



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

INTERNAL AUDIT REPORT

OF FY 2019-20

PIRO NAGAR PANCHAYAT

GROUP-06
ULBs-18

Vinod & Co. LLP
CHARTERED ACCOUNTANTS
We Plant Quality





Letter No: -VSC/PNP/09-Aug-21/01

Date: 09-08-2021

To

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

Sub: Submission of Internal Audit Report of Piro Nagar Panchayat for financial year 2019-20.

Ref No.: Project No. 07/I.A.-115/17-83 (NTP) dated; 16.01.2019

Sir,

With Reference to the above, we Vinod Singhal & Co., Chartered Accountants appointed internal Auditor of 18 ULBs of Bihar under Group-06 for the project namely "**Appointment of internal audit of 140 ULBs of Bihar Group-01 of Bihar.**"

Through this letter we are submitting the Internal Audit report of **Piro Nagar Panchayat** for the financial year 2019-20. We confirm that the internal audit report is prepared as per terms of reference of RFP.

Hope you will find the same in order

Assuring you of our best services & cooperation always.

Thanks

On Behalf of

Vinod Singhal & Co, LLP
Chartered Accountants
FRN: 005826C/C400276

CA Krishan Kumar Sodhani
Partner
M.No:- 404603

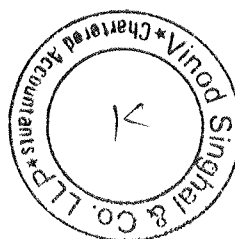
UDIN No.:- 21404603AAAAEL3623

Date: 09-08-2021

Place: Patna

TABLE CONTENTS

Project Title	Internal audit of 18 ULBs of Group-06 of Bihar
Report Title	Annual internal audit report of Piro Nagar Panchayat
Period	1 st April, 2019 to 31 st March, 2020
Reporting Entity	Vinod Singhal & Co., LLP, Chartered Accountants
Reporting for	Piro Nagar Panchayat
Report Prepared by	Team, Vinod Singhal & Co. LLP
Date of Submission	25-06-2021



EXECUTIVE SUMMARY

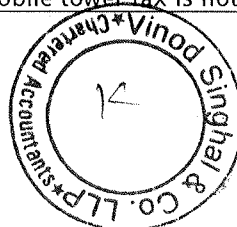
1. INTRODUCTION

Name of the Municipality	Piro Nagar Panchayat
Period covered under current audit	01-April-2019 to 31-March-2020
Name of Municipal Commissioner/ Executive Officer for the period under Audit	Mr Anirudh Kumar

2. RESULTS AND FINDINGS

- **Strengths observed during audit engagement**
In the existing system as prevailing in the Nagar Panchayat day to day work is in progressive manner in respect of execution of the projects.
- **Weaknesses observed in the functioning of office, maintenance of records etc. observed during the audit engagement:**

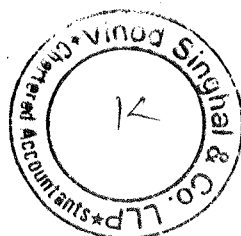
SINo	Audit Observations
1	Compliance of Internal Audit report for the FY 2017-18 and 2018-19 are still pending
2	Budget not prepared in proper manner and guidance given by UD&HD GoB.
3	Non-updating of bank reconciliation on monthly basis as per Rule No. 118 of BMAR - 2014. Bank Statements and cash book balance of some bank accounts was not made available for Audit.
4	Data not available w.r.t. progress of Double Entry Accounting System
5	No details were made available regarding the meeting of the municipal accounts committee held during financial year 2019-20.
6	Non-levy of following taxes * Surcharge on transfer of lands and buildings * Water tax * Fire tax. * Surcharge on electricity consumption within the municipal area * Tax on congregations. * Tax on pilgrims and tourists. * Tax on profession. * Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy Goods vehicles, and buses, which shall be heavy passenger motor vehicles. * User Charges for provision of water-supply, drainage and sewerage * User Charges for Solid Waste Management * User Charges for Parking Facility * User Charges for Garbage Clearance * Collection of fees for sanction of building plans and issue of completion certificates, * Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings, * Collection of Development Charges
7	Late-Deposit of tax collection of taxes with cashier and with bank as per provision of BMA rule-22
8	Non-collection of notice fees for defaulter
9	Non-recovery of outstanding taxes
10	Bifurcation of outstanding rental income, Property tax, bus stand other sairat is not provided. Also, any detail regarding Advertisement Tax and mobile tower tax is not provided.



11	ULB is not in practice to pay Electricity bills on time. Due to non-payment, it attracts huge surcharge amounted to Rs. 13,75,633. Also, ULB is not in practice to prepare payment vouchers
12	Non-maintenance of required registers as per Rule No. -3 of BMAR-2014
13	Non-preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014
14	Irregularities in vendor payment process: ▪ Budget Control register was not updated ▪ Quality control test report was not available ▪ Completion certificate was not available in the payment file in case of completed contract.
15	Non-maintenance of register for all procurements with value above Rs. 15,000
16	Missing signature of wages worker and stamp of ULB on muster roll register
17	No maintenance of separate earnest & security deposit register
18	Non-compliance of Act & Rules
19	Lack of internal control measures: ▪ Voucher file was not maintained ▪ No internal mechanism for statutory compliance ▪ No MIS was prepared for tracking of payments ▪ Year-end reconciliation was not available ▪ Bank reconciliation of any bank account was not prepared. ▪ Bank balance as per cash book was not maintained. ▪ Cheque receipt register was not maintained ▪ No control over cancelled or missing cheque ▪ Assets & stock register were not maintained
20	Non-compliance of statutory compliances: ▪ Non preparation of statutory compliance register ▪ Non deposit of TDS on a timely basis. ▪ Non filing of TDS return for due period ▪ Non providing details towards payment and return regarding VAT/GST/PF/Royalty/Labour Cess.
21	Deficiency in payroll system ▪ Non-preparation of salary payment voucher ▪ Non-maintaining salary payment reference number in cash book ▪ Non-implementation of Bio-metric device and payroll software
22	Non-providing of Utilization certificate for the reporting audit period
23	Non-maintaining of inventory/store register and non-conducting of physical verification of inventory and stores available with ULB as per requirement of BMAR-rule 130.
24	Non providing details of Advances, their adjustment & Recovery
25	Details of Directives for the reporting audit period are not provided.
26	Physical survey of property tax of 20 high value properties can't be conducted due to non-availability of ULB Staff for conducting physical verification. Therefore, we are unable to comment on variances found or not, if any.

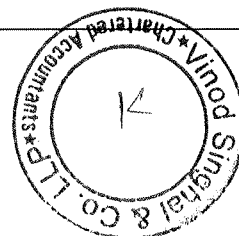
3. OPINION

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.

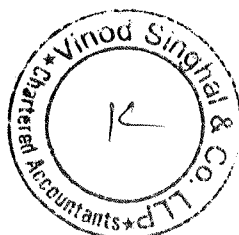


4. AUDIT RECOMMENDATIONS

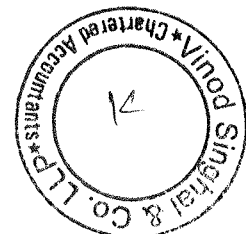
SL No	Audit Observations	Auditor Recommendations
1	Compliance of Internal Audit report for the FY 2017-18 and 2018-19 are still pending	ULB has not complied the compliance of Audit report for the FY 2017-18 and 2018-19.
2	Budget not prepared in proper manner and guidance given by <u>UD&HD GoB</u> :	ULB should implement real time budget preparation in prescribed format of BMAM. Further, Budget variance report should be prepared for actual budget report.
3	Non-updating of bank reconciliation on monthly basis as per Rule No. 118 of BMAR - 2014. Bank Statements and cash book balance of some bank accounts was not made available for Audit.	Bank Reconciliation help us to monitor over: ✓ Difference between Bank Passbook and Cash Book ✓ Unauthorised withdrawal from Bank. ✓ Excessive debited by Bank ✓ Helps to know any other reasons for differences. <i>Therefore, 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.</i>
4	Non-Implementation of Double Entry Accounting System	As per requirement of BMAR-2014, Part -A, Chapter - 2 Rule -4, "All ULB refereed in Schedule -I shall maintain its Books of Account using the double entry system".
5	No details were made available regarding meeting of municipal accounts committee held during the period	As per requirement of BMA-2007, Chapter-XII, ULB should hold a meeting of the Municipal Accounts Committee each year. During our Audit no evidence has been produced to us w.r.t. meeting of the municipal accounts committee. <i>ULB should ensure timely meeting of the accounts committee in compliance of BMA-2007.</i>
6	Non-levy of following taxes * Surcharge on transfer of lands and buildings * Water tax * Fire tax. * Surcharge on electricity consumption within the municipal area * Tax on congregations. * Tax on pilgrims and tourists. * Tax on profession. * Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy Goods vehicles, and buses, which shall be heavy passenger motor vehicles. * User Charges for provision of water-supply, drainage and sewerage * User Charges for Solid Waste Management * User Charges for Parking Facility * User Charges for Garbage Clearance * Collection of fees for sanction of building plans and issue of completion certificates, * Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings, * Collection of Development Charges	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. <i>ULB should take steps to implement required taxes to boost their revenue</i>



7	Late-Deposit of tax collection of taxes with cashier and with bank as per provision of BMA rule-22	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 or latest before noon of next day on which collection is made. However, during our audit, we observed that there is a huge delay in depositing the tax at the bank. <i>Therefore, management should implement a MIS Mechanism towards getting control over collection and deposit of Taxes. Further we wish to inform you that failure to comply with Rule 22 may cause a fine of Rs. 5,000</i>
8	Non collecting Notice fee from defaulter	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, but In case of Piro Nagar Panchyat, ULB has not provided any information regarding charging and collection of notice fees. <i>ULB should collect notice fees from applicable assesses in compliance of act and to boost ULB revenue.</i>
9	Non-recovery of outstanding taxes	ULB has provided during audit the detail of outstanding tax and other income, we observed on the basis of the data that there is huge arrear of taxes at ULB. <i>Therefore, the management should take proper steps to boost collection of arrears. Further a weekly or fortnightly meeting with all tax collectors to be held for getting the reason for non-collection and resolving the same.</i>
10	Bifurcation of outstanding rental income, Property tax, bus stand other sairat is not provided. Also, any detail regarding Advertisement Tax and mobile tower tax is not provided.	Detail of Outstanding taxes are not provided by the ULB staff. In case on absence of detail a major internal control leakage may be arise at ULB. ULB should prepare proper records for the arrear amount and should take proper steps to collect arrears.
11	ULB is not in practice to pay Electricity bills on time. Due to non-payment, it attracts huge surcharge amounted to Rs. 13,75,633. Also, ULB is not in practice to prepare payment vouchers	ULB should pay bills on time to avoid any penalty/surcharge. Also, ULB should prepare voucher based on running voucher as per the provision of Rule No. 16, 17 and 18 of BMAR -2014.
12	Non-maintenance of required registers as per Rule No. -3 of BMAR-2014	Detail of registers not maintained by ULB is mentioned under PART-A (a). <i>ULB should ensure proper maintenance of required Books of Account and register as per the list given in Rule -3 of BMAR - 2014.</i>
13	Non-preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014	<i>ULB should ensure preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014</i>



14	Irregularities in vendor payment process: - Budget Control register was not updated - Quality control test report was not available - Completion certificate was not available in the payment file in case of completed contract.	Proper tender documents regarding tender approval and allotment were not properly maintained or made available for audit. In provided cases, we are unable to comment on the channel of procurement of tender and their required compliances. Further, no statutory compliance register was maintained in regards with statutory dues deducted from party bills. <i>So, ULB should maintain a proper tender register and file that include all related documents of tender. Statutory compliance register should be maintained for all statutory deductions made from parties invoices.</i>
15	Non-maintenance of register for all procurements with value above Rs. 15,000	ULB should ensure maintenance of register for all Procurements with value above Rs. 15,000
16	Missing signature of wages worker and stamp of ULB on muster roll register	ULB should ensure proper maintenance of wages register by complying signature and stamping.
17	No maintenance of separate earnest & security deposit register	EMD and security deposit register help in tracking of balance payable to parties.
18	Non-compliance of Act & Rules	Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. <i>ULB should ensure compliance of all applicable Act & Rules.</i>
19	Lack of internal control measures - Voucher file was not maintained - No internal mechanism for statutory compliance - No MIS was prepared for tracking of payments - Required books of accounts as per BMAM was not maintained - Statutory compliance reconciliation was not maintained - Year-end reconciliation was not available - Bank reconciliation of any bank account was not prepared. - Bank balance as per cash book was not maintained.	We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, Cheque handling and Statutory compliances: We suggest that: - MIS System should be implemented over daily collection and deposit. - Reasons for non-deposit/ late deposit should strongly need to ask for minimise delay. - Need to identify a person to comply with the statutory compliances. In case failure to comply with statutory compliances he should also be penalised. Therefore, the management has to take serious effort in implementation of Internal control Mechanism for getting a better result from ULB working.
20	Non-compliance of statutory compliances: - Non preparation of statutory compliance register - Non deposit of TDS on a timely basis. - Non filing of TDS return for due period - Non providing details towards payment and return regarding VAT/PF/Royalty/Labour Cess	Statutory compliance register was maintained in regards with statutory dues deducted from party bills. <i>So, ULB should maintain a proper statutory compliance register. Statutory compliance register should be maintained for all statutory deductions made from parties invoices.</i> Non-compliance with statutory dues will cause penalty, interest and prosecution. <i>Management should ensure that all statutory dues are paid on time and returns related thereof filed on time.</i>
21	Deficiency in payroll system - Non-preparation of salary payment voucher - Non-maintaining salary payment reference number in cash book - Non-implementation of Bio-metric device and payroll software	Every payment should be accompanied with a payment voucher. Further as per Section 2(23) of the Indian Stamp Act 1899 makes it mandatory for affixing of stamp on any receipt as defined therein above Rs 5000. Therefore, management should ensure that the payment is accompanied with a payment voucher. Meaning of Receipt : "Receipt" includes any note, memorandum or



		writing- (a) whereby any money, or any bill of exchange, cheque or promissory note is acknowledged to have been received, or (b) whereby any other movable property is acknowledged to have been received in satisfaction of a debt, or (c) whereby any debt or demand, or any part of a debt or demand, is acknowledged to have been satisfied or discharged, or (d) which signifies or imports any such acknowledgement; and whether the same is or is not signed with the name of any person "
22	Non-providing of Utilization certificate for the reporting audit period	Grant is the blood of ULB. Therefore, for getting a grant and running the ULB working smoothly it is very important to comply with all necessary requirements of the grant. Further timely submission of utilisation certificate helps the grant realising authority to send the money for fulfilling the requirement of future. <i>Therefore, management should ensure that UC has been submitted with the concerned department on time.</i>
23	Non-maintaining of inventory/store register and non-conducting of physical verification of inventory and stores available with ULB as per requirement of BMAR-rule 130.	<i>Management should implement the control system over inventory and store. Stock register should be in place and get it verified by a responsible person as authorised by management from time to time. Further any discrepancies that arises/ found during such verification should be reported immediately.</i>
24	Non providing details of Advances, their adjustment & Recovery	To ensure timely recovery of advance with interest proper calculation should be there with proper recovery plan.
25	Details of Directives for the reporting audit period are not provided.	ULB should comply with all directive issued by UDHD or other related department.
26	Physical survey of property tax of 20 high value properties can't be conducted due to non-availability of ULB Staff for conducting physical verification. Therefore, we are unable to comment on variances found or not, if any.	Physical survey of high value properties should be conducted. Property tax should be calculated correctly and SAF form should be filled properly

1. COMMENTS FROM MANAGEMENT

Audit observations with audit recommendation have been submitted with management for providing management Comments. The same has been annexed.

2. ACKNOWLEDGEMENT

We are heartily thankful to all staff and management towards their support and coordination during our audit period.

Thanking You,

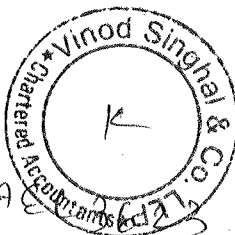
for Vinod Singhal & Co. LLP

(Chartered Accountants)

FRN: 005826C/C400276

Rodhaw
CA Krishan Kumar Sodhani
Partner
M.No:- 404603

UDIN No.: 210096034AAA
Date: 00-08-2021
Place: Patna



DETAILED AUDIT REPORT

1. INTRODUCTION:

S.NO.	Name Of ULB	Period-covered		Audit Team
		From	To	
1	Piro Nagar Panchayat	01-04-2019	31-03-2020	1. Name of TL : Krishan Kumar Sodhani 2. Name of MAE : Rahul Kumar Shrivastwa 3. Name of Auditor : Sanjeev kumar

2. ADMINISTRATION:

SI No	Particulars	Details
1	The present body of the ULB has taken charge on	09-06-2017
2	The incumbency in the key administrative and executive positions was as under:	
2.1	Name of Mayor:	Hadisan Khatoon
2.1.1	Period of Service:	From: 09-06-2017 To: Till Date
2.2	Name of Commissioner/Executive Officer:	Mr. Anirudh Kumar
2.2.1	Period of Service:	From: 23-01-2019 To: Till Date

3. REVIEW OF OUTSTANDING AUDIT PARAS:

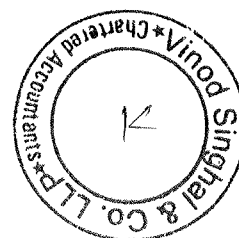
3.1. Status of Audit Observations is as under:

S.N.	Particulars of audit and date of report	Total no. of audit paras	Total no. of audit paras where necessary improvement/corrective measures required	Total no. of audit paras where recovery of cash is proposed	Total no. of audit paras where recovery has been made	Total amount of Recovery	Total no. of O/s para where no action has been taken	No. & date of compliance report
1	Audit report submitted by AG for the F.Y 2013-14 To 2014-15	35	25	21	0	0	0	Lt No; 633 Dated 22-09-2018
2	Internal Audit paras of F.Y 2017-18 & 2018-19	-	-	-	-	-	-	Not Complied (Refer Discussion Note- 1)

3.2. Details of total no of audit paras:

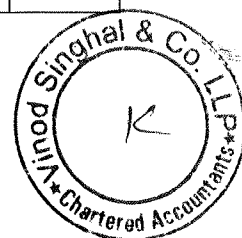
Period of AG audit report : 01-04-2013- to- 31-03-2015

Compliance report date & Number : Letter No. 633 Dated 22-09-2018



(Rs. In Lakh)

Sl. No	Audit Para Number	Heading of the audit para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
1	8	Non compliance of earlier audit reports.	-	-	-	No
2	9	General Comment	-	-	-	No
3	10	Not relevant	-	-	-	No
4	11	Not relevant	-	-	-	No
5	12	Budget	-	-	-	No
		i. Not prepared budget in specified period	-	-	-	No
		ii. Budget not prepared in specified format No public interaction in budget Preparation No haf yearly analysis of budget	-	-	-	No
		iii. Short achievement of target in compression to budget target	-	-	-	No
6	13	Not preparing annual account	-	-	-	No
7	14.	Income and Expenditure	-	-	-	No
		i. Cash book not maintained in BMAR form no. -1	-	-	-	No
		ii. Not prepared fund wise detail in cash book at year end	-	-	-	No
		iii. Not prepared reconciliation statement for difference between cash book balance and bank balance	23.38	-	-	No
		iv. Not maintaining separate cash book for each fund.	-	-	-	No
Part-II (A) of AG Audit Report						
8	1	Excess payment to contractor for cleaning work	11.53	11.53	-	No
9	2	Irregular expenses on SJSRY training	22.90	22.90	-	No
Part-II (B) of AG Audit Report						
10	3	Advance salary payment of four employee without getting approval from standing committee	8.14	8.14	-	No
11	4	Loss due to amount not collected from mobile tower	7.22	7.22	-	Yes
10	5	Loss in sairat agreement	2.11	2.11	-	No
11	6	Not collected stamp duty in sairat agreement	0.80	0.80	-	Yes
12	7	Not charging labour cess in Map sanction	0.89	0.89	-	Yes
13	8	Not deducted late fee on plan implementation	5.09	5.09	-	Yes
14	9	Short deposit of bus stand chungu tax	0.0005	0.0005	-	No
15	10	Short deposit of shop rent	0.002	0.002	-	No
16	11	Amount of holding tax not deposited in bank	0.70	0.70	-	Yes
17	12	Amount collected from bicycle rickshaws tin tax not deposited	0.026	0.026	-	No
18	13	Holding tax dues	17.24	17.24	-	No
19	14	Amount of dangerous and frightening business not deposited	0.11	0.11	-	Yes

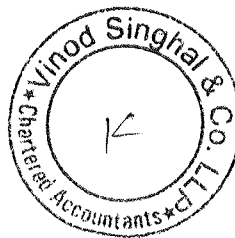


20	15	Rent due on shop of nagar panchayat	6.46	6.46	-	Yes
21	16	Pointless expenses on purchase of tempos	5.54	5.54	-	Yes
22	17	Utilisation certificate of grant amount not submitted with government	643.38	643.38	-	No
23	18	TDS not deducted on the amount of cleaning work	0.95	0.95	-	Yes
24	19	Service tax not deposited by nagar panchayat	0.14	0.14	-	No
25	20	Non fitting of three solar light	-	-	-	No
26	21	Loss due to non-collection of development fee on sanction of map	0.16	0.16	-	Yes
27	22	Non deduction of TDS on training institution	4.57	4.57	-	Yes
Part-III (TAN) of AG Audit Report						
28	1	Not preparing grant book	-	-	-	No
29	2	Plan of nagar panchayat not forwarded to district planning board	-	-	-	No
30	3	Not following bhawan sub rules in map sanction	-	-	-	No
31	4	Not determined waste storage place	-	-	-	No
32	5	Deleted	-	-	-	No
33	6	Interest amount written in another cash book	22.19	-	-	No
34	7	Deported/ blocked fund	8.31	-	-	No
35	8	Amount of education and health cess not transferred to concerned department	1.69	-	-	No
Total			1531.49	737.96	-	-

Note:

Above details have been taken from the AG Report the F.Y. 2013-14 and 2014-15 and compliance report thereof. Latest *AG Compliance Report of F.Y. 2014-15* is attached as **Annexure-01**.

