881,919.00	18,819.00		
5	Satyendra Yadav	511,816.00	5,118.00		
6	Anju Devi	748,045.00	7,480.00		
7	Satyendra Yadav	452,149.00	4,522.00		
8	Sanjay kumarBirra	751,127.00	7,511.00		
9	Sanjay kumarBirra	425,350.00	4,254.00		
10	Sunil kumarjhunathi	2,301,614.00	23,016.00		
11	Sunil kumarjhunathi	410,683.00	4,107.00		
12	Sanjay kumarBirra	2,414,507.00	24,145.00		
13	Saryukumar	966,501.00	9,665.00		
14	BrijKishor Sharma	1,749,826.00	17,498.00		
15	Lalankumar	966,804.00	9,668.00		
16	Sanjay kumarPalya	431,932.00	4,319.00		
17	BrijKishor Sharma	1,749,973.00	17,500.00		



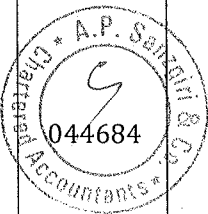
18	Saryukumar	1,282,942.00	12,829.00		
19	Saryukumar	1,040,432.00	10,404.00		
20	Sanjay kumarBirra	1,737,129.00	17,371.00		
21	Sanjay kumarSaren	1,209,623.00	12,096.00		
22	Sanjay kumarSaren	775,451.00	7,755.00		
23	Rinku Devi	958,682.00	9,587.00		
24	Lalankumar	675,998.00	6,760.00		
25	Lalukumar Singh	216,757.00	2,168.00		
26	Lalukumar Singh	726,366.00	7,264.00		
27	Anju Devi	935,619.00	9,356.00		
28	NeetuSingh	1,507,356.00	15,074.00		
29	Lalukumar Singh	2,065,695.00	20,657.00		
30	Manju Devi	1,663,147.00	16,631.00		
31	Neetu Singh	745,250.00	7,453.00		
32	Anju Devi	1,197,047.00	11,970.00		
33	Manju Devi	2,175,856.00	21,759.00		
<b>TOTAL</b>		<b>3,59,35,757.00</b>	<b>3,59,446.00</b>		

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

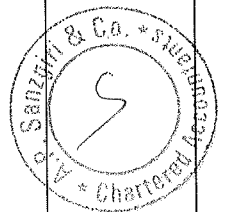
**Consequences of Non deposition of TDS on due date:** ULB may suffer following consequences;

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

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

S.N	Name of Party	Invoice Value	Amount of deduction		Date of deposit	Cheque/ Challan Number
			CGST	SGST		
1	Sanjay kumarPalya	280,741.00	2,808.00	2,808.00	06.02.2020	
2	Sanjivkumar	1,881,919.00	18,819.00	18,819.00		
3	Agargami public welfare	1,331,781.00	13,318.00	13,318.00		
4	Agargami public welfare	890,118.00	8,901.00	8,901.00		
5	Agargami public welfare	1,246,167.00	12,462.00	12,462.00		

6	Tros consultancy service Pvt. ltd	180,900.00	1,809.00	1,809.00		
7	Agargami public welfare	443,927.00	4,439.00	4,439.00	07.03.2020	044865
8	Agargami public welfare	296,706.00	2,967.00	2,967.00		
9	Agargami public welfare	415,389.00	4,154.00	4,154.00		
10	Anju Devi	748,045.00	7,480.00	7,480.00		
11	Sanjay kumarBirra	751,127.00	7,511.00	7,511.00		
12	Sanjay kumarBirra	425,350.00	4,254.00	4,254.00		
13	Sunil kumarjhunathi	2,301,614.00	23,016.00	23,016.00		
14	Sunil kumarjhunathi	410,683.00	4,107.00	4,107.00		
15	Sanjay kumarBirra	2,414,507.00	24,145.00	24,145.00		
16	Saryukumar	966,501.00	9,665.00	9,665.00		
17	BrijKishor Sharma	1,749,826.00	17,498.00	17,498.00		
18	Lalankumar	966,804.00	9,668.00	9,668.00		
19	Sanjay kumarPalya	431,932.00	4,319.00	4,319.00		
20	BrijKishor Sharma	1,749,973.00	17,500.00	17,500.00		
21	Saryukumar	1,282,942.00	12,829.00	12,829.00		
22	Saryukumar	1,040,432.00	10,404.00	10,404.00		
23	Sanjay kumarBirra	1,737,129.00	17,371.00	17,371.00		
24	Sanjay kumarSaren	1,209,623.00	12,096.00	12,096.00		
25	Sanjay kumarSaren	775,451.00	7,755.00	7,755.00		
26	Rinku Devi	958,682.00	9,587.00	9,587.00		
27	Lalankumar	675,998.00	6,760.00	6,760.00		
28	Lalukumar Singh	216,757.00	2,168.00	2,168.00		
29	Lalukumar Singh	726,366.00	7,264.00	7,264.00		
30	Anju Devi	935,619.00	9,356.00	9,356.00		
31	NeetuSingh	1,507,356.00	15,074.00	15,074.00		
32	Lalukumar Singh	2,065,695.00	20,657.00	20,657.00		
33	Manju Devi	1,663,147.00	16,631.00	16,631.00		
34	Neetu Singh	745,250.00	7,453.00	7,453.00		
35	Anju Devi	1,197,047.00	11,970.00	11,970.00		
36	Manju Devi	2,175,856.00	21,759.00	21,759.00		



37	Agargami public welfare	443,927.00	4,439.00	4,439.00		
38	Agargami public welfare	296,706.00	2,967.00	2,967.00		
39	Agargami public welfare	296,706.00	2,967.00	2,967.00		
40	Tros consultancy Pvt. Ltd	142,308.00	1,423.00	1,423.00		
41	Satyendra Yadav	638,632.00	6,386.00	6,386.00		
42	Satyendra Yadav	340,788.00	3,496.00	3,496.00		
43	Satyendra Yadav	511,816.00	5,118.00	5,118.00		
44	Satyendra Yadav	452,149.00	4,522.00	4,522.00		
<b>Total</b>		<b>4,19,20,392.00</b>	<b>4,19,292.00</b>	<b>4,19,292.00</b>		

**6. DETAILS OF TDS RETURNS FILLED ARE MENTIONED BELOW:**

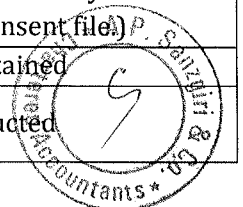
S.N	Quarter	Due date of Return	Actual date of Return filled	Remark
01	1st quarter	31.07.2019	Not Filled	Return not filed on due date.
02	2nd quarter	31.10.2019	31.10.2019	Filled
03	3rd quarter	31.01.2020	31.01.2020	Filled
04	4th quarter	31.07.2020	Not Filled	Return not filed on due date.

