

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

INTERNAL Audit Report

for

F. Y. 2018-19

Group 1

NAGAR PARISHAD

SASARAM

BY

A. P. SANZGIRI & CO.

Chartered Accountants

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Document History

Internal Audit

Project Title	Selection of Chartered Accountant Firms for Internal Audit of 140 ULBs of Bihar (Tender No. IA-140ULBs/2017-18/2018-19/2019-20) Group - 1 covering 19 ULBs"
Report Title	Internal Audit for FY 2018-19 of Nagar Parishad Sasaram
Reporting Entity	A P SANZGIRI & Co., Chartered Accountants
Reporting for	Nagar Parishad Sasaram
Report Prepared by	Internal Audit Team of A P SANZGIRI & Co., Chartered Accountants
Date of Submission	14th November, 2019



Abbreviation and Acronyms

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

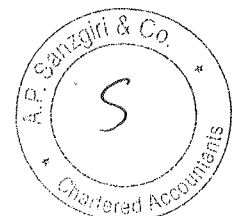
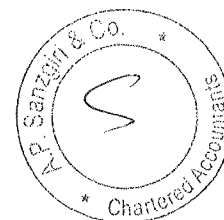


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A. P. SANZGIRI & Co.
CHARTERED ACCOUNTANTS

Date: 13th July, 2020

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

Sub: Submission of Internal Audit Report of Nagar Parishad Sasaram for the financial year 2018-19

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

Respected Sir,

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

As per the terms and conditions of RFP Document, we have successfully conducted the Internal Audit of Nagar Parishad Sasaram for the Financial Year 2018-19 and submitting the report of the same as per our deliverables.



We hereby also confirm that, this report has been prepared in accordance with the Terms of Reference of RFP issued by the department.

Hope you will find the same in compliance. Assuring you of our best services & cooperation always.

Thanking You,

Yours faithfully,

On Behalf of
A P Sanzgiri & Co,
Chartered Accountants



CA Satish Gupta
Partner
FRN: 116293W
UDIN: 20180707AAAAAIS6338
Date - 07-07-2020
Membership No - 101134

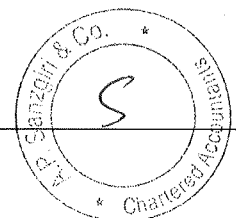
EXECUTIVE SUMMARY

1. INTRODUCTION:

Name of the Municipality	-	Sasaram Municipal Council
Period covered under Current Audit	-	01 st April 2018 to 31 st March 2019
Name of Mayor	-	Mrs. Kanchan Devi Gupta
Name of Executive Officer	-	Smt. Himani Kumari

2. OBSERVATIONS AND FINDINGS:

Strengths	<ol style="list-style-type: none">1. In the existing system as prevailing in the ULB , day to day working is in progressive manner in respect of collection of revenue and execution of the projects.2. There is sufficient co-operation from the management during the course of our audit.3. General Cash book is properly up-to-dated.
Weaknesses	<ol style="list-style-type: none">1. No physical verification of store is exercised by ULB.2. No Physical verification of cash is exercised by ULB.3. Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the corporation has not been complied.4. Complete Utilization certificate for FY 2018-19 has not been prepared for some of the schemes.5. Fixed assets register is not maintained by ULB6. Compliance report of AG audit is not prepared by the ULB and also report is not provided to us for inspection for FY 2016-17. Hence, we are unable to comment on the same.7. Statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.8. Certain Statutory Registers and Books are not maintained.9. Bank Reconciliation Statement has not been prepared. <p>10. Non Levy of Taxes:</p> <ul style="list-style-type: none">• 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 Solid Waste Management• User Charges for Parking Facility



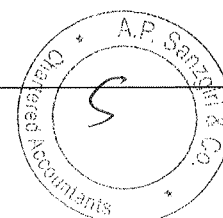
	<ul style="list-style-type: none"> • User Charges for Garbage Clearance • Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings • Collection of Development Charges <p>11. ULB is not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</p> <p>12. ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter</p> <p>13. Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.</p> <p>14. Non Compliance of Rule 130 of BMAR in some of the cases.</p> <p>15. ULB is not maintaining the accounts as well as not preparing the financial statements.</p> <p>16. ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.</p> <p>17. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 15-30 days.</p>
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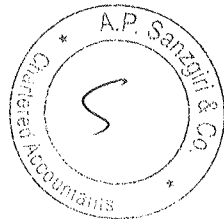
3. OPINION:

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

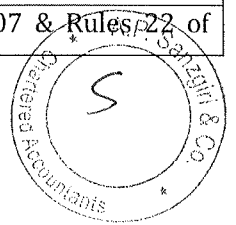
4. AUDIT RECOMMENDATION:

Observed Weaknesses	Audit Recommendations
No physical verification of store is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of the stock and process.
No Physical verification of cash is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of cash.
Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the corporation has not been complied.	Internal Audit wing should be created by employing the Municipal Internal Auditor on the Board.



Utilization certificate for FY 2018-19 has not been prepared for some of the schemes.	Utilization Certificate should be prepared timely by the ULB and submit the same to Department on regular basis.
Fixed assets register is not maintained by ULB	Fixed assets register should be maintained and updated properly with the assistance of DEAS team.
Compliance report of AG audit is not prepared by the ULB and also report is not provided to us for inspection for FY 2016-17. Hence, we are unable to comment on the same.	Compliance report should be prepared as soon as the report is received by ULB and steps to be taken for recovery of the amount for financial irregularities.
Statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.	As ULB is not proper in statutory compliances, that cause financial implication on ULB in mode of interest and penalty. So, ULB should ensure statutory compliance on time.
Certain Statutory Registers and Books are not maintained.	Statutory register and books of accounts should be maintained as per guidelines and BMAR.
Bank Reconciliation Statement has not been prepared.	ULB should prepare bank reconciliation of all bank accounts including doormat accounts on monthly basis. Bank statements of all bank accounts should be kept in separate file for proper records.
<p>Non Levy of Taxes:</p> <ul style="list-style-type: none"> • 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 Solid Waste Management • User Charges for Parking Facility • User Charges for Garbage Clearance • Collection of fees for Issue of municipal 	<p>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</p> <div style="text-align: right;">  </div>

<p>licenses for various non-residential uses of lands and buildings</p> <ul style="list-style-type: none"> • Collection of Development Charges 	
<p>ULB is not prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</p>	<p>As per BMAR Rule No. - 121, ULB should prepare of monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</p>
<p>ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter</p>	<p>Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis.</p>
<p>Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.</p>	<p>As per BMAM-ULB are required to maintain fund wise receipts & payments. As per BMAM, following funds should be maintained by ULB.</p> <ol style="list-style-type: none"> 1. Municipal General Fund 2. Basic service for urban poor 3. Water supply & sewerage fund 4. Solid Waste Management Fund 5. Road Development & Maintenance 6. Enterprise Fund
<p>Non Compliance of Rule 130 of BMAR in some of the cases.</p>	<p>ULB should ensure compliance related to Rule 130 of BMAR on regular basis.</p>
<p>ULB is not maintaining the accounts as well as not preparing the financial statements.</p>	<p>ULB is require to maintain the accounts as well as prepare the financial statements at the end of the year.</p>
<p>ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.</p>	<p>ULB should prepare financial statements for each year and get it approved from municipal account committee. As per BMAR, audited financial statements are required to submit to auditor for audit.</p>
<p>During verification of receipts book and deposit</p>	<p>As per Bihar Municipal Act, 2007 & Rules 22 of</p>



<p>slips, we have noticed that there is gap in collection of tax and deposit of tax around 15-30 days.</p>	<p>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.</p>
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5. COMMENTS FROM MANAGEMENT

Audit observations with audit recommendation have been submitted with management for providing management Comments.

6. ACKNOWLEDGEMENT

During the course of the auditor we have come across many deficiencies like maintaining of holding tax register, fixed assets register, award register of contract etc. all such deficiencies we have brought to knowledge of the EO and he insured of improvement next time. Non preparation of bank reconciliation has also been brought to the notice of the EO and improvement has been promised.

