



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

# INTERNAL AUDIT REPORT

## FOR

### F. Y. 2019-20

## GROUP 1

# WARSLIGANJ NAGAR PANCHAYAT

## BY

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

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A. P. SANZGIRI & CO.

CHARTERED ACCOUNTANTS

**DOCUMENT HISTORY**

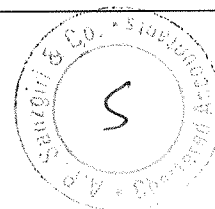
**INTERNAL AUDIT FOR FY 2019-20**

<b>Project Title</b>	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"
<b>Report Title</b>	Internal Audit for FY 2019-20 of Warisaliganj Nagar Panchayat
<b>Reporting Entity</b>	A P SANZGIRI & Co., Chartered Accountants
<b>Reporting for</b>	Warisaliganj Nagar Panchayat
<b>Report Prepared by</b>	Internal Audit Team of A P SANZGIRI & Co., Chartered Accountants
<b>Date of Submission</b>	24.04.2021



**ABBREVIATION AND ACRONYMS**

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



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# A. P. SANZGIRI & CO.

## CHARTERED ACCOUNTANTS

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

**Sub:** Submission of Internal Audit Report of Nagar Panchayat Warsaliganj for the Financial Year 2019-20  
**Ref No.:** Letter No. 7/I. AK. 23/2018 – 82 **Dated:** 16.01.2019

Respected Sir,

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

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

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

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

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

Thanking You,

Yours faithfully,  
On Behalf of **A P Sanzgiri & Co,**

**Chartered Accountants**

*Satish Gupta*

**CA Satish Gupta**

**Partner**

**Membership No.-101134**

**FRN: 116293W**

**UDIN: 21101134AAAAJR9672**

**Date:16-09-2021**



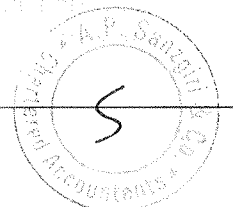
## EXECUTIVE SUMMARY

### 1. INTRODUCTION:

<b>Name of the Municipality</b>	-	<b>Warisaliganj Nagar Panchayat</b>
<b>Period covered under Current Audit</b>	-	01-04. 2019 to 31.03.2020
<b>Name of Mayor/Chairman</b>	-	Mhd. Ilyas
<b>Name of Executive Officer</b>	-	Jai ram parasad

### 2. OBSERVATIONS AND FINDINGS:

<b>Strengths</b>	<ol style="list-style-type: none"><li>1. In the existing system as prevailing in the Municipal Corporation, day to day working is in progressive manner in respect of collection of revenue and execution of the projects.</li><li>2. There is sufficient co-operation from the management during the course of our audit.</li><li>3. General Cash book is properly up-to-dated.</li><li>4. Fixed assets register was prepared by a CA firm as on 01/04/2014 and it was updated till 2015-16</li></ol>
<b>Weaknesses</b>	<ol style="list-style-type: none"><li>1. The collection of rental income is not satisfactory.</li><li>2. The shopkeeper/tenants have not been paying rent and have huge outstanding debts.</li><li>3. No physical verification of store is exercised by ULB.</li><li>4. No Physical verification of cash is exercised by ULB.</li><li>5. Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the corporation has not been complied.</li><li>6. Fixed assets register is not maintained by ULB</li><li>7. Statutory compliance of the ULB is not deposited timely and hence it incurs penalty and other charges.</li><li>8. Certain Statutory Registers and Books are not maintained.</li><li><b>9. Non Levy of Taxes:</b><ul style="list-style-type: none"><li>• Tax on advertisements, other than advertisements published in newspapers</li><li>• Surcharge on electricity consumption within the municipal area</li><li>• Tax on congregations.</li><li>• Tax on pilgrims and tourists.</li><li>• User Charges for Solid Waste Management.</li><li>• User Charges for Garbage Clearance.</li><li>• Collection of fees for sanction of building plans and issue of completion certificates.</li><li>• Collection of Development Charges.</li></ul></li><li>10. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around one month.</li><li>11. Bank Reconciliation Statement has not been prepared of all accounts.</li></ol>



	<p>12. 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>13. 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>14. Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.</p> <p>15. Non Compliance of Rule 130 of BMAR in some of the cases.</p> <p>16. ULB is not maintaining the accounts as well as not preparing the financial statements.</p> <p>17. ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.</p>
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**3. OPINIONS:**