**7. DETAILS OF TDS ON GST RETURNS FILLED ARE MENTIONED BELOW:**

S.N	Quarter/month	Due date of Return	Actual date of Return filled	Remark
1	April-2019	07.05.2019	16.06.2019	Return not filed on due dates.
2	May-2019	07.06.2019	16.06.2019	
3	June-2019	07.07.2019	07.07.2019	Filled on due dates.
4	July-2019	07.08.2019	02.10.2019	Return not filed on due date
5	August-2019	07.09.2019		
6	September-2019	07.10.2019	19.10.2019	
7	October-2019	07.11.2019	24.12.2019	Return not filed on due date
8	November-2019	07.12.2019		
9	December-2019	07.01.2020		
10	January-2020	07.02.2020	06.02.2020	Filled on due dates
11	February-2020	07.03.2020	07.03.2020	
12	March-2020	07.04.2020	Not Filled	Not filed

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

SN	Particulars	Comments
1	Status of maintenance of salary register for all employees (Permanent/Daily wages/Contract worker)	Not Maintained
2	Non availability of Salary payment voucher	Not Available
3	Matching of voucher number with cash book	Not Matched with cash book
4	Salary register contains all elements of salary	Maintained (Salary Register is not Maintain but contains of salary elements maintain by consent file)
5	Maintenance of Salary Deduction register	Not Maintained
6	Whether deduction of PF/ESI made from contract employee	Not deducted



7	Whether biometric devices and payroll software is implemented in ULB. If Yes, then is it integrated with accounting software	Not implemented
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**DETAILS OF DELAY OF DEPOSIT OF EPF:**

**Permanent Employee:** During audit of Panchayat we have observed that no amount of PF has been deposited to EPFO A/C on or before due date in most of cases during the financial year 2019-2020.

Month Of Deduction	Total Amount of PF Deduction	Due date of deposit	Amount Deposited	Actual Date of deposition	Delay in deposition ( in days)
March-19	1,10,987.00	15.04.2019	1,10,987.00	02.08.2019	139
April - 19		15.05.2019			109
May - 19		15.06.2019			79
June - 19		15.07.2019			49
July-2019	63,508.00	15.08.2019	63,508.00	07.09.2019	22
August-2019		15.09.2019			-
September-2019	31,754.00	15.10.2019	31,754.00	22.10.2019	07
October-19	63,508.00	15.11.2019	63,508.00	05.12.2019	20
November-19		15.12.2019			-
December-19	63,508.00	15.01..2020	63,508.00	05.02.2020	20
January-20	63,508.00	15.02..2020	63,508.00	05.02.2020	-
February-20	31,754.00	15.03..2020	31,754.00	18.03.2020	3
March-20		15.04..2020			

**Note: PF deducted on Gross salary, PF deposited into Bank only relating with Permanent Employee, Employer Contribution not deposited till now. (Refer Discussion Note)**

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

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

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

(j) **ADVANCES, THEIR ADJUSTMENT & RECOVERY** Refer point 35-36 PART-B (d), ULB did not give loan/ advance, hence there are no case of adjustment and recovery.

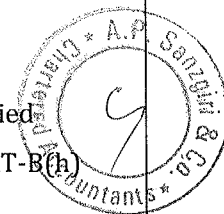
**(Refer Discussion Note)**

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



III. PART-C

SN	Particulars	Complied or Not
A	Auditor should report in a separate section for non-compliance of rules/directives of UD&HD, GoB; Auditor should see the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD.	Complied Refer-PART-B(c)
B	Auditor should Report in a separate chapter on implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment procedures to check any in-consistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actuals as per internal audits;	Complied Refer-PART-A(c)
C	Auditor should report on compliance of Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR :	Complied Refer-PART-B(d)
	<b>Rule 22:</b> All moneys to be brought to account	
	<b>Rule 27:</b> Collections to be deposited into Bank on the same day	
	<b>Rule 69:</b> Grant Related Compliance	
	<b>Rule 120-121:</b> Monthly Receipt & Payment Account and Trial Balance	
	<b>Rule 130:</b> Audit to be completed & reported within 6 month	
D	Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, GoB.	Complied Refer-PART-B(c)
E	Report and quantify all major own revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairatetc;	Complied Refer-PART-A(a)
F	Auditor should Report on adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments above Rs. 10,000 and above.	Complied Refer-PART-B(b)
G	Auditor should Report on Procurement made including through E-Tendering and E-Auction indicating exceptions, if any and whether a register is kept for all Procurements with value above Rs. 15,000/-	Complied Refer-PART-B(b)
H	Auditor should Report on presence or absence of a system of issuance of utilisation certificate for the different schemes for any utilisation 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(b)



I	Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	Complied Refer-Audit Recommendation
J	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies.	Complied Refer-PART-B(b)
K	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies	Complied Refer-PART-B(b)
L	Auditor will report on that the fixed deposit and other funds should be in nationalized. Banks/Approved financial institutions and should earn maximum interest at their gestation period.	Complied Refer-PART-B(d)
M	Internal Auditor will identify major areas of ULBs own revenue loss and auditor will access the loss and Prepare a statement of loss.	Complied Refer-PART-A(a)
N	Auditor will report on that all kind of tax deductions i.e. Commercial tax, Income tax, provident fund etc. Should be deducted from the payments as applicable, deposited properly and also should be properly recorded in appropriate ledgers.	Complied Refer-PART-B(f)
O	Internal Auditor will ensure that all the C&AG audit & Internal audit Paras was compiled by the ULBs, if not complied the Internal Auditor shall help the ULBs staffs to prepare the compliance report.	Complied Point-03 of Detailed Audit Report



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

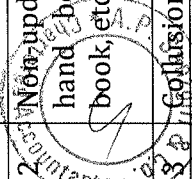
**RISK ASSESSMENT**

Name of the ULB: Nagar Panchayat Makhdumpur

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

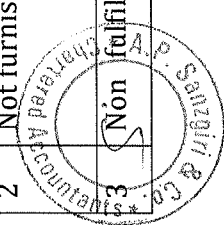
**RECEIPT AND BANKING**

1	Error in collections, loss of receipts and perpetrated frauds	H	NO	NO	YES	It will be rectify very soon in near future	It is recommended that <ul style="list-style-type: none"> <li>➤ Collection must be in timely manner ;</li> <li>➤ Amount collected must be deposited without making any delay;</li> <li>➤ And Regular check by competent authority to mitigate any type of fraud in this regard.</li> </ul>
2	Non-updating various register like hand book, DCB register, cash book, etc.	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.
	Collusion with the citizen and the	NA	NO	NO	NO		

Chartered Accountants  
  
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4	Collusion with Contractor	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Perpetrated Fraud (Like Payment more than one time on same bill)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Non-updating various register like workregister, MB, bill register, Fixed Assetsregister, Service book/record, advanceregister, etc.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
7	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>PROCUREMENT AND INVENTORY</b>											
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication/ Procedural 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
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 likes store register, issue register, bill register with payment fig, advance register, etc.	M	NA	YES	NA	NA	NA	NA	It will be maintained.	It is recommended to maintain the same and it should be cross checked on regular interval by competent authority to mitigate fraud.	NA
7	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>GRANT AND LOANS AND UTILIZATION THEREOF</b>											
1	Not utilization of grant or grant unspent	M						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
2	Not furnishing of UC	H						YES	It will be submitted.	UC must be furnished on time as per specified guidelines and format.	NA
3	Non fulfillment of condition part	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

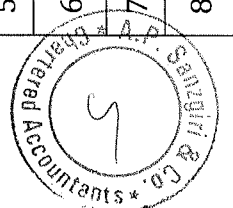




3	Non-adjustment of loan or advance during the year	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with employee/party to release advance/loan beyond authority	NA	NA	NA	NA	NA	NA	NA	NA
5	Advance/loan not account for	NA	NA	NA	NA	NA	NA	NA	NA
6	Non-updating various register like Loan & advance, Bank book, cash book,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