On Behalf of
A P Sanzgiri & Co,
Chartered Accountants
Satish Gupta
CA Satish Gupta
Partner
FRN: 116293W
UDIN: 20101134AAAAS633B
DATE: 07-07-2020
Membership No: 101134



DETAILED AUDIT REPORT

1. INTRODUCTION:

S.N.	Name Of ULB	Period-covered		Audit Team
		From	TO	
1	SASARAM	01.04.2018	31.03.2019	1. Team Leader : Satish Gupta 2. Name of CA : Ayush Agarwal 3. Name of Auditor-1: Raja Ansari 4. Name of Auditor-2: Vivek Kumar

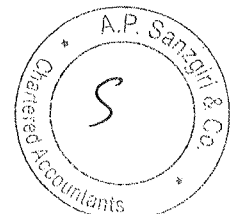
2. ADMINISTRATION:

S.N	Particulars	Details
1	The present body of the ULB has taken charge on	June'2017
2	The incumbency in the key administrative and executive positions was as under:	
2.1	Name of Mayor:	Mrs. Kanchan Devi Gupta
2.1.1	Period of Service:	From: June'17 To: till date
2.2	Name of Commissioner/Executive Officer:	Smt. Kumari Himani
2.2.1	Period of Service:	From:Nov'17 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. 2012-13 & 13-14	10	10	-	-	NIL	10	Prepared (Refer Discussion Note)



3.2. DETAILS OF TOTAL NO OF AUDIT PARAS:

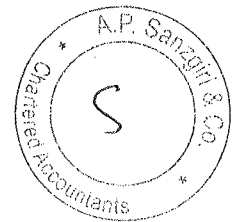
Period of AG audit report : 2012-13 & 13-14

Compliance report date & Number : Refer Discussion Note

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

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

Management Comment: Refer Discussion Note



4. FINANCE

I. BUDGETARY PROVISIONS AND EXPENDITURE FOR THE LAST THREE YEARS

Year	Year- 2016-17	Year- 2017-18	Year- 2018-19
Final/Revised Budget Data	50,81,35,742	83,68,96,000	46,15,92,809
Actual Expenditure Data	25,35,84,859	14,28,79,823.00	6,96,25,010
Savings(+)/Excess(-)	25,45,50,883	69,40,16,177.00	391,967,799

Auditor's Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2015-16, 2016-17, 2017-18 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and Trial balance for The year 2015-16, 2016-17 & 2017-18 have been produced before us for verification. After verification we found there is wide difference in budget and financial statement figure in their respective head - hence we have taken above data from budget only which is approved by ULB. The above actual figure for financial year 2018-19 is taken from approved budget 2019-20 which is up to December 2018 only.

II. VOLUME OF TRANSACTIONS

Period	Budgeted for F.Y. 2018-19	Actual for the F.Y. 2017-18	Actual for the F.Y. 2016-17	Actual for the F.Y. 2018-19	Cumulative for the current period
Opening balance	8,53,31,722	27,06,97,103	24,25,75,752	8,53,31,722	8,53,31,722
Receipts	39,78,29,816	22,82,11,545	28,17,06,210	36,05,55,383	36,05,55,383
Total	48,31,61,538	49,89,08,648	52,42,81,962	44,58,87,105	44,58,87,105
Net expenditure	46,15,92,809	14,28,79,823	25,35,84,859	6,96,25,010	6,96,25,010
Closing balance	2,15,68,729	35,60,28,825	27,06,97,103	37,62,62,095	37,62,62,095

Auditor's Comment:

The Opening Balance for F.Y. 2018-19 Rs. 8,53,31,722 has been taken from Budget of F.Y. 2019-20. However the closing balance for F.Y. 2017-18 is 35,60,28,825 which should be opening balance for F.Y. 2018-19. The opening balance of F.Y. 17-18 amounted to Rs. 27,06,97,103 which is omitted from budget of F.Y. 19-20.



The above figures have been taken from the Budget Statement of the ULB for the year 2015-16, 2016-17, 2017-18, 2018-19 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and Trial balance for The year 2015-16, 2016-17 & 2017-18 have been produced before us for verification. After verification we found there is wide difference in budget and financial statement figure in their respective head , hence we have taken above data from budget only which is approved by ULB. The above actual figure for financial year 2018-19 is taken from approved budget 2019-20 which is up to December 2018 only.

III. BANK RECONCILIATION POSITION AS ON REPORTING DATE

BANK RECONCILIATION POSITION AS ON 31-03-2019

S.N	Name of Bank	Bank A/C No.	Purpose of Bank Account	Balance as per Cash Book	Balance as per Bank Statement	Differences	Reconciled (Yes/No)
1	United Bank of India	30357	NULM	59,405.00	3,26,720.00	-2,67,315.00	NO
2	PNB	32325	HFA	4,97,615.30	15,47,579.90	-10,49,964.90	NO
3	PNB	03350	NNN	12,07,657.50	38,11,660.04	-26,04,002.54	NO
4	PNB	32316	AMRUT	44,93,664.60	45,23,870.60	-30,206.00	NO
5	PNB	43686	MMNY	86,96,847.00	1,08,24,856.80	-21,28,009.80	NO
6	Canara Bank	19538	BRGF	47,91,196.00	58,09,060.00	-10,17,864.00	NO
7	ICICI Bank Ltd	00237	SBM	2,95,423.00	2,48,872.00	46,551.00	NO
8	United Bank of India	22136	KAAY	19,29,570.00	19,29,570.00	-	YES
9	United Bank of India	41831	SBM	1,48,643.00	3,53,822.45	-2,05,179.45	NO
	Total			2,21,19,661.40	2,93,76,011.79	72,56,350.39	

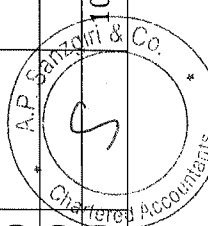
Auditor's Comment:

In respect on non preparation of bank reconciliation the concern person replied that due to overburden of work and lack of human resource , we are unable to prepare reconciliation Statement . Further we will prepare the same as soon as possible with the help of Agency Appointed to Implement Double Entry Accounting System.



IV. REVENUE & CAPITAL RECEIPTS INFORMATION:

S. No.	Details	INCOME DETAILS (Amounts In Rupees)					
		2017-18		2018-19		2019-20	
		(ACTUAL)	(ACTUAL)	(ACTUAL)	(ACTUAL)	(ACTUAL)	(ACTUAL)
	Total Receipts (A+B)	22,82,11,545	28,17,06,210	36,05,55,383	22,82,11,545		36,05,55,383
A	Revenue Receipts (1+2+3)	8,96,01,979	12,64,28,517	25,67,07,408	8,96,01,979		25,67,07,408
1	Own Revenue Receipts (a+b)	8,64,16,787	12,16,90,496	25,46,59,799	8,64,16,787		25,46,59,799
a)	Tax Revenue (Collected by ULB)	6,86,57,182	10,85,37,256	24,84,25,647	6,86,57,182		24,84,25,647
i)	Property tax	1,08,52,006	1,43,59,449	93,08,769	1,08,52,006		93,08,769
ii)	Other tax (Collected by ULB)	5,78,05,176	9,41,77,807	23,91,16,878	5,78,05,176		23,91,16,878
b)	Non-tax revenue (Collected by ULB)	1,77,59,605	1,31,53,240	62,34,152	1,77,59,605		62,34,152
i)	Fees & fines	96,02,121	1,27,69,857	59,07,786	96,02,121		59,07,786
ii)	User Charges	7,78,194	3,54,505	3,26,366	7,78,194		3,26,366
iii)	Other non-tax revenue (Collected by ULB)	73,79,290	28,878	00.00	73,79,290		00.00
2	Other Revenue Receipts	31,85,192	24,05,194	6,12,258	31,85,192		6,12,258
a)	Income from interest/investments	23,08,873	22,32,879	2,46,133	23,08,873		2,46,133
b)	Other Revenue income	8,76,319	1,72,315	3,66,125	8,76,319		3,66,125
3	Transfers/Grants/Assigned Revenues	00.00	23,32,827	14,35,351	00.00		14,35,351
a)	State Assigned Revenue	00.00	23,32,827	14,35,351	00.00		14,35,351
b)	State Finance Commission Grants	00.00	00.00	00.00	00.00		00.00
c)	Octroi compensation	00.00	00.00	00.00	00.00		00.00
d)	Other State Government Transfers	00.00	00.00	00.00	00.00		00.00
e)	Central Finance Commission Grant	00.00	00.00	00.00	00.00		00.00
f)	Other Central Government Transfers	00.00	00.00	00.00	00.00		00.00
g)	Others	00.00	00.00	00.00	00.00		00.00
B	Capital Receipts	1,38,609,566	15,52,77,693	10,38,47,975	1,38,609,566		10,38,47,975
1	Sale of Municipal Land	00.00	00.00	00.00	00.00		00.00
2	Loans (from State Govt. Or Banks etc)	00.00	00.00	00.00	00.00		00.00
3	State Capital Account Grant	13,10,54,730	12,24,19,021	10,38,47,975	13,10,54,730		10,38,47,975



4	Central Capital Account Grant	75,54,836	3,28,58,672	00.00	75,54,836	00.00
5	Other Capital Receipts	0	0	0	0	0

Auditor's Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2015-16, 2016-17, 2017-18 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and Trial balance for The year 2015-16, 2016-17 & 2017-18 have been produced before us for verification. After verification we found there is wide difference in budget and financial statement figure in their respective head , hence we have taken above data from budget only which is approved by ULB. The above actual figure for financial year 2018-19 is taken from approved budget 2019-20 which is up to December 2018 only.