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

**4. AUDIT RECOMMENDATION:**

Observed Weaknesses	Audit Recommendations
No physical verification of store is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of the stock and process.
No Physical verification of cash is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of cash.
Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the corporation has not been complied.	Internal Audit wing should be created by employing the Municipal Internal Auditor on the Board.
Fixed assets register is not maintained at ULB	Fixed assets register should be maintained and updated properly.
Statutory compliance of the ULB are not properly complied, hence it incurs penalty and other charges.	As ULB is not proper complying with statutory obligations, that cause financial implication on ULB in mode of interest and penalty. So, ULB should ensure statutory compliance on time.
Certain Statutory Registers and Books are not maintained.	Statutory register and books of accounts should be maintained as per guidelines and BMAR.
<p><b>Non Levy of Taxes:</b></p> <p>Tax on advertisements, other than advertisements published in newspapers</p> <p>Surcharge on electricity consumption within the municipal area</p> <p>Tax on congregations.</p> <p>Tax on pilgrims and tourists.</p> <p>User Charges for Solid Waste Management</p> <p>User Charges for Garbage Clearance</p> <p>Collection of fees for sanction of building plans and issue of completion certificates,</p> <p>Collection of Development Charges</p>	<p>As per section 127, 128, 129 &amp; 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>

During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around one month.	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made.
ULB is not prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	As per BMAR Rule No. - 121, ULB should prepare of monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the executive officer.
ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter	Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis.
Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.	As per BMAM-ULB are required to maintain fund wise receipts & payments. As per BMAM, following funds should be maintained by ULB. 1. Municipal General Fund 2. Basic service for urban poor 3. Water supply & sewerage fund 4. Solid Waste Management Fund 5. Road Development & Maintenance 6. Enterprise Fund
Non Compliance of Rule 130 of BMAR in some of the cases.	ULB should ensure compliance related to Rule 130 of BMAR on regular basis.
ULB is not maintaining the accounts as well as not preparing the financial statements.	ULB is required to maintain the accounts as well as prepare the financial statements at the end of the year.
ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.	ULB should prepare financial statements for each year and get it approved from municipal account committee. As per BMAR, audited financial statements are required to submit to auditor for audit.
In-consistencies in assessment of property tax	Checked on random basis and found variation between demand raised by ULB or actual demand.
Bank Reconciliation Statement	Bank Reconciliation Statement has not been prepared of all accounts.

##### 5. COMMENTS FROM MANAGEMENT

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

##### 6. ACKNOWLEDGEMENT

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

On Behalf of A P Sanzgiri & Co.

Chartered Accountant

*Satish Gupta*  
CA Satish Gupta

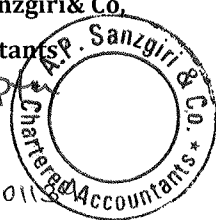
Partner

Membership No. 10111

FRN: 116293W

UDIN: 21101134AAAAJR9672

Date: 16-09-2021



**DETAILED AUDIT REPORT**

**1. INTRODUCTION:**

Name Of ULB	Period-covered		Audit Team
	From	To	
Warisaliganjnagarpanc hayat	01.04.2019	31.03.2020	1. Team Leader: CA Satish Gupta 2. Name of CA: Bhavesh Jain 1. Name of Auditor-1: Md. Mahtab Alam

**2. ADMINISTRATION:**

Sl. No.	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:	Mhd. Ilyas
2.1.1	Period of Service:	From: June 2017 To: Till date
2.2	Name of Executive Officer:	Jai ram Prasad
2.2.1	Period of Service:	From: 21.01.2019 To: Till date

**3. REVIEW OF OUTSTANDING AUDIT PARAS:**

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

Particulars of audit and date of report	Total No. of audit Para's	Improve-ment/co-rective measure s required (Nos. of Para's)	Recovery of cash is proposed (Nos. of Para's)	Recovery has been made (Nos. of Para's)	Total amount of Recovery	No action has been taken	No. & date of compliance report
Audit report submitted by AG for the F.Y. 2010-11 to 2012-13	19	19	8	-	-	19	1017/01-12-2018
Internal Audit Paras of FY 2017-18 & 2018-19							Not complied (refer Discussion note)



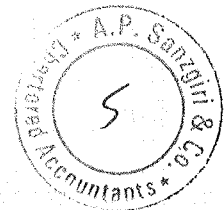
**3.2. DETAILS OF TOTAL NUMBER OF AUDIT PARA'S:**

**Period of AG audit report : Financial year 2010-11 to 2012-13**

**Compliance report date & Number : 1017/01-12-2018**

<b>Audit Para Number</b>	<b>Heading of the audit para</b>	<b>Amount involved</b>	<b>Recovery Proposed</b>	<b>Recovery Completed</b>	<b>Action Taken or Not</b>
4	Non-maintenance of Grant Register by the ULB.	-	-	-	Yes
5	Financial Overview	-	-	-	Yes
6	Less deposit/No deposit	0.86	0.86	-	Yes
7	Non-collection of 3% Stamp duty amount from endowment holders.	0.07	0.07	-	Yes
8	Non-presentation of receipts	-	-	-	Yes
9	ULB has collected Education & health Cess but not sent in the Government Treasury.	1.80	1.80	-	Yes
10	Non-deduction of Compensation amount.	0.70	0.70	-	Yes
11	Error/irregularities in execution of Plan number 13/10-11.	1.19	-	-	Yes
12	Irregularities in execution of Plan number 15/10-11.	0.32	0.32	-	Yes
13	Excess Expenditure on Estimates than Scheme/funds.	0.02	0.02	-	Yes
14	Not working as per Estimates	0.15	0.15	-	Yes
15	Purchase of Section Machine	-	-	-	Yes
16	Unadjusted advances	4.38	4.38	-	Yes
17	Discussion with Executives	-	-	-	Yes
18	Results of Accounting Review	1.16	-	-	Yes
19	General Convection	-	-	-	Yes