**LIST OF IMPORTANT REGISTERS**

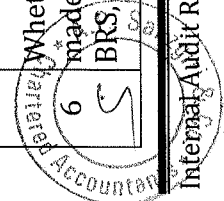
1	NAME OF THE ULB	Nagar Panchayat Makhdumpur							
2	RISK RATING:	HIGH							
3	CAG OBSERVATIONS STATUS	COMPLIANCE REPORT NOT SUBMITTED							
SN	Particulars	Audit Observation	Associates Risk	Management Comment	Status (Resolved or not)				
1	Cash Book	Maintained	NA	NA	NA				
2	Ledger	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved				
3	Journal	Not Maintained	HIGH	Will be maintained from upcoming year.					
4	Register for Journal/Magazines/Newspapers	Not Maintained	HIGH	Will be maintained from upcoming year.					
5	Register for Temporary Advances	Not Maintained	HIGH	Will be maintained from upcoming year.	NA				
6	Register of Money Orders/Bank Draft Received	Maintained	NA	NA					
7	Cheque Issue Register	Maintained	NA	NA	NA				
8	Register of Remittances made into bank	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved				



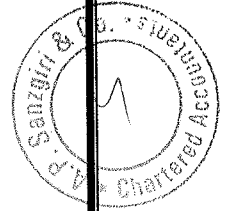
9	Bank Passbook	Maintained	NA	NA	NA	NA
10	Register of Bank drafts dispatched	Maintained	NA	NA	NA	NA
11	Bill Register	Maintained	NA	NA	NA	NA
12	Establishment Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved	Not Resolved
13	Stock Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved	Not Resolved
14	Capital Goods/ Consumable articles, non-consumable articles	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved	Not Resolved
15	Statutory Deduction Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved	Not Resolved
16	Fixed Assets Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved	Not Resolved
17	Grant Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved	Not Resolved
18	Scheme Register	Maintained	NA	NA	NA	NA
19	Monthly accounts of Receipts/ Payments	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved	Not Resolved
20	Temporary Advances Register for Staff, Customers/ supplier/VEC and TA/DA Advance	Not Maintained	NA	NA	Not Practice	Not Practice
21	Dispatch Register	Maintained	NA	NA	NA	NA
22	File Register	Not Maintained	HIGH	Will be maintained from upcoming year	NA	NA
23	Any other (Name of the register)	NA	NA	NA	NA	NA



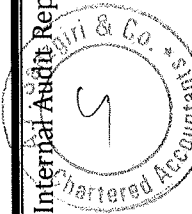
CASH AND BANK						
Name of the ULB		Nagar Panchayat Makhdumpur				
RISK RATING:		HIGH				
CAG OBSERVATIONS STATUS		COMPLIANCE REPORT NOT SUBMITTED				
PERIOD:		F.Y. 2019-20				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Check whether there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


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

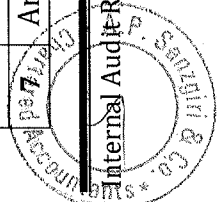


<b>PUBLIC WORKS</b>						
	<b>NAME OF THE ULB</b>	Nagar Panchayat Makhdumpur				
	<b>RISK RATING:</b>	HIGH				
	<b>CAG OBSERVATIONS STATUS</b>	COMPLIANCE REPORT NOT SUBMITTED				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether bill has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





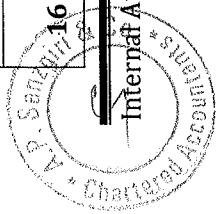
Nagar Panchayat Makhdumpur						
COMPLIANCE REPORT NOT SUBMITTED						
HIGH						
CAG OBSERVATIONS STATUS						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether Opening Balance & Closing Balance was worked out or not,	Yes	NA	NA	NA	NA
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 & Payment 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.	Audit is done after March, 2020 hence we cannot comment on it.	NA	NA	NA	NA
4	Whether there is any clerical error (casting or/and posting error, etc) or not	Yes such instances found	NA	HIGH	Such clerical error Rectified as soon possible.	yes
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.	NA	LOW	We will put the matter before board and follow accordingly.	No
	Any Other	NA	NA	NA	NA	NA



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

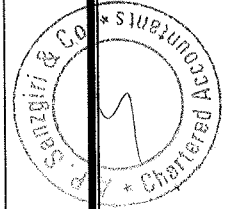


7	Whether all collections made during the day are account for & banked on next working day or there is any teaming & lading,	No, There is gap between collection and deposit of money in to bank. Kindly also refer Annexure-1 attached with this report	NA	High	We will follow Bihar Municipal Act now onwards.	No
8	Whether no any collection are directly expended without prior approval,	No such instances found during the audit.	NA	NA	NA	NA
9	Whether collections are made by all the holding fall under the same TC or Civics Centre	No such type of records is maintained at ULB Level.	NA	Medium	Due to shortage of human resources it is not possible in spite of this we will implement it from now.	No
10	Whether government share of collections (like Education Cess & Health Cess) are properly & timely deposited in its own account, (if applicable)	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	Medium	We will look in to this.	No
12	Whether penalty (@2% P.M/ 1.5%) has been duly charged on late payment.	We have checked transactions on random basis and it is found that Interest 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,	No	NA	Medium	We will look in to this	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.	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
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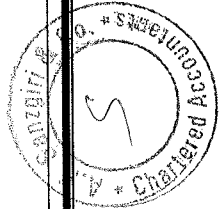
<b>DEMAND</b>						
	<b>NAME OF THE ULB</b>	<b>Nagar Panchayat Makhdumpur</b>				
	<b>RISK RATING:</b>	HIGH				
	<b>NAME OF TAX COLLECTOR</b>					
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Ensure whether closing balance of previous year is accurately brought forward,	Yes, brought accurately from previous year to current year.	NA	NA	NA	NA
2	Whether determination of demand is on manual or computerized way, & it would be as per updated rules, regulation, guidelines & other required details for proper calculation,	Manual cum computerized. As per requirement.	NA	NA	NA	NA
3	Whether data for calculation is correct & properly verified by appropriate authority/ Internal Auditor by way of physical survey,	It is found that for calculation of property tax, area of property or use of property, is on the basis of physical survey.	NA	NA	NA	NA
4	Whether revision of valuation of holding properly made after specified period	ULB not revised its valuation method after specified period. As a results of this ULB suffering revenue loss for not revising method of valuation.	NA	High	We will look in to this matter.	No



5	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	Yes, in case of taxes remission/discount is given to households but there is no mechanism to trace that this refund or remission was given after duly sanction or without section.	NA	NA	NA	NA
6	Ensure whether there is any clerical error in calculation,	We have checked some cases on random and such instances not found.	NA	NA	NA	NA
7	Whether demand register in prescribed format is maintained or not,	Not Maintained	NA	Medium	NA	No
8	Whether persons involve in calculation/collection have knowledge of their responsibility.	Yes, but they do not have knowledge of BMAM and BMAR	NA	NA	NA	No
9	Whether there is proper distribution of responsibility for calculation, recovery & update of register for demand, so that no single person have control on two or process at the same time,	These activities are done by one person at ULB.	NA	High	NA	No
10	Whether there is any under/no assessment,	No such case observed	NA	NA	NA	NA
11	Whether there is appropriate measures( As Per section 155 & 158 of BMA, 2007) are adopted for recovery of Government/bid dues,	No such evidence of recovery of Gov. dues provided by ULB	NA	Medium	NA	No
12	Whether notice for demand has been made in prescribed format (As Per BMAR) & as per rules & regulations,	We found ULB is not in a regular practice to send notice of demand to concerned property holder to recover dues from them.	NA	High	NA	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	NA	NA	NA	NA