V. REVENUE AND CAPITAL EXPENDITURE INFORMATION.

EXPENDITURE DETAILS (Amounts In Rupees)							
S. No.	Details	2017-18		2018-19		2019-20	
		2017-18 (ACTUAL)	2016-17 (ACTUAL)	2018-19 (ACTUAL)	2017-18 (ACTUAL)	2019-20 (ACTUAL)	2018-19 (ACTUAL)
	Total Expenditure (1+2)	14,28,79,823	25,35,84,859	6,96,25,010	14,28,79,823		6,96,25,010
1	Revenue Expenditure	9,41,85,849	13,54,45,005	4,54,79,659	9,41,85,849		4,54,79,659
1.1	<i>Administrative Expenses, Establishment and Salaries (All Departments-Regular and Cont.)</i>	5,55,99,385	7,02,63,053	3,93,68,134	5,55,99,385		3,93,68,134
1.2	<i>Operation and Maintenance</i>	1,56,08,433	3,32,43,021	00.00	1,56,08,433		00.00
1.3	<i>Loan repayment (Interest payments)</i>	38,518	34	00.00	38,518		00.00
1.4	<i>Others (any other revenue expenditure)</i>	2,29,39,513	3,19,38,897	61,11,525	2,29,39,513		61,11,525
2	<i>Capital Expenditure</i>	4,86,93,974	11,81,39,854	2,41,45,351	4,86,93,974		2,41,45,351
2.1	<i>All developmental works under Central/State</i>	00.00	00.00	00.00	00.00		00.00
2.2	<i>Loan Repayments (Principal Amount)</i>	00.00	00.00	00.00	00.00		00.00
2.3	<i>Other Capital expenditure</i>	00.00	00.00	00.00	00.00		00.00

Auditor's Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2015-16, 2016-17, 2017-18 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and Trial balance for The year 2015-16, 2016-17 & 2017-18 have been produced before us for verification. After verification we found there is wide difference in budget and financial statement figure in their respective head , hence we have taken above data from budget only which is approved by ULB. The above actual figure for financial year 2018-19 is taken from approved budget 2019-20 which is up to December 2018 only.



VI. STATUS OF IMPLEMENTATION OF DOUBLE ENTRY ACCOUNTING SYSTEM

Name of Agency: Tibrewal chand & co.

Period : 2012 to 2021

Email ID : nagarparishadsasaram@gmail.com

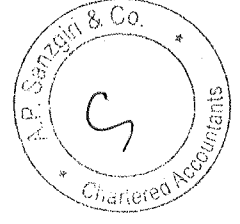
Tally S.ID : 756803583

Status

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

VII. STATUS OF MEETING OF MUNICIPAL ACCOUNTS COMMITTEE

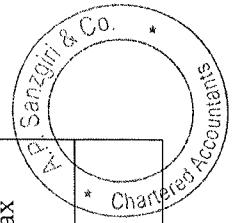
As reply given by concern person no accounts committee has been formed.



		10	User Charges for provision of water-supply, drainage and sewerage	YES
		11	User Charges for Solid Waste Management	NO
		12	User Charges for Parking Facility	NO
		13	User Charges for Garbage Clearance	NO
		14	Collection of fees for sanction of building plans and issue of completion certificates,	NO
		15	Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,	YES
		16	Collection of Fees for issue of birth and death certificates.	YES
		17	Collection of Development Charges	No
4	Consequences/Effect	No levy of taxes will be resulted in to revenue loss to ULB.		
5	Cause	There is lack of standard policies and instructions from department. In some cases policies are prepared by it is not followed by the ULBs.		
6	Corrective Action/ Recommendation	It is recommended that department should prepare uniform policies for levy and collection of taxes in proper manner and on due time. Further capacity building programmes should be held for ULBs staff and awareness about these taxes should be done.		
7	Management Comments	Kindly refer discussion note attached with the report.		

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

SN	Head	Comments
1	Objective	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 the amount of tax collected by the Tax collector is required to be handed over to cashier and deposited into bank on the same day on which collection is made. To check compliance of these provisions, we have carried audit of such type of cases.
2	Criteria	We have checked respective books in order to carry the audit and some cases were checked on random basis.
3	Condition	During verification of receipts book and deposit slips, we have noticed that there is gap period in collection of tax and deposit of tax around 15 to 30 days. Details of such cases are given in Annexure-1 .
4	Consequences/Effect	In respect of above in most of the cases property tax has not been deposited on same day of collection which resulted in interest loss to ULB.



5	Cause	It is explained by concern person that due to non- availability of human resources the same issues arises.
6	Corrective Action/ Recommendation	It is recommended that tax collector/cashier should deposit the collected money into bank on same day itself and if he fails to do the same, necessary action should be taken by the ULB management in such cases.
7	Management Comments	Kindly refer discussion note attached with the report.

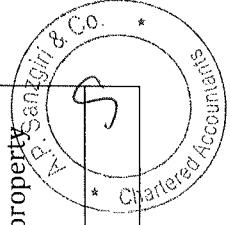
OBSERVATION-3: NON COLLECTION OF NOTICE FEE

SN	Head	Comments
1	Objective	As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007, Municipality can issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore.
2	Condition	ULB has not provided any information regarding charging and collection of notice fees.
3	Consequences/Effect	It is non-compliance of Bihar Municipal Act, 2007 which resulted in loss of revenue to the ULB.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/ Recommendation	Notice fees should be collected as per applicable provisions and rules.
7	Management Comments	Kindly refer discussion note attached with the report.

OBSERVATION-4: RECOVERY OF OUTSTANDING TAXES/RENTAL INCOME

1. RECOVERY OF OUTSTANDING PROPERTY TAX

SN	Head	Comments
1	Objective	ULB is authorized to collect holding tax from households situated in the municipal area and Property tax have major role in the internal revenue of ULB.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking on the basis of information provided to us there is no outstanding balance of property tax as on 31/03/2019:
3	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.



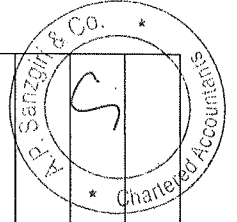
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/ Recommendation	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.

1. RECOVERY OF LICENCE FEE

SN	Head	Comments
1	Objective	ULB authorized to charge Licence fee in municipal are as per act/rule.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted there was outstanding dues Rs. 6,70,550 as on 31/03/2019.
3	Consequences/Effect	Delay in collection or outstanding dues results in revenue loss to ULB.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/ Recommendation	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.

2. RENT INCOME

SN	Head	Comments
1	Objective	ULB authorized to charge rent from municipal properties.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that rent income of Rs. 39,41,000 was outstanding as on 31/03/2019.
3	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.

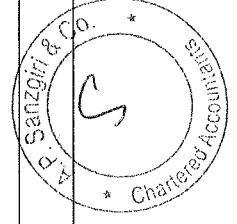


3. MOBILE TOWER TAX

SN	Head	Comments
1	Objective	ULB is authorized to collect tax from telecom companies for mobile towers installed in the municipal area.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted there was outstanding of Rs. 34,13,600 as on 31/03/2019:
3	Consequences/Effect	Delay in collection of revenue leads in loss to ULB.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/ Recommendation	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.

4. ADVERTISEMENT TAXES

SN	Head	Comments
1	Objective	ULB is authorized to collect other various types of taxes/fee.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that other tax of Rs. 78,248 was outstanding as on 31/03/2019:
3	Consequences/Effect	Delay in collection of revenue leads in loss to ULB.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/ Recommendation	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.