Further we wish to say that as we have submitted a letter to ULB asking for support and to appoint support staff for working on audit compliance, please refer to **"Annexure-02"**.



4. FINANCE

I. Budgetary provisions and expenditure for the last three years

Particulars	Annual of F.Y -2017-18	Annual of Year 2018-19	Annual of FY - 2019-20
Final/Revised Budget Data	110,020,000	120,970,000	8,35,72,000
Actual Expenditure Data	98,659,266	96,881,249	6,48,27,414
Savings(+)/Excess(-)	11,360,734	24,088,751	1,87,44,586

Comment:

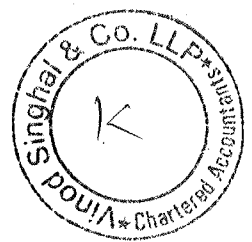
The above figures have been taken from the Budget Statement of the ULB for the year 2017-18, 2018-19 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for The year 2017-18, 2018-19 & 2019-20 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures.

II. Volume of transactions

Period	Budgeted for Annual of F.Y. 2019-20	Actual for Annual of F.Y -2017-18	Actual for Annual of the F.Y. 2018-19	Actual for the Annual of F.Y. 2019-20	Cumulative for the current period
Opening balance	255,704,547	142,184,723	94,208,330	9,33,84,020	9,33,84,020
Receipts	137,408,000	50,682,874	96,056,940	6,54,03,563	6,54,03,563
Total	393,112,547	192,867,597	190,265,270	15,87,87,583	15,87,87,583
Net expenditure	83,572,000	98,659,266	96,881,249	6,48,27,414	6,48,27,414
Closing balance	309,540,547	94,208,331	93,384,021	9,39,60,169	9,39,60,169

Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 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 2016-17, 2017-18 & 2018-19 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. However we have verified some of the expenses on adhoc basis.



III. Bank Reconciliation position as on reporting date
Bank Reconciliation position as on reporting date-31/03/2020

SL No	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	PNB	0493000100450026	HFA	-	8,639,133.05	(8,639,133.05)	No
2	PNB	0493000100458383	NULM	-	2,815,472.52	(2,815,472.52)	No
3	PNB	1494000100546903	BRGF (ARA)	-	89,261.04	(89,261.04)	No
4	PNB	493000100403019	BRGF (PIRO)	-	1,753,412.26	(1,753,412.26)	No
5	PNB	493000100367203	13,14TH FINANCE & TEACHER SALARY & SJSRY	-	3,785,697.50	(3,785,697.50)	No
6	PNB	0493000100367203	-	-	-	-	No
7	Madhya Bihar Gramin Bank	70682100002486	E- GOVERNANCE	-	2,697.00	(2,697.00)	No
8	Madhya Bihar Gramin Bank	70680100033417	INTERNAL SOURCE & KABIR ANTOSHITHI & STAMP FEE & PESAKAR	-	2,334,968.64	(2,334,968.64)	No
9	Madhya Bihar Gramin Bank	70682100002495	SBM	-	301,000.00	(301,000.00)	No
10	Madhya Bihar Gramin Bank	70680100118071	-	-	-	-	No
11	Madhya Bihar Gramin Bank	70680100117513	-	-	-	-	No
12	Madhya Bihar Gramin Bank	70680100117540	4th Finance	-	-	-	No
13	Madhya Bihar Gramin Bank	70680100117522	13th Finance	-	-	-	No
14	Madhya Bihar Gramin Bank	7068210002617	Footkar bikreta samiti	-	-	-	No
15	ICICI BANK (ARA)	062201003203	MOTHER CHILD A/C SBM	-	276071	(276071)	No
16	AXIS BANK	918010021792594	5TH FINANCE	-	27,147.00	(27,147.00)	No

Comment:

1. Bank Reconciliation statement has not been prepared by the Piro Nagar Panchayat.
2. Bank balance as per cash book was not made available for verification.
3. Availability of bank Statements: Piro ULB is having 16 Bank Accounts as per record. Although, only 10 bank accounts balance has been confirmed by the ULB whereas the rest bank accounts statement was not available with the ULB. In that case, we are unable to report the same.
4. Kindly refer discussion not point no. 3 for management comments in this regards.



IV. Revenue & Capital Receipts information:

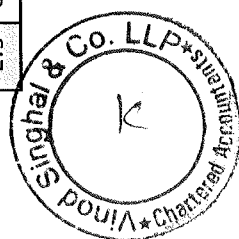
Income Details (Amount in Rs.)									
SL No	Details	FY 2017-18		FY 2018-19		FY 2019-20		FY 2019-20	
		2017-18 (Annual)	2016-17 (Annual)	2018-19 (Annual)	2017-18 (Annual)	2019-20 (Annual)	2018-19 (Annual)	2019-20 (Annual)	2018-19 (Annual)
	Total Receipts (A+B)	506,82,874	1244,35,486	960,56,940	506,82,874	6,54,03,563	960,56,940	6,54,03,563	960,56,940
A	Revenue Receipts (1+2+3)	125,19,018	125,26,140	206,25,475	125,19,018	1,61,57,872	206,25,475	1,61,57,872	206,25,475
1	Own Revenue Receipts (a+b)	23,85,980	18,15,515	57,14,363	23,85,980	22,19,087	57,14,363	22,19,087	57,14,363
a)	Tax Revenue (levied and collected by municipal body)	23,47,986	17,83,215	25,42,371	23,47,986	17,65,024	25,42,371	17,65,024	25,42,371
i)	Property tax	7,15,351	3,29,315	9,55,852	7,15,351	14,65,663	9,55,852	14,65,663	9,55,852
ii)	Other tax (levied and collected by municipal body)	16,32,635	14,53,900	15,86,520	16,32,635	2,99,361	15,86,520	2,99,361	15,86,520
b)	Non-tax revenue (levied and collected by municipal body)	37,995	32,300	31,71,992	37,995	4,54,063	31,71,992	4,54,063	31,71,992
i)	Fees & fines	7,995	2,300	31,29,992	7,995	4,54,063	31,29,992	4,54,063	31,29,992
ii)	User Charges	30,000	30,000	42,000	30,000	-	42,000	-	42,000
iii)	Other non-tax revenue (levied and collected by municipal body)	-	-	-	-	-	-	-	-
2	Other Revenue Receipts	15,03,962	17,49,331	25,15,891	15,03,962	11,19,355	25,15,891	11,19,355	25,15,891
a)	Income from interest/Investments	12,32,062	12,48,231	8,32,435	12,32,062	96,230	8,32,435	96,230	8,32,435
b)	Other Revenue income	2,71,900	5,01,100	16,83,456	2,71,900	10,23,125	16,83,456	10,23,125	16,83,456
3	Transfers/Grants/Assigned Revenues	86,29,075	89,61,296	123,95,220	86,29,075	1,28,19,430	123,95,220	1,28,19,430	123,95,220
a)	State Assigned Revenue	-	-	-	-	-	-	-	-
b)	State Finance Commission (SFC) Grants/Devolution	-	-	-	-	-	-	-	-
c)	Octroi compensation	-	-	-	-	-	-	-	-
d)	Other State Government Transfers	86,29,075	87,13,996	90,89,471	86,29,075	1,27,06,180	90,89,471	1,27,06,180	90,89,471
e)	Central Finance Commission (CFC) Grant	-	-	-	-	-	-	-	-
f)	Other Central Government Transfers	-	-	-	-	-	-	-	-
g)	Others (Sales & Hire Charges)	-	2,47,300	33,05,751	-	1,13,250	33,05,751	1,13,250	33,05,751
B	Capital Receipts (1+2+3+4+5+6)	381,63,856	1119,09,344	754,31,464	381,63,856	4,92,45,691	754,31,464	4,92,45,691	754,31,464
1	Sale of Municipal Land	-	-	-	-	-	-	-	-

2	Loans (from State Govt. or Bank etc.)	-	-	-	-	-	-
3	State Capital Account Grant (under State Schemes etc.)	381,63,856	1119,09,344	754,31,464	381,63,856	4,92,45,691	754,31,464
4	Central Capital Account Grant (under Central Schemes etc.)	-	-	-	-	-	-
5	Other Capital Receipts	-	-	-	-	-	-

The above figures have been taken from the Budget Statement of the ULB for the year 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 2016-17, 2017-18 & 2018-19 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. However we have verified some of the expenses on adhoc basis.

V. Revenue and Capital Expenditure Information.

Expenditure Details (Amount in Rs.)								
SL No	Details	FY 2017-18		FY 2018-19		FY 2019-20		2018-19 (Annual)
		2017-18 (Annual)	2016-17 (Annual)	2018-19 (Annual)	2017-18 (Annual)	2019-20 (Annual)	2018-19 (Annual)	
	Total Expenditure (1+2)	986,59,266	222,86,355	968,81,249	986,59,266	6,48,27,414	968,81,249	
1	Revenue Expenditure	56,27,996	8,85,974	274,49,911	56,27,996	2,53,30,042	274,49,911	
1.1	Administrative Expenses, Establishment and Salaries (All Departments-Regular and Contractual Staff)	45,05,860	8,85,974	41,26,709	45,05,860	1,38,11,802	41,26,709	
1.2	Operation and Maintenance (O&M)	11,18,254	-	54,67,637	11,18,254	1,13,92,490	54,67,637	
1.3	Loan repayment (Interest payments)	3,883	-	-	3,883	290	-	
1.4	Others (any other revenue expenditure which is not salaries, O&M or Interest Payment)	-	-	178,55,566	-	1,25,460	178,55,566	
2	Capital Expenditure	830,31,271	-	694,31,338	930,31,271	3,94,97,372	694,31,338	
2.1	All developmental works under Central/State specific schemes	52,88,816	35,66,431	75,74,864	52,88,816	3,57,67,816	75,74,864	
2.2	Loan Repayments (Principal Amount)	-	-	-	-	-	-	
2.3	Other Capital expenditure	877,42,455	178,33,951	618,56,474	877,42,455	37,29,556	618,56,474	



The above figures have been taken from the Budget Statement of the ULB for the year 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 2016-17, 2017-18 & 2018-19 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. However we have verified some of the expenses on adhoc basis.

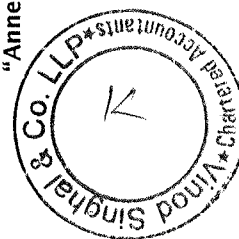
VI. Status of Implementation of Double Entry Accounting System

Double entry system was implemented at ULB during the period under consideration.

Particular	Previous FLIAs	Current FLIAs
Name of Agency Implementing DEAS	Manas Das & Co.	M/s K K Chanani & Associates
Period of FLIAs	06.04.2016 to 05.04.2018	22.11.2019 to 21.08.2021
Period of Implementing DEAS	FY 2014 & 2015-16	2016-17 to 2019-20
Status of Report	Inception has been submitted	Inception has been submitted
Preparation of Opening Balance Sheet	01.04.2014 has been submitted	N/A
Preparation of Fixed Asset Register	Updated till FY 2015-16	FAR for the F.Y 2016-17 to 2019-20 is under process.
Preparation of Property Tax Register	Updated till FY 2012-16	PTR for the F.Y 2016-17 to 2019-20 is under process.
Preparation of Financial Statement	FY 2014-15 & 2015-16 has been submitted	Tally of F.Y 2016-2017 to 2019-20 is under process
Details of Tally Installation	Tally Installed	Tally Installed
Tally Serial No.	745653807	745653807
Email Id	nagarpanchayatpiro@gmail.com	piroanagarpanchayat123@gmail.com

VII. Status of Meeting of Municipal Accounts Committee

There is no accounting committee has been formed at ULB. We are submitting here with copy of letter taken from ULB in respect of this committee as "Annexure -3"



5. AUDIT OBSERVATION

I. PART-A

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

- 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.

1. **Non-levy of taxes:** As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. **In case of Piro Nagar Panchayat**, the following mentioned tax/charges are not implemented which leads to loss of revenue to ULB.

- Surcharge on transfer of lands and buildings
- Fire tax.
- Surcharge on electricity consumption within the municipal area
- Tax on congregations.
- Tax on pilgrims and tourists.
- Tax on profession.
- Toll-tax on roads, bridges, ferries and navigable channels and on heavy trucks which shall be heavy Goods vehicles, and buses, which shall be heavy passenger motor vehicles.
- User Charges for provision of water-supply, drainage and sewerage
- User Charges for Solid Waste Management
- User Charges for Parking Facility
- User Charges for Garbage Clearance
- Collection of Development Charges

❖ **Audit Objective** - As per Point No. - 5.00 of TOR

❖ **Criteria** - Non-levied the taxes reported above by ULB.

❖ **Condition** -As per details provided to us the ULB is not charging the above mentioned taxes.

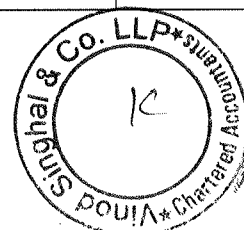
❖ **Consequence Effect /Impact** - Due to non-collection of taxes within prescribe timeline, ULB incurred interest loss and also the due to non-collection of taxes, and public interest has also been suffered.

❖ **Cause-** We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on a regular interval. The ULB has no proper mechanisms for supervision and monitoring of the Taxes due to which result in Revenue leakage.

❖ **Corrective Action / Recommendation** - As per our opinion, management should review the working on timely basis

2. **Late deposit of property tax:** 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. In the case of Piro Nagar Panchayat during verification of receipts book and deposit slips, we have noticed that there is a gap in collection of tax and deposit of tax around 1 to 34 days.

SL No	Serial Number		Amount of Tax	Date of Collection as per Receipts Booked	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with cashier	
	From	To				Minimum	Maximum
1	4401	4413	10,760	25.06.2019 to 06.7.2019	8.07.2019	2	13
2	4414	4416	2,536	08.7.2019 to 10.7.2019	12.07.2019	2	4
3	4417	-	4,600	15.07.2019	16.07.2019	-	1
4	4418	4429	8,756	16.7.2019 to 23.7.2019	31.07.2019	8	15
5	4430	4438	11,488	2.8.2019 to 9.8.2019	17.08.2019	8	15
6	4439	4459	14,320	10.8.2019 to 25.8.2019	27.08.2019	2	17
7	4460	4470	11,160	27.8.2019 to 31.8.2019	31.08.2019	-	4
8	4471	4494	18,232	4.9.2019 to 11.9.2019	12.09.2019	1	8
9	4495	4500	8,116	13.9.2019	16.09.2019	-	3
10	4501	4525	13,448	25.9.2019 to 3.10.2019	04.10.2019	1	9
11	4526	4542	12,080	04.10.2019 to 15.10.2019	15.10.2019	-	11
12	4543	4549	2,756	15.10.2019 to 17.10.2019	17.10.2019	-	2
13	4550	4558	11,348	19.10.2019 to 21.10.2019	21.10.2019	-	2

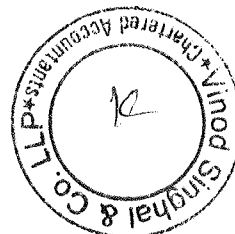


14	4559	4565	6,364	22.10.2019 to 30.10.2019	30.10.2019	-	8
15	4566	4568	5,176	01.11.2019	01.11.2019	-	-
16	4569	4572	2,808	02.11.2019 to 06.11.2019	13.11.2019	7	11
17	4573	4576	3,776	13.11.2019	14.11.2019	-	1
18	4577	4579	3,588	14.11.2019	15.11.2019	-	1
19	4580	4588	12,864	15.11.2019 to 27.11.2019	27.11.2019	-	12
20	4589	4592	2,044	28.11.2019 to 29.11.2019	09.12.2019	10	11
21	4593	4600	4,196	02.12.2019 to 04.12.2019	26.12.2019	22	24
22	4601	4622	19,448	06.1.2020 to 10.1.2020	10.01.2020	-	4
23	4623	4627	8,256	01.11.2020	13.01.2020	-	2
24	4628	4635	7,216	13.1.2020 to 14.1.2020	15.01.2020	1	2
25	4636	4642	19,944	16.1.2020 to 17.1.2020	18.01.2020	1	2
26	4643	4654	10,316	18.1.2020 to 22.1.2020	23.01.2020	1	5
27	4655	4663	9,084	23.1.2020 to 27.1.2020	28.01.2020	1	5
28	4664	4674	5,014	28.1.2020 to 31.1.2020	03.02.2020	3	6
29	4675	4687	9,932	01.2.2020 to 6.2.2020	07.02.2020	1	6
30	4688	4700	8,460	06.2.2020 to 7.2.2020	11.02.2020	4	5
31	4701	4716	10,896	10.2.2020 to 12.2.2020	13.02.2020	1	3
32	4717	4750	37,680	13.2.2020 to 20.2.2020	24.02.2020	4	11
33	4751	4776	31,124	22.2.2020 to 27.2.2020	29.02.2020	2	7
34	4777	4800	14,588	27.2.2020 to 15.3.2020	31.03.2020	16	34

- ❖ **Audit Objective** - As per Point No. - 5.00 of TOR
- ❖ **Criteria** - 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 or latest before noon of next day on which collection is made. Further we wish to inform that failure to comply with Rule 22 may cause for fine of Rs. 5,000.00
- ❖ **Condition** -As per details provided to us the ULB is not depositing the amount collected from the public on time.
- ❖ **Consequence Effect /Impact** - Due to non-deposit of cash on timely basis there is loss of interest to ULB. It seems that the huge fund is easily available with the cashier on the cost of ULB.
- ❖ **Cause**- We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on a regular interval, the ULB has not proper control, supervision, and monitoring over collection and deposit of taxes.
- ❖ **Corrective Action / Recommendation** - Management should reconcile time to time the physical Cash with cash book for stopping the misuse of cash

3. **Non collection of Notice fees:** 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, but In **case of Piro Nagar Panchayat**, ULB has not provided any information regarding charging and collection of notice fees.

- ❖ **Audit Objective** - As per Point No. - 5.00 of TOR
- ❖ **Criteria** - As per sec 158 of Bihar Municipal Act, 2007 the amount of notice fee should be collected by the municipality.
- ❖ **Condition** -As per details provided to us the ULB is not collecting notice fee.
- ❖ **Consequence Effect /Impact** - Due to non-collection of notice fee there is loss of interest to ULB
- ❖ **Cause**- We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval, the ULB has not proper control, supervision, and monitoring over issue of notices and collection of notice fee.
- ❖ **Corrective Action / Recommendation** - Management should monitor the notices issued on a periodic basis towards charging and collection of notice fee.



4. **Recovery of outstanding taxes/rental income:** As per record provided by ULB, there are outstanding incomes as on 31-03-2020 which are mentioned below.

Details of outstanding arrear of income as on 31-03-2020		
SL. No	Type of Income	Arrear Amount
1	Property Tax	6,37,559
2	Rent Income	1,87,525
3	Mobile Tower Tax	Details Not Provided
4	Bus Stand	4,12,280
5	Other Sairats	17,26,000
6	Advertisement Tax	Details Not Provided
Total		29,63,364

Comment: ULB should implement/take action to boost collection of arrear revenue to increase their own source of revenue.