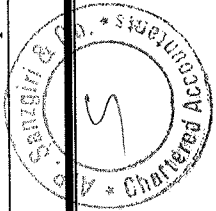
		Interest is charged.				
14	Whether Demand, Collection & Balance Register has been prepared on daily basis for all receipts or not, & it would be authorized by proper authority or not,	Demand, Collection and Balance register is not maintained by the ULB.	NA	High	Due to lack of staff, it is difficult 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 Not 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						
Nagar Panchayat Makhdumpur						
NAME OF THE ULB						
RISK RATING:						
HIGH						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether establishment expenditure is sanction by Authorized person & it has been within sanctioned limit,	Yes, it has been authorized by appropriate person within limit.	NA	NA	NA	NA
2	Whether service log book has been maintained & up to date or not,	It is not produced before us during audit.	NA	NA	We did not maintained, however same will be maintained from	No

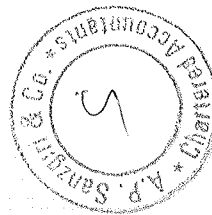




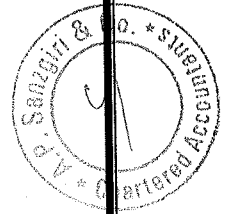
10	Whether the bill prepared according to sanctioned scale,	Yes	NA	NA	NA	NA
11	Whether no any payment is made to employee whose service retired in any Manner	No such instances found	NA	NA	NA	NA
12	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	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	Low	Salary Bill will be prepared from now.	No
20	Check Retirement benefit to employee	Yes, such instances found	NA	NA	NA	NA



21	Personnel Appointments and to see whether all records are updated from time to time.	Yes	NA	NA	NA	NA
22	Dismissal and Resignation/ Termination	No Such case found.	NA	NA	NA	NA
23	Temporary workers	Yes	NA	NA	NA	NA
24	Overtime	No Such case found	NA	NA	NA	NA
25	Attendance Register To check number of persons mentioned in the attendance register tally with the sanctioned strength of a unit.	Checked and found ok	NA	NA	NA	NA
25	Personnel Files	Not produced before us during audit	NA	NA	NA	NA
27	Training of employees(including development Levy)	No such practice at ULB	NA	Medium	Training for capacity building of employees will be implemented.	No
28	Leave Register - To check whether a leave register is maintained as per types of leave as medical Leave/CL/EL/maternity/paternity leave.	Only Attendance register is maintained	NA	Medium	Registers of medical Leave/CL/EL/mat ernity/paternity leave will be maintained.	No

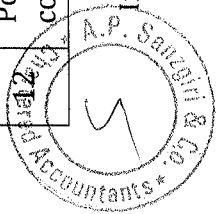


GRANT						
Nagar Panchayat Makhdumpur						
NAME OF THE ULB	HIGH					
RISK RATING:	HIGH					
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Maintenance/Update registers regarding detail of funds received and expenditure.	Grant register maintained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



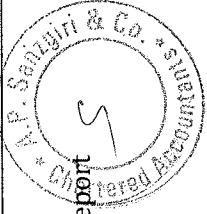
**PAYMENT OF BILLS OF CONTRACTORS**

Nagar Panchayat Makhdumpur						
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
	Position of outstanding advances paid to suppliers/ contractors.	NA	NA	NA	NA	



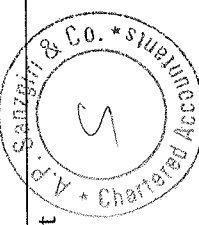
Internal Audit Report

RECEIPT VOUCHER						
NAME OF THE ULB		Nagar Panchayat Makhdumpur				
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 printed Computerized	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	No,	NA	NA	NA	NA

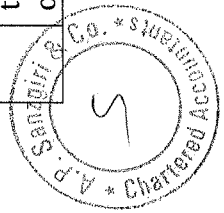


10	Check whether TC have same "Receipt Voucher" which was actually issued by store & it must be authorized by the appropriate authority.	No ,issue Receipt Voucher to TC	NA	NA	NA	NA
11	Check that there should be proper recording at each stage (where authority has been changed) of log book/ register for issue/receipt of "Receipt Vouchers",	Yes, the same has been maintained.	NA	NA	NA	NA
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
13	Verify that any cancelled vouchers have in both original & carbon copy,	Yes.	NA	NA	NA	NA
14	Verify whether reversible carbon has been used during receipt.	Yes	NA	NA	NA	NA
<b>Other Revenue</b>						
1	Advertisement Tax	ULB has outstanding balance to recover and recovery procedure followed is slow	NA	High	We will implement necessary step for recovery very soon	No
2	Tower Tax	ULB has huge outstanding balance to recover and recovery procedure followed is slow	27.51 Lakh	High	We will implement necessary step for recovery very soon	No
3	Professional Tax	NA	NA	NA	NA	NA
4	Assigned Revenue (As details annexed)	NA	NA	NA	NA	NA
5	Rental Charges (As details annexed)	NA.	NA	NA	NA	NA
6	Fee & uses Charges (As details annexed)	NA	NA	NA	NA	NA
7	Other Revenue Items	NA	NA	NA	NA	NA

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



	bill),							
18	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	No such type of cases observed during period of Audit.	NA	NA	NA	NA	NA	NA
19	Whether all statutory deduction or adjustment has been made before payment,	Yes, payment has been made after deduction and adjustment.	NA	NA	NA	NA	NA	NA
20	Whether entry of any event during service has been made in service book by authorized person.	No	NA	NA	NA	NA	NA	NA

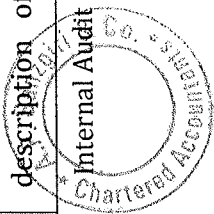
**STATUTORY REQUIREMENT**

NAME OF THE ULB		Nagar Panchayat Makhdumpur						
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 not deposited on timely basis as prescribed in Law.	NA	High	Ok, we will deposit on timely basis from next time.	No		
3	Whether regulatory requirement for submission of Return has been followed,	No. 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		



Internal Audit Report

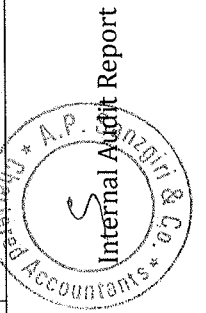
5	Verify whether in case of "through rate" contract, there is no any payment for material, etc by the ULB	Yes no deviation found	NA	NA	NA	NA	NA
6	Any demand is outstanding from regulatory authority for non compliance	No notice of demand found in ULB.	NA	NA	NA	NA	NA
<b>TENDER DETAILS</b>							
<b>Nagar Panchayat Makhdumpur</b>							
<b>RISK RATING:</b>							
<b>HIGH</b>							
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)	
1	To check whether the provisions contained in Tender Advertisement for procurement were followed in award of contracts.	Yes, there is no deviation found	NA	NA	NA	NA	
2	To check that the time/date of receipt and opening of tenders was properly incorporated in the tender documents.	Yes	NA	NA	NA	NA	
3	The important guidelines relating to earnest money, delivery schedule, payment terms, performance warranty / guarantee, inspection, arbitration, liquidated damages/penalty for delayed supplies, purchase on risk and cost were incorporated in the tender documents for safeguarding the interest of corporation.	Yes	NA	NA	NA	NA	
4	The purchase proposal was approved by the competent authority as per delegation of powers	Yes	NA	NA	NA	NA	
5	Indent for purchase indicates the details of quantity required, last purchase rate, period for which stores are needed and name of consignee.	Yes	NA	NA	NA	NA	
6	Approval of mode of procurement	Yes	NA	NA	NA	NA	
7	The tender documents are prepared properly and description of items to be procured, quantity and	Yes	NA	NA	NA	NA	



	estimated value should be indicated.							
8	To check whether the direction were followed for notification/advertising and opening of bids at notified date, time and place in the presence of bidders.	Yes, direction in this regard followed by ULB	NA	NA	NA	NA	NA	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