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

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

SN	Head	Comments
1	Objective	Checking of payment made by ULBs to find out irregularities made during payment
2	Criteria	Payment were checked on random basis
3	Condition	

I. DETAILS OF PENALTY LEVIED BY ELECTRICITY DEPARTMENT:

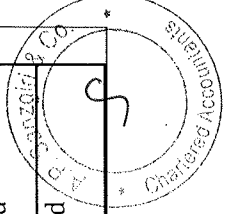
Name of Utility	Bill Amount	Due date for Payment	Actual date for payment	Penalty/Late Charged	Fees
SBPDCL	2,09,53,272.00	26.12.2018	11.01.2019		18,76,275.00/-

Note: Following are the observation notice while carrying audit

- The above bill amounted Rs. 2,09,53,272 is up to the month of Nov'18 which contains all April'18 to Nov'18 of F.Y.2018-19. Bill for the month of February and March 2018 has not been provided. However it was found that SBPDC does not provide monthly bill as 'REMARK GIVEN BY CONCERN AUTHORITY'.
- Nagar Parishad Sasaram suffer **Penalty Rs. 18,76,275/-** due to non deposit of electricity bill on time.

II. We have checked following payment related to FY 2018-19 during audit:

S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Audit Observations
1	Bharat Petroleum Co.	Fuel	1,42,026.00	1,42,026.00	No Irregularity Found
2	Bharat Petroleum Co.	Fuel	2,86,418.00	2,86,418.00	No Irregularity Found
3	S.L. Computer	Office Expense	23,250.00	23,250.00	No Irregularity Found
4	S.G. Enterprise	SBM- Nagar Nidhi	1,80,640.00	1,80,640.00	No Irregularity Found

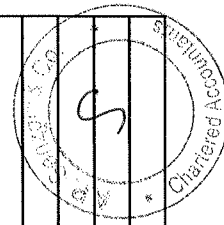


PART-B: ALL AUDIT OBJECTIONS/IRREGULARITIES WHICH HAS MONETARY IMPLICATION, BUT SIGNIFICANT VIOLATION OF ACT, RULES & DIRECTIVES OF UD & HD. MENTION THE REFERENCE TO ACT & RULES WHEREIN REMEDIAL MEASURE IS REQUIRED:

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

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

S.N	Name of Register	Maintained/ Not Maintained	Last date of Update
1	Cash Book-Cashier	Maintained	31.03.2019
2	Cash Book-Accountant	Maintained	31.03.2019
3	Collection Register	Maintained	31.03.2019
4	Cheque issue Register	Maintained	31.03.2019
5	Register of Advance	Maintained	
6	Register of Permanent Advance	Not Maintained	
7	Deposit received register	Not Maintained	
8	Summary statement of deposit adjusted	Not Maintained	
9	Demand Register	Not maintained	
10	Summary Statement of Bills Raised	Not maintained	
11	Register of Notice Fees, Warrant Fees, Other Fees	Not maintained	
12	Summary Statement of Notice Fees, Warrant Fees, Other Fees	Not maintained	
13	Register of Refunds, Remissions and Write off	Not maintained	
14	Summary statement of Refunds and Remissions	Not maintained	
15	Summary Statement of Write-offs	Not maintained	
16	Statement of outstanding Liability for Expenses	Not maintained	
17	Document Control Register/Stock Account Receipts/Cheque Book	Not maintained	
18	Fixed Assets Register	Not Maintained	
19	Summary Statement of Demand Raised on assessment	Not Maintained	
20	Summary Statement of Head wise Collection of Other Income	Maintained in DCR	31.03.2019
21	Summary Statement of Refunds	Maintained in Yojna Panji	31.03.2019
22	Summary Statement of Write off	Not Maintained	
19	Summary Statement of Demand Raised on assessment	Not Maintained	
20	Summary Statement of Head wise Collection of Other Income	Maintained in DCR	31.03.2019
21	Summary Statement of Refunds	Not maintained	



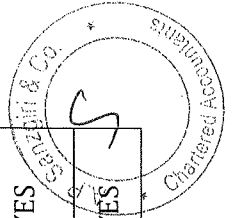
22	Summary Statement of Write off	Not maintained	
23	Grant Register	Maintained	31.03.2019
24	Summary Statement of status of Capital Work in Progress	Not Maintained	
25	Work Sheet	Not Maintained	
26	Deposit Works Register	Not Maintained	
27	Material Receipt Note	Not Maintained	
28	Store Ledger	Maintained	31.03.2019
29	Statement of Closing Stock	Not Maintained	
30	Statement of Material Issued	Not Maintained	
31	BRS of all bank accounts (including dormant accounts)	Not Maintained	
32	Final Accounts for the F.Y. 2012-13 to 2017-18	See note below	
33	Audited Balance Sheet	See note below	
34	Audited Income & Expenditure Account	See note below	
35	Audited Receipts & Payment Account	See note below	

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

(b) IRREGULARITY IN PROCUREMENT PROCESS:

1. COMPLIANCE REGARDING TENDER ISSUED BY THE ULBS:

S.N	Tender Issue Date & Number	Mode of Tender (Quotation/Open Tender/ Selective Tender/ Limited Tender)	Is Minimum Party applied for tender	Is comparative chart attached in tender file.	Is Original EMD/PG/Security deposit submitted by participants as per requirement of tender	Whether all the security deposit and earnest money deposited in tender/agreement process have been deposited in the bank immediately.	Similarly refunds of these security deposit and earnest money deposit have been made on time.	Is work order issued to selected party on time?	Is Financial Bid of all participants attached
1	01/2018-19 Dated: 05.05.2018	YES	YES	YES	YES	YES	Not Matured	YES	YES
2	02/2018-19 Dated: 05.05.2018	YES	YES	YES	YES	YES	Not Matured	YES	YES
3	03/2018-19 Dated:	YES	YES	YES	YES	YES	Not Matured	YES	YES



	28.07.2018											
4	04/2018-19 Dated: 22.10.2018	YES	YES	YES	YES	YES	YES	YES	Not Matured	YES	YES	
5	05/2018-19 Dated: 29.11.2018	YES	YES	YES	YES	YES	YES	YES	Not Matured	YES	YES	

Note: In respect of NIT - 05/2018-19 out of total 5 Yojna , 1 Yojna has been cancelled.

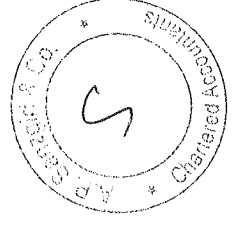
2. DETAILS OF LOG BOOK MAINTAINED:

S.N	Name of Vehicle	Whether vehicle log book is maintained or not	Whether log book is properly updated or not	Whether vehicle is insured or not	Whether Rate of Diesel/Petrol properly mention in log book
1	JCB	NO	NO	YES	NO
2	MiniTipper	YES	NO	NO	NO
3	New Zeter	YES	NO	NO	NO
4	Hydraulic Tractor	YES, but not properly	YES	NO	NO
5	Loader	YES	NO	NO	NO
7	Tempo-2	YES	NO	NO	NO
8	Tempo-3	YES	NO	NO	NO
9	Tempo-4	YES	NO	NO	NO
10	Tempo-8	YES	NO	NO	NO
11	Tempo-9	YES	NO	NO	NO
12	Tempo-10	YES	NO	NO	NO

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

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

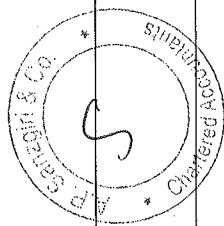
Management Comment - Refer Discussion Note