- ❖ **Audit Objective** - As per Point No. - 5.00 of TOR
- ❖ **Criteria** - As per sec 158 of Bihar Municipal Act, 2007 the amount of above mentioned taxes should be collected by the municipality.
- ❖ **Condition** -As per details provided to us the ULB is not collecting above mentioned taxes.
- ❖ **Consequence Effect /Impact** - Due to non-collection of notice fee there is loss of interest to ULB
- ❖ **Cause-** We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval, the ULB has not proper control, supervision, and monitoring over issue of notices and collection of notice fee.
- ❖ **Corrective Action / Recommendation** - Management should implement/take action to boost collection of arrear revenue to increase their own source revenue.

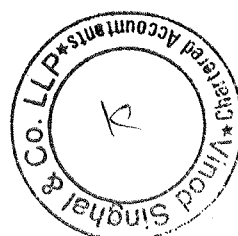
b. Excess payment against bill, lack of prudence in payment against voucher, inefficiency in controls resulting loss to ULBs.

1. **Payment of bills after due date:** During audit, we have noticed that ULB is not in practice to pay electricity bill on time. We have verified expenses from cash book and supporting bills/invoices. We are submitting herewith some of the cases for your reference :

SL. No	Particulars	Arrear Amount	Delay surcharge Payable	Total Arrear Amount
1	Electricity Dues	78,11,202	13,75,633	91,86,835

Note:

1. Due to non-payment of electricity bill ulb is paying delay surcharge amounted to Rs. 13,75,633 electricity department.
 2. As per discussion with executive officer there are arrear or property on electricity department from very long time, however they are not adjusting the same while issuing invoice on ulb.
 3. Since full data not provided by ULB, therefore the delay payment surcharge may be higher than from reported above.
2. **Pass payment without preparation of payment vouchers:** ULB does not prepare Payment Vouchers for making payment to the parties/vendors. Payment was made on the basis of bills only raised in the name of ULB which is passed by the competent authority. We have verified expenses from cash book and supporting bills/invoices: however we observed in above mentioned cases that ULB is not in practice to prepare payment voucher.
3. **Irregularities in payments:** We observed that there is no irregularity found in payment during the period.

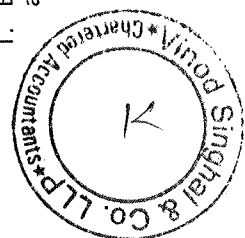


c. Report on findings of field survey of Property Tax of minimum 20 high value properties.

SL No	Holding Name	Ward No	Holding Number	Amount (Rs.)	O/s Liability at end of reporting period
1	Bihari Prasad Gupta	3	143	15,700	2019-20
2	Md Samsheer Kha	3	181	7,120	2019-20
3	Luxhman Updhay	3	186	5,000	2019-20
4	Ashok Kumar Kakkar	3	223	2,200	2019-20
5	Rampati Kuwar	2	251	7,800	2019-20
6	Brijmohan Sahay	10	136	10,080	2019-20
7	Power substation	10	101	38,26,340	2019-20
8	Madhy vidhyalay	10	102	1,30,800	2019-20
9	Jagna Raman Sah	10	147	9,600	2019-20
10	Laxhmi Narayan Ray	10	133	13,080	2019-20
11	Ranjeeta Devi	10	174	17,880	2019-20
12	Kameshwar Prasad Singh	10	535	7,400	2019-20
13	Rekha Devi	10	539	9,400	2019-20
14	Uchh Vidyalaya Piro	7	18	1,68,000	2019-20
15	Kedar Prasad	7	19	48,000	2019-20
16	Dayanand Chodhri	9	102	84,360	2019-20
17	Dr Vijay Kumar Singh	10	26	32,340	2019-20
18	Ravindra Kumar Singh	10	27	44,230	2019-20
19	Vishwnath Singh	10	44	82,000	2019-20
20	Bajnath Prasad	9	120	54,000	2019-20

Note

1. Being details of above high value properties were provided by Tax Daroga. Physical survey of mentioned properties could not be done due to non-availability of ULB staff for survey.



II. PART-B

a. Non-maintenance of books of accounts and subsidiary registers:

The unit has not maintained the following prescribed registers as required in BMAR *(Please find attached letter to the ULB regarding non-submission of the following documents): -*

1. Journal Book
2. Ledger
3. Contra Voucher
4. Journal Voucher
5. Receipt Voucher
6. Register of Cheque Received
7. Statement on status of cheque received
8. Register of Bills for Payment
9. Payment order
10. Register of Advance
11. Register of Permanent Advance.
12. Deposit Received Register
13. Summary statement of Deposits Adjustment
14. Demand register
15. Bill of Income
16. Summary Statement of Bill Raised
17. Register of Notice Fee Warrant Fee other fees
18. Summary statement of Notice Fee Warrant Fee other fees
19. Summary statement of Refund and Remissions
20. Summary statement of Write offs
21. Statement of outstanding liability for expenses
22. Register of Immovable and Movable Property
23. Register of Land
24. Function wise Income Subsidiary Ledger
25. Function wise Expenditure Subsidiary Ledger
26. Asset Replacement Register
27. Register of Public Lighting System
28. Building Register
29. Status and Heritage Assets Register
30. Road and Street register
31. Bridges Flyover Subway and Causeway Register
32. Drains Register
33. Ponds and Lakes Register
34. Plant and Machinery Register
35. Vehicle Register
36. Office Equipment Register
37. Furniture and Fixture Register
38. Computer and Peripheral Register
39. Software Register
40. Grants Register

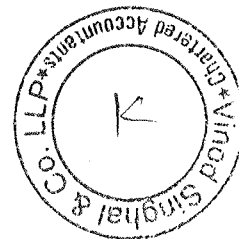
Required at – Property Tax and other taxes

1. Summary Statement of bills raised
2. Summary statement of Demand Adjustment raised
3. Summary statement of refunds and remissions
4. Summary Statement of write-offs
5. Money Receipt Book
6. Hand Book (details due from tax pay

Documents required at – water Supply

1. Summary Statement of Demand raised on assessment
2. Summary statement of Head wise collection
3. Summary statement of refunds remissions
4. Summary statement of write- offs

Documents required at – Rentals Fees and Other Income



1. Summary Statement of Demand raised on assessment
2. Summary statement of Head wise collection
3. Summary statement of refunds
4. Summary statement of write- offs

Documents required at- Public Works

1. Summary Statement of status of CWIP
2. Work Sheet
3. Deposit works register

Documents required at – Stores

1. Material Receipt Note
2. Statement of Material Issues

Other

1. Balance confirmation as on 30.06.2019
2. BRS of all Bank Accounts (including dormant accounts)
3. Physical Verification report of cash and Stock

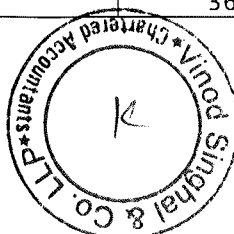
Final Accounts for the year 2016-17, 2017-18, 2018-19 and 2019-20

1. Audited Balance Sheet
2. Audited Income & Expenditure Account
3. Audited Receipts & Payments Account and unaudited Receipts & Payment

b. Irregularity in procurement process:

1. **Irregularities in tender issue process** - During Audit of F.Y. 2019-20 (Annual), the following payment has been checked on random basis :

Sl. No	Scheme Number of Payment File	Name Of Party	Invoice Amount	Remarks
1	1/2019-20	Rajeev Kumar	1,011,091	All required deductions from bills of Quarter-1 have been made with appropriate rate. In payment order, the signature of Chief Municipal Officer is also present. Hence, no deviation has been notice.
2	2/2019-20	Varun Kumar	225,798	
3	3/2019-20	Chandan Kumar	367,238	
4	6/2019-20	Beby Devi	144,186	
5	8/2019-20	Pinki Kumari	130,262	
6	02/2019-20	Unaib Khan	672,377	
7	03/2019-20	Arti Kumari	399,300	
8	3/2019-20	Rachna Rav	1,533,364	All required deductions from bills of Quarter-2 have been made with appropriate rate. In payment order, the signature of Chief Municipal Officer is also present. Hence, no deviation has been notice.
9	01/2019-20	Rajeev Kumar	804,097	
10	04/2019-20	Sabil Akhtar Khan	300,451	
11	05/2019-20	Deepak Kumar	960,368	
12	06/2019-20	Beby Devi	106,811	
13	04/2019-20	Md Firoj Khan	1,586,686	
14	10/2019-20	Sabil Akhtar Khan	1,345,930	
15	11/2019-20	Varun Kumar	364,213	
16	13/2019-20	Ajay Kumar Thakur	617,744	
17	14/2019-20	Pratik Ravidhar	669,458	
18	15/2019-20	Pratik Ravidhar	674,640	All required deductions from bills of Quarter-3 have been made with appropriate rate. In payment order, the signature of Chief Municipal Officer is also present. Hence, no deviation has been notice.
19	16/2019-20	Pratik Ravidhar	641,443	
20	17/2019-20	Ajay Kumar Thakur	673,634	
21	07/2019-20	Seraj Khan	276,902	
22	08-2019-20	Narendra Kr Singh	332,464	
23	04/2019-20	Sunita Yadav	206,398	
24	05/2019-20	Beby Devi	199,608	
25	06/2019-20	Arun Kumar	995,599	All required deductions from bills of Quarter-4 have been made with appropriate rate. In payment order,
26	18/2019-20	Ajay Kumar Thakur	190,658	
27	19/2019-20	Ajay Kumar Thakur	477,269	
28	10/2019-20	Varun Kumar	364,213	



29	02/2019-20	Rachna Ray	1,733,435	the signature of Chief Municipal Officer is also present. Hence, no deviation has been notice.
30	03/2019-20	Sunita Yadav	2,037,918	
31	05/2019-20	Rambabu Yadav	2,132,292	
32	06/2019-20	Shatish Nath Adhish	3,088,762	
33	07/2019-20	Mukesh Kumar	2,351,254	

2. **Whether a register is kept for all Procurements with value above Rs. 15,000/-:** No procurement register was maintained at ULB level for procurement with value above Rs. 15,000/-. During the Audit, we observed that ULB is using a general cash book to maintain the record of all types of purchase

3. **As per rule no 75, disbursement to the daily wage workers is to be witnessed by the chief municipal officer/engineer and he has to sign the disbursement certificate after ensuring that the acknowledgement has been obtained from the workers on the master payroll (BMAR Form - 33) :**

As per provided master payroll of daily wages worker, we observed the following observations:

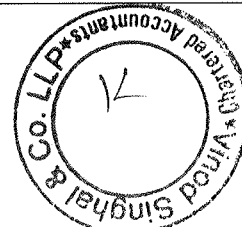
- Daily Wages Register not maintained in proper manner.
 - Signature and stamp of approving authority was not affixed in the register.
 - In case of absence of staff, absence of that worker was not marked in the wages register.
 - Rectification through the whitener in the register was done but no verification and authorisation was made on that.
4. **No separate earnest & security deposit register:** Earnest money deposit & security deposit register help in tracking refund of EMD/SD on time to concerned parties, but in ULB, no such register was maintained/ provided for verification.

c. Non-Compliance of directives by UD&HD, GoB:

SL No	Direction issued by UDHD	Complied or Not
1	No directive issued during FY 2019-20	

d. Non-Compliance of Act & Rules:

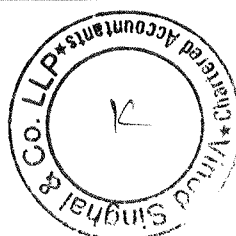
SL No	Requirement	Criteria	Auditors Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made	BMAR Rule No.-22	Refer point: Part-A (a) (2) No, during the audit we observed that there was max 34 days delay in deposit of tax into the bank.
2	Whether every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	BMAR Rule No.- 27	Yes, every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.
3	Whether the collection register was in the personal custody of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection.	BMAR Rule No.- 27	Yes, Collection register was in the personal custody of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection.
4	Whether bill collector get its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated stall of the Municipality	BMAR Rule No.- 27	Yes, bill collector gets its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated of the Municipality
5	Whether every bill collector invariably remits his collections (in cash and/or	BMAR Rule No.- 27	Refer point: Part-A (a) (2) No, in actual fact we noted that the tax



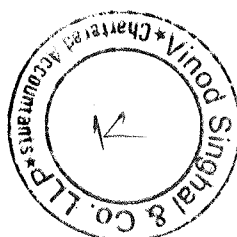
	cheques) to Cashier dallies before 4.30 PM and take the cashier's acknowledgement in the collection register.		collector was not remitting his collections to the bank. We noted that there was a delay in the deposit of tax with the bank.
6	Whether Grant Register as prescribed in BMAR Form 28 was maintained by the Municipality to record receipts and utilization of grants sanctioned by the Government.	BMAR Rule No.- 69	No, Scheme wise grant register was not maintained by the 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	Refer point: Part-B (h) Scheme/Grant related documents was not made available for audit,
8	Whether The grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.- 69	No such circumstance were noticed during the audit
9	Whether the Utilization Certificate was signed by the Chief Municipal Officer for verification of the financial outlays and physical progress reported on BMAR Form No 29.	BMAR Rule No.- 69	Refer PART-B (h) No, Utilization certificate details produced for verification
10	Whether Municipality has returned unutilized grant for more than three years from date of receipt to the source from where such grant was received	BMAR Rule No.- 69	No such circumstance were noticed during the audit
11	Whether the Chief Municipal Officer prepares a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.	BMAR Rule No.- 120	No, Piro Nagar Panchayat was not preparing a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.
12	Whether ULB prepares monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	BMAR Rule No.- 121	No, Piro Nagar Panchayat was not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.
13	Whether ULB sent the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter	BMAR Rule No.- 121	No, Piro Nagar Panchayat was not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter
14	The Chief Municipal Officer shall, within three months after the end of each financial year be prepared financial statements for the preceding year in respect of the accounts of the Municipality. The Financial Statements shall comprise of a. Receipts and Payments Account for the year (BMAR Form No.71) b. Income & Expenditure Statement for the year (BMAR Form No.73) c. Balance Sheet as on 31st March of the year (BMAR Form No.74)	BMAR Rule No.- 122	BMAR Rule No. - 122 were not followed by ULB during FY 2019-20.



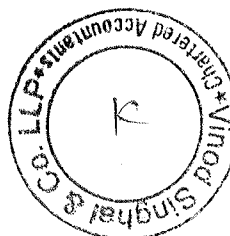
	d. Significant accounting policies adopted by the Municipality in presentation of the financial statements e. Notes to Accounts, which shall disclose Contingent liabilities, and such other information as, may be useful in understanding the financial statements clearly. f. Comparative amounts shall be entered on the financial statements for the preceding financial year except. In the case of the first year to which those rules apply		
15	Whether the municipality is regular in depositing statutory dues including tax deducted at source, GST, TDS on GST, service tax, VAT, works contract tax, cess payable to the government etc. and If not, the nature and cause of such delay and the amount not deposited: (BMAR Rule No.-130)	BMAR Rule No.-130	Refer PART-B (f)
16	Whether the municipality is regular in remittance of pension and leave encashment contributions or any other amounts which the municipality is liable to remit towards the retirement dues of its employees, including employees on deputation;(BMAR Rule No.-130)	BMAR Rule No.-130	Refer PART-B (g)
17	Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated in sufficient detail;	BMAR Rule No.-130	No, BMAR Rule No. 130 was not followed by ULB. As Single-entry accounting system was followed by ULB
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	No, grant register was not maintained by ULB
19	Whether any Special Funds have been created as per the provision of any statute and whether the Special Funds have been utilized for the purposes for which they have been created;	BMAR Rule No.-130	No details regarding creation of special fund and their use were made available to comment thereon.
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	ULB was not maintaining the fixed assets register for the financial year 2019-20. Further no, fixed assets physically verified report was made available to comment upon.
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	No details regarding leasehold property were made available to comment upon.



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	No, ULB does not follow adequate internal control procedures for the purchase of stores, including components, plant and machinery, equipment and other assets. <i>As ULB was not maintaining any store and assets purchase register.</i>
23	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality' s accounts; If so, the details thereof;	BMAR Rule No.-130	We have not observed such a type of transaction during the audit.
24	Whether the Bank Reconciliation statements have been property prepared for all the bank accounts of the ULB and the remedial actions including all correcting entries have been taken on timely basis;	BMAR Rule No.-130	Refer Point-04 (III) No, ULB has not prepared bank reconciliation for any bank accounts maintained.
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.-130	As ULB has a single entry accounting system, in that case year end provisions and reconciliation was not made during the reporting period.
26	Whether all the expenditure incurred by the Municipality is authorized by appropriate provision in the sanctioned budget. whether made originally or subsequently and are in all cases such as are authorized by Act;	BMAR Rule No.-130	Since proper vouchers and expenses invoices are not presented for our verification, therefore we can't comment on it.
27	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis;	BMAR Rule No.-130	Refer-PART-A (a)(4) No, Revenue is not booked and deposited by ULB on a real time basis, Collection of revenue is taken in books when deposit to bank and collection remains handed to the revenue collector for around 34 days. Further no action has been taken for collection of taxes this is clear for not providing details regarding arrear of taxes and revenue of ULB.
28	Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act;	BMAR Rule No.-130	Refer-PART-A (a)(2) Yes, 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. Except; In case of deposit of daily tax collection, that is deposited on average 1-34 days delay of collection.
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	In absence of specific record during the audit, we can't comment that the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order
30	Whether, proper books of account as required by the Act and Rules have been kept by the Municipality so far as It appears from examination of those books. (Rule-130 of BMAR-2014)	BMAR Rule No.-130	Refer-PART-B (a) No, some required books of accounts as per BMAM/BMAR have not been maintained.
31	Whether physical verification has been conducted by the ULB at reasonable intervals in respect of stores;	BMAR Rule No.-130	No store verification report was made available during the reporting period to comment upon.



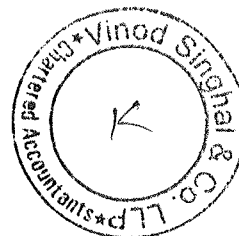
32	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?	BMAR Rule No.-130	No, procedures of physical verification of stores followed by the ULB have been provided to comment upon.
33	Whether any material discrepancies have been noticed on physical 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	No such details provided
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 the 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	No such details provided
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 such details provided
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.-130	No such details provided
37	Municipal Fund: Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007: Chapter IX	No, ULB is using a single entry accounting system, so there was no fund accounting followed.
38	Investment of surplus money.	BMA,2007: Chapter X	As per ULB, No investment was done by ULB.
	Whether municipality has invested surplus funds 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:		
39	Preparation of budget estimate of Municipality. Whether The budget estimate stated the rates at which various taxes, surcharges, cesses and fees shall be levied by the Municipality in the year next following.	BMA,2007: Chapter XI	Not, Followed. ULB has not prepared a budget during the reporting period.



40	Maintenance of accounts.	BMA,2007: Chapter XII	As ULB was following a single entry accounting system. So, receipts and payment details were being maintained in the form of cash book. Audited receipts & payments account as per BMAM was not prepared by ULB.
	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,		
41	Financial Statement.	BMA,2007: Chapter XII	No, ULB was not preparing a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality.
	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,		
42	Submission of financial statement and balance sheet to auditor.	BMA,2007: Chapter XII	No, Financial Statements were not provided for audit by ULB
	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.		
43	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act,2007 various tax is applicable on ULBs	BMA,2007: Chapter XV	Refer-PART-A(a)(1) for status of taxes not collected by ULB
44	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,	BMA,2007: Chapter XIX	Refer-PART-A(a)(3)

e.Lack of internal control measures: We have observed the following areas where internal control measures are required by ULBs-

1. Voucher file was not maintained
2. No internal mechanism for statutory compliance
3. No MIS was prepared for tracking of payments
4. Year-end reconciliation was not available
5. Bank reconciliation of any bank account was not prepared.
6. Bank balance as per cash book was not maintained.
7. Cheque receipt register was not maintained
8. No control over cancelled or missing cheque
9. Assets & stock register were not maintained



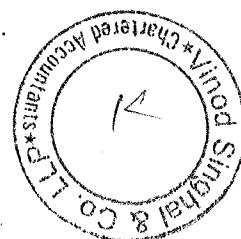
f. Non Compliance of TDS/VAT and other related statutes:

1. **Details of TDS should be deducted and to be deposited:** During audit we audited payments details from the cash book, while verification of payments, we observed that statutory deduction details are not mentioned either in cash book or no separate statutory deduction register was made available for verification. We have calculated the below deduction of TDS on sample basis that should be made from invoice. We have not received any documents towards deposition of TDS.