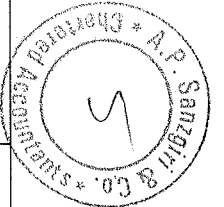
VEHICLE LOG BOOK						
Nagar Panchayat Makhdumpur						
HIGH						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
	<b>NAME OF THE ULB</b>					
	<b>RISK RATING:</b>					
1	Whether logbook has maintained or not & up to date with proper details like journeys, work undertaken, covering root, visited place, kilometer, etc.	Log book is not properly maintained and updated.	NA	High	We have given instruction to follow.	No
2	Whether logbook of journey is maintained in detail & signed by the officials using them,	No	NA	High	We have given instruction to follow.	No
3	Whether it should be used for official purpose, otherwise charges are recoverable.	Yes	NA	NA	NA	NA
4	Whether details of fuel for the same has been maintained in log book,	No	NA	High	We have given instruction to follow.	No
5	Whether full details of repairs has been maintained & it have been through authorized center	No	NA	High	We have given instruction to follow.	No
6	Whether authorized person have proper check over log books	Yes	NA	NA	NA	NA



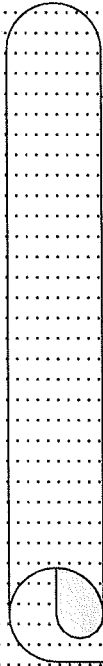
<b>FIXED ASSETS</b>							
<b>Nagar Panchayat Makhdumpur</b>							
<b>HIGH</b>							
<b>S.N</b>	<b>NAME OF THE ULB</b>	<b>Particulars</b>	<b>Audit Observation</b>	<b>Amt. Involved</b>	<b>Associates Risk</b>	<b>Management Comment</b>	<b>Status (Resolved /Not)</b>
1		Status on Maintenance of Fixed Assets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



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

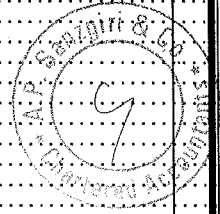


**H INADEQUATE MONITORING OF TAX DEDUCTED AT SOURCE AND AS DEPOSITED**



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

We will deposit on prescribed due date from next time.



**Implication/ Risk**

HIGH

**Recommendation**

**Management Comments**

Person Responsible:

Timeless:

INTERNAL AUDIT FOR FY 2019-20,

ULB – NAGAR PANGHAYAT MAKHDUMPUR

Annexure -1

Details of Late deposit of property tax

S. N	Serial Number		Amount of Tax	Date of Collection as per Receipts Book	Amount Deposited with Cashier	Delay in deposit with cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To						
1	84	89	9,331.00	03.01.2020-07.01.2020	13,192.00	0	27.01.2020	20-24
2	90	94	2,098.00	08.01.2020-10.01.2020				17-19
3	95	100	1,700.00	13.01.2020				14
4	501	506	5,511.00	16.01.2020-18.01.2020	988.00	0	02.03.2020	43-45
5	507	511	2,744.00	20.01.2020 - 21.01.2020	11,213.00	0	06.02.2020	16-17
6	512	515	3,946.00	23.01.2020-27.01.2020				10-14
7	516	519	3,056.00	28.01.2020	7,559.00	0	27.02.2020	30
8	520	523	4,503.00	29.01.2020				29
9	525	531	9,151.00	03.02.2020-04.02.2020	14,172.00	0	05.03.2020	30-31
10	532	534	2,242.00	05.02.2020-07.02.2020				27-29
11	535	536	699.00	10.02.2020				24
12	537	539	2,080.00	15.02.2020-17.02.2020				17-19
13	540	543	4,368.00	18.02.2020-20.02.2020	14,496.00	0	16.03.2020	25-27
14	544	550	6,348.00	22.02.2020-26.02.2020				19-23
15	551	553	3,780.00	28.02.2020-29.02.2020				16-17
16	554	560	7,448.00	02.03.2020-05.03.2020	19,652.00	0	19.03.2020	14-17
17	561	568	12,204.00	06.03.2020-15.03.2020				04-13
18	569	579	29,178.00	16.03.2020-17.03.2020	33,144.00	0	26.05.2020	71-72
19	580	584	3,966.00	18.03.2020				70
20	585	586	6,988.00	19.03.2020-20.03.2020	6,988.00	0	08.06.2020	80-81
21	639	642	3,772.00	03.01.2020-11.01.2020	15,074.00	0	03.02.2020	23-31
22	643	650	4,280.00	13.01.2020-15.01.2020				19-21
23	651	655	7,022.00	16.01.2020-25.01.2020				09-18
24	656	662	6,312.00	01.02.2020-05.02.2020	16072.00	0	28.02.2020	23-27
25	663	668	5,488.00	06.02.2020-15.02.2020				13-22
26	669	672	4,272.00	17.02.2020-18.02.2020				10-11
27	673	676	2,201.00	19.02.2020	11823.00	0	06.03.2020	16
28	677	686	9,622.00	22.02.2020-29.02.2020				06-13



INTERNAL AUDIT FOR FY 2019-20,

ULB – NAGAR PANGHAYAT MAKHDUMPUR

Annexure -1

Details of Late deposit of property tax

29	687	690	5,392.00	02.03.2020-05.03.2020	25000.00	0	20.03.2020	15-18
30	691	697	8,287.00	13.03.2020				07
31	801	807	24,066.00	18.03.2020-19.03.2020	24317.00	0	04.06.2020	74-75
32	808	812	11,572.00	20.03.2020				76

**\*\* NOTE: The above amount has been directly deposited into bank by Tax collector due to non-maintenance of cashier cash book.**



INTERNAL AUDIT FOR FY 2019-20

ULB – NAGAR PANGHAYAT MAKHDUMPUR

Annexure - 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		Area			Tax Amount			Remarks
				As per tax Collector	As per Auditor	As per Tax Collector	As per Auditor	Diff	As per Tax Collector	As per Auditor	Diff.	
1	Suryadev Prasad refer hospital	6	288	Residential	other	72000	72000	-	42768	85536	(42768)	-
2	Vidyut shakti centre	6	269	Residential	other	41625	41625	-	31469	31469	0	-
3	Anchal quarter	6	271	other	Residential	14700	14700	-	5544	5557	(13)	-
4	Biskoman Bhavan	6	260	Commercial	other	6952	6952	-	2627	1877	750	-
5	Pampi Sharma	6	39	Commercial	Commercial	19780	19780	-	45573	45573	-	-
6	E kishan Bhavan	6	287	other	other	12000	12000	-	9072	9072	-	-
7	Makhdumpur Thana	7	501	Commercial	other	10296	10296	-	17791	12232	5559	-
8	Middle school Makhdumpur	7	505	Commercial	other	36600	36600	-	62726	43124	19602	-
9	Pappu kumar	7	507	Commercial	Commercial	5700	5700	-	13132	9028	4104	-
10	Kanya high school	7	506	Commercial.	other.	2100	2100	-	3628	2495	1133	-



11	Bank of India	7	500	Commercial.	2400	2400	-	5529	1900	3629	-
12	Post office	7	499	Commercial	1500	1500		3456	1782	1674	-
13	Amresh Kumar	6	34	other	13000	13000	-	6552	3744	2808	-
14	State bank of india	7	497	Resi. Cum Comm.	9000	9000		14256	14256	-	-
15	Shyam Bihari Prasad	11	326	Commercial	2250	2250		5184	3564	1620	-
16	Shri kant kumar	11	308	Other	4200	4200		6652	6652	-	-
17	Rajesh kumar	15	28	other	2870	2870		4546	2273	-	-
18	Mr's Anuj Bhushan	6	310	Residential	8140	8140		4102	4102	-	-
19	Nagrak Subidha Kender	6	268	Commercial	4400	4400		3326	1663	1663	-
20	FCI Makhdumpur	6	263	Commercial	19868	19868	-	16005	7510	8495	-