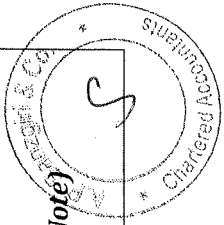


3. NON-COMPLIANCE OF DIRECTIVES BY UD&HD. GOB:

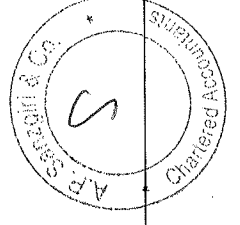
S.N	Directions Issued by UDHD	Particulars of Circulars/Orders/Notices	Complied or Not
1	Gyapank No.- 6628; Dated- 26.12.2018	Mukhyamantri NAL JAL Yojna:- "Whether Para No. 1- 28 have been complied of this circulars".	Complied
2	Gyapank No.- 3234; Dated- 12.06.2018	Purchase of Material or Receive of Service from "GeM Portal" w.e.f. 01.07.2018	Complied
3	Gyapank No.- 3453; Dated- 29.06.2018	Outsourcing of Services and There respective Standard:- "Whether Standard or Measurement criteria mentioned in this circular in respect to their respective 'Type of Services' have been complied".	Complied
4	Amendment in Oath Number-3557, Dated 20.11.2014; Dated of Amendment- 04.05.2018	Related to Departmental Work:- "Whether Para '1- 4' of this order have been complied in respect to 14 th F.C. or 5 th F.C Departmental work carried on , which is mentioned in this order,".	Complied
5	Gyapank No.- 5124; Dated- 28.09.2018	Deduction of TDS on GST:- w.e.f. 01.10.2018 TDS on GST shall be deducted as per Section 51 of BGST act, 2017	Complied

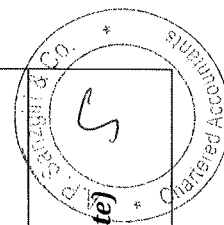
4. NON COMPLIANCE OF ACTS& RULES:

S.N	Requirement	Criteria	Auditors Comment	Management Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made.	BMAR Rule No.- 22	Refer point: Part-A (a) (2) As per verification of receipt book it is noted that there was average delay of 15-30 days in collection and deposit of tax into bank.	(Refer Discussion Note)
2	Whether every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	BMAR Rule No.- 27	Yes, 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	BMAR Rule No.- 27	Yes, Collection register was in the personal custody of the bill collector and the particulars in It shall be	

	the time of collection.			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	BMAR Rule No.- 27	Yes, it is verified by concern authority.	
5	Whether every bill collector invariably remit his collections (in cash and/or cheques) to Cashier dally before 4.30 PM and take the cashier's acknowledgment in the collection register.	BMAR Rule No.- 27	BMAR Rule No.- 27	Refer point: Part-A (a) (2) There is on an average 15-30 days delay in hand of Tax Collector.	There is only one computer operator against all tax collector, we are unable to deposit on time, this is main cause of it. Further we recommend to appoint one more operator.
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	BMAR Rule No.- 69	YES Grant Register has been maintained.	
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	BMAR Rule No.- 69	Refer point: Part-B (9)	
8	Whether The grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.- 69	BMAR Rule No.- 69	No such case observe during Audit Period	
9	Whether the Utilization Certificate was signed by Chief Municipal Officer for verification of the financial outlays and physical progress reported on BMAR Form No 29.	BMAR Rule No.- 69	BMAR Rule No.- 69	Refer PART-B (9)	
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	BMAR Rule No.- 69	As per reply given by concern person there is no outstanding Fund which remains for more than 3 years	
11	Whether The Chief Municipal Officer prepare a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.	BMAR Rule No.- 120	BMAR Rule No.- 120	No, ULB was not preparing a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent	(Refer Discussion Note) 

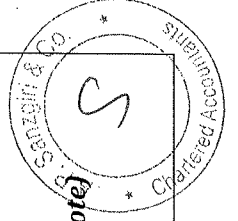
				month.		
12	Whether ULB prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	BMAR Rule No.- 121	No, ULB was not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	No such practices follow in ulb hence we are unable to comment on it.		
13	Whether ULB sent the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter	BMAR Rule No.- 121	The ULB was not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter.	(Refer Discussion Note)		
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) 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	BMAR Rule No.- 122	ULB not in practice to prepared financial statement however, AMK & Co. , a CA firm, prepared financial statement.			



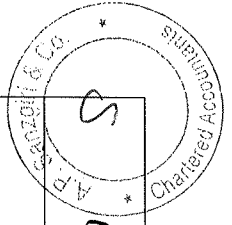


15	Whether the municipality is regular in depositing statutory dues including tax deducted at source, GST, TDS on GST, service tax, VAT, works contract tax, cess payable to the government etc. and if not, the nature and cause of such delay and the amount not deposited: (BMAR Rule No.-130)	BMAR Rule No.- 130	Refer PART-B (6) We observed that ULB was not regular in compliance of statutory dues.	<i>(Refer Discussion Note)</i>
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 (9)	<i>(Refer Discussion Note)</i>
17	Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated in sufficient detail;	BMAR Rule No.- 130	Because ULB has not prepared financial statement classification of transaction does not arise.	<i>(Refer Discussion Note)</i>
18	Whether all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB? Whether such deductions have been properly accounted;	BMAR Rule No.- 130	Yes, all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB. The ULB has made such deductions properly accounted but not accounted on time.	
19	Whether any Special Funds have been created as per the provision of any statute and whether the Special Funds have been utilized for the purposes for which they have been created;	BMAR Rule No.- 130	No details regarding creation of special fund and their use was made available to comment thereon.	<i>(Refer Discussion Note)</i>
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 fixed assets register for the financial year 2017-18. Further no, fixed assets physically verified report was made available to comment upon.	<i>(Refer Discussion Note)</i>
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	ULB is not collecting outstanding dues of lease rent in time.	<i>(Refer Discussion Note)</i>

22	Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets?	BMAR Rule No.- 130	Yes, ULB followed adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets.	
23	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality's accounts; If so, the details thereof;	BMAR Rule No.- 130	Not such case observe during the period of audit.	
24	Whether the Bank Reconciliation statements have been properly prepared for all the bank accounts of the ULB and the remedial actions including all correcting entries have been taken on timely basis;	BMAR Rule No.- 130	Refer Point-04 (III) Yes, as per reply given ULB are under process to prepared bank reconciliation for all bank accounts maintained with the help of Agency Appointed to implement DEAS for said period of FY. 2018-19.	(Refer Discussion Note)
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.- 130	Refer Point-04 (III) Yes, as per reply given ULB are under process to prepared bank reconciliation for all bank accounts maintained with the help of Agency Appointed to implement DEAS for said period of FY. 2018-19.	(Refer Discussion Note)
26	Whether all the expenditure incurred by the Municipality are 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	YES	
27	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis;	BMAR Rule No.- 130	Refer-PART-A (a)(4) Yes, ULB has accounted revenue properly. But collection and recovery of taxes was in slow pace that's why there was arrear of taxes in ULB.	
28	Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act;	BMAR Rule No.- 130	Refer-PART-A (a)(2) Yes, all sums due to and received by the ULB have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act. Except; In case of	(Refer Discussion Note)

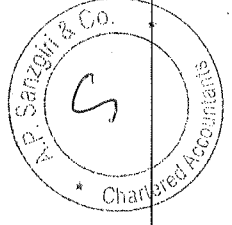


				deposit of daily tax collection, that is deposited on average 15-30 days delay of collection.		
29	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order;	BMAR Rule No.- 130	Yes, While carrying out Audit we found no such case that is specific Grant use for non specific case.			
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 has not been maintained.	(Refer Discussion Note)		
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.	(Refer Discussion Note)		
32	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?	BMAR Rule No.- 130	ULB has not maintained any store for physical verification so we cant comment on it.	(Refer Discussion Note)		
33	Whether any material discrepancies have been noticed on physical verification of stores as compared to book records, and If so, whether the same has been properly dealt with in the books of account; Whether proper procedures are in place to Identify any unserviceable or damaged stores and whether provision for the loss In this respect, If any, has been made In the accounts;	BMAR Rule No.- 130	ULB does not maintained stock register in proper format , hence we are unable to find out discrepancies.	(Refer Discussion Note)		
34	Whether the valuation of stores is in accordance with the accounting principles laid down In the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of such deviation, if material, should be reported;	BMAR Rule No.- 130	ULB not valued the inventory at reasonable time. Further such practice also not followed in ULB	(Refer Discussion Note)		
35	Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the Interest and If not, whether reasonable steps have been taken by the municipality for recovery of the principal and interest?	BMAR Rule No.- 130	ULB has not given advance or loan to third party.	(Refer Discussion Note)		
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.- 130	No interest has been charge. Further advance register not maintained properly. We attached a few example	(Refer Discussion Note)	We will put the matter in meeting and after approval of the same will be charge.	