SL. No	Scheme Number of Payment File	Amount Deducted	Date of deduction	Due Date of Payment	Actual Date of Payment	Challan No.
1	SBM	13,738	17-04-2019	07-05-2019	Details not Available	
2	SBM	13,738	11-05-2019	07-06-2019		
3	SBM	13,738	29-06-2019	07-07-2019		
4	SBM	12,886	17-04-2019	07-05-2019		
5	SBM	12,886	11-05-2019	07-06-2019		
6	SBM	12,886	29-06-2019	07-07-2019		
7	14TH FINANCE	9,036	01-09-2019	07-10-2019		
8	14TH FINANCE	6,297	01-09-2019	07-10-2019		
9	5TH FINANCE	13,738	13-07-2019	07-08-2019		
10	5TH FINANCE	13,738	21-08-2019	07-09-2019		
11	5TH FINANCE	13,738	30-09-2019	07-10-2019		
12	5TH FINANCE	12,886	13-07-2019	07-08-2019		
13	5TH FINANCE	12,886	21-08-2019	07-09-2019		
14	5TH FINANCE	12,886	30-09-2019	07-10-2019		
15	01/2019-20	8,041	9-Nov-19	07-12-2019		
16	2/2019-20	6,724	9-Nov-19	07-12-2019		
17	03/2019-20	3,993	9-Nov-19	07-12-2019		
18	04/2019-20	3,005	9-Nov-19	07-12-2019		
19	05/2019-20	9,604	9-Nov-19	07-12-2019		
20	06/2019-20	1,068	9-Nov-19	07-12-2019		
21	01/2019-20	10,111	9-Nov-19	07-12-2019		
22	02/2019-20	2,258	9-Nov-19	07-12-2019		
23	03/2019-20	3,672	9-Nov-19	07-12-2019		
24	04/2019-20	15,867	9-Nov-19	07-12-2019		
25	06/2019-20	1,442	9-Nov-19	07-12-2019		
26	08-2019-20	1,303	9-Nov-19	07-12-2019		
27	10/2019-20	13,459	9-Nov-19	07-12-2019		
28	11/2019-20	3,642	9-Nov-19	07-12-2019		
29	04/2019-20	2,064	9-Nov-19	07-12-2019		
30	05/2019-20	1,996	9-Nov-19	07-12-2019		
31	06/2019-20	9,956	9-Nov-19	07-12-2019		
32	07/2019-20	2,769	9-Nov-19	07-12-2019		
33	08-2019-20	3,325	9-Nov-19	07-12-2019		
34	10/2019-20	3,642	9-Nov-19	07-12-2019		
35	5TH FINANCE	13,738	10/10/2019	07/11/2019		
36	5TH FINANCE	13,738	07/11/2019	07-12-2019		
37	5TH FINANCE	13,738	11/12/2019	07-01-2020		
38	5TH FINANCE	12,886	11/10/2019	07-11-2019		
39	5TH FINANCE	12,886	11/11/2019	07-12-2019		
40	5TH FINANCE	12,886	08/12/2019	07-01-2020		
41	SBM	13,738	17-04-2019	07-05-2019		
42	SBM	13,738	11-05-2019	07-06-2019		
43	SBM	13,738	29-06-2019	07-07-2019		
44	SBM	12,886	17-04-2019	07-05-2019		
45	SBM	12,886	11-05-2019	07-06-2019		
46	SBM	12,886	29-06-2019	07-07-2019		

Note:

a. We have not received statutory compliance register and expenses invoices for our verification.



- b. Neither copy of challan nor the copy of return has been presented to us, therefore we are unable to comment on whether payment was made on time or not. However, we wish to say that non-payment of tax on due or before date will attract interest @ 1.5% p.m. or part of month
- c. As per provision of sec. 276B, If a person fails to pay to the credit of the Central Government to the amount of tax deducted at source by him as required by or under the provisions of Chapter XVII-B; or the tax payable by him, as required by or under sub-section (2) of section 115-O; or the second proviso to section 194B, he shall be punishable with rigorous imprisonment for a term which shall not be less than **three months** but which may extend to **seven years** and with fine.

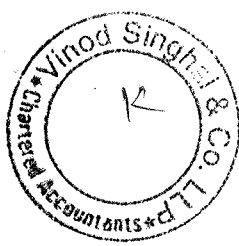
2. **Details of TDS returns filed are mentioned below:** During the audit, we observed that ULB was not regular in filing TDS return, as per below mentioned details this is clear that either ULB had not filed TDS return or if filed then not followed the due date of return filing. This practice of delay in filing of TDS return would cause ULB in the form of a penalty.

SL No	Quarter	Due date of Return	Actual date of Return filed	Remark
1	Quarter-1 of F.Y. 2019-20	31-July-2019	Not Available	Can't Comment
2	Quarter-2 of F.Y. 2019-20	31-Oct-2019		
3	Quarter-3 of F.Y. 2019-20	31-Jan-2019		
4	Quarter-4 of F.Y. 2019-20	31st July 2020 (extended from earlier deadline of 31st May 2020)		

Note:

- a. As per provision of Sec. 234E where a person fails to file the TDS/TCS return on or before the due date prescribed in this regard, then he shall be liable to pay, by way of fee, a sum of Rs. 200 for every day during which the failure continues. The amount of late fees shall not exceed the amount of TDS Further as per provision of Sec 271H deductor or collector of **tax** at source fail to file the return within the stipulated date, he/she can also be penalized with a fee which is not less than Rs 10,000. The amount of penalty could go up to Rs. 1 lakh.
- b. **Downloading of TDS Certificates from TRACES made mandatory:** In this regard, your attention is invited to the CBDT circulars 04/2013 dated 17.04.2013, CBDT Circular No. 03/2011 dated 13-5-2011 and CBDT Circular No. 01/2012 dated 9-4-2012 on the **issuance of certificate for Tax Deducted at Source in Form 16/16A as per IT Rules 1962. It is now mandatory for all deductor's to issue TDS certificates after generating and downloading the same from "TDS Reconciliation Analysis and Correction Enabling System" or TRACES Portal.** In view of above circulars, it may kindly be noted that the TDS Certificates **downloaded only from TRACES Portal** will be valid. Certificates issued in any other form or manner will not comply with requirements referred in the Income-tax Act 1961 read with relevant Rules and Circulars issued in this behalf from time to time. Further as per the provisions of section 203 of the Income Tax Act, 1961 read with rule 31A, Certificate of tax deducted at source is to be **furnished within fifteen (15) days from the due date for furnishing the statement** of tax deducted at source. Failure to comply with the provisions of the Act will attract **penalty under the provisions of section 272A of the Act, a sum of one hundred rupees for every day** during which the failure continues.
- c. In case of ULB the commissioner in charge will be the person who is liable to deduct and pay the TDS and issue of TDS certificate on time. Therefore, management is suggested to take a serious note on the status of Tax collected or deposited, timely submission of return thereof and issuance of TDS Certificate.
3. **Non-Compliance of VAT/GST :** During the audit we observed following discrepancies as reported below :

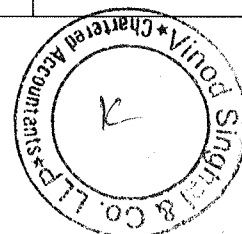
Sl. No	Scheme Number of Payment File	Amount Deducted	Date of deduction	Due Date of Payment	Actual Date of Payment	Challan No.
1	03/2019-20	18,073	01-09-2019	10-09-2019	Details Not Available	Details Not Available
2	03/2019-20	10,597	01-09-2019	10-09-2019		



3	01/2019-20	16082	9-Nov-19	10-12-2019		
4	2/2019-20	16082	9-Nov-19	10-12-2019		
5	03/2019-20	16082	9-Nov-19	10-12-2019		
6	04/2019-20	16082	9-Nov-19	10-12-2019		
7	05/2019-20	16082	9-Nov-19	10-12-2019		
8	06/2019-20	16082	9-Nov-19	10-12-2019		
9	01/2019-20	16082	9-Nov-19	10-12-2019		
10	02/2019-20	16082	9-Nov-19	10-12-2019		
11	03/2019-20	16082	9-Nov-19	10-12-2019		
12	04/2019-20	16082	9-Nov-19	10-12-2019		
13	06/2019-20	16082	9-Nov-19	10-12-2019		
14	08-2019-20	16082	9-Nov-19	10-12-2019		
15	10/2019-20	16082	9-Nov-19	10-12-2019		
16	11/2019-20	16082	9-Nov-19	10-12-2019		
17	04/2019-20	16082	9-Nov-19	10-12-2019		
18	05/2019-20	16082	9-Nov-19	10-12-2019		
19	06/2019-20	16082	9-Nov-19	10-12-2019		
20	07/2019-20	16082	9-Nov-19	10-12-2019		
21	08-2019-20	16082	9-Nov-19	10-12-2019		
22	10/2019-20	16082	9-Nov-19	10-12-2019		

4. Non-Compliance of Royalty: During the audit we observed following discrepancies as reported below :

Sl. No	Scheme Number of Payment File	Amount Deducted	Date of deduction	Actual Date of Payment	Challan No.
1	03/2019-20	18,073	01-09-2019	Detail not Available	Detail not Available
2	03/2019-20	10,597	01-09-2019		
3	01/2019-20	24,404	9-Nov-19		
4	2/2019-20	13,448	9-Nov-19		
5	03/2019-20	7,886	9-Nov-19		
6	04/2019-20	6,009	9-Nov-19		
7	05/2019-20	13,054	9-Nov-19		
8	06/2019-20	2,136	9-Nov-19		
9	01/2019-20	20,222	9-Nov-19		
10	02/2019-20	4,516	9-Nov-19		
11	03/2019-20	4,922	9-Nov-19		
12	04/2019-20	48,038	9-Nov-19		
13	06/2019-20	2,884	9-Nov-19		
14	08-2019-20	2,605	9-Nov-19		
15	10/2019-20	26,919	9-Nov-19		
16	11/2019-20	7,284	9-Nov-19		
17	04/2019-20	4,128	9-Nov-19		



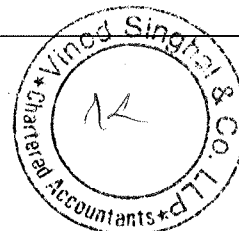
18	05/2019-20	3,992	9-Nov-19		
19	06/2019-20	19,912	9-Nov-19		
20	07/2019-20	5,538	9-Nov-19		
21	08-2019-20	6,649	9-Nov-19		
22	10/2019-20	7,284	9-Nov-19		

5. Non-Compliance of Labour Cess to be paid: During the audit we observed following discrepancies as reported below :

Sl. No	Scheme Number of Payment File	Amount Deducted	Date of deduction	Actual Date of Payment	Challan No.
1	03/2019-20	9,036	01-09-2019	Detail not Available	Detail not Available
2	03/2019-20	6,297	01-09-2019		
3	01/2019-20	8,041	9-Nov-19		
4	2/2019-20	6,724	9-Nov-19		
5	03/2019-20	3,993	9-Nov-19		
6	04/2019-20	3,005	9-Nov-19		
7	05/2019-20	9,604	9-Nov-19		
8	06/2019-20	1,068	9-Nov-19		
9	01/2019-20	10,111	9-Nov-19		
10	02/2019-20	2,258	9-Nov-19		
11	03/2019-20	3,672	9-Nov-19		
12	04/2019-20	15,867	9-Nov-19		
13	06/2019-20	1,442	9-Nov-19		
14	08-2019-20	1,303	9-Nov-19		
15	10/2019-20	13,459	9-Nov-19		
16	11/2019-20	3,642	9-Nov-19		
17	04/2019-20	2,064	9-Nov-19		
18	05/2019-20	1,996	9-Nov-19		
19	06/2019-20	9,956	9-Nov-19		
20	07/2019-20	2,769	9-Nov-19		
21	08-2019-20	3,325	9-Nov-19		
22	10/2019-20	3,642	9-Nov-19		

g. Deficiency in payroll system:

Sl No	Particulars	Comments
1	Status of maintenance of salary register for all employees (Permanent/Daily wages/ Contract worker)	Yes, Salary register was maintained for all employees
2	Non availability of Salary payment voucher	ULB was not in practice to issue salary payment vouchers, Payment of salary was passed based on approval by competent authority on the salary register.



3	Matching of voucher number with cash book	No salary payment voucher number was mentioned in cash book
4	Salary register contains all elements of salary	Yes, all elements of salary were mentioned in the salary register.
5	Maintenance of Salary Deduction register	Deductions from salary were mentioned in the salary register, no separate deduction register was maintained.
6	Whether biometric devices and payroll software is implemented in ULB. If Yes, then is it integrated with accounting software	Biometric devices and payroll software were not implemented in ULB.

Details of delay of deposit of EPF:

As per PF Act, deposit of EPF of Employees should be made till 15th of the following month. However, delay has been observed for depositing of PF A/C to EPFO A/C which are as below: -

Month of Deduction	Amount Deduction		Due date of Deposit	Amount Deposit	Actual Date of Deposit	Delay On Days
	Employee Contribution	Employer Contribution				
April - 19	Information Not Provided		15.05.2019	Information Not Provided	Can't Ascertain	
May - 19			15.06.2019			
Jun - 19			15.07.2019			
July - 19	Information Not Provided		15.08.2019			
Aug- 19			15.09.2019			
Sep- 19			15.10.2019			
Oct - 19	Information Not Provided		15.11.2019			
Nov- 19			15.12.2019			
Dec- 19			15.01.2020			
Jan - 20	Information Not Provided		15.02.2019			
Feb- 20			15.03.2019			
March- 20			15.05.2020 (extended from earlier deadline of 15.02.2020)			

h. Utilisation of Grant and report on missing Utilisation Certificates: : Please find below summary of Fund received and utilised during the period.

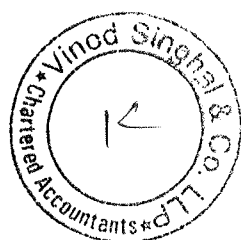
Summary of Amount received and paid during the period:

क्र. सं.	वित्तीय वर्ष	आवंटन का मद	स्वीकृत्यादेश संख्या एवं तिथि	आवंटित राशि	निकासी की गई राशि	पी. एल. खाता में जमा अवशेष राशि	अभियुक्ति
1	2019-2020	14th finance	128/27.11.19	96.59	96.59	96.59	Deposited In PL Account
2	2019-2020	5th finance	57/13.08.19	128.29	128.29	128.29	Deposited In PL Account



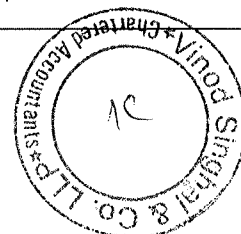
3	2019-2020	सभापति, उपसभापति,वार्ड पार्षद भत्ता	82/20.09.2019	3.12	3.12	3.12	Deposited In PL Account
4	2019-2020	वेतन भुगतान	42/12.07.19	2.19	2.19	2.19	Deposited In PL Account
5	2019-2020	नागरिक सुविधा मद	47/06.08.19	35.45	35.45	35.45	Deposited In PL Account
6	2019-2020	14th Finance	38/11.07.2019	96.59	96.59	96.59	Deposited In PL Account
7	2019-2020	पेशाकर मद	51/09.08.2019	15.6	15.6	15.6	Deposited In PL Account
8	2019-2020	पंचम राज्य वित्त आयोग	53/13.08.19	132.78	132.78	132.78	Deposited In PL Account
Total				510.61	510.61	510.61	

- i. **Physical verification of inventory/Stores:** We have verified the physical store as per detail provided to us. Out of these stores some are outdated and not in condition to use. Assets & stock register were not maintained.
- j. **Advances, their adjustment & Recovery:** Refer point 36 PART-B (d) there is no advance register provided to us for our verification. We are unable to comment on the same.
- k. **Any other matters as may be prescribed in due course:** As all relevant matters has been covered in above mention point



III. PART-C

SL. No	Particulars	Complied or Not
A	Auditor should report in a separate section for non-compliance of rules/directives of UD&HD, Gov; 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.	We have reported on this point under PART-B (d) of the report. Please refer to the same for details.
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;	We have reported on this point under PART-A(c). Please refer to the same for details Further ULB is Assessing the property as per valuation of the FY 2009-10. We have discussed this point with the Executive Officer and Tax Daroga.
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 :	We have reported on this point under PART-B (d) of the report. Please refer to the same for details
	Rule 22: All moneys to be brought to account	Yes
	Rule 27: Collections to be deposited into Bank on the same day	We have reported on this point under PART-A of the report. Please refer to the same for details
	Rule 69: Grant Related Compliance	We have reported on this point under PART-B (b) of the report. Please refer to the same for details
	Rule 120-121: Monthly Receipt & Payment Account and Trial Balance	We have reported on this point under PART-B (b) of the report. Please refer to the same for details
D	Rule 130: Audit to be completed & reported within 6 month	We have reported on this point under PART-B (h) of the report. Please refer to the same for details
	Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, Gov.	Complied Refer-Audit recommendation
	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, Sairat etc;	We have reported on this point under PART-B (b) of the report. Please refer to the same for details
	Auditor should Report on adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments above Rs. 10,000 and above.	We have reported on this point under PART-B (b) of the report. Please refer to the same for details
	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/-	We have reported on this point under PART-B (d) of the report. Please refer to the same for details
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.	We have reported on this point under PART-A (a) of the report. Please refer to the same for details
I	Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their	We have reported on this point under PART-B (f) and (g) of the report. Please refer to the same for details



	recurrence in future.	
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 Point-03 of Detailed Audit Report and Note thereof.
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	We have reported on this point under PART-B (d) of the report. Please refer to the same for details
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.	No fixed deposit and other funds should be in nationalized Banks/Approved financial institutions and should earn maximum interest at their gestation period.
M	Internal Auditor will identify major areas of ULBs own revenue loss and auditor will assess the loss and Prepare a statement of loss.	We have reported on this point under PART-B (d) of the report. Please refer to the same for details
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.	We have observed that this is a very poor area of ULB. There is very little internal control over, deduction and deposit of taxes. We have reported details of the same in our report.
O	Internal Auditor will ensure that all the C&AG audit & Internal audit Paras has been complied by the ULBs, if not complied the Internal Auditor shall help the ULBs staffs to prepare the compliance report.	We have reported on this point under PART-A of the report. Please refer to the same for details

Thanking You,

For **Vinod Singhal & Co. LLP**

(Chartered Accountants)

FRN: 005826C/C400276

Sodhani

CA Krishan Kumar Sodhani

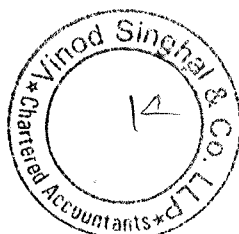
Partner

M.No:- 404603

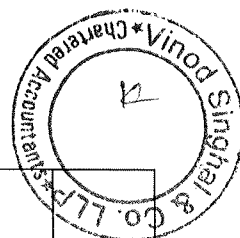
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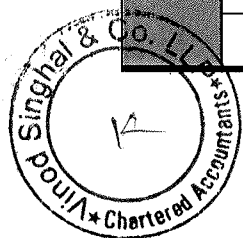
Date: 02-08-2021

Place- Rewari



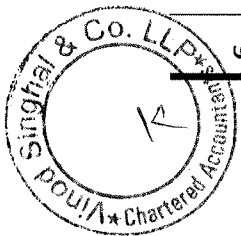
RISKASSESSMENT							
	PIRO NAGAR PANCHAYAT						
S. N	Observations	Risk Rating	Design gap	System gap	Operating Gap	Mgt. Comment	Auditor Recommendation
DEMAND GENERATION:							
1	➤ Loss of Revenue due to under assessment/ wrong generation of demand		NO	YES	YES	Due to lack of manpower some gap arises, 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	NA	NO	NO	NO	-	-
3	➤ Non-updating various register like hand book, DCB register.	M	NO	NO	Yes	We have directed to staff towards timely updating the books of account.	Books should be updated on timely and management should keep close eye on this activity.
4	➤ Others	NA	NA	NA	NA	-	-





RECEIPTS AND BANKING:						
1	➤ Error in collections, loss of receipts and perpetrated frauds	H	NO	NO	YES	We are working to control this gap, and we will rectify the same very soon. Management should verify on regular basis about to minimize this gap.
2	➤ Non-updating various register like handbook, DCB register, cash book, etc.	M	NO	Yes	NO	We have directed to staff towards timely updating the books of account. Books should be updated on timely and management should keep close eye on this activity.
3	➤ Collusion with the citizen and the ULBs staff to make wrong assessments of income	NA	NO	NO	NO	-
4	➤ Others	NA	NA	NA	NA	-
REVENUE EXPENDITURE:						
1	➤ Error in over payment	NA	NA	NA	NA	-
2	➤ Loss of supporting document	M	NO	NO	YES	We have initiated additional control towards keeping control on this issue. Management should keep an additional control to insure that supporting documents are proper.
3	➤ Loss of authentication	NA	NA	NA	NA	-

4	➤ Perpetrated fraud (Like payment more than one time on same bill)		NA	NA	NA	-	
5	➤ Non-updating various register like Bill register with payment figures.	M	NO	Yes	NO	We have directed to staff towards timely updating the books of account.	Books should be updated on timely and management should keep close eye on this activity.
6	➤ Others	NA	NA	NA	NA	-	-
ESTABLISHMENT EXPENDITURE:							
1	➤ Error in over payment	NA	NA	NA	NA	-	-
2	➤ Loss of supporting document	M	NO	NO	YES	We have initiated additional control towards keeping control on this issue	Management should keep additional control to insure that supporting documents are proper.
3	➤ Loss of authentication	NA	NA	NA	NA	-	-
4	➤ Collusion with employee	NA	NA	NA	NA	-	-
5	➤ Perpetrated fraud (Like payment more than onetime to same org host employee)	M	NO	Yes	NO	We have directed to staff towards timely updating the books of account.	Books should be updated on timely and management should keep close eye on this activity.