**Nagar Panchayat Makhdumpur**  
**Discussion Note**

Date: 07 -Feb- 2020  
Nagar Panchayat Makhdumpur  
with  
AP Sangziri & Co.  
(Chartered Accountants)

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

S.N.	Auditor observation	Management comment
1	Non implementation of Double entry system;	M/s Sarkar Gurumurthy & Associates has been appointed for implementation of accrual based double entry accounting system but from F.Y 2019-20 Q-1 no account entry has been made..
2	AG Compliance Report 2015-16	It is submitted vide letter no.487/Dated 31.07.2019
3.	TDS on GST Payment & return not on due date	It will be provided. Due to shortage human resources & pressure of work TDS on GST Payment & return file is delay.
4	Non maintenance of Advance Register;	ULB is not in practice of providing advance <b>except Junior Engineer</b> . Hence advance register not maintained at ULB level and therefore we are not able to produce the same to you during audit.
5	No Municipal Accounts committee established.	Under process, and matter will be put before Board for constitution of "Municipal Accounts Committee".
6	Notice fee.	People are not aware currently. At present Notice Fee is not collecting, but it will be considered and collected accordingly in near future.
7	TDS return not on due date/ acknowledgement.	It will be provided. Due to shortage human resources & pressure of work TDS return file is delay.
8	Non levy of Taxes in IAR Para " 5 Part-A a) (1).	Some of taxes is collected by other department of GoB 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 tax and water taxes. There is no congregation and tourist place in Makhdumpur therefore no taxes are levied on it. For rest we will discussed in Board meeting and implement accordingly.
9	Late deposit of property Tax.	1. Due to shortage human resources & pressure of work amount of tax collected is not deposited on time. 2. Collection is not huge amount that's why not deposited on same Day . 3. ULB will make effort to reduce the gap noticed in collection of tax and deposit of tax 4. Necessary steps will be taken in this respect and it will be collected and deposited as per Act.

*AP Sangziri & Co.*  
*07-02-2020*  
*AP Sangziri & Co.*



*AP Sangziri & Co.*  
*17/02/2020*  
গণস্বাসক বন্যাবকা/খ/  
কলক উপাধক বন্যাবক/খ/খ

## Nagar Panchayat Makhdumpur

10	Late deposit of statutory deduction of TDS.	It will deposit on or before due date from now.
11	Prepare budget for F.Y. 2015-16, 2016-17 & 2017-18;	Up to FY 2017-18 budget not prepared. F.Y 2018-19 is continuing.
12	Delay in deposit of EPF	1.ULB has not deposited amount of PF in respect of permanent employee to EPFO A/C .Further in respect of contractual employee no amount of PF has been deducted and therefore not deposited to EPFO A/C 2.Permanent Employee contribution Deposited in to bank but Employer contribution not Deposited and management will deposit it as soon as possible.
13	Non preparation of Complete UC details	F.Y 2017-18 & 2018 -19 Submitted and F.Y 2019-20 is under process and will be submitted before next report.
14	Non practice of Stock valuation.	It will be followed as per rule and Management will decide about reasonable period of valuation i.e. frequency of time for valuation.
15	Electricity DPS	Due to non furnishing of bill on due date the DPS on Electricity arises. A letter will be given to SBPDCL to submit bill on due date and also gives reasons for DPS.
16	Maintenance of grant record with bifurcation like amount for Salary, water management, nail gali solid waste management and so on.	It will be provided.
17	Non maintenance of book refer to Para : II-PART B (a) ;	After reading this Para we conclude the following comments 1. S.N. 5 to 8 - No transaction Occurred. 2. 10 to 11 - Amount not collected in this respect. Rest will be maintained upon applicability of concern Para.
18	Difference in Holding Tax Amount as per Physical Measurement: ➤ Auditor found difference in area; as per self assessment form and actual measurement of property area there is difference for some cases selected on sample basis ➤ Valuation method not Revised till 2011	➤ We will take necessary action and imposed Holding Tax as per actual measurement taken. ➤ The Entire process of valuation need to be changed and the concern matter will be put before Board very soon and after approval of UD & HD (will be send after approval of board) it will be implement accordingly;
19	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet ( Financial Statement)	Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet will be prepared after implementation of Double Entry Accounting System.
20	Non creation of Special Fund and Fund Mentioned in Chapter ix of BMA, 2007	The same will be created on applicability of relevant provision of said act.
21	Non Maintenance Fixed Assets register	It will be maintained

*Handwritten:*  
15-02-2020



*Handwritten:*  
12/07/2020  
Chartered Accountants  
Sanzgiri & Co.

## Nagar Panchayat Makhdumpur

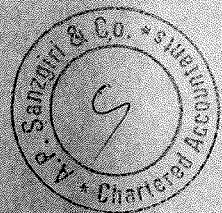
22	Outstanding Taxes	We will makes our best effort to realized it by establishing camp in ward.
23	Bank Reconciliation on Monthly Basis	It will be prepared on monthly basis of all bank Accounts.
24	Any Payment made out of Municipal Fund that is not covered by Budget.	Payment made out of budget provision. No such payment made that is not cover by budget.
25	Non implementation of Biometric Devices and Payroll Software.	It is under process.
26	Non maintenance of Procumbent Register.	ULB did not follow practice of Procumbent Register.
27	No deposit of statutory deduction of Labour cess and Royalty.	It will be deposited on or before due date from now.

Further we confirm/affirm the Management comment given in Internal Audit report for 2019-20 Q-1 is on behalf of Nagar Panchayat Makhdumpur..

*Handwritten signature*  
 15-02-2020  
 IATeam  
 Makhdumpur



*Handwritten signature*  
 17/2/2020  
 नगरपालिका प्रशासक  
 नगर प्रशासन मखडुम्पुर

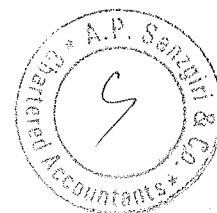


**Nagar Panchayat Makhdumpur**  
**Discussion Note**

Date: 03 -March- 2020  
Nagar Panchayat Makhdumpur  
with  
AP Sangziri & Co.  
(Chartered Accountants)

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

S.N.	Auditor observation	Management comment
1	Non Implementation of Double entry system;	M/s Sarkar Gurumurthy & Associates has been appointed for implementation of accrual based double entry accounting system but from F.Y 2019-20 Qtr-2 no account entry has been made. SCN will be issued to agency.
2	AG Compliance Report 2014-16	It is submitted vide letter no.1168/16-17/Dated 03.08.2019
3.	TDS on GST Payment not made & return not filed on due date	It will be complied fully from now. Due to shortage of human resources & pressure of work non- compliance occurred in some cases.
4	Non maintenance of Advance Register;	ULB is not in practice of providing advance except Junior Engineer. Hence advance register is not maintained at ULB level and therefore we are not able to produce the same to you during audit.
5	No Municipal Accounts committee established.	Under process, and matter will be put before Board for constitution of "Municipal Accounts Committee".
6	Notice fee collection.	At present Notice Fee is not collecting, but it will be considered and collected as soon as possible.
7	TDS return filing on due date/ acknowledgement.	TDS return filed on due date.
8	Non levy of Taxes in IAR Para " 5 Part-A a) (1).	Some of taxes is collected by other department of GoB 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 tax and water taxes. There is no congregation and tourist place in Makhdumpur therefore no taxes are levied on it. For rest we will discuss in Board meeting and implement accordingly.
9	Late deposit of property Tax.	Due to shortage human resources & pressure of work amount of tax collected is not deposited on time. ULB will make effort to reduce the gap noticed in collection of tax and deposit of tax. Necessary steps will be taken in this respect and it will be collected and deposited as per Act.
10	Late deposit of statutory deduction of TDS.	It will be deposited on or before due date from now.
11	Directive/Circular issued during Quarter 2 of 2019-20.	No directives issued during (qtr-2) audit period.