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



**4. FINANCE**

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

Year	Year- 2017-18	Year- 2018-19	Year- 2019-20
Final/Revised Budget Data	3,51,81,877.00	13,30,88,438.85	20,04,81,023.10
Actual Expenditure Data	13,37,68,341.00	19,80,35,285.46	188,198,678.00
Savings(+)/Excess(-)	<b>(985,86,464.00)</b>	<b>(6,49,46,846.61)</b>	12,282,345.10

**Auditor's Comment:**

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

**II. VOLUME OF TRANSACTIONS:**

Period	Budgeted for F.Y. 2019-20	Actual for the F.Y. 2017-18	Actual for the F.Y. 2018-19	Actual for the F.Y. 2019-20	Cumulative for the current period
Opening balance	9,76,33,322.65	86,338,906.00	84,978,461.00	60,491,618.54	60,491,618.54
Receipts	20,90,05,265.90	13,24,07,896.00	17,35,48,443.00	178,528,385.40	178,528,385.40
<b>Total</b>	<b>30,66,38,588.00</b>	<b>21,87,46,802.00</b>	<b>25,85,26,904.00</b>	<b>239,020,003.94</b>	<b>239,020,003.94</b>
Net expenditure	20,04,81,023.10	13,37,68,341.00	19,80,35,285.46	188,198,678.00	188,198,678.00
<b>Closing balance</b>	<b>10,61,57,565.00</b>	<b>84,978,461.00</b>	<b>60,491,618.54</b>	<b>50,821,325.94</b>	<b>50,821,325.94</b>

**Auditor's Comment:**

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



Sheet, Income & Expenditure Account and receipts & Payments Account for The year 2015-16, 2016-17 & 2017-18 have not been produced before us for verification.

**III. BANK RECONCILIATION POSITION AS ON REPORTING DATE:**

**BANK RECONCILIATION POSITION AS ON 31-03-2020:**

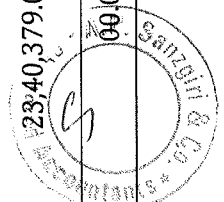
S.N	Name of Bank	Bank A/C No.	Purpose of Bank Account	Balance as per Cash Book	Balance as per Bank Statement	Differences	Reconciled (Yes/No)
1	PNB	6749000100095162	HFA	31,781.90	31,781.90	00.00	Yes
2	PNB	6749000100044919	Holding Tax	6,729,74.42	7,151,14.42	42140.00	No
3	PNB	6749000100063297	OAP	431576.00	431576.00	00.00	Yes
4	PNB	6749000100083608	S.B.M	292.10	292.10	00.00	Yes
5	IOB	379401000000409	CM SahriNalJal	170,87,97.79	170,87,88.35	9.44	NO
6	IOB	379401000000410	CM SahriNalI GALLI	55,55,239.71	55,55,239.71	00.00	Yes
7	IOB	379401000000801	NULM	9,515,29.28	97,48,33.28	23304.00	No
8	IOB	379401000001451	PMSAY	25,41,8720.08	25,41,8720.08	00.00	Yes
9	UBI	624302010005119	S J S R Y	7,027,45.00	7,027,45.00	00.00	Yes
10	SBI	31092711541	BRGF	9,525,59.16	9,45,371.16	7188.00	No

Management Comment: (kindly Attached Refer Discussion Note with report)  
 Note: Treasury Accounts details are not provided by ULB