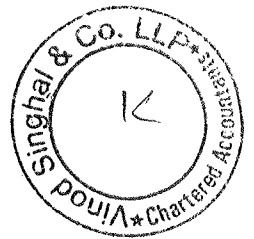


6	➤ Non-updating various register like salary register ,PF register ,Service book/record, advance register , etc.	M	NO	Yes	NO	We have directed to staff towards timely updating the books of account.	Books should be updated on timely and management should keep close eye on this activity.
7	➤ Others	NA	NA	NA	NA	-	-
CAPITAL EXPENDITURE:							
1	➤ Error in over payment	NA	NA	NA	NA	-	-
2	➤ Loss of supporting document	M	NO	NO	YES	We have initiated additional control towards keeping control on this issue	Management should keep an additional control to insure that supporting documents are proper.
3	➤ Loss of authentication	NA	NA	NA	NA	-	-
4	➤ Collusion with contractor	NA	NA	NA	NA	-	-
5	➤ Perpetrated fraud (Like payment more than one time to same contractor)	M	NO	Yes	NO	We have directed to staff towards timely updating the books of account	Books should be updated on timely and management should keep close eye on this activity.
6	➤ Non-updating various register like work register, MB, bill register, Fixed Assets register, Service book/record, advance register, etc.	M	NO	Yes	NO	We have directed to staff towards timely updating the books of account.	Books should be updated on timely and management should keep close eye on this activity.
7	➤ Others	NA	NA	NA	NA	-	-

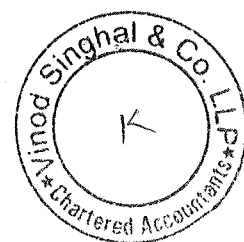
PROCUREMENT AND INVENTORY:

1	➤ Error in over payment	NA	NA	NA	NA	-	-
2	➤ Loss of supporting document	M	NO	NO	YES	We have initiated additional control towards keeping control on this issue	Management should keep an additional control to insure that supporting documents are proper.
3	➤ Loss of authentication/Procedural error	NA	NA	NA	NA	-	-
4	➤ Collusion with contractor	NA	NA	NA	NA	-	-
5	➤ Perpetrated fraud (Like payment more than one time to same contractor)	M	NO	Yes	NO	We have directed to staff timely updating the books of account.	Books should be updated on timely and management should keep close eye on this activity.
6	➤ Non-updating various register likes tore register, issue register, bill register with payment fig., advance register, etc.	M	NO	Yes	NO	We have directed to staff timely updating the books of account.	Books should be updated on timely and management should keep close eye on this activity.
7	➤ Others	NA	NA	NA	NA	-	-

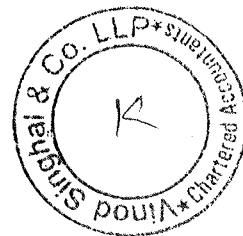
GRANT AND LOANS AND UTILISATION THEREOF:							
1	➤ Not utilization of grant or grant un-spent	M	NA	NA	YES	Due to operational issues some grants remain un-used; However we will utilize the same very shortly.	Management should utilized the same on time.-
2	➤ Not furnishing of UC	M	NO	NO	YES	Due to lack of manpower we are unable to furnish the UC on time. However, we are try to furnish all UC at earliest.	Management should keep an additional control to insure that supporting documents are proper.
3	➤ Non fulfillment of condition part thereto	NA	NA	NA	NA	-	-
5	➤ Perpetrated fraud (Like payment more than one time same contractor)	NA	NA	NA	NA	-	-
6	➤ Non-updating various register like grant register, work register, bill register with payment fig., advance register, etc.	M	NO	Yes	NO	We have directed to staff towards timely updating the books of account.	Books should be updated on timely and management should keep close eye on this activity.
7	➤ Others	NA	NA	NA	NA	-	-



FIXED DEPOSITS AND INVESTMENTS:								
1	➤ Not deposited at appropriate time (loss of revenue)	NA	NA	NA	NA	-	-	-
2	➤ Loss of Investment certificate	NA	NA	NA	NA	-	-	-
3	➤ Non fulfillment of condition part thereto	NA	NA	NA	NA	-	-	-
4	➤ Collusion with bank officials to invest at lower rate	NA	NA	NA	NA	-	-	-
5	➤ Deposit into Current account	NA	NA	NA	NA	-	-	-
6	➤ Non-updating various register like investment register, Bank book, cash book, etc.	NA	NA	NA	NA	-	-	-
7	➤ Others	NA	NA	NA	NA	-	-	-

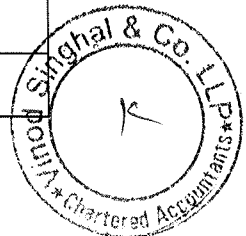


LOANS AND ADVANCES:									
1	➤ Unauthorized release of advance	NA	NA	NA	NA	NA	-	-	-
2	➤ Release of advance beyond authority	NA	NA	NA	NA	NA	-	-	-
3	➤ Non-adjustment of loan or advance during the year	NA	NA	NA	NA	NA	-	-	-
4	➤ Collusion with employee/party to release advance/loan beyond authority	NA	NA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

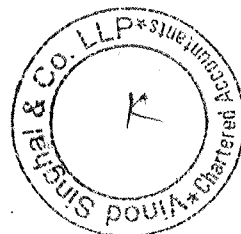


List of Important Registers

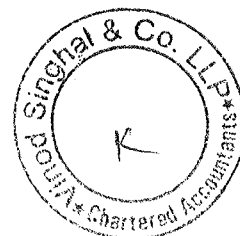
	Name of the ULB	PIRO NAGAR PANCHAYAT			
	RISK RATING:	High			
	CAG OBSERVATIONS STATUS	C & AG Audit party vide its audit report for the FY 2013-14 to 2014-15 commented that "Un-satisfactory maintain of books of accounts"			
S.N o.	Particulars	Audit Observation	Associates Risk	MGT. Comment	Status (Resolved or not)
1	➤ Cash Book	Prepared	NA	NA	
2	➤ Ledger	Not Prepared	High	We will maintain shortly, Hopefully from the next FY.	NO
3	➤ Journal	Not Prepared	High	We will maintain shortly. Hopefully from the next FY.	NO
4	➤ Register for Journal/Magazines/Newspapers	Not Prepared	Medium	We will maintain shortly. Hopefully from the next FY.	NO



5	➤ Register for Temporary Advances	Not Prepared	High	We will maintain shortly. Hopefully from the next FY.	NO
6	➤ Register of Money Orders/Bank Draft Received	Not Prepared	High	We will maintain shortly. Hopefully from the next FY.	NO
7	➤ Cheque Issue Register	Prepared			
8	➤ Register of Remittances made into bank	Not Prepared	High	We will maintain shortly. Hopefully from the next FY.	NO
9	➤ Bank Passbook	Updated	NA	NA	
10	➤ Register of Bank drafts Dispatched	Not Prepared	High	We will maintain shortly. Hopefully from the next FY.	NO
11	➤ Bill Register	Not Prepared	High	We will maintain shortly. Hopefully from the next FY.	NO
12	➤ Establishment Register	Prepared	NA	NA	
13	➤ Stock Register	Not Prepared	High	We will maintain shortly. Hopefully from the next FY.	NO
14	➤ Capital Goods/Consumable articles, and non-consumable articles	Not Prepared	High	We will maintain shortly. Hopefully from the next FY.	NO

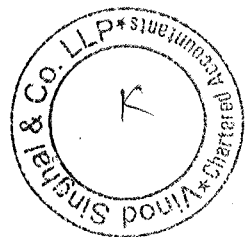


16	➤ Statutory Deduction Register	Not Prepared	High	We will maintain shortly. Hopefully from the next FY.	NO
17	➤ Fixed Assets Register	Not Prepared	High	We will maintain shortly. Hopefully from the next FY.	NO
18	➤ Grant Register	Prepared			
19	➤ Scheme Register	Not Prepared	High	We will maintain shortly. Hopefully from the next FY.	NO
20	➤ Monthly accounts of Receipts/Payments	Not Prepared	High	We will maintain shortly. Hopefully from the next FY.	NO
21	➤ Temporary Advances Register for Staff Customers/supplier/VEC and TA/ DA Advance	Not Prepared	High	We will maintain shortly. Hopefully from the next FY.	NO
22	➤ Dispatch Register	Not Prepared	High	We will maintain shortly. Hopefully from the next FY.	NO
23	➤ File Register	Not Prepared	High	We will maintain shortly. Hopefully from the next FY.	NO
24	➤ Any other (Name of the register)	NA	NA	NA	NA

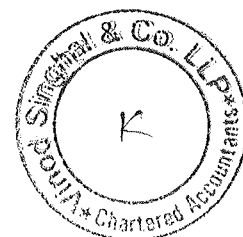


CashandBank

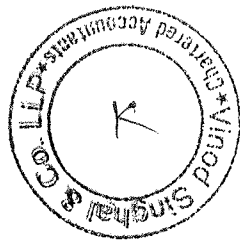
CashandBank						
	Name oftheULB	Piro Nagar Panchayat				
	RISK RATING:	High				
	CAG OBSERVATION STATUS	C & AG Audit party vide its audit report for the FY 2013-14 to 2014-15 commented that " ULB is not preparing Bank Reconciliation".				
	PERIOD:	Annual of FY 2019-20				
S. No.	Particulars	Audit observation	Amt. Involved	Associates Risk	MGT. Comment	Status(Resolved /Not)
1	➤ Check whether there is no any undue delay in presentation of cheque/DD received to bank,	ULB is not maintaining Cheque handling register, therefore we can't comment on it.	Nil	Medium	Normally we are depositing the cheques on time, However all responsible person are directed to prepare the same at earliest.	NO
2	➤ Whether cheque/draft issue/receipt/dishonored register have been maintained as per prescribed form(As PerBMAM) & entry are made on properly, accurately & timely basis.	Yes	NA	NA	NA	NA



3	➤ Whether banking transactions (receipts & Payments) are matched with cash book, Cheque register, collection register, etc. Verify the same with Bank statement & BRS,	Yes	NA	NA	NA	NA
4	➤ Whether cheque issue register are Matched	ULB is not maintaining Cheque handling register, therefore we can't comment on it.	Nil	Medium	Normally we are depositing the cheques on time, However all responsible person are directed to prepare the same at earliest.	NO
5	➤ Whether proper steps has been taken for Dishonored cheque. It was realized in cash or not,	Yes	NA	NA	NA	NA
6	➤ Whether Bank Reconciliation has been Made for each account, verify the status of BRS, (attached BRS as annexure)	ULB is preparing BRS on the last page of Cash book, only for active accounts.	NA	Medium	All responsible person are directed to prepare the same at earliest	NO

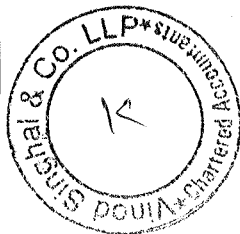


7	➤ Check whether no any fraud payment or payment to other person has been made,	As per information and data given to us during our audit we have not found any instances like fraud.	NA	NA	NA	NA
8	➤ Whether bank statement for all account have been promptly received from bank.	Yes, ULB is collecting Bank statement from Bank on the periodic gap.	NA	NA	NA	NA
9	➤ Number of Bank account maintained	9, Excluding the account maintain under KabirAntheyasthiYojna. Further we wish to confirm that we have not received any signed list of Account from ULB. These all Bank accounts are come to our knowledge during Audit.	NA	NA	NA	NO
10	➤ Original copy of cancelled receipt is Attached with duplicate copy with "CANCELLED" marked on it.	Yes	NA	NA	NA	NO
11	➤ Liability for stale cheque account review is done and necessary reversal entries are passed	There is no stale cheque.	NA	NA	NA	NO
12	➤ Any other	NA	NA	NA	NO	NA

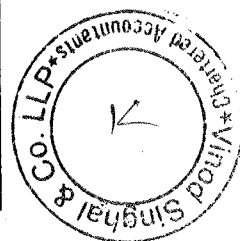


Public Works

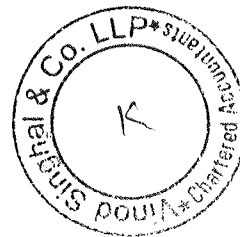
PublicWorks						
	Name oftheULB	Piro Nagar Panchayat				
	RISK RATING:	Medium				
	CAG OBSERVATION STATUS	C & AG Audit party vide its audit report for the FY 2013-14 to 2014-15 commented that 1. ULB is Recovering market taxes without agreement or order, 2. Recovery of duty on vehicle and market taxes without agreement in FY 2013-14 3. No explanation provided w.r.t. what action has been taken for recovery of arrear amount from barrier holder 4. Non collection of stamp duty on sairat agreement 5. Planning of nagar panchayat not send to district planning commission				
	PERIOD:	Annual of FY 2019-20				
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. 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	NA	NA	NA	NA
2	➤ Whether bill has been signed by proper in charge,	Yes	NA	NA	NA	NA



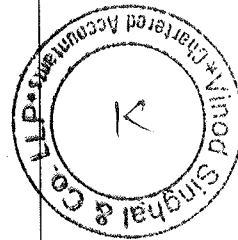
3	➤ Whether the bill has been checked by the accountant with the MB(also compare the qty.), estimate, agreement, previous bill (in case of running agreement)	Yes	NA	NA	NA	NA
4	➤ Verify whether any payment made for removing/dismantling material which have scrap value must be indicated in the bill,	Yes	NA	NA	NA	NA
5	➤ Whether measuring has done by the engineer concerned,	Yes	NA	NA	NA	NA
6	➤ Whether expenditure on construction of work was debited to WIP & verified with MB maintained,	Yes	NA	NA	NA	NA
7	➤ Whether master roll (machine numbered & authorized) has been maintained for details of store, specifying:	Master roll not presented for our verification, Therefore we can't comment on this.	NA	High	We will provide the same in next Audit	No
8	➤ Date of Issue,					
9	➤ Name of subordinate,					
10	➤ Name of work,					
11	➤ Number of labour,					
12	➤ Period of engagement,					



13	➤ Details of payment (date, Amount, Chequeno, etc)						
14	➤ Whether the same has been periodically verified.	As per information provided to us, JE of the Concerned ULB is verifying the same on periodically gap.	NA	NA	NA	NA	NA
15	➤ Whether payment are as pre-defined Approval level sanctioned u/s75 of BMA, 2007,	Yes	NA	NA	NA	NA	NA
16	➤ Any Other	NA	NA	NA	NA	NA	NA



CashBook						
	Name of the ULB	Piro Nagar Panchayat				
	RISK RATING:	High				
	CAG OBSERVATIONS STATUS	C & AG Audit compliance has been send by ULB, (Please refer report)				
	PERIOD:	Annual of FY 2019-20				
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. 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.,	We observed that posting of receipt & payment side of cash book are properly maintained. However only cheque register and bank statement has presented to our verification, therefore we have verified from the same.	NA	NA	NA	NA

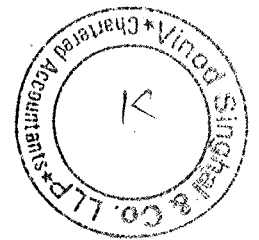


3	> Whether posting in daily basis,	No, We observed that there is gap there is 4-5 days gap in posting	NA	High	All responsible people are directed to post the entry on very same day.	No
4	> Whether there is any clerical error (casting or/and posting error, etc) or not,	We have not found any clerical error during the period under consideration.	NA	NA	NA	NA
5	> Whether any delay in deposit of amount of collection by cashier,	Yes. Please refer Detail Audit Report for more detail.	NA	High	Many of time due to work load and filed survey the collector not submitted their collection for deposit into bank. However irrespective of fact we have directed the all collector to submit their collection amount as per Rule.	No
6	> conduct physical verification of cash and report the heavy cash balance if any	Physical cash not presented for our verification. Therefore we can't comment on it.	NA	High	There is no heavy cash balance available at ULB. However, we will present the physical cash at your next Audit	No
7	> Any Other	NA	NA	NA	NA	NA

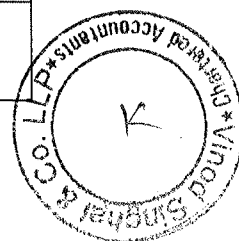


Collection

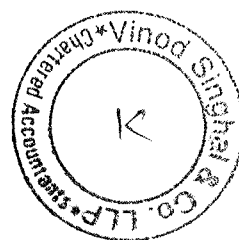
	Name of the ULB	Piro Nagar Panchayat				
	RISK RATING:	MEDIUM				
	Name Of The Tax Collector	C & AG Audit compliance has been send by ULB, (Please refer report)				
	PERIOD:	Annual of FY 2019-20				
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved /Not)
1	➤ Whether collection procedure are as per guidelines/direction of ULB,	Yes, Except in case of arrear taxes.	NA	NA	NA	NA
2	➤ Whether collections are made on the basis of Demand &Collection Register,	YES	NA	NA	NA	NA



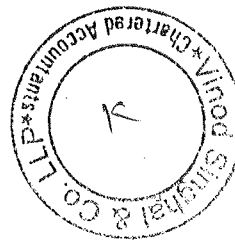
3	➤ Whether collection are made in the same receipt Vouchers which has been issued/authorized by ULB/state government & it should be clear mentioned of different head & not any alteration, & the carbon copy of receipt vouchers are properly vouched so that no any variation in posting the same,	Yes	NA	NA	NA	NA
4	➤ Whether collections are bifurcated in different heads as required,	Yes	NA	NA	NA	NA
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 is send to TC,	Yes	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, We observed that there is an average gap of 20-24 days. Please refer Detail audit report for more detail.	NA	Medium	Many of time due to work load and filed survey the collector not submitted their collection for deposit into bank. However irrespective of fact we have directed the all collector to submit their collection amount as per Rule.	No



8	➤ Whether no any collection are directly expended without prior approval,	Yes	NA	NA	NA	NA
9	➤ Whether collections are made by all the holding fall under the same TC or Civics Centre,	Yes	NA	NA	NA	NA
10	➤ Whether government share of collections (like Education cess&health cess) are properly &timely deposited in its own account, (if applicable)	No, ULB is depositing the same at the end of year.	NA	LOW	Many of time due to work load and filed survey the collector not submitted their collection for deposit into bank. However	NO
11	➤ Whether there is any short/non collection or short depositor not deposit,	NO	NA	NA	NA	NA
12	➤ Whether penalty (@2% P.M/1.5%) has been duly charged on late payment,	Yes	NA	NA	NA	NA
13	➤ Whether daily collections are entered into hand book, collection register maintained by TC &it should be properly entered in demand&collection register,	Yes	NA	NA	NA	NA
14	➤ Whether collection by way of chequeare 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,	No any such instances observed	NA	NA	NA	NA



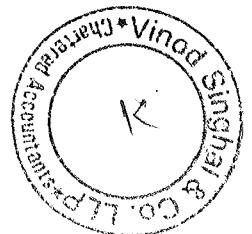
16	> Whether any immediate steps has been taken or not for chequedishonored received,	No any such instances observed	NA	NA	NA	NA	NA
17	> Whether reversal of payment has been made for any dishonored cheque	No any such instances observed	NA	NA	NA	NA	NA



Demand

Piro Nagar Panchayat						
High						
Sunil Kumar Choubey						
Annual of FY 2019-20						
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved /Not)
1	➤ Ensure whether closing balance of previous year is accurately brought forward,	Yes	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,	We observed that demands are calculated on Manual way.	NA	NA	NA	NA
3	➤ Whether data for calculation is correct & properly verified by appropriate authority/Internal Auditor by way of physical survey,	We have verified from the same from as per documents provided by ULB.	NA	NA	NA	NA