Nagar Panchayat Makhdumpur



12	Preparation of budget.	Budget will be prepared very soon.
13	Delay in deposit of EPF of Permanent employee and non deposition of EPF of contractual employee.	EPF will be deposited on time.
14	preparation of Complete UC details	It is prepared with the help of internal auditor.
15	Non practice of Stock valuation.	It will be followed as per rule.
16	Electricity DPS	Due to non furnishing of bill on due date the DPS on Electricity arises. A letter will be given to SBPDCL to submit bill on due date and also given reasons for DPS.
17	Maintenance of grant record with bifurcation like amount for Salary, water management, Nali Gali, solid waste management and so on.	It will be provided.
18	Cash book and Non-updating of various register like Advance register, store register, issue register, bill register with payment fig, Register of Remittances made into bank, Statutory Deduction Register, Scheme Register etc. Is not maintained on regular basis.	It will be maintained.
19	Difference in Holding Tax Amount as per Physical Measurement: <input type="checkbox"/> Auditor found difference in area; as per self assessment form and actual measurement of property area there is difference for some cases selected on sample basis <input type="checkbox"/> Valuation method not Revised till 2011	<input type="checkbox"/> We will take necessary action and imposed Holding Tax as per actual measurement taken. <input type="checkbox"/> The Entire process of valuation need to be changed and the concern matter will be put before Board very soon and after approval of UD & HD (will be send after approval of board) it will be implemented accordingly;
20	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet ( Financial Statement)	Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet will be prepared after implementation of Double Entry Accounting System.
21	Non creation of Special Fund and Fund Mentioned in Chapter ix of BMA, 2007	The same will be created on applicability of relevant provision of said act.
22	Compliances of internal audit paras.	It will be complied.
23	Outstanding Taxes	We will make our best effort to realize it by establishing camp in ward.
24	Bank Reconciliation on Monthly Basis	It will be prepared on monthly basis of all bank Accounts.



## Nagar Panchayat Makhdumpur

25	Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Mobile Tower Tax and Other Tax.	Detailed records has not been maintained but now we will maintain such type of records.
26	Any Payment made out of Municipal Fund that is not covered by Budget.	Payment made out of budgeted provision.
27	Non implementation of Biometric Devices and Payroll Software.	It is under process.
28	Non maintenance of Procurement Register and fixed assets register.	It will be maintained.
29	No deposit of statutory deduction of Labour cess and Royalty.	It will be deposited on or before due date from now.
30	ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer. Details of repairs and maintenance did not mention in log book.	We will comply the same.
31	Payment voucher not prepared	Not prepared due to lack of revenue staff. It will be prepared as soon as possible.
32	Depreciation is not charged on Fixed Assets.	ULB did not follow double entry accounting system, hence depreciation is not accounted in our book.
33	Physical verification of Inventory/Stores	ULB did not follow the practice of physical verification of stock. It will be regularized.
34	Advances and their adjustment.	No Advances and loan given.

Further we confirm/affirm the Management comment given in Internal Audit report for 2019-20 Qtr-2 is on behalf of Nagar Panchayat Makhdumpur.

  
 कायपालक पदाधिकारी  
 नगर पंचायत मखडुमपुर  


Makhdumpur Nagar Panchayat

Discussion note

2019-20(Qtr-3)

Date: 03 -March- 2020  
Nagar Panchayat Makhdumpur  
with  
AP Sangziri & Co.  
(Chartered Accountants)

Subject: Regarding confirmation of documents not maintained and management comments in Internal Audit Report for F.Y. 2019-20(Qtr-3).

S.N.	Auditor observation	Management comment
1	Non implementation of Double entry system;	M/s Sarkar Gurumurthy & Associates has been appointed for implementation of accrual based double entry accounting system but from FY 2019-20 Qtr-3 no account entry has been made. SCN will be issued to agency.
2	AG Compliance Report	It is submitted vide letter no.1168/16-17/Dated 03.08.2019
3.	TDS on GST Payment not made in some cases & return not filed on due date .	It will be complied fully from now. Due to shortage of human resources & pressure of work non- compliance occurred in some cases.
4	Non maintenance of Advance Register;	ULB is not in practice of providing advance except Junior Engineer. Hence advance register is not maintained at ULB level and therefore we are not able to produce the same to you during audit.
5	No Municipal Accounts committee established.	Under process, and matter will be put before Board for constitution of "Municipal Accounts Committee".
6	Notice fee collection.	At present Notice Fee is not collecting, but it will be considered and collected as soon as possible.
7	TDS return filing on due date/ acknowledgement	TDS return filed on due date.
8	Non levy of Taxes in IAR Para " 5 Part-A a) (1).	Some of taxes is collected by other department of GoB 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 tax and water taxes. There is no congregation and tourist place in Makhdumpur therefore no taxes are levied on it. For rest we will discuss in Board meeting and implement accordingly.
9	Late deposit of property Tax.	Due to shortage human resources & pressure of work amount of tax collected is not deposited on time. ULB will make effort to reduce the gap noticed in collection of tax and deposit of tax. Necessary steps will be taken in this respect and it will be collected and deposited as per Act.

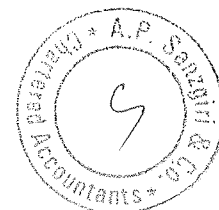


Makhdumpur Nagar Panchayat

Discussion note

2019-20(Qtr-3)

10	Late deposit of statutory deduction of TDS.	It will be deposited on or before due date from now.
11	Directive/Circular issued during Quarter 3 of 2019-20.	Directives Complied during (qtr-3) audit period.
12	Preparation of budget.	Budget prepared.
13	Delay in deposit of EPF of Permanent employee and non deposition of EPF of contractual employee.	EPF will be deposited on time.
14	preparation of Complete UC details	It is prepared with the help of internal auditor.
15	Non practice of Stock valuation.	It will be followed as per rule.
16	Electricity DPS	Due to non furnishing of bill on due date the DPS on Electricity arises. A letter will be given to SBPDCL to submit bill on due date and also given reasons for DPS.
17	Maintenance of grant record with bifurcation like amount for Salary, water management, Nali Gall, solid waste management and so on.	It will be provided.
18	Cash book and Non-updating of various register like Advance register, store register, issue register, bill register with payment fig, Register of Remittances made into bank, Statutory Deduction Register, Scheme Register etc. is not maintained on regular basis.	It will be maintained.
19	Difference in Holding Tax Amount as per Physical Measurement: <input type="checkbox"/> Auditor found difference in area; as per self assessment form and actual measurement of property area there is difference for some cases selected on sample basis <input type="checkbox"/> Valuation method not Revised till 2011	<input type="checkbox"/> We will take necessary action and imposed Holding Tax as per actual measurement taken. <input type="checkbox"/> The Entire process of valuation need to be changed and the concern matter will be put before Board very soon and after approval of UD & HD (will be send after approval of board) it will be implemented accordingly;
20	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet	Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet will be prepared after implementation of Double Entry Accounting System.