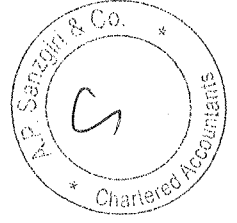


				of it.	
37	Bihar Municipal Accounting Manual, 2014, every year budget should be prepared for receipts and expenditure in Performa 75,77 and 80 Preparing Budgets as per the Rules framed under Bihar Municipal Accounts Rule 2014. Rule 132 regarding Public Participation in Preparation Of Budget. Moreover, as required under provisions of Rule 139, mid -year review of Budget.	BMAR Rule No.- 132	Yes, the same has been prepared		
38	Municipal Fund: Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007: Chapter IX	No, ULB is using single entry accounting system, so there was no fund was accounting followed.		
39	Payment not to be made out of Municipal Fund unless covered by budget grant: Whether any payment made out of Municipal Fund that is not covered by budget grant.		No payment made out of Municipal Fund that is not covered by budget grant.		
40	Procedure when money not covered by budget grant is paid. Whether the case is put up with Empowered Standing Committee, in case any payment made out of Municipal Fund that is not covered by budget grant.		No such case observe		
41	Investment of surplus money. Whether municipality has invested surplus fund as per the requirement of the chapter-X of BMA-2007. Auditor will report on the fixed deposit and other funds should be in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period. Check whether comparative interest rate is invited from parties before investing surplus funds:		ULB not in a practice to invest its surplus amount.	ULB not Investing its surplus Amount.	
42	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,		No, Estimation should be based on the past experience and after considering the fact that how the condition might change in future though the provision of Section 82 of the Act regarding preparation of budget have been complied.		
43	Maintenance of accounts. Whether the Chief Municipal Officer prepared and maintained accounts of receipts and expenditure of the Municipality in		As ULB was following single entry accounting system. So receipts and payments details were being		(Refer Discussion Note)

	such form, and in such manner, as may be prescribed,			
44	<p>Financial Statement. Whether The Chief Municipal Officer shall, within four months of the close of a year, cause to prepare a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality.</p> <p>Submission of financial statement and balance sheet to auditor. The financial statement prepared under section 88 and the balance sheet of the assets and the liabilities prepared under section 89 shall be placed by the Chief Municipal Officer before the Empowered Standing Committee which, after examination of the same, shall adopt and remit them to the Auditor as may be appointed in this behalf by the State Government.</p> <p>As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007 various tax are applicable on ULBs Section 145,146 and 147 of the Bihar Municipal Act 2007 chapter XVII provides for Advertisement tax on Advertisement in Urban Areas. Chapter XVII of the Bihar municipal Act, 2007 required license of Advertisement of any holding, etc. As per act Every person who erects, exhibited, fixes or retain upon or over any land, building ,wall, boarding, frame, post, kiosk, structure, vehicle, neon-sign or sky sign any advertisement, or display any advertisement to public view in any manner whatsoever (including any advertisement exhibited by means of cinematograph), visible from a public street a public place in any location in a municipal area including airport or a port or a railway station ,shall pay or every advertisement, which is so erected ,exhibited, fixed or retained or so displayed to public view, a tax calculated at such rate as may be determined</p>		maintained in form of cash book. Audited receipts & payments account as per BMAM was not prepared by ULB.	
45			ULB not in practice to prepared financial statement however , AMK & Co. A CA firm, prepared financial statement.	<i>(Refer Discussion Note)</i>
			Not Submitted	<i>(Refer Discussion Note)</i>
46			Refer-PART-A (4) for status of taxes not collecting by ULB.	



	regulations. it requires payment of certain fee for advertisement.				
47	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) Notice fee has not been collected		(Refer Discussion Note)
48	As per section 342 of Bihar Municipal Act, 2007 Trade license fee is to be collected from different types of Trader, who are trading in Concerned Municipal area.	BMA,2007: Chapter XXXVII	Yes, It is collecting.		



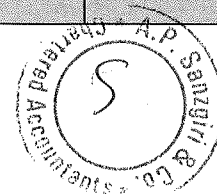
5. LACK OF INTERNAL CONTROL MEASURES:

- We have observed the following areas where internal control measures are required by ULBs-
- There is huge amount in terms of quantity of scrap found in ULB which is lays idle, it is recommended to sale such scrap;
- Store procurement should be followed proper rules as per BMAR Rules & Provisions;
- ULB should be followed Books of Account, Trial Balance, FAR, FS, and other records as per BMAR;
- ULB should be prepared & Maintained monthly BRS;
- Stock Register is not updated properly;
- No MIS was prepared for tracking of payments;
- Year-end reconciliation was not available;
- Statutory compliance reconciliation was not maintained;
- Required books of accounts as per BMAM was not maintained;
- In respect of budget, realistic approach is not adopted by the ULB in preparation of budget;
- Electricity and other bill should be paid on time to avoid late fee.

6. NON-COMPLIANCE OF TDS, VAT AND OTHER RELEVANT STATUTE

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

S.N	Name of Party	Invoice Value	Amount of deduction	Due date of deposit	Actual Date of deposit	Cheque/Challan Number
1	Sidhanth Tiwari	9,37,434.00	10,593.00	07.07.2018	07.06.2019	22219
2	Amit Kumar	10,81,858.00	12,225.00	07.07.2018		
3	Nandu Singh	4,50,885.00	5,095.00	07.08.2018		
4	Aditya Bahadur	2,86,195.00	3,234.00	07.08.2018		
5	Lalan Prasad singh	5,02,920.00	5,683.00	07.09.2018		
6	Mohan Pandey	4,46,460.00	5,045.00	07.09.2018		
7	Salim Ansari	95,487.00	1,079.00	07.10.2018		
8	Mona Prasad	6,84,779.00	7,738.00	07.10.2018		
9	Ram Parvesh Singh	5,07,699.00	5,737.00	07.11.2018		
10	Vinod Kumar	8,65,221.00	9,777.00	07.11.2018		
11	Bhola Prasad	2,07,522.00	2,345.00	07.11.2018		
12	Ram Awadh Singh	6,94,248.00	7,845.00	07.12.2018		
13	Lalan Prasad Singh	3,16,637.00	3,578.00	07.12.2018		
14	Promod kumar	8,77,522.00	9,916.00	07.12.2018		
15	Sanjay Kumar	4,96,814.00	5,614.00	07.01.2019		
16	Sanjukta Kumari	5,82,566.00	6,583.00	07.01.2019		
17	Brindanand Kumar	5,60,177.00	6,330.00	07.01.2019		
18	Tej Pati Ram	5,24,513.00	5,927.00	07.02.2019		
19	Gyan Chand Singh	2,31,062.00	2,611.00	07.02.2019		
20	Manorma Devi	8,06,195.00	9,110.00	07.02.2019		
21	Nehal Akhtar	4,40,973.00	4,983.00	07.02.2019		
22	Sabbir Ali	6,73,717.00	7,613.00	07.02.2019		
23	Raj Pati Singh	2,10,354.00	2,377.00	07.03.2019		
24	Arvind Kumar	7,42,389.00	8,389.00	07.03.2019		
25	Raju Singha	4,76,460.00	5,384.00	07.03.2019		
26	Ranjit Kumar	6,06,814.00	6,857.00	07.03.2019		
27	Chinta Devi	8,88,938.00	10,045.00	07.03.2019		
	Total	1,51,95,839.00	1,71,713.00			

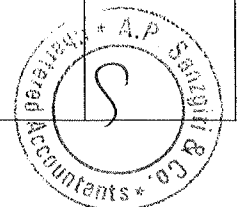


B. DETAILS OF DEPOSIT OF ROYALTY ARE MENTIONED BELOW:

S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/Challan Number
1	Sidhanth Tiwari	9,37,434.00	18,748.00	26.03.2019	980962
2	Amit Kumar	10,81,858.00	21,638.00		
3	Nandu Singh	4,50,885.00	9,018.00		
4	Aditya Bahadur	2,86,195.00	5,724.00		
5	Lalan Prasad singh	5,02,920.00	10,058.00		
6	Mohan Pandey	4,46,460.00	8,930.00		
7	Salim Ansari	9,54,87.00	1,910.00		
8	Mona Prasad	6,84,779.00	13,696.00		
9	Ram Parvesh Singh	5,07,699.00	10,154.00		
10	Vinod Kumar	8,65,221.00	17,304.00		
11	Bhola Prasad	2,07,522.00	4,150.00		
12	Ram Awadh Singh	6,94,248.00	13,884.00		
13	Lalan Prasad Singh	3,16,637.00	6,332.00		
14	Promod kumar	8,77,522.00	17,550.00		
15	Sanjay Kumar	4,96,814.00	9,936.00		
16	Sanjukta Kumari	5,82,566.00	11,652.00		
17	Brindanand Kumar	5,60,177.00	11,204.00		
18	Tej Pati Ram	5,24,513.00	10,490.00		
19	Gyan Chand Singh	2,31,062.00	4,622.00		
20	Manorma Devi	8,06,195.00	16,124.00		
21	Nehal Akhtar	4,40,973.00	8,820.00		
22	Sabbir Ali	6,73,717.00	13,474.00		
23	Raj Pati Singh	2,10,354.00	4,208.00		
24	Arvind Kumar Chaube	7,42,389.00	14,848.00		
25	Raju Singha	4,76,460.00	9,530.00		
26	Ranjit Kumar	6,06,814.00	12,136.00		
27	Chinta Devi	8,88,938.00	17,778.00		
	Total	1,51,95,839.00	3,03,918.00		