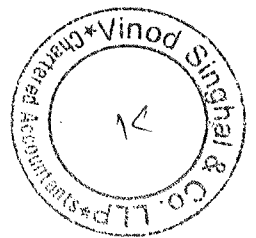
4	➤ Whether revision of valuation of holding properly made after specified period	No	NA	High	We will proposed the same in board meeting	No
5	➤ Whether any refund/ remission granted are admissible under the law and that have been duly sanctioned,	We have not observed such type of instances	NA	NA	NA	NA
6	➤ Ensure whether there is any clerical error in calculation,	No	NA	NA	NA	NA
7	➤ Whether demand register in prescribed format is maintained or not,	Yes	NA	NA	NA	NA
8	➤ Whether persons involve in calculation/collection have knowledge of their responsibility,	Yes	NA	NA	NA	NA
9	➤ Whether there is proper distribution of responsibility for calculation, recovery & updating of register for demand, so that no single person have control on two or process at the same time,	No, We observed that there are many work done by single person, which is not good for a healthy internal control.	NA	HIGH	Due to lack of manpower it was not possible for us that comply with each and every rule. However, the same will be started at earliest.	No



10	➤ Whether there is any under/no-assessment,	We have not found such type of instances.	NA	NA	NA	NA
11	➤ Whether there is appropriate measures (As Per section 155 & 158 of BMA,2007) are adopted for recovery of Government/bid dues,	Yes	NA	NA	NA	NA
12	➤ Whether notice for demand has been made in prescribed form at (As Per BMAR) & as per rules & regulations,	Yes	NA	NA	NA	NA
13	➤ Whether penalty (@2% P.M/ 1.5%) has been charged on late payment,	Yes	NA	NA	NA	NA
14	➤ Whether Demand, Collection & Balance Register has been prepared on daily basis for all receipts or not, & it would be authorized by proper authority or not,	No, We have not got such register for our verification.	NA	Medium	We will prepare the same at earliest.	NO
15	➤ Whether there are adequate safe guard 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,	Yes	NA	NA	NA	NA

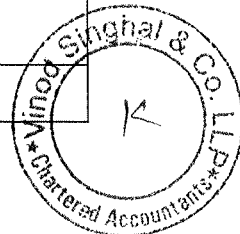


17	➤ Whether there is any collusion with customer/holding w.r.t. assessment, payment, etc., AnyOther	No	NA	NA	NA	NA
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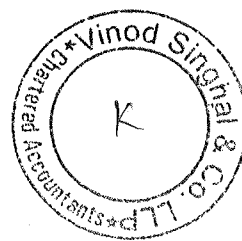


Establishment

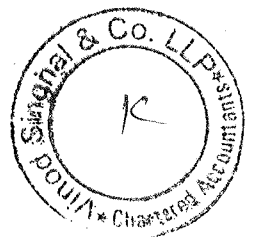
Name of the ULB		Piro Nagar Panchayat				
RISK RATING:		Medium				
Name of the ULB		Piro Nagar Panchayat				
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved /Not)
1	➤ Whether establishment expenditure is sanctioned by authorized person & it has been within sanctioned limit,	Yes	NA	NA	NA	NA
2	➤ Whether service log book has been maintained & up-to-date or not,	We have not got service log book for our verification.	NA	NA	We will maintain the same at earliest.	NO
3	➤ Audit whether apart from comparing the Pay & allowance drawn by each employee in the pay bill with the corresponding entries in the pay column of the service book and checking the acquaintances roll of employee who have been paid in cash,	We have not got service log book for our verification.	NA	NA	We will maintain the same at earliest.	NO
4	➤ Whether each employee has unique Identification number & it has been referred in all matter in relation to service book Whether payment made to employee has been verified with attendance register/logbook,	We have not got service log book for our verification.	NA	NA	We will maintain the same at earliest.	NO



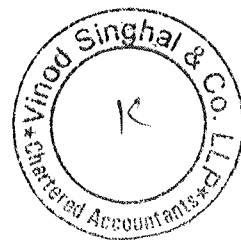
5	➤ Whether service book for calculation of payable has been authorized by the proper	We have not got service log book for our verification.	NA	NA	We will maintain the same at earliest.	NO
6	➤ Whether account depart has prepared the Advice & instructed the bank for the payment as per advice,	Yes	NA	NA	NA	NA
7	➤ Whether undistributed amount of pay & allowance as shown in cash book matched with balance of undistributed salary balance,	Yes	NA	NA	NA	NA
8	➤ Whether undistributed amount of pay & Allowance are not for more than 3 months as cash in hand,	Yes	NA	NA	NA	NA
9	➤ Whether disbursement of pay & allowance Are duly recorded in books & accepted by employee specifying separate hade with date of receive (In case of arrear),	Yes	NA	NA	NA	NA
10	➤ Whether the bill prepared according to sanctioned scale,	Yes	NA	NA	NA	NA
11	➤ Whether no any payment is made to employee whose service retired in any manner	Yes, Except those who are getting pension.	NA	NA	NA	NA



12	➤ Whether no any withdrawal is made unless Supported by last pay-in-slip, except in case of new appointment,	Yes	NA	NA	NA
13	➤ Whether all statutory deduction or adjustment has been made before payment,	No	NA	NA	NO
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.	We have observed that all deduction and adjustment done by ULB	NA	NA	NA
15	➤ To check salary bills.	Verified	NA	NA	NA
16	➤ Position of outstanding advances paid to employees	Verified	NA	NA	NA
17	➤ To check education of provident fund and ESI has been made as per rules	ULB is poor in Statutory compliances.	NA	NA	NO
18	➤ Whether PF slips are issued to the employee's on yearly basis and to see whether all statutory returns for PF are submitted to the concerned authorities.	No	NA	NA	NO

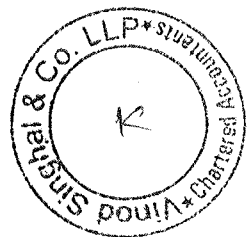


19	➤ To check whether salary bills prepared in such a manner that it gives breakup of the amount of bill and all adjustments such as deduction of PF, TDS and other advances and loans etc.	No	NA	NA	Due to lack of manpower it was not possible for us that comply with each and every rule. However, the same will be started at earliest.	NO
20	➤ Check Retirement benefit to employee	Verified	NA	NA	NA	NA
21	➤ Personnel Appointments and to see whether all records are updated from time to time.	Records are not updated on reasonable time gap	NA	NA	Due to lack of manpower it was not possible for us that comply with each and every rule. However, the same will be started at earliest.	NA
22	➤ Dismissal and Resignation/Termination	Verified	NA	NA	NA	NA
23	➤ Temporary workers		NA	NA	NA	NA
24	➤ Overtime		NA	NA	NA	NA
25	➤ Attendance Register To check number of persons mentioned in the attendance register		NA	NA	NA	NA
26	➤ Personnel Files		NA	NA	NA	NA
27	➤ Training of employees (including Skill development Levy)		NA	NA	NA	NA
28	➤ Leave Register-To check whether a leave register is maintained as per types of leave as medical Leave/CL/EL/maternity/paternity leave.		NA	NA	NA	NA

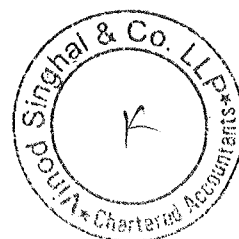


Grant

Grant						
	Name of theULB	Piro Nagar Panchayat				
	RISK RATING:	Medium				
S. No.	Particulars	AuditObservation	Amt. Involved	AssociatesRisk	MGT. Comment	Status (Resolved /Not)
1	➤ Maintenance/Updating register regarding details of funds received and expenditure.	Yes	NA	NA	NA	NA
2	➤ Any diversion/re-appropriation of funds not covered under the provision of BMA, 2007 should be pointed out for remedial action.	We have not found any issue during the period under consideration.	NA	NA	NA	NA
3	➤ To check whether utilization certificate for actual utilization of funds received	Yes	NA	NA	NA	NA

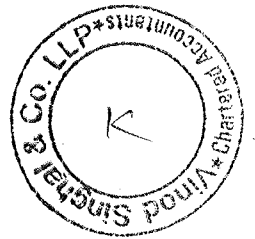


4	➤ It should also be checked that utilization certificate is issued as per prescribed time in the Manual and issue of UCs is not delayed	We observed that normally ULB is not providing UC on time	NA	NA	Due to lack of manpower it was not possible for us that comply with each and every rule. However, the same will be started to submit on time.	NO
5	➤ Internal Auditor should also check whether expenditure incurred on each activity does not exceed the budget?	We have checked on sample basis and found that Expenses are as per budget. However some variances upto 20-30 % found in such expenses.	NA	NA	We are in process to prepare budget on more scientific basis, so that gap can be minimized.	NO

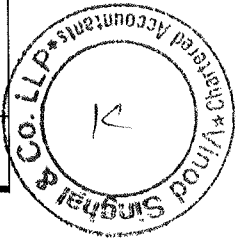


Payment of bills of contractors

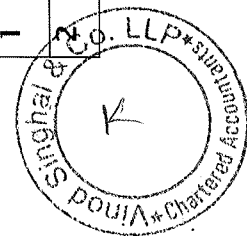
Payment of bills of contractors						
	Piro Nagar Panchayat					
	Name of the ULB					
	RISK RATING:	High				
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved /Not)
1	➤ Original bill duly signed by contractors is submitted.	Yes	NA	NA	NA	NA
2	➤ Contractor has put his initial sin all cuttings and corrections in the bill.	Yes	NA	NA	NA	NA
3	➤ All Supporting documents are Attached with the bills.	Yes	NA	NA	NA	NA
4	➤ The rates, security deposit, and Deductions are as per terms and conditions specified in the agreement	Yes	NA	NA	NA	NA
5	➤ The variations in quantities and Completion period etc. have been authorized by the competent authority	Yes	NA	NA	NA	NA



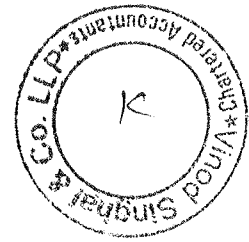
Receipt Voucher						
Name of the ULB		Piro Nagar Panchayat				
RISK RATING:		High				
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved/Not)
Receipt Vouchers:						
1	> Whether "Receipt Vouchers" are in the prescribed format & having machined serial number & there is no any manuscript form,	Yes	NA	NA	NA	NA
2	> Check;					
3	> What is the date of printing,	Date is Manually written	NA	NA	NA	NA
4	> What quantity of serial number was printed out,	Yes	NA	NA	NA	NA
5	> What is the date of dispatched, quantity of receipt vouchers & their serial number;	Yes	NA	NA	NA	NA



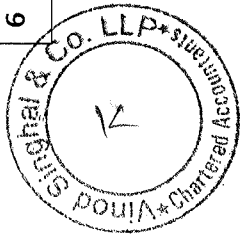
6	➤ Logbook/Register maintained at printing press regarding printing of "Receipt Vouchers".	We have not received log book for verification.	NA	NA	We will provide the same at earliest.	NO
7	➤ Verify that "Receipt Vouchers" received & their storing, having Same quantity & serial numbered which was actually dispatched & proper recording of the same along with issue,	Yes	NA	NA	NA	NA
8	➤ Verify Log book/Register maintained at every collection centre & cash counter with regard to receipt & return quantity & serial number,	We have not received	NA	NA	We will provide the same at earliest.	NO
9	➤ Verify the logbook/Register of "Receipt Vouchers" & cross verified the allotments to TC (Log Book) with their date of issue, serial number, name of TC & their circle	We have not received log book for verification	NA	NA	We will provide the same at earliest.	NO
10	➤ Check whether TC have same "Receipt Voucher" which was Actually issued by store & it must be authorized by the appropriate authority,	Yes	NA	NA	NA	NA
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	NA	NA	NA	NA
12	➤ Confirm that all unused "Receipt Vouchers" are under the Custody of authorised person,	Yes	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
Other Revenue:						
1	Advertisement Tax	Please refer detail Audit report	NA	NA	NA	NA
2	Tower Tax		NA	NA	NA	NA



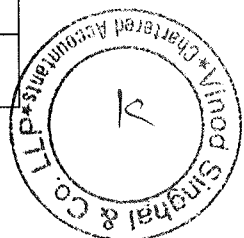
3	Professional Tax			NA	NA	NA	NA
4	Assigned Revenue (As details annexed)			NA	NA	NA	NA
5	Rental Charges (As details annexed)			NA	NA	NA	NA
6	Fee & uses Charges(As details annexed)			NA	NA	NA	NA
7	Other Revenue Items			NA	NA	NA	NA



Revenue Expense						
	Name of the ULB	Piro Nagar Panchayat				
	RISK RATING:	High				
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. 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	NA	NA	NA	NA
3	➤ Whether payment is made without any undue delay or whether any cheque issued are promptly issued to the respective	Yes	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	NA	NA	NA	NA
5	➤ Whether updating of accounts/books are on proper & timely basis,	No, Normally ulb is updating books on 2-3 day gap	NA	NA	Concerned person are directed to maintain the same at earliest.	NA
6	➤ Whether authorized person verify & sign the document involve,	Yes	NA	NA	NA	NA

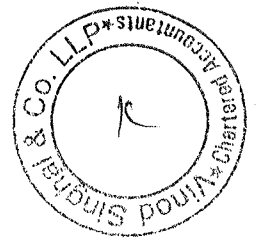


7	➤ Whether data base for the same has been properly maintained & safeguard measures are taken,	Yes	NA	NA	NA	NA
8	➤ Whether exact amount (no any over payment) are paid and verified by supporting document, & no any collusion with party,	Yes	NA	NA	NA	NA
9	➤ Whether register for settlement of service bill has been maintained and up to date,	We have not received such register for our verification.	NA	NA	We will provide the same in your next Audit	NO
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	NA	NA	NA	NA
14	➤ Whether payment has to be made after confirmation from store,	Yes	NA	NA	NA	NA
15	➤ Whether payment for repairs, etc, has to be made on the basis of log book maintained,	Payments are made on the basis of bill received. We have not received any log book for our verification.	NA	NA	We will maintain the same at the earliest.	NA



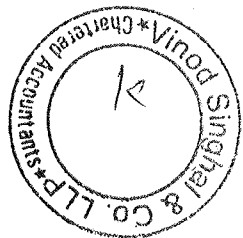
16	➤ Whether payment are as per defined approval level sanctioned u/s75 of BMA,2007,	Yes	NA	NA	NA	NA
17	➤ Confirm whether goods/assets received/accepted on or before 31st March, where the billis received after that date have been accounted for (either on the basis of purchase order ,tender rate or as per bill),	We have not found such type of instances for our comment.	NA	NA	NA	NA
18	➤ Whether no any withdrawal is made unless supported by last pay-in-slip, excepting case of new appointment,	Yes	NA	NA	NA	NA
19	➤ Whether all statutory deduction or adjustment has been made before payment,	Yes	NA	NA	NA	NA
20	➤ Whether entry of any event during service has been made in service book by authorized person,	We have not received the service book for our comment.	NA	NA	NA	NA

N

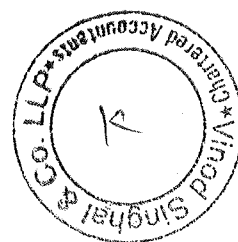


Statutory Requirement

Name of the ULB		Piro Nagar Panchayat				
RISK RATING:		High				
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved/Not)
1	➤ Whether deduction of TDS on payment has been made as per law,	No, ULB is deducting TDS on Payment Basis, However as per rule TDS should be deducted on payment or credit whichever is earlier.	NA	Very High	We will start to deduct the same as per rule from next FY.	NO
2	➤ Whether TDS deducted are timely deposited into bank with same amount,	No	NA	Very High	Normally we are depositing the same on time, in some cases there are gap in deposit. we are try to remove the gap from next FY.	NO
3	➤ Whether regulatory requirement for submission of Return has been followed,	No	NA	Very High	We will start to Submit the same as per rule at earliest.	NO

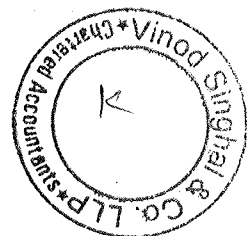


4	➤ Whether any deduction is made in any act, must be deposited as per their respective act,	No	NA	Very High	We will start to Submit the same as per rule at earliest.	NO
5	➤ Verify whether in case of "through rate" contract, there is no any payment for material, etc by the ulb	We have not got any instances of these nature	NA	NA	NA	NA
6	➤ Any demand is outstanding from regulatory authority for non-compliance	ULB has not provided data w.r.t. demand.	NA	NA	NA	NA

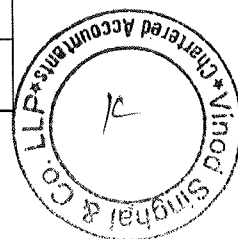


TenderDetails (WorkOrderWise)

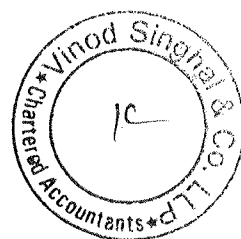
	Name of theULB	Piro Nagar Panchayat				
	RISK RATING:	Low				
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved / Not)
1	➤ To check whether the provisions Contained in tender Advertisement for procurement was followed in award of contracts.	Yes	NA	NA	NA	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 safe guarding the interest of corporation.	Yes	NA	NA	NA	NA
4	➤ The purchase proposal was approved by the competent authority. as per	Yes	NA	NA	NA	NA



	Delegation of powers							
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	NA	NA
6	➤ Approval of mode of procurement	Yes	NA	NA	NA	NA	NA	NA
7	➤ The tender documents are prepared properly and description of items to be procured, quantity and estimated value should be indicated.	Yes	NA	NA	NA	NA	NA	NA
8	➤ To check whether the direction were Followed for notification/advertising and opening of bids at notified date, time and place in the presence of bidders.	Yes	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 (DF ID, World Bank, & European Union etc.)	We have not got such type of data, Therefore, We can't comment on it.	NA	High	NA	We will provide the same at earliest.	NO	NO
10	➤ To check whether bids were evaluated in terms of the provisions of the bid Documents and the evaluation report was available.	No any evaluation report presented for our verification. Therefore we can't comment on the same.	NA	High	NA	We will provide the same at earliest.	NO	NO

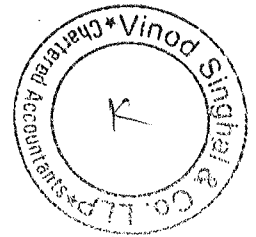


11	➤ To check whether contract was awarded to the lowest evaluated responsive bidders who fulfilled qualification requirements specified in the tenders documents.	Yes	NA	NA	NA	NA
12	➤ In case of negotiation of prices, it should be checked whether the negotiation was made with 1 bidder and all the relevant records thereof were available.	There are no any negotiations of price found during the audit.	NA	Low	Since contract are already issued at lower bid hence negotiation is not required	NA
13	➤ To check whether articles were received/ work was completed in time as per delivery schedule.	Yes	NA	NA	NA	NA
14	➤ The stores/ goods are properly recorded In the Stock Registers /Asset Register.	We have not received the stock or store register for our comment.	NA	medium	The same will provided at your next Audit	NO
15	➤ Whether any complaint was received regarding procurement and payment and existence of mechanism for redressed of complaints	Yes	NA	NA	NA	NA



Vehicle Log Book

Name of the ULB		Piro Nagar Panchayat				
RISK RATING:		Very High				
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved/Not)
1	Whether log book has maintained or Not & up-to-date with proper details like journeys, work undertaken, covering route, visited place, kilometer, etc.,	We have not received Vehicle Log book for our comment.	Not Available	Medium	We will start to maintain the same at earliest.	NO
2	Whether log book of journey is maintained in detail & signed by the officials using them,					
3	Whether it should be used for official purpose, otherwise charges are recoverable,					

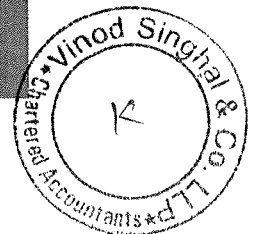


4	Whether details of fuel for the same has been maintained in log book,	We have not received Vehicle Log book for our comment.				Not Available	Medium	We will start to maintain the same at earliest.	NO
5	Whether full details of repairs has been maintained & it have been through authorized center,					Not Available	Medium	We will start to maintain the same at earliest.	NO
6	Whether authorized person have proper check over log book.					Not Available	Medium	We will start to maintain the same at earliest.	NO

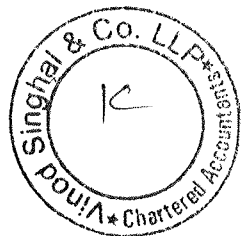


Fixed Assets

FixedAssets						
	Name of theULB	Piro Nagar Panchayat				
	RISK RATING:	High				
S. No.	Particulars	Audit Observation	Amt. Involved	AssociatesRisk	MGT. Comment	Status (Resolved /Not)
1	Status on Maintenance of Fixed Assets Register	Not Maintained	Not Available	Medium	We will start to maintain the same at the earliest.	NO
3	Budget availability is confirmed before acquisition	ULB has not provided any fixed assets register for our comment.				
4	Fixed assets are recognized at cost of acquisition and if so,check whether the cost components are incidental to its acquisition					
5	All fixed assets are acquired only after obtaining approval of the concerned authority		Not Available	Medium	We will start to maintain the same at the earliest.	NO
6	Physical verification of fixed assets is done and discrepancies are reconciled with Fixed Asset Register.					
7	Depreciation is provided on each class of fixed assets at the prescribed rates					
8	Asset Replacement Registers properly maintained asset class-wise	Not Available	Medium	We will start to maintain the same at the earliest.	NO	



Others							
	Name of the ULB	Piro Nagar Panchayat					
	RISK RATING:	Medium					
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved /Not)	
	Register of Mutation						
	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	NA	NA	NA	NA	
	Demand of current year and previous year have been reconciled with reference to the above details	We have not received any such statement from the ULB	NA	High	We will provide the same at earliest	No	
	Register of Suits						
	All suits filed by the municipality for recovery of any sum due are entered	We have not received any such statement from the ULB	NA	NA	NA	NA	
	All suits filed against the municipality are entered	We have not received any such statement from the ULB	NA	NA	NA	NA	



sanction from the Council obtained for filing/defending the suit						
all details like the Assessment Number, amount involved, Name of Court and Suit Number etc. are clearly entered	We have not received any such statement from the ULB	NA	NA	NA	NA	NA
Execution Petitions are filed for recovery of sums, in cases the suits are disposed in favour of municipality	We have not received any such statement from the ULB	NA	NA	NA	NA	NA

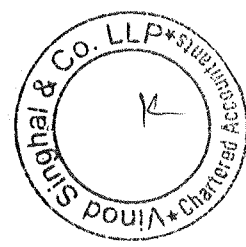


H

adequate monitoring of tax deducted at source and as deposited

Recommendation

Management Comments



Annexure

कार्यालय:- नगर पंचायत, पीरो (भोजपुर)।

प्रेषक,

पत्रांक:-.....६३३...../

कार्यपालक पदाधिकारी
नगर पंचायत, पीरो।

सेवा में,

महालेखाकार,
बिहार पटना।

पीरो, दिनांक:-.....२२.....वीं सितम्बर-2018

विषय :- नगर पंचायत, पीरो के अंकेक्षण प्रतिवेदन 1080/2015-16 का अनुपालन प्रतिवेदन भेजने के संबंध में।

महाशय,

उपर्युक्त विषय से संबंधित अंकेक्षण प्रतिवेदन 1080/2015-16 की कंडिका संख्या-4,6,7,8,11,14,15,16,18,21 एवं 22 का अनुपालन कर अनुपालन प्रतिवेदन संलग्न कर भेजा जा रहा है।

कृपा प्राप्ति स्वीकार की जाय।

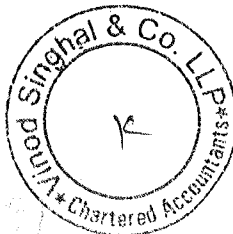
विश्वासभाजन

कार्यपालक पदाधिकारी
नगर पंचायत, पीरो (भोजपुर)।

ज्ञापांक-.....६३३..... दिनांक-.....२२-९/८.....