Makhdumpur Nagar Panchayat ,

Discussion note

2019-20(Qtr-3)

( Financial Statement)		
21	Non creation of Special Fund and Fund Mentioned in Chapter ix of BMA, 2007	The same will be created on applicability of relevant provision of said act.
22	Compliances of internal audit paras.	It will be complied.
23	Outstanding Taxes	We will make our best effort to realize it by establishing camp in ward.
24	Bank Reconciliation on Monthly Basis	It will be prepared on monthly basis of all bank Accounts.
25	Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Mobile Tower Tax and Other Tax.	Detailed records has not been maintained but now we will maintain such type of records.
26	Any Payment made out of Municipal Fund that is not covered by Budget.	Payment made out of budgeted provision.
27	Non Implementation of Biometric Devices and Payroll Software.	It is under process.
28	Non maintenance of Procurement Register and fixed assets register.	It will be maintained.
29	No deposit of statutory deduction of Labour cess and Royalty.	It will be deposited on or before due date from now.
30	ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer. Details of repairs and maintenance did not mention in log book.	We will comply the same.
31	Payment voucher not prepared	Not prepared due to lack of revenue staff. It will be prepared as soon as possible.
32	Depreciation is not charged on Fixed Assets.	ULB did not follow double entry accounting system , hence depreciation is not accounted in our book.
33	Physical verification of inventory/Stores	ULB did not follow the practice of physical verification of stock. It will be regularized .

Further we confirm/affirm the Management comment given in Internal Audit report for 2019-20 (Qtr-3) is on behalf of Nagar Panchayat Makhdumpur.



Makhdumpur Nagar Panchayat

Discussion note

2019-20(Qtr-3)

18/11/20  
कायपालक पदाधिकारी  
नगर पंचायत मखडुम्पुर



**Nagar Panchayat Makhdumpur**  
**Discussion Note**  
**2019-20(Qtr-4)**

Date: 08<sup>th</sup> July 2020  
Nagar Panchayat Makhdumpur  
With  
AP Sangziri & Co.  
(Chartered Accountants)

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

S.N.	Auditor observation	Management comment
1	Non implementation of Double entry system;	M/s Sarkar Gurumurthy & Associates has been appointed for implementation of accrual based double entry accounting system but from F.Y 2019-20 Qtr-4 no account entry has been made. SCN will be issued to agency.
2	AG Compliance Report	It is submitted vide letter no.1168/16-17/Dated 03.08.2019
3.	TDS on GST Payment not made in some cases & return not filed on due date .	It will be complied fully from now. Due to shortage of human resources & pressure of work non- compliance occurred in some cases.
4	Non maintenance of Advance Register;	ULB is not in practice of providing advance except Junior Engineer. Hence advance register is not maintained at ULB level and therefore we are not able to produce the same to you during audit.
5	No Municipal Accounts committee established.	Under process, and matter will be put before Board for constitution of "Municipal Accounts Committee".
6	Notice fee collection.	At present Notice Fee is not collecting, but it will be considered and collected as soon as possible.
7	TDS return filing on due date/ acknowledgement.	TDS return not filed on due date.
8	Non levy of Taxes in IAR Para " 5 Part-A a) (1).	Some of taxes is collected by other department of GoB 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 tax and water taxes. There is no congregation and tourist place in Makhdumpur therefore no taxes are levied on it. For rest we will discuss in Board meeting and implement accordingly.
9	Late deposit of property Tax.	Due to shortage human resources & pressure of work amount of tax collected is not deposited on time. ULB will make effort to reduce the gap noticed in collection of tax and deposit of tax.



### Nagar Panchayat Makhdumpur

		Necessary steps will be taken in this respect and it will be collected and deposited as per Act.
10	Late deposit of statutory deduction of TDS.	It will be deposited on or before due date from now.
11	Directive/Circular issued during Quarter 4 of 2019-20.	Directives not issued during (qtr-4) audit period.
12	Preparation of budget.	Budget prepared .
13	Delay in deposit of EPF of Permanent employee and non deposition of EPF of contractual employee.	EPF will be deposited on time.
14	preparation of Complete UC details	It is prepared with the help of internal auditor.
15	Non practice of Stock valuation.	It will be followed as per rule.
16	Electricity DPS	Due to non furnishing of bill on due date the DPS on Electricity arises. A letter will be given to SBPDCL to submit bill on due date and also given reasons for DPS.
17	Maintenance of grant record with bifurcation like amount for Salary, water management, Nali Gali, solid waste management and so on.	It will be provided.
18	Cash book and Non-updating of various register like Advance register, store register, issue register, bill register with payment fig., Register of Remittances made into bank, Statutory Deduction Register, Scheme Register etc. is not maintained on regular basis.	It will be maintained.
19	Difference in Holding Tax Amount as per Physical Measurement: <ul style="list-style-type: none"> <li>&gt; Auditor found difference in area; as per self assessment form and actual measurement of property area there is difference for some cases selected on sample basis</li> <li>&gt; Valuation method not Revised till 2011</li> </ul>	<ul style="list-style-type: none"> <li>&gt; We will take necessary action and imposed Holding Tax as per actual measurement taken.</li> <li>&gt; The Entire process of valuation need to be changed and the concern matter will be put before Board very soon and after approval of UD &amp; HD (will be send after approval of board) it will be implemented accordingly;</li> </ul>
20	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet ( Financial Statement)	Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet will be prepared after implementation of Double Entry Accounting System. Agency has been appointed .
21	Non creation of Special Fund and Fund Mentioned in Chapter ix of BMA, 2007	The same will be created on applicability of relevant provision of said act.
22	Compliances of internal audit paras.	It will be complied.
23	Outstanding Taxes	We will make our best effort to realize it by establishing camp in ward.



## Nagar Panchayat Makhdumpur

24	Bank Reconciliation on Monthly Basis	It will be prepared on monthly basis of all bank Accounts.
25	Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Mobile Tower Tax and Other Tax.	Detailed records has not been maintained but now we will maintain such type of records.
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31	Payment voucher not prepared	Not prepared due to lack of revenue staff. It will be prepared as soon as possible.
32	Depreciation is not charged on Fixed Assets.	ULB did not follow double entry accounting system , hence depreciation is not accounted in our book.
33	Physical verification of inventory/Stores	ULB did not follow the practice of physical verification of stock. It will be regularized .

Further we confirm/affirm the Management comment given in Internal Audit report for 2019-20 Qtr-4 is on behalf of Nagar Panchayat Makhdumpur.

Signature of EO  
 कार्यपालक पदाधिकारी  
 नगर पंचायत मखदुम्पुर



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

S.No	Head	Approval order and date	Sanctioned Amount	Expenses Incurred	Balance Amount	UC Submitted against Expenses	UC Pending Against Expenses	% of UC Submitted against expenses	% of UC Pending against expenses	Letter Number & Date of Submission of UC
1	14th finance	128/27.11.19	119.63	-	119.63	-	-	NIL	NIL	Transfer to PL
2	5th finance	57/13.08.19	169.34	84.67	84.67	84.67	-	100%	NIL	509/24.04.2020
3	EO SALARY	84/20.09.2019	4.39	-	4.39	-	-	NIL	NIL	Transfer to PL
4	Chairman, Deputy Chairman, Ward Councillor Bhatta	82/20.09.2019	3.36	-	3.36	-	-	NIL	NIL	Transfer to PL
5	Salary payment	42/12.07.19	2.19	2.19	-	2.19	-	100%	NIL	509/24.04.2020
6	Civic amenities item	47/06.08.19	40.02	-	40.02	-	-	NIL	NIL	Transfer to PL
7	14th Finance	38/11.07.2019	119.63	-	119.63	-	-	NIL	NIL	Transfer to PL
8	Fifth state finance commission	53/13.08.19	175.27	-	175.27	-	-	NIL	NIL	Transfer to PL