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

S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/Challan Number
1	Sidhanth Tiwari	9,37,434.00	9,374.00	30.04.2019	336093
2	Amit Kumar	10,81,858.00	10,819.00		
3	Nandu Singh	4,50,885.00	4,509.00		
4	Aditya Bahadur	2,86,195.00	2,862.00		
5	Lalan Prasad singh	5,02,920.00	5,029.00		
6	Mohan Pandey	4,46,460.00	4,465.00		
7	Salim Ansari	9,54,87.00	9,55.00		
8	Mona Prasad	6,84,779.00	6,848.00		
9	Ram Parvesh Singh	5,07,699.00	5,077.00		
10	Vinod Kumar	8,65,221.00	8,652.00		
11	Bhola Prasad	2,07,522.00	2,075.00		
12	Ram Awadh Singh	6,94,248.00	6,942.00		
13	Lalan Prasad Singh	3,16,637.00	3,166.00		



14	Promod kumar	8,77,522.00	8,775.00		
15	Sanjay Kumar	4,96,814.00	4,968.00		
16	Sanjukta Kumari	5,82,566.00	5,826.00		
17	Brindanand Kumar	5,60,177.00	5,602.00		
18	Tej Pati Ram	5,24,513.00	5,245.00		
19	Gyan Chand Singh	2,31,062.00	2,311.00		
20	Manorma Devi	8,06,195.00	8,062.00		
21	Nehal Akhtar	4,40,973.00	4,410.00		
22	Sabbir Ali	6,73,717.00	6,737.00		
23	Raj Pati Singh	2,10,354.00	2,104.00		
24	Arvind Kumar Chaube	7,42,389.00	7,424.00		
25	Raju Singha	4,76,460.00	4,765.00		
26	Ranjit Kumar	6,06,814.00	6,068.00		
27	Chinta Devi	888938.00	8,889.00		
	Total	1,51,95,839.00	1,51,959.00		

D. DETAILS OF TDS RETURNS FILLED ARE MENTIONED BELOW:

Note: Details are not available in ULB in respect of TDS return file.

7. DEFICIENCY IN PAYROLL SYSTEM:

S.N	Particulars	Comments
1	Status of maintenance of salary register for all employees (Permanent/Daily wages/ Contract worker)	Maintained
2	Non availability of Salary payment voucher	Available
3	Matching of voucher number with cash book	Matched with cash book
4	Salary register contains all elements of salary	YES
5	Maintenance of Salary Deduction register	NO
6	Whether deduction of PF/ESI made from contract employee	YES
7	Whether biometric devices and payroll software is implemented in ULB. If Yes, then is it integrated with accounting software	NO

8. DETAILS OF DELAY OF DEPOSIT OF EPF:

1.1. Permanent Employee:

As per PF Act, deposit of EPF of Employees should be made 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 in days
April - 18	57,252	15.05.2018	57,252	16.05.2018	1
May - 18	55,902	15.06.2018	55,902	25.06.2018	10

Jun - 18	58,882	15.07.2018	58,882	28.07.2018	13
July-18	59,839	15.08.2018	59,839	16.08.2018	1
August-18	56,839	15.09.2018	56,839	25.09.2018	10
Sep-18	57,588	15.10.2018	Not deposited		376
Oct-18	59,204	15.11.2018	Not deposited		345
Nov-18	59,204	15.12.2018	Not deposited		315
Dec-18	59,204	15.01.2019	Not deposited		284
Jan-19	58,943	15.02.2019	Not deposited		253
Feb-19	57,824	15.03.2019	Not deposited		225
March-19	55,516	15.04.2019	Not deposited		194

Note: The above delay is calculated up to 26.10.2019

1.2 Contractual Employee:

Month of Deduction	Amount Deduction	Due date of deposit	Amount Deposit	Actual Date of deposit	Delay in days
April - 18		15.05.2018	15.05.2018		1
May - 18	3,69,111	15.06.2018	15.06.2018		
Jun - 18	3,45,690	15.07.2018	15.07.2018		
July-18	3,46,922	15.08.2018	15.08.2018		1
August-18	3,72,163	15.09.2018	15.09.2018		10
Sep-18	3,29,455	15.10.2018	Not deposited		376
Oct-18	3,88,737	15.11.2018	Not deposited		345
Nov-18	3,26,931	15.12.2018	Not deposited		315
Dec-18	3,49,401	15.01.2019	3,49,401	17.12.2019	284
Jan-19	3,53,446	15.02.2019	3,53,446	17.12.2019	253
Feb-19	3,36,742	15.03.2019	3,36,742	17.12.2019	277
March-19	3,21,450	15.04.2019	3,21,450	17.12.2019	246



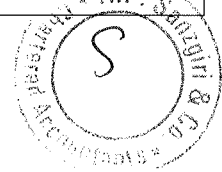
9. UTILISATION OF GRANT AND REPORT ON MISSING UTILISATION CERTIFICATES

1. STATUS OF UTILIZATION CERTIFICATE-(REFER ANNEXURE)

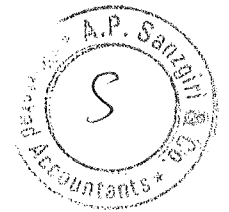
SN	Head	Details
1	STATUS OF USE OF GRANT AS PER DEFAULT ALLOCATION	Specifically grant allocation details has not been maintained, however it is maintained in grant register. <i>(Refer Discussion Note)</i>
2	PHYSICAL VERIFICATION OF INVENTORY/STORES	Refer point 31-40 PART-B (d). ULB did not follow the practice of physical verification of stock. <i>(Refer Discussion Note)</i>
3	ADVANCES, THEIR ADJUSTMENT & RECOVERY	Refer point 35-36 PART-B (d), ULB did not give loan/ advance, hence there are no case of adjustment and recovery. <i>(Refer Discussion Note)</i>

III. PART-C

S.N	Particulars	Complied or Not
a	Auditor should report in a separate section for non-compliance of rules/directives of UD&HD, GoB; Auditor should see the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD.	Complied Refer-PART-B(3)
b	Auditor should Report in a separate chapter on implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment procedures to check any in-consistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actuals as per internal audits;	Complied Refer-PART-A(c)
c	Auditor should report on compliance of Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR :	Complied Refer-PART-B(4)
	Rule 22: All moneys to be brought to account	
	Rule 27: Collections to be deposited into Bank on the same day	
	Rule 69: Grant Related Compliance	
	Rule 120-121: Monthly Receipt & Payment Account and Trial Balance	
	Rule 130: Audit to be completed & reported within 6 month	
d	Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, GoB.	Complied Refer-PART-B(c)
e	Report and quantify all major own revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairat etc;	Complied Refer-PART-A(a)
f	Auditor should Report on adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments above Rs. 10,000 and above.	Complied Refer-PART-B(b)



g	Auditor should Report on Procurement made including through E-Tendering and E-Auction indicating exceptions , if any and whether a register is kept for all Procurements with value above Rs. 15,000/-	Complied Refer-PART-B(b)
h	Auditor should Report on presence or absence of a system of issuance of utilisation certificate for the different schemes for any utilisation made during the reporting period; Where there is no system for issuance of U/Cs, the Internal Audit report shall prepare Utilisation Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	Complied Refer-PART-B(9)
i	Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	Complied Refer-Audit Recommendation
j	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies.	Complied Refer-PART-B(b)
k	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies	Complied Refer-PART-B(b)
l	Auditor will report on that the fixed deposit and other funds should be in nationalized Banks/Approved financial institutions and should earn maximum interest at their gestation period.	Complied Refer-PART-B(4)
m	Internal Auditor will identify major areas of ULBs own revenue loss and auditor will access the loss and Prepare a statement of loss.	Complied Refer-PART-A(a)
n	Auditor will report on that all kind of tax deductions i.e. Commercial tax, Income tax, provident fund etc. Should be deducted from the payments as applicable, deposited properly and also should be properly recorded in appropriate ledgers.	Complied Refer-PART-B(6)
o	Internal Auditor will ensure that all the C&AG audit & Internal audit Paras has been complied by the ULBs, if not complied the Internal Auditor shall help the ULBs staffs to prepare the compliance report.	Complied Point-03 of Detailed Audit Report