तेलिपि- सरकार के उप सचिव, नगर विकास एवं आवास विभाग, बिहार, पटना को प्रेषित।

कार्यपालक पदाधिकारी
नगर पंचायत, पीरो (भोजपुर)।



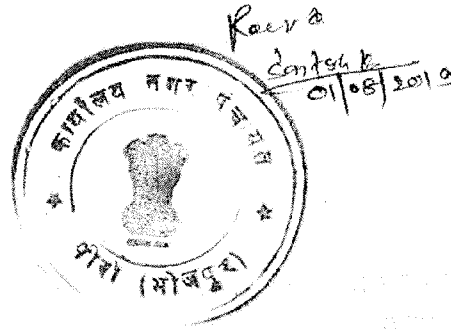


Letter No. IA/VSC/Piro/31/07/2019

To,

The Municipal Executive Officer
Piro Nagar Panchayet,
Bhojpur, Bihar

Date: 31 th -Jul-2019



Sub: Status of Documents/information required for conducting Internal Audit for the F.Y – 2019-20

Ref: No. 07/I.A. 115/17-83 Dated: 16-01-2019

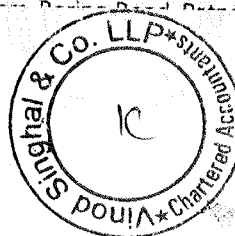
Sir,

We are pleased to inform you that we **Vinod Singhal & Co., LLP Chartered Accountants** are appointed as internal auditor of your ULB by the UD & HD under the assignment namely **"Selection of Chartered Accountant Firms for Internal Audit of 140 ULBs of Bihar"**.

In continuous of our earlier letter dated 31.07.2019 again we are submitting herewith letter for required documents for audit. Your good self is therefore requested to direct your good team towards provide the documents for audit at earliest.

The list of such required documents is given below:

Sl. No.	Documents/Registers Required	Status
1	Budget copy of F.Y 19-20 (In Soft and Hard Copy)	Received
2	Receipt & payment account (FY 2018-19) & for Quarter-1 of F.Y. 2019-20	no
3	Audited balance sheet and Income & Expenditure Account (FY 2018-19)	no
4	Cash Book	received
5	Bank Book	Received
6	Journal Book	no
7	Ledger	partial
8	Cash/Bank receipt voucher	Not Prepared
9	Cash/ Bank payment voucher	Not Prapared
10	Contra voucher	Not Prapared
11	Journal voucher	Not Prapare
12	Receipt (Daily collection register)	received
13	Register of Cheque Received	Not prapared
14	Statement on status of cheque received	Not Prapare
15	Collection register	Received

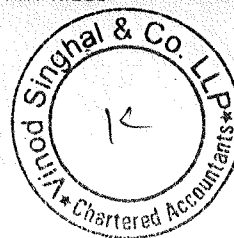




55	Summary statement of refunds of rentals, fee, & other income	Not Prepare
56	Summary statement of write offs of rentals, fee, & other income	Not Prepare
57	Grant register	
58	Latest statutory audit report of A.G/ memo with compliance report. <i>Recd Satish 01/08/19</i>	Not Received
59	Summary statement of status of capital work in progress	Not Received
60	Deposit work register	Not Received
61	Materials receipt note	Not Received
63	Store ledger	
64	Statement of closing stock	Not Received
65	Quarterly Bank Statement for the period 30.06.2019,	Received
66	Balance Confirmation from Parties as on 30.06.19	Not Received
67	BRS of all bank accounts (Including Dormant account) (Quarterly)	Not Received
68	Vouchers of all Payment and Procurements	Not Received
69	Utilization certificate - Submitted to UDHD Department,	Received
70	Minutes of Meeting of Municipal Accounting committee	Not received
71	Minutes of meeting of accounting committee	Not received
72	Physical verification report of cash and stock	Not Received
73	Details Repayment of Loan	Not Applicable
74	TDS Deposit Challan (of Each Month) & Copy of Return 24Q and 26Q for the period June, Sep, Dec. and March	Not Received
75	VAT deposit challan & copy of return for the period June, Sep, Dec. and March	Not received
76	Month wise PF Details (deduction & deposit)	Not received
77	Details of pension	Not Applicable
78	Details of Outstanding an on 30.06.2019	
	a. Mobile tower	Not received
	b. Property tax	Not received
	c. Water tax	Not applicable
	d. Rent	Received
	e. Advertisement	Not received
	f. Any other tax	
79	Salary Register/Master Roll	Received

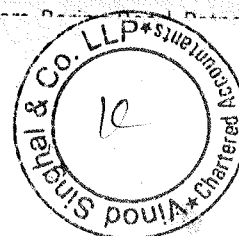
Further your good self is requested to appoint Tax Daroga/ Tax Collector towards filed survey with us for determining 20 high value properties situated in your area. This will required re-assessment of property by fill up ne SAS form.

If there is non-compliance of latest C & AG report and regarding non submission of UC, your good self is requested to appoint Accountant/ Head Clerk of your good team with us towards preparation of compliance report for AG Para and UC as per guidelines given by UD & HD. **(We are submitting compliance formats of AG & UC Compliance for your perusal)**





16	Memorandum of collection	Not Received
17	Summary of Daily collection	No
18	Register of bills for payment	
19	Payment order	Not Received
20	Cheque issue register	Received
21	Register of advance	Not Prapare
22	Register of permanent advance	Not Prapare
23	Deposit received register	Not prapare
24	Summary statement of deposits adjustment	Not Prapare
25	Demand register	Received
26	Bill of Income	Received
27	Summary Statement of Bill Raised	Received
28	Register of Notice Fee, Warrant Fee, other fees	Not Prepare
29	Summary statement of Notice Fee, Warrant Fee, other fees	Not Prepare
30	Register of Refunds, Reemissions and write offs	Not Prepare
31	Summary statement of Refund and Remissions	Not Prepare
32	Summary statement of Write offs	Not Prepare
33	Statement of outstanding liability for expenses	Bill received
34	Documents of control Register/ Stock Account of Receipt/Cheque Book	Not Prepared
35	Fixed Assets Register For the FY 2018-19 along with copy of invoice added during the period April 2019 till June 2019.	Not prepared
36	List of Taxes Collected by ULB	Received
37	Detail of Allotment Received during the year 2019-20.	Received
38	Detail of Pending Advance Recovery from Employee and Parties	Not applicable
39	Detail of Pending Interest Recovery from Employee and Parties	Not applicable
40	List of Tender issued during the year	Received
41	EMD/ ED register	Not Received
42	Receipt Book of Revenue Collection	Received
43	Bank Deposit Slip	Received
44	Summary statement of bills raised, property & other taxes	Not prepare
45	Summary statement of demand adjustments raised, property & other taxes	Not Prepare
46	Summary statement of head wise collection of property & other taxes	Not Prepare
47	Summary statement of refunds and remissions, property & other taxes	Not Prepare
48	Summary statement of write offs, property & other taxes	Not Prepare
49	Summary statement of demand raised on assessment of Water Supply	Not Prepare
50	Summary statement of head wise collection of other incomes of Water Supply	Not Prepare
51	Summary statement of refunds of Water Supply	Not Prepare
52	Summary statement of write offs of Water Supply	Not Prepare
53	Summary statement of demand raised on assessment of rentals, fee, & other income	Not Prepare
54	Summary statement of head wise collection of other incomes	Not Prepare



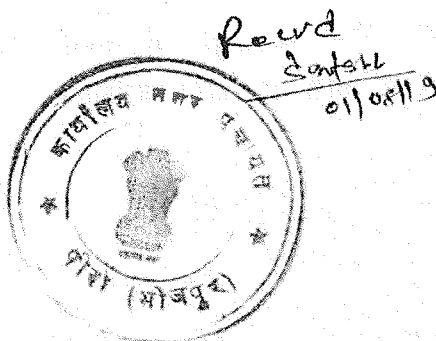


The list is not exhaustive. Further documents required during the audit shall be demanded accordingly. Your co-operation is solicited for smooth conduct of the assignment and hence, please submit the above-mentioned documents before us as early as possible.

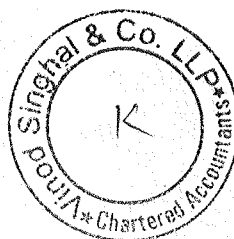
Thank you

For

Vinod Singhal & Co. LLP
Chartered Accountants



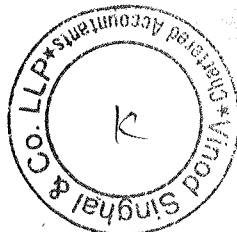
Md Abul Qais
Authorized Signatory



कार्यालय:- नगर पंचायत, पीरो (भोजपुर)।

प्रस्तुत अभिलेख नगर पंचायत, पीरो (भोजपुर) कार्यालय में Accounting Committee से संबंधित नगर पंचायत, पीरो (भोजपुर) में अभी तक Accounting Committee का गठन नहीं किया गया है। इसका गठन आगे से किया जायेगा।

for Santosh
नगर पंचायत, पीरो
(भोजपुर)।



कार्यालय:- नगर पंचायत, पीरो (भोजपुर)।

नगर पंचायत, पीरो (भोजपुर) सूचित करता है कि पीरो नगर पंचायत द्वारा वित्तीय वर्ष 2009-10 से 2019-20 तक निम्न करो का संग्रह किया जाता है जिसकी सूची निम्नवत है-

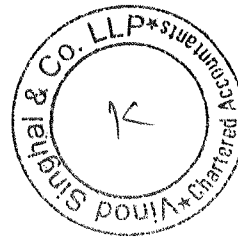
1. मरकाज कर
2. संचार टावर कर

इसके अलावा निम्न शूल्को का भी संग्रह किया जाता है। जिसकी सूची इस प्रकार है-

1. विविध शूल्क एवं फार्इन
2. जन्म-मृत्यु
3. नयश शूल्क
4. दुकान किराया

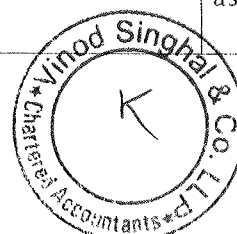
He Sanjosh
नगर पंचायत, पीरो 6/12/19

(भोजपुर)।



MANAGEMENT DISCUSSION NOTE

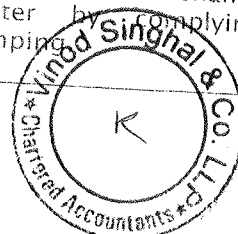
Name of the Municipality		Piro Nagar Panchyat	
Period covered under current audit		Quarter-1 of FY 2019-20 (i.e 01.04.2019 to 30.06.2019)	
Name of Executive Officer for the period under Audit		Mr Anirudh Kumar	
SL No.	Audit Observations	Auditor Recommendations	Management Comment
1	Compliance of Internal Audit report for the FY 2017-18 and 2018-19 are still pending.	ULB should comply all Internal/AG Audit paras on time.	I have directed to concerned person towards completion of all compliance work at earliest.
2	Budget not prepared in proper manner and guidance given by UD&HD GoB:	ULB should implement real time budget preparation in prescribed format of BMAM. Further, Budget variance report should be prepared for actual budget report.	I have directed to concerned person towards preparation of budget in prescribed format.
3	Non-updating of bank reconciliation on monthly basis as per Rule No. 118 of BMAR - 2014.	Bank Reconciliation help us to monitor over: > Difference between Bank Passbook and Cash Book > Unauthorised withdrawal from Bank. > Excessive debited by Bank > Helps to know any other reasons of differences. <i>Therefore, 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.</i>	I have directed to concerned person towards completion of all compliance work at earliest.
4	Non-Implementation of Double Entry Accounting System	As per requirement of BMAR-2014, Part -A, Chapter -2 Rule -4, "All ULB refereed in Schedule -I shall maintain its Books of Account using the double entry system".	Double entry system was implemented at ULB till FY 2015-16, M/s Manas Das & Co. was working here as DEAS consultant. Further, no agency has been appointed by UD&HD to further carry out this work
5	No details were made available regarding meeting of municipal accounts committee held during the period	As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of Municipal Accounts Committee each year. During our Audit no any evidence has been produced to us w.r.t. meeting of municipal accounts committee. ULB should ensure timely meeting of accounts committee in compliance of BMA-2007.	The Municipal Accounting committee is not formed here. We are under process to prepare municipal accounting committee shortly.
6	Non-levy of following taxes: > Surcharge on transfer of lands and buildings > Water tax > Fire tax. > Surcharge on electricity consumption within the municipal area > Tax on congregations > Tax on pilgrims and tourists.	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 boost their revenue	Piro is a Nagar Panchayat and many of taxes as reported here are not applicable on it. Further, we ensure you that we will collect all applicable taxes as soon as possible.



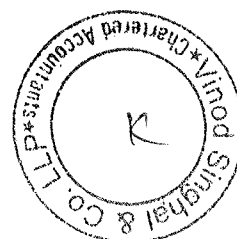
	- Tax on profession. - Toll tax on roads, bridges, ferries and navigable channels and on heavy trucks which shall be heavy Goods vehicles and buses which shall be heavy passenger motor vehicles. - User Charges for provision of water-supply, drainage and sewerage - User Charges for Solid Waste Management - User Charges for Parking Facility - User Charges for Garbage Clearance - Collection of fees for sanction of building plans and issue of completion certificates - Collection of fees for issue of municipal licences for various non-residential uses of lands and buildings. - Collection of Development Charges		
7	Late-Deposit of tax collection of taxes with cashier and with bank as per provision of BMA rule-22	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 or latest before noon of next day on which collection is made. However, during our audit, we observed that there is a huge delay in depositing the tax at bank. Therefore, management should implement a MIS Mechanism towards getting control over collection and deposit of Taxes. Further, we wish to inform that failure to comply with Rule 22 may cause for fine of Rs. 5,000.	Many of time due to work load and filed survey the collector not submitted their collection for deposit into bank. However irrespective of fact we have directed the all collector to submit their collection amount as per Rule.
8	Non collecting Notice fee from defaulter	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, but in case of Piro Nagar Panchyat, ULB has not provided any information regarding charging and collection of notice fees. ULB should collect notice fees from applicable assesses in compliance of act and to boost ULB revenue.	We have directed to concerned person for collecting the same. From now it is implemented at ULB.



9	Non-recovery of outstanding taxes	ULB has provided during audit the detail of outstanding tax and other income; we observed on the basis of the data that there is huge arrear of taxes at ULB. Therefore, the management should take proper step to boost collection of arrears. Further a weekly or fortnightly meeting with all tax collectors to be held for getting the reason of non-collection and resolving the same.	We have served several notices for payment of the arrear taxes and we are continuously try to collect the same.
10	Bifurcation of outstanding rental income, Property tax, bus stand other sairat is not provided. Also, any detail regarding Advertisement Tax and mobile tower tax is not provided.	ULB should prepare proper records for arrear amount and should take proper steps to collect arrears.	We are preparing these data on every time gap, we will provide the same at next Audit.
11	ULB is not in practice to pay Electricity bills on time. Due to non-payment, it attracts huge surcharge amounted to Rs. 13,75,633. Also, ULB is not in practice to prepare payment vouchers	ULB should pay bills on time to avoid any penalty/surcharge. Also, ULB should prepare voucher based on running voucher as per the provision of Rule No. 16, 17 and 18 of BMAR - 2014.	Due to lack of manpower it was not possible for us that comply with each and every rule. However, the same will be started at earliest.
12	Non-maintenance of required registers as per Rule No. -3 of BMAR-2014	Detail of registers not maintained by ULB is mentioned under PART-A (a). ULB should ensure proper maintenance of required Books of Account and register as per the list given in Rule -3 of BMAR - 2014.	We will maintain the same at earliest.
13	Non-preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014	ULB should ensure preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014	New DEAS Team is working for preparation of Financial Statement. We will update you after getting the data from them.
14	Irregularities in vendor payment process: ➤ Budget Control register was not updated ➤ Quality control test report was not available ➤ Completion certificate was not available in payment file in case of completed contract.	Proper tender documents regarding tender approval and allotment was not properly maintained or made available for audit. In provided cases, we are unable to comment on channel of procurement of tender and their required compliances. Further, no statutory compliance register was maintained in regards with statutory dues deducted from party bills. So, ULB should maintained proper tender register and file that include all related documents of tender. Statutory compliance register should be maintained for all statutory deductions made from parties' invoices.	We will provide the same on next audit.
15	Non-maintenance of register for all procurements with value above Rs. 15,000	ULB should ensure maintenance of register for all Procurements with value above Rs. 15,000	We will maintain the register shortly.
16	Missing signature of wages worker and stamp of ULB on muster roll register	ULB should ensure proper maintenance of wages register by complying signature and stamping	All concerned person are directed to resolve this issue within 30 days. We will inform you after rectification.