**IV. RECEIPT DETAILS:**

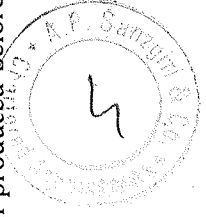
Income Details							
SN	Details	2017-18		2018-19		2019-20	
		2017-18 (Actual)	2016-17 (Actual)	2018-19 (Actual)	2017-18 (Actual)	2019-20 (Actual)	2018-19 (Actual)
	<b>Total Receipts (A+B)</b>	13,24,07,896.00	8,73,07,908.00	17,35,48,443.00	13,24,07,896.00	178,528,385.40	17,35,48,443.00
A	<b>Revenue Receipts (1+2+3)</b>	78,47,987.00	80,20,283.00	1,33,14,261.00	78,47,987.00	11,706,036.40	1,33,14,261.00
1	<i>Own Revenue Receipts (a+b)</i>	45,10,589.00	56,16,136.00	94,97,764.00	45,10,589.00	2,245,312.00	94,97,764.00
a)	<i>Tax Revenue (levied and collected by municipal body)</i>	37,38,809.00	53,52,946.00	92,39,790.00	37,38,809.00	2,152,293.00	92,39,790.00
i)	<i>Property tax</i>	13,30,809.00	13,92,381.00	13,41,116.00	13,30,809.00	580,232.00	13,41,116.00
ii)	<i>Other tax (levied and collected by municipal body)</i>	24,08,000.00	39,60,565.00	78,98,674.00	24,08,000.00	1,572,061.00	78,98,674.00
b)	<i>Non-tax revenue (levied and collected by municipal body)</i>	7,71,780.00	2,63,190.00	2,57,974.00	7,71,780.00	93,019.00	2,57,974.00
i)	<i>Fees &amp; fines</i>	00.00	00.00	00.00	00.00	86,819.00	00.00
ii)	<i>User Charges</i>	5,50,530.00	10,670.00	2,57,974.00	5,50,530.00	2,000.00	2,57,974.00
iii)	<i>Other non-tax revenue levied and collected by</i>	2,21,250.00	2,52,520.00	00.00	2,21,250.00	4,200.00	00.00
2	<i>Other Revenue Receipts</i>	22,01,321.00	00.00	23,40,379.00	22,01,321.00	774,335.40	23,40,379.00
a)	<i>Income interest/investments from</i>	22,01,321.00	00.00	23,40,379.00	22,01,321.00	688,735.40	23,40,379.00
b)	<i>Other Revenue income</i>	00.00	00.00	00.00	00.00	85,600.00	00.00



3	Transfers/Grants/Assigned Revenues	11,36,077.00	24,04,147.00	14,76,118.00	11,36,077.00	8,686,389.00	14,76,118.00
a)	State Assigned Revenue	11,36,077.00	24,04,147.00	14,76,118.00	11,36,077.00	8,686,389.00	14,76,118.00
b)	State Finance Commission	00.00	00.00	0.00	0.00	0.00	0.00
c)	Octroi compensation	00.00	00.00	0.00	0.00	0.00	0.00
d)	Other State Government Transfers	00.00	00.00	0.00	0.00	0.00	0.00
e)	Central Finance Commission (CFC) Grant	00.00	00.00	0.00	0.00	0.00	0.00
f)	Other Central Government Transfers	00.00	00.00	0.00	0.00	0.00	0.00
g)	Others	00.00	00.00	0.00	0.00	0.00	0.00
<b>B</b>	<b>Capital Receipts</b>	12,45,59,909.00	79,28,7625.00	16,02,34,182.00	12,45,59,909.00	166,822,349.00	16,02,34,182.00
1	Sale of Municipal Land	00.00	00.00	00.00	00.00	0.00	00.00
2	Loans (from State Govt. Or Banks etc.)	00.00	00.00	00.00	00.00	0.00	00.00
3	State Capital Account	7,29,05,507.00	00.00	5,37,60,721.00	7,29,05,507.00	62,946,957.00	5,37,60,721.00
4	Central Capital Account	5,16,54,402.00	00.00	10,64,73,461.00	5,16,54,402.00	103,875,392.00	10,64,73,461.00
<b>5</b>	<b>Other Capital Receipts</b>	00.00	00.00	00.00	00.00	0.00	00.00

**Auditor's Comment:**

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



**V. EXPENDITURE INFORMATION:**

S. N	Details	Expenditure Details					
		2017-18		2018-19		2019-20	
		2017-18 (Actual)	2016-17 (Actual)	2018-19 (Actual)	2017-18 (Actual)	2019-20 (Actual)	2018-19 (Actual)
	<b>Total Expenditure (1+2)</b>	13,37,68,341.00	9,92,08,106	19,80,35,285.46	13,37,68,340.60	188,198,678.00	19,80,35,285.46
1	<b>Revenue Expenditure</b>	1,75,72,025.00	1,72,14,740	1,00,79,467.46	1,75,72,024.00	9,242,828.00	1,00,79,467.46
1.1	Administrative Expenses, Establishment and Salaries (All Departments- Regular and Contractual)	1,31,12,483.00	71,15,438	85,26,514.00	1,31,12,483.00	7,940,695.00	85,26,514.00
1.2	Operation and Maintenance (O&M)	7,28,607.00	0.00	8,78,040.00	7,28,607.00	908,243.00	8,78,040.00
1.3	Loan repayment (Interest payments)	4,655.00	295	1200.46	4,654.60	0.00	1200.46
1.4	Others (any other revenue expenditure which is not salaries, O&M or Interest Payment)	37,26,280.00	1,00,99,007	6,73,713.00	37,26,280.00	393,890.00	6,73,713.00
2	<b>Capital Expenditure</b>	11,61,96,316.00	8,19,93,366	18,79,55,818.00	11,61,96,316.00	178,955,850.00	18,79,55,818.00
2.1	All developmental works under Central/State specific schemes	11,61,89,316.00	7,58,53,366	18,79,55,818.00	11,61,89,316.00	178,494,719.00	18,79,55,818.00
2.2	Other Capital expenditure	00.00	61,40,000	00.00	00.00	461,131.00	00.00