ANNEX-1 DELAY IN DEPOSIT OF PROPERTY TAX

ULB – Nagar Parishad Sasaram

Internal Audit Report- 2018-19

S.N.	Serial Number		Amount of Tax	Date of Collection as per Receipts per Booked	Amount Deposited with Cashier	Delay in deposit with cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To						
1	17279	17288	6,230.00	26.04.2018	6,230.00	1-11	28.04.2018	2
2	17289	17300	13,793.00	04.05.2018	13,793.00	1-6	04.05.2018	-
3	19304	19319	27,122.00	06.06.2018	27,122.00	1-22	06.06.2018	-
4	19320	19327	13,416.00	30.06.2018	13,416.00	1-28	30.06.2018	-
5	19242	19300	31,317.00	26.06.2018	31,317.00	1-41	26.06.2018	-
6	19501	19536	24,161.00	19.04.2018	24,161.00	1-10	19.04.2018	-
7	19537	19548	15,723.00	04.05.2018	15,723.00	1-11	04.05.2018	-
8	110	135	27,888.00	26.06.2018	27,888.00	1-12	26.06.2018	-
9	136	160	20,196.00	27.07.2018	20,196.00	1-12	27.07.2018	-
10	0002	0027	54,159.00	26.06.2018	54,159.00	1-19	26.06.2018	-
11	19328	19346	19,861.00	20.07.2018	19,861.00	1-23	20.07.2018	-
12	19348	19360	61,636.00	02.08.2018	61,636.00	1-20	02.08.2018	-
13	19366	19377	31,467.00	31.08.2018	31,467.00	1-16	31.08.2018	-
14	19379	19400	31,757.00	28.09.2018	31,757.00	1-14	28.09.2018	-
15	0028	0050	54,189.00	20.07.2018	54,189.00	1-19	20.07.2018	-
16	20203	20212	40,725.00	18.09.2918	40,725.00	1-22	18.09.2918	-



17	20213	20219	22,982.00	26.09.2018	22,982.00	1-12	26.09.2018	-
18	19730	19740	3,498.00	09.08.2018	3,498.00	1-12	09.08.2018	-
19	20501	20531	60,839.00	30.11.18	60,839.00	1-45	30.11.18	-
20	20223	20237	1,14,649.00	10.10.18	1,14,649.00	1-10	10.10.18	-
21	20251	20266	22,020.00	27.12.18	22,020.00	1-27	28.12.18	1
22	20566	20576	41,126.00	06.02.19	41,126.00	1-16	07.02.19	1
23	20590	20591	32,795.00	18.03.19	32,795.00	1-13	19.03.19	1
24	20101	20200	68,200.00	03.03.19	68,200.00	1-95	05.03.19	2
25	21001	21100	80,527.00	29.03.19	80,527.00	1-57	30.03.19	1
26	21501	21600	80,720.00	10.04.19	80,720.00	1-30	11.04.19	1
27	20270	20280	12,384.00	17.01.19	12,384.00	1-22	17.01.19	-
28	20281	20290	33,573.00	17.01.19	33,573.00	1-10	17.01.19	-
29	21201	21212	31,613.00	25.02.19	31,613.00	1-15	26.02.19	1



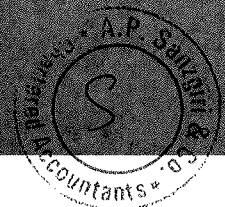
SASARAM NAGAR PARISHAD

Discussion Note

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

Subject: Regarding confirmation of documents not maintained and management comment in Internal Audit Report for F.Y. 2018-19.

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

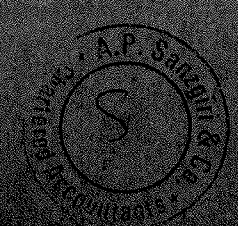


SASARAM NAGAR PARISHAD

16	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet (Financial Statement)	Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet will be prepare after implementation of Double Entry Accounting System.
17	Non creation of Special Fund and Fund Mentioned in Chapter IX of BMA, 2007	The same will be created on applicability of relevant provision of said act;
18	Non Maintenance Fixed Assets register	Fixed Assets Register were prepare up to 01.04.2011 by P. Puneet & Co. (Chartered Accountants), after 01.04.2011 ULB not maintaining the same, however it will be prepare very soon with the help of Agency appointed to implement Double Entry Accounting System;
19	Non Renewal of Leasehold property	This matter will be put before Next Board Meeting and after approval, it will be collected as per resolution passed by Board;
20	Outstanding Taxes Refer to PART-A (a)(4) of Internal Audit Report:	The recovery procedure are under process;
21	Non preparation of Bank Reconciliation statement on Monthly Basis:	It will be prepared with the help of Agency Appointed to "Implement Double Entry Accounting System"
22	Any Payment made out of Municipal Fund that is not covered by Budget? :	Payment made out of budget provision. No such payment made that is not cover by budget;
23	Non implementation of Biometric Devices and Payroll Software	Not implemented, however it is under process;
24	Electricity -DPS	The Fund available with respective Grant has been fully utilized for payment of salary of ULB Staff, and after that Due to Non Availability of Fund, ULB Sasaram delay the payment. However It will be consider from next time to deposit before due date;
25	Non filing of TDS Return on Due date:	The same has been complied thereafter with the help of agency Appointed to Implement Double Entry Accounting System;

Further we confirm/affirm the management comment given in Internal Audit report for 2018-19 is on behalf of Sasaram Nagar Parishad.

(Handwritten signature)
 25/12/18



SASARAM NAGAR PANCHAYAT
STATUS OF UTILIZATION CERTIFICATION FOR FY 2018-19

S.No	Head	Approval order and date	Sanctioned Amount	Expenses Incurred	Balance Amount	UC Submitted against Expenses	UC Pending Against Expenses	% of UC Submitted against expenses	% of UC Pending against expenses	Letter No & Date of Submission of UC
1	5th Finance	15/03.07.2018	606.98	606.98	-	-	606.98	NIL	100%	Not provided
2	5th Finance	21/10.07.2018	310.38	310.38	-	-	310.38	NIL	100%	Not provided
3	5th Finance	21/10.07.2018	310.38	310.38	-	-	310.38	NIL	100%	Not provided
4	City Manager Honorarium	71/04.10.2018	2.63	2.63	-	2.63	-	100%	NIL	632/30.04.19
5	Cleaning System	310.38	127.53	127.53	-	89.51	38.02	70%	30%	Not provided
6	14th Finance	310.38	146.56	146.56	-	-	146.56	NIL	100%	Not provided
7	14th Finance	2.63	146.56	146.56	-	-	146.56	NIL	100%	Not provided
8	Storm Water Drainage	127.53	1,000.00	1,000.00	-	995.68	4.32	300%	NIL	Not provided
9	14th Finance	146.56	145.53	145.53	-	-	145.53	NIL	100%	Not provided
10	14th Finance	146.56	145.53	145.53	-	-	145.53	NIL	100%	Not provided
11	Sahari Nali Gali	1000.00	163.18	163.18	-	-	163.18	NIL	100%	Not provided
12	Sahari Nali Gali	145.53	234.57	234.57	-	-	234.57	NIL	100%	Not provided
13	Sahari Nali Gali	145.53	10.20	10.20	-	-	10.20	NIL	100%	Not provided
14	Electric Bill	163.18	488.23	488.23	-	482.70	5.53	99%	1%	2007/20.08.19
15	EO SALARY	234.57	7.00	-	7.00	-	-	NIL	NIL	Unutilised amount & transfer to PL/A/C