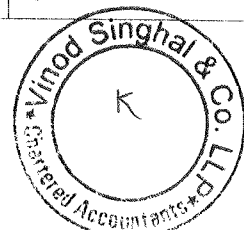


17	No maintenance of separate earnest & security deposit register	EMD and security deposit register help in tracking of balance payable to parties.	Register has been maintained by us. We will show the same on your next visit.
18	Non-Compliance of Act & Rules	Refer point of Part B (d) of audit report for status of non-compliance of Act & Rules. ULB should ensure compliance of all applicable Act & Rules.	With the help of available man power we are trying to serve in best possible manner. However, due to lack of manpower and excess work load some of rules are not followed by or Missed by us. We will try to cover the same at earliest.
19	Lack of Internal control measures: ➤ Voucher file was not maintained ➤ No internal mechanism for statutory compliance ➤ No MIS was prepared for tracking of payments ➤ Required books of accounts as per BMAM was not maintained ➤ Statutory compliance reconciliation was not maintained ➤ Year-end reconciliation was not available ➤ Bank reconciliation of any bank account was not prepared. ➤ Bank balance as per cash book was not maintained.	We observed that there is no any internal control mechanism available over collection recovery, deposit of taxes, assets handling, Cheque handling and Statuary compliances. <u>We suggest that:</u> ✓ MIS System should be implemented over daily collection and deposit. ✓ Reason for non-deposit/ late deposit should be strongly need to be asked to minimize delay. ✓ Need to identify a person to comply with the statuary compliances. In case failure to comply with statuary compliances he should also be penalised. Therefore, the management has to take serious effort in implementation of Internal control Mechanism for getting a better result from ULB working.	We will start the same at earliest.
20	Non-compliance of statutory compliances: ➤ Non preparation of statutory compliance register ➤ Non deposit of TDS on timely basis. ➤ Non filing of TDS return for due period ➤ Non providing details towards payment and return regarding VAT/GST/PF/Royalty/Labour Less	Statutory compliance register was maintained in regards with statutory dues deducted from party bills. So, ULB should maintained proper statutory compliance register. Statutory compliance register should be maintained for all statutory deductions made from parties invoices. Non-compliance with statutory dues will cause of penalty, interest and prosecution. Management should ensure that all statuary dues are paid on time and returns related thereof filed on time.	Due to shortage of trained staff statuary compliances are handled by professional hired by us. We will present all file with you after getting data from them



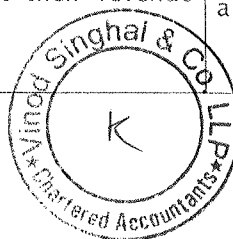
21	Deficiency in payroll system : ➤ Non-preparation of salary payment voucher ➤ Non-maintaining salary payment reference number in cash book ➤ Non-implementation of Bio-metric device and payroll software	Every payment should be accompanied with payment voucher. Further as per Section 2(23) of the Indian Stamp Act 1899 makes it mandatory for affixing of stamp on any receipt as defined therein above Rs 5000. Therefore, management should ensure that the payment is accompanied with payment voucher. Meaning of Receipt : "Receipt" includes any note, memorandum or writing- ✓ whereby any money, or any bill of exchange, cheque or promissory note is acknowledged to have been received, or ✓ whereby any other movable property is acknowledged to have been received in satisfaction of a debt, or ✓ whereby any debt or demand, or any part of a debt or demand, is acknowledged to have been satisfied or discharged, or ✓ which signifies or imports any such acknowledgment; and whether the same is or is not signed with the name of any person "	We have directed to team to resolve the issue within 15 days. We will provide the same at next audit.
22	Non-providing of Utilization certificate for the reporting audit period	Grant is blood of ULB. Therefore, for getting grant and running the ulb working smoothly it is very important to comply with all necessary requirement of grant. Further timely submission of utilisation certificate helps the grant realising authority to send the money for fulfil the requirement of future. Therefore, management should ensure that UC has been submitted with concerned department on time.	UC has been submitted to department. We will show you copy of the same for your verification at your next visit.
23	Non-maintaining of inventory/store register and non-conducting of physical verification of inventory and stores available with ULB as per requirement of BMAR-rule 130.	Management should implement the control system over inventory and store. Stock register should be in place and get it verified by a responsible person as authorised by management time to time. Further any discrepancies arises/ found during such verification should be reported immediately.	We will maintain the same at earliest.
24	Non providing details of Advances, their adjustment & Recovery	To ensure timely recovery of advance with interest proper calculation should be there with proper recovery plan.	We Will Provided Next Quarter
25	Details of Directives not provided	ULB Should comply with all directive issued by UDHD or other. related department.	No directive issued during Q-1 of FY 2019-20
26	Detail of Field Survey of high value properties is not provided.	Detail should be provided	We will provide in next Quarter.


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 नमो पचायत परा

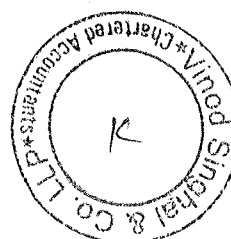


MANAGEMENT DISCUSSION NOTE

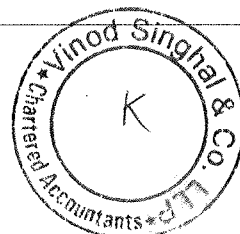
Name of the Municipality		Piro Nagar Panchayat	
Period covered under current audit		Quarter-2 of FY 2019-20 (i.e 01.07.2019 to 30.09.2019)	
Name of Executive Officer for the period under Audit		Mr Anirudh Kumar	
SL No.	Audit Observations	Auditor Recommendations	Management Comment
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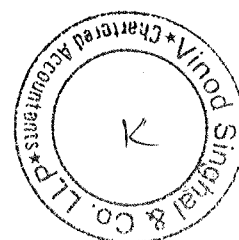
	ferries and navigable channel and on heavy trucks which shall be heavy Goods vehicles, and buses, which shall be heavy passenger motor vehicles. ➤ User Charges for provision of water-supply, drainage and sewerage ➤ User Charges for Solid Waste Management ➤ User Charges for Parking Facility ➤ User Charges for Garbage Clearance ➤ Collection of fees for sanction of building plans and issue of completion certificates, ➤ Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings, ➤ Collection of Development Charges		
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11	ULB is not in practice to pay electricity bills on time. Due to non-payment, it attracts huge surcharge amounted to Rs. 13,75,633, also ULB is not in practice to prepare payment vouchers.	ULB should prepare voucher based on running voucher as per the provision of Rule No. 16, 17 and 18 of BMAR-2014.	Due to lack of manpower it was not possible for us that comply with each and every rule. However, the same will be started at earliest.
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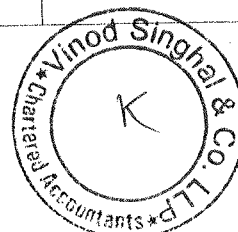


17	No maintenance of separate earnest & security deposit register	EMD and security deposit register help in tracking of balance payable to parties.	Register has been maintained by us. We will show the same on your next visit.
18	Non-compliance of Act & Rules	Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. ULB should ensure compliance of all applicable Act & Rules.	With the help of available man power we are trying to serve in best possible manner. However, due to lack of manpower and excess work load some of rules are not followed by or Missed by us. We will try to cover the same at earliest.
19	Lack of Internal control measures : ➤ Voucher file was not maintained ➤ No internal mechanism for statutory compliance ➤ No MIS was prepared for tracking of payments ➤ Required books of accounts as per BMAM was not maintained ➤ Statutory compliance reconciliation was not maintained ➤ Year-end reconciliation was not available ➤ Bank reconciliation of any bank account was not prepared. ➤ Bank balance as per cash book was not maintained.	We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, Cheque handling and Statuary compliances. <u>We suggest that:</u> ✓ MIS System should be implemented over daily collection and deposit. ✓ Reason for non-deposit/ late deposit should be strongly need to be asked to minimize delay. ✓ Need to identify a person to comply with the statuary compliances. In case failure to comply with statuary compliances he should also be penalised. Therefore, the management has to take serious effort in implementation of Internal control Mechanism for getting a better result from ULB working.	We will start the same at earliest.
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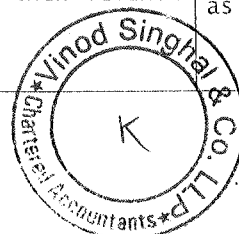
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25	Details of Directives not provided	ULB Should comply with all directive issued by UDHD or other related department.	No directive issued during Q-2 of FY 2019-20
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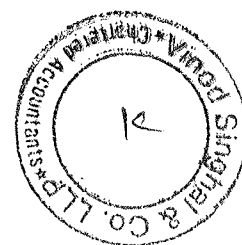


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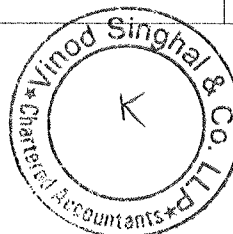
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Name of Executive Officer for the period under Audit		Mr Anirudh Kumar	
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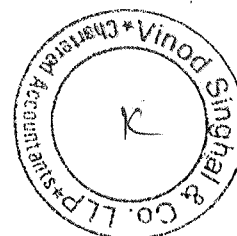
	ferries and navigable channel and on heavy trucks which shall be heavy Goods vehicles, and buses, which shall be heavy passenger motor vehicles. ➤ User Charges for provision of water-supply, drainage and sewerage ➤ User Charges for Solid Waste Management ➤ User Charges for Parking Facility ➤ User Charges for Garbage Clearance ➤ Collection of fees for sanction of building plans and issue of completion certificates, ➤ Collection of fees for issue of municipal licenses for various non-residential uses of lands and buildings, ➤ Collection of Development Charges		
7	Late-Deposit of tax collection of taxes with cashier and with bank as per provision of BMA rule-22	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 or latest before noon of next day on which collection is made. However, during our audit, we observed that there is a huge delay in depositing the tax at bank. Therefore, management should implement a MIS Mechanism towards getting control over collection and deposit of Taxes. Further, we wish to inform that failure to comply with Rule 22 may cause for fine of Rs. 5,000.	Many of time due to work load and filed survey the collector not submitted their collection for deposit into bank. However irrespective of fact we have directed the all collector to submit their collection amount as per Rule.
8	Non collecting Notice fee from defaulter	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, but In case of Piro Nagar Panchyat, ULB has not provided any information regarding charging and collection of notice fees. ULB should collect notice fees from applicable assesses in compliance of act and to boost ULB revenue.	We have directed to concerned person for collecting the same. From now it is implemented at ULB.



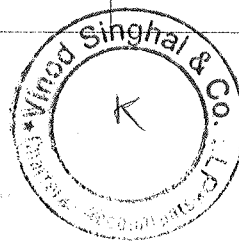
9	Non-recovery of outstanding taxes	ULB has provided during audit the detail of outstanding tax and other income; we observed on the basis of the data that there is huge arrear of taxes at ULB. Therefore, the management should take proper step to boost collection of arrears. Further a weekly or fortnightly meeting with all tax collectors to be held for getting the reason of non-collection and resolving the same.	We have served several notices for payment of the arrear taxes and we are continuously try to collect the same.
10	Bifurcation of outstanding rental income, Property tax, bus stand other sairat is not provided. Also, any detail regarding Advertisement Tax and mobile tower tax is not provided.	ULB should prepare proper records for arrear amount and should take proper steps to collect arrears.	We are preparing these data on every time gap, we will provide the same at next Audit.
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12	Non-maintenance of required registers as per Rule No. -3 of BMAR-2014	Detail of registers not maintained by ULB is mentioned under PART-A (a). ULB should ensure proper maintenance of required Books of Account and register as per the list given in Rule -3 of BMAR - 2014.	We will maintain the same at earliest.
13	Non-preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014	ULB should ensure preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014	New DEAS Team is working for preparation of Financial Statement. We will update you after getting the data from them.
14	Irregularities in vendor payment process: ➤ Budget Control register was not updated ➤ Quality control test report was not available ➤ Completion certificate was not available in payment file in case of completed contract.	Proper tender documents regarding tender approval and allotment was not properly maintained or made available for audit. In provided cases, we are unable to comment on channel of procurement of tender and their required compliances. Further, no statutory compliance register was maintained in regards with statutory dues deducted from party bills. So, ULB should maintained proper tender register and file that include all related documents of tender. Statutory compliance register should be maintained for all statutory deductions made from parties' invoices.	We will provide the same on next audit.
15	Non-maintenance of register for all procurements with value above Rs. 15,000	ULB should ensure maintenance of register for all Procurements with value above Rs. 15,000	We will maintain the register shortly.
16	Missing signature of wages worker and stamp of ULB on muster roll register	ULB should ensure proper maintenance of wages register by complying signature and stamping.	All concerned person are directed to resolve this issue within 30 days. We will inform you after rectification.



17	No maintenance of separate earnest & security deposit register	EMD and security deposit register help in tracking of balance payable to parties.	Register has been maintained by us. We will show the same on your next visit.
18	Non-compliance of Act & Rules	Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. ULB should ensure compliance of all applicable Act & Rules.	With the help of available man power we are trying to serve in best possible manner. However, due to lack of manpower and excess work load some of rules are not followed by or Missed by us. We will try to cover the same at earliest.
19	Lack of Internal control measures : > Voucher file was not maintained > No internal mechanism for statutory compliance > No MIS was prepared for tracking of payments > Required books of accounts as per BMAM was not maintained > Statutory compliance reconciliation was not maintained > Year-end reconciliation was not available > Bank reconciliation of any bank account was not prepared. > Bank balance as per cash book was not maintained.	We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, Cheque handling and Statuary compliances. <u>We suggest that:</u> ✓ MIS System should be implemented over daily collection and deposit. ✓ Reason for non-deposit/ late deposit should be strongly need to be asked to minimize delay. ✓ Need to identify a person to comply with the statuary compliances. In case failure to comply with statuary compliances he should also be penalised. Therefore, the management has to take serious effort in implementation of Internal control Mechanism for getting a better result from ULB working.	We will start the same at earliest.
20	Non-compliance of statutory compliances: > Non preparation of statutory compliance register > Non deposit of TDS on timely basis. > Non filing of TDS return for due period > Non providing details towards payment and return regarding VAT/GST/PF/Royalty/Labour Cess	Statutory compliance register was maintained in regards with statutory dues deducted from party bills. So, ULB should maintained proper statutory compliance register. Statutory compliance register should be maintained for all statutory deductions made form parties invoices. Non-compliance with statuary dues will cause of penalty, interest and prosecution. Management should ensure that all statuary dues are paid on time and returns related thereof filed on time.	Due to shortage of trained staff statutory compliances are handled by professional hired by us. We will present all file with you after getting data from them

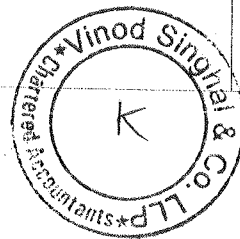


21	Deficiency in payroll system : ➤ Non-preparation of salary payment voucher ➤ Non-maintaining salary payment reference number in cash book ➤ Non-implementation of Bio-metric device and payroll software	Every payment should be accompanied with payment voucher. Further as per Section 2(23) of the Indian Stamp Act 1899 makes it mandatory for affixing of stamp on any receipt as defined therein above Rs 5000. Therefore, management should ensure that the payment is accompanied with payment voucher. Meaning of Receipt : "Receipt" includes any note, memorandum or writing- ✓ whereby any money, or any bill of exchange, cheque or promissory note is acknowledged to have been received, or ✓ whereby any other movable property is acknowledged to have been received in satisfaction of a debt, or ✓ whereby any debt or demand, or any part of a debt or demand, is acknowledged to have been satisfied or discharged, or ✓ which signifies or imports any such acknowledgment; and whether the same is or is not signed with the name of any person "	We have directed to team to resolve the issue within 15 days. We will provide the same at next audit.
22	Non-providing of Utilization certificate for the reporting audit period	Grant is blood of ULB. Therefore, for getting grant and running the ulb working smoothly it is very important to comply with all necessary requirement of grant. Further timely submission of utilisation certificate helps the grant realising authority to send the money for fulfil the requirement of future. Therefore, management should ensure that UC has been submitted with concerned department on time.	UC has been submitted to department. We will show you copy of the same for your verification at your next visit.
23	Non-maintaining of inventory/store register and non-conducting of physical verification of inventory and stores available with ULB as per requirement of BMAR-rule 130.	Management should implement the control system over inventory and store. Stock register should be in place and get it verified by a responsible person as authorised by management time to time. Further any discrepancies arises/ found during such verification should be reported immediately.	We will maintain the same at earliest.
24	Non providing details of Advances, their adjustment & Recovery	To ensure timely recovery of advance with interest proper calculation should be there with proper recovery plan.	We Will Provided Next Quarter
25	Details of Directives not provided	ULB Should comply with all directive issued by UDHD or other related department.	No directive issued during Q-3 of FY 2019-20
26	Detail of Field Survey of High value Properties is not provided.	Details Should be provided.	We Will Provide in Next Quarter.

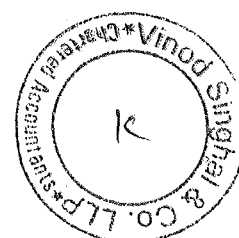


MANAGEMENT DISCUSSION NOTE

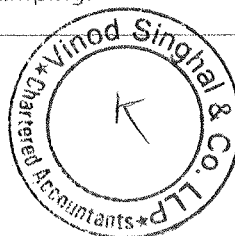
Name of the Municipality		Piro Nagar Panchayat	
Period covered under current audit		Quarter-4 of FY 2019-20 (i.e 01-01.2020 to 31.03.2020)	
Name of Executive Officer for the period under Audit		Mr Antrudh Kumar	
SL No.	Audit Observations	Auditor Recommendations	Management Comment
1	Compliance of Internal Audit report for the FY 2017-18 and 2018-19 are still pending.	ULB should comply all Internal/AG Audit paras on time.	I have directed to concerned person towards completion of all compliance work at earliest.
2	Budget not prepared in proper manner and guidance given by UD&HD GoB:	ULB should implement real time budget preparation in prescribed format of BMAM. Further, Budget variance report should be prepared for actual budget report.	I have directed to concerned person towards preparation of budget in prescribed format.
3	Non-updating of bank reconciliation on monthly basis as per Rule No. 118 of BMAR - 2014.	Bank Reconciliation help us to monitor over: 7. Difference between Bank Passbook and Cash Book 8. Unauthorised withdrawal from Bank. 9. Excessive debited by Bank 10. Helps to know any other reasons of differences. <i>Therefore, 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.</i>	I have directed to concerned person towards completion of all compliance work at earliest.
4	Non-Implementation of Double Entry Accounting System	As per requirement of BMAR-2014, Part - A, Chapter -2 Rule -4, "All ULB refereed in Schedule -I shall maintain its Books of Account using the double entry system".	Double entry system was implemented at ULB till FY 2015-16, M/s Manas Das & Co. was working here as DEAS consultant. no agency has been appointed by UD&HD to further carry out this work
5	No details were made available regarding meeting of municipal accounts committee held during the period	As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of Municipal Accounts Committee each year. During our Audit no any evidence has been produced to us w.r.t. meeting of municipal accounts committee. ULB should ensure timely meeting of accounts committee in compliance of BMA-2007.	The Municipal Accounting committee is not formed here. We are under process to prepare municipal accounting committee shortly.
6	Non-levy of following taxes: ➤ Surcharge on transfer of lands and buildings ➤ Water tax ➤ Fire tax. ➤ Surcharge on electricity consumption within the municipal area ➤ Tax on congregations ➤ Tax on pilgrims and tourists. ➤ Tax on profession. ➤ Toll-tax on roads, bridges,	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 boost their revenue	Piro is a Nagar Panchayat and many of taxes as reported here are not applicable on it. Further, we ensure you that we will collect all applicable taxes as soon as possible.



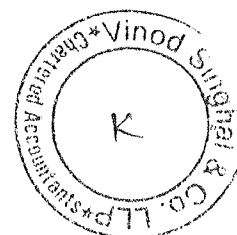
	ferries and navigable channel and on heavy trucks which shall be heavy Goods vehicles, and buses, which shall be heavy passenger motor vehicles. ➤ User Charges for provision of water-supply, drainage and sewerage ➤ User Charges for Solid Waste Management ➤ User Charges for Parking Facility ➤ User Charges for Garbage Clearance ➤ Collection of fees for sanction of building plans and issue of completion certificates, ➤ Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings, ➤ Collection of Development Charges		
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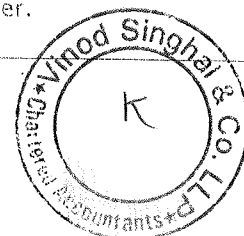


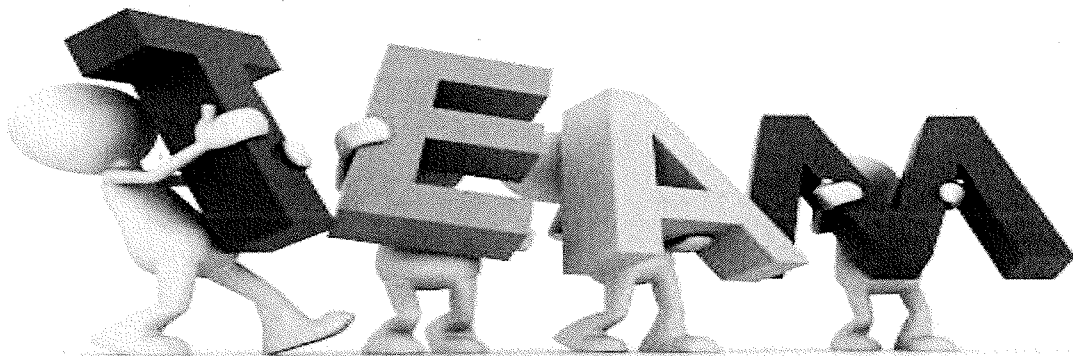
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Handwritten signature and date: 25/12/2019





**Vinod
Singhal & Co. LLP**
CHARTERED ACCOUNTANTS
We Plant Quality