**AUDITOR'S COMMENT:**

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



**VI. STATUS OF IMPLEMENTATION OF DOUBLE ENTRY SYSTEM:**

Name of agency	Remark	Period
M/s Sarkar Gurumurti&Co.	Appointed agency has not started work till now.	22nd November 2019 to 21 August 2021

**VII. MUNICIPAL ACCOUNTS COMMITTEE:**

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

**(Refer Discussion Note)**





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

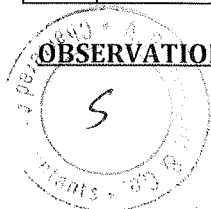


**OBSERVATION-2: DELAY IN DEPOSIT OF PROPERTY TAX COLLECTED BY ULB STAFF**

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

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

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

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

**1. RECOVERY OF OUTSTANDING PROPERTY TAX:**

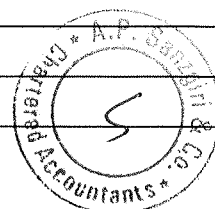
SN	Head	Comments
1	<b>Objective</b>	ULB is authorized to collect holding tax from households situated in the municipal area and Property tax have major role in the internal revenue of ULB.
2	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	During checking it is noted that property tax of Rs. <b>33,96,552.00</b> was outstanding as on 31/03/2020
3	<b>Consequences/Effect</b>	It leads in shortage of fund for ULB and loss of revenue.
5	<b>Cause</b>	No proper explanation in this regard given by ULB.
6	<b>Corrective Action/ Recommendation</b>	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	<b>Management Comments</b>	Kindly refer discussion note attached with the report.

**2. RECOVERY OF ADVERTISEMENT TAX:**

SN	Head	Comments
1	<b>Objective</b>	ULB authorized to charge advertisement tax/fee in municipal are as per act/rule.
2	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	During checking it is noted that is not in Practice of Providing and collecting Advertisement.
3	<b>Consequences/Effect</b>	Delay in collection or outstanding dues results in revenue loss to ULB.
5	<b>Cause</b>	Not Applicable
6	<b>Corrective Action/Recommendation</b>	ULB should Providing & Collecting
7	<b>Management Comments</b>	Refer Discussion note

**3. RENT INCOME:**

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



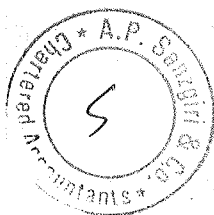
6	<b>Corrective Action/Recommendation</b>	Not Applicable
7	<b>Management Comments</b>	Not Applicable

4. MOBILE TOWER TAX:

SN	Head	Comments
1	<b>Objective</b>	ULB is authorized to collect tax from telecom companies for mobile towers installed in the municipal area.
2	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	During checking it is noted that mobile tower tax of Rs. <b>1,636,160.00</b> was outstanding as on 31/03/2020.
3	<b>Consequences/Effect</b>	It leads in shortage of fund for ULB and loss of revenue.
5	<b>Cause</b>	No proper explanation in this regard given by ULB.
6	<b>Corrective Action/Recommendation</b>	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	<b>Management Comments</b>	Recovery procedure are under process. we are establishing camp to boost collection as well as to recover outstanding dues.

5 OTHER TAX:

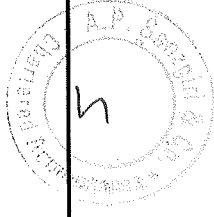
SN	Head	Comments
1	<b>Objective</b>	ULB is authorized to collect other various types of taxes/fee.
2	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	During checking it is noted that no other tax was outstanding as on 31/03/2020
3	<b>Consequences/Effect</b>	Not Applicable
5	<b>Cause</b>	Not Applicable
6	<b>Corrective Action/Recommendation</b>	Not Applicable
7	<b>Management Comments</b>	Not Applicable.



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

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

S N	Head	Comments						
1	Objective	Checking of payment made by ULBs to find out irregularities made during payment						
2	Criteria	Payment were checked on random basis						
3	Condition	We have checked following payment related to FY 2019-20, during audit:						
S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Date of Payment	Audit Observations		
1	Anil kumar	Contractor	193307	193307	12.3.2020			
2	Rajesh kumar	Contractor	688366	688366	28.2.2020			
3	Anil kumar	Contractor	455070	455070	29.2.2020			
4	Anil kumar	Contractor	241253	241253	24.1.2020			
5	Rupeshkumar	Contractor	69492	69492	13.2.2020			
6	Gkpadia & sons	Purchase of diesel	31,100.00	31,100	17.01.2020			
	Baba motors	Repairing tractor & tipper	22,600.00	22,600.00	22.7.2019			
	World book centre	Purchase of stationery	27,740.00	27,740.00	30.7.2019			
	Maa Pitaji Ashirbad Hardware	Purchase of stationery	7,437.00	7,437.00	22.7.2019			
	Sunitakumari	Contractor	5,79,120.00	5,79,120.00	27.8.2019			
							No irregularities found	



		Baba Motor	Repairing Tractor	8,260.00	8,260.00	30.12.2019
		Tyre Centre	Purchase of Tyre	11,400.00	11,400.00	30.12.2019
		Prince Engineer shop	Tractor Repairing	7,437.00	7,437.00	30.12.2019
		GkPadia& sons	Purchase of Diesel	30,393.00	30,393.00	22.10.2019
		Riteshkumar	Contractor	13,76,130.00	13,76,130.00	8.11.2019

Irregularities in payment lead to excess payment, wrong deductions, non-compliance with agreement and statutory compliances.

4 **Consequences/Effect**

5 **Cause**

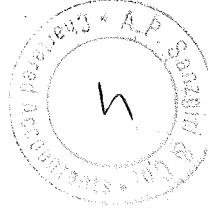
6 **Corrective Action**

7 **Management Comments**

No Cases were identified during audit and observations given.

Management can implement standard checklist for each payment so that irregularities in payments can be avoided.

Not Applicable.



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

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

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

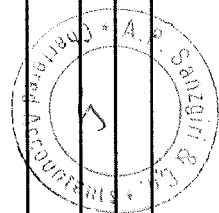


**PART-B: ALL AUDIT OBJECTIONS/IRREGULARITIES WHICH HAS MONETARY IMPLICATION, BUT SIGNIFICANT VIOLATION OF ACT, RULES & DIRECTIVES OF UD & HD. MENTION THE REFERENCE TO ACT & RULES WHEREIN REMEDIAL MEASURE IS REQUIRED:**

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

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

S.N	Name of Register	Maintained/ Not Maintained	Last date of Updating
1	Cash Book-Cashier	Maintained	31.03.2020
2	Cash Book-Accountant	Maintained	31.03.2020
3	Collection Register	Maintained	31.03.2020
4	Cheque issue Register	Maintained	31.03.2020
5	Register of Advance	Maintained	31.03.2020
6	Register of Permanent Advance	Not Maintained	
7	Deposit received register	Not Maintained	
8	Summary statement of deposit adjusted	Not Maintained	
9	Demand Register	Maintained	31.03.2020
10	Summary Statement of Bills Raised	Not maintained	
11	Register of Notice Fees, Warrant Fees, Other Fees	Not maintained	31.03.2020
12	Summary Statement of Notice Fees, Warrant Fees, Other Fees	Not maintained	
13	Register of Refunds, Remissions and Write off	Maintained	31.03.2020
14	Summary statement of Refunds and Remissions	Not maintained	
15	Summary Statement of Write-offs	Not maintained	
16	Statement of outstanding Liability for Expenses	Maintained	31.03.2020
17	Document Control Register/Stock Account Receipts/Cheque Book	Maintained	31.03.2020
18	Fixed Assets Register	Maintained	31.03.2020
19	Summary Statement of Demand Raised on assessment	Maintained	31.03.2020
20	Summary Statement of Head wise Collection of Other Income	Maintained	31.03.2020
21	Summary Statement of Refunds	Not Maintained	
22	Summary Statement of Write off	Not Maintained	

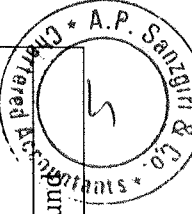


23	Grant Register		Maintained	31.03.2020
24	Summary Statement of status of Capital Work in Progress		Maintained	31.03.2020
25	Work Sheet		Maintained	31.03.2020
26	Deposit Works Register		Maintained	31.03.2020
27	Material Receipt Note		Maintained	31.03.2020
28	Store Ledger		Not Maintained	
29	Statement of Closing Stock		Not Maintained	
30	Statement of Material Issued		Maintained	31.03.2020
31	BRS of all bank accounts (including dormant accounts)		Maintained	31.03.2020
32	Final Accounts for the F.Y. 2012-13 to 2017-18		Not maintained	
33	Audited Balance Sheet		Not maintained	
34	Audited Income & Expenditure Account		Not maintained	
35	Audited Receipts & Payment Account		Not maintained	

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

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

S. N	Name of Party	Invoice Amount	Deduction has made or not	Whether Deductions are with appropriate Rate	Check signature of Commissioner/ EO in Payment Order	Whether Measurement book & bill signed by the JE of ULB	Whether in respect of all bills for charges on account of all works and other expenditure, proper certificates have been furnished in support of them and no deviation has been made for the sanctioned plans and the estimates without the sanction of the competent authority (B.M.A.R Rule No.-130)
1	RAHULL KR	924733.00	ALL DEDUCTION MADE	YES	YES	YES	No deviation found
2	GUNJAN KUMARI	940086.00	ALL DEDUCTION MADE	YES	YES	YES	No deviation found
3	MADAN KR	585148.00	ALL DEDUCTION MADE	YES	YES	YES	No deviation found
4	RINKU KUMARI	712758.00	ALL DEDUCTION MADE	YES	YES	YES	No deviation found
5	RINKU	899255.00	ALL DEDUCTION MADE	YES	YES	YES	No deviation found



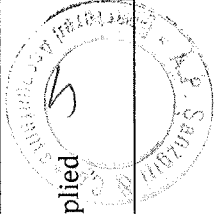
	KUMARI							
6	SANTOSH KUMAR	926601.00	ALL DEDUCTION MADE	YES	YES	YES	No deviation found	
7	BRAJESH KR	916098.00	ALL DEDUCTION MADE	YES	YES	YES	No deviation found	
8	UTTAM KR	922841.00	ALL DEDUCTION MADE	YES	YES	YES	No deviation found	

2. DETAILS OF LOG BOOK MAINTAINED:

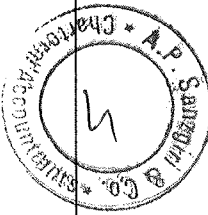
S.N	Name of Vehicle	Whether vehicle log book is maintained or not	Whether log book is properly updated or not	Whether vehicle is insured or not	Whether Rate of Diesel/Petrol properly mention in log book
1	JCB (01 nos.)	Yes	Yes	No	No
2	Tractor (2 nos)	Yes	Yes	No	No
3	Tipper (2 nos)	Yes	Yes	No	No
4	Section Machine (1 nos)	Yes	Yes	No	No

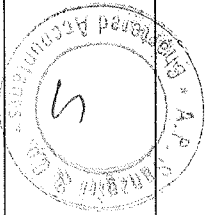
3. NON-COMPLIANCE OF DIRECTIVES BY UD&HD.GOB:

S.N	Directions Issued by UDHD	Particulars of Circulars/Orders/Notices	Complied or Not
1	Patrank Number : 1888 Dated : 03.04.2019	Regarding Compliances of Provision of Employees Provident Fund Act, 1952;	Not Complied
2	Gyapank Number : 2120 Dated : 24.04.2019	Shortage of Drinking water within municipality area - Kind of steps taken by ULB to prevent this shortage.	Complied
3	Gyapank Number : 2412 Dated : 14.05.2019	Regarding Deposit of PF amount	Not Complied
4	Gyapank Number : 1353 Dated : 28.05.2019	Direction regarding processing and disposal of "Solid waste management"	Complied
5	Patrank Number : 2960 Dated : 13.06.2019	Regarding Repair and Maintenance of Handpump	Complied
6	Gyapank Number : 1551 Dated : 24.06.2019	HFA	Complied
7	Gyapank No.- 1497; Dated- 30.10.2019	Survey of "use of Ply ash and Bricks" and compliance of direction given in this regard . And availability of copy for compliance of direction for decision taken in the Meeting held in this behalf as on 26.09.2018.	Complied

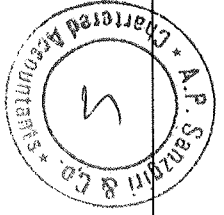


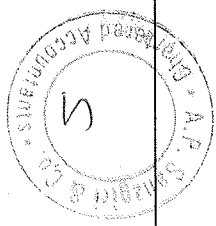
4. NON COMPLIANCE OF ACTS & RULES:

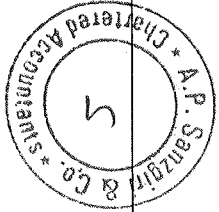
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made.	BMAR Rule No.-22	<p><b>Refer point: Part-A (a) (2)</b> The same rule did not follow by Tax Collector and on an average one month delayed found in hand of Tax Collector;</p>	Kindly refer discussion note
2	Whether every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	BMAR Rule No.- 27	Only Tax collector are entrusted to collect municipal revenue within municipality area;	
3	Whether the collection register was in the personal custody of the bill collector and the particulars in it shall be written up from the original receipts issued at the time of collection.	BMAR Rule No.- 27	Yes, Tax Collector kept receipt book in his personal custody.	
4	Whether bill collector get its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated stall of the Municipality.	BMAR Rule No.- 27	Yes, Daily Collection Register is verified by designated Officer of Council.	

5	Whether every bill collector invariably 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	<b>Refer point: Part-A (a) (2)</b> The same rule did not follow by Tax Collector and on an average one month delayed found in hand of Tax Collector;	<i>(Refer Discussion Note)</i>
6	Whether Grant Register as prescribed in BMAR Form 28 was maintained by the Municipality to record receipts and utilization of grants sanctioned by the Government.	BMAR Rule No.- 69	Yes.	
7	Whether specific grants, which have certain conditions attached for utilizing such grants including the requirement to use it for capital purposes or use it in a particular proportion or manner. Usually such grants have requirements for submitting utilization certificates e.g. Finance Commission grant, SFC grant for specific purpose, namely, road repairs. It is the responsibility of the Chief Municipal Officer that the conditions attached to the grant are complied with without exception.	BMAR Rule No.- 69	Yes complied	
8	Whether the grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.- 69	No such case was found and we have checked through cash book and relevant file under different Yojna/Scheme	
9	Whether the Utilization Certificate was signed by Chief Municipal Officer for verification of the financial outlays and physical progress reported on BMAR Form No 29.	BMAR Rule No.- 69	<b>Refer PART-B (h)</b> Yes, UC has been prepared;	<i>(Refer Discussion Note).</i>
10	Whether Municipality has returned unutilized grant for more than three years from date of receipt to the source from where such grant was received.	BMAR Rule No.- 69	No such case found in this ULB.	

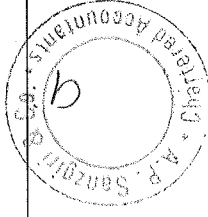
11	Whether The Chief Municipal Officer prepare a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.	BMAR Rule No.- 120	Currently Receipt and Payment A/c has not been prepared by ULB;	Currently it is not prepare, however we will proceeds further. <b>Refer Discussion Note</b>
12	Whether ULB prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	BMAR Rule No.- 121	Trail Balance has not been prepared;	ULB not in a practice to prepared Trail balance, Income and Expenditure and Balance Sheet. It will be prepare after implementation of double entry System
13	Whether ULB sent the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter.	BMAR Rule No.- 121	No	
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. <b>The Financial Statements shall comprise of</b> 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.	BMAR Rule No.- 122	Financial Statement has not been prepared by municipality.	ULB not in a practice to prepared Trail balance, Income and Expenditure and Balance Sheet. It will be prepare after implementation of double entry System



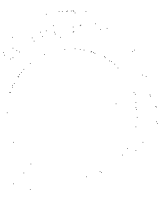
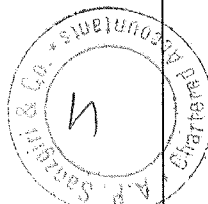
	<p>e. Notes to Accounts, which shall disclose Contingent liabilities, and such other information as, may be useful in understanding the financial statements clearly.</p> <p>f. Comparative amounts shall be entered on the financial statements for the preceding financial year except. In the case of the first year to which those rules apply.</p>		
15	<p>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).</p>	<p>BMAR Rule No.-130</p>	<p><b>Refer PART-B (f)</b> Amount of statutory dues has not been deposited on due date.  <i>( Refer Discussion Note)</i></p>
16	<p>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).</p>	<p>BMAR Rule No.-130</p>	<p><b>Refer PART-B (g)</b> Yes deposited on time except April, June, July, August, October and November and March.  <i>Refer Discussion Note</i></p>
17	<p>Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated In sufficient detail.</p>	<p>BMAR Rule No.-130</p>	<p>No trial balance is prepared hence classification of transaction was not done;</p>
18	<p>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.</p>	<p>BMAR Rule No.-130</p>	<p>Yes recorded properly in grant register as well cash book , but no case of deduction was found;</p> 

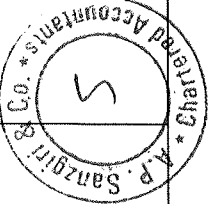
19	Whether any Special Funds have been created as per the provision of any statute and whether the Special Funds have been utilized for the purposes for which they have been created.	BMAR Rule No.-130	No special fund created;	
20	Whether the ULB is maintaining proper records showing full particulars, including quantitative 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	There are no FAR, has not Not maintained; There is no system developed to physically verify the existing assets	<b>Refer Discussion Note</b>
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	- Refer Part-A(a)(4)	Refer Discussion Note
22	Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets?	BMAR Rule No.-130	Yes Procedure have been followed.	
23	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality' s accounts; If so, the details thereof.	BMAR Rule No.-130	No such case was found during the period of Audit.	
24	Whether the Bank Reconciliation statements have been property prepared for all the bank accounts of the ULB and the remedial actions including all correcting entries have been taken on timely basis.	BMAR Rule No.-130	<b>Refer Point-04 (III)</b> Yes BRS of all existing bank a/cs, except some bank a/c, have been prepared.	
25	Whether the year-end and reconciliation procedures	BMAR Rule	YES,	

	prescribed have been carried out as per the rules.	No.-130		
26	Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget. whether made originally or subsequently and in all cases such as are authorized by Act.	BMAR Rule No.-130	YES.	
27	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis.	BMAR Rule No.-130	<b>Refer-PART-A (a)(4)</b>	
28	Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act.	BMAR Rule No.-130	<b>Refer-PART-A (a)(2)</b> Yes, sums due to and received by ULB have been brought to books of accounts. But it takes on an average one month in case of holding tax. This delay was found in hand of tax collector;	<i>( Refer Discussion Note)</i>
29	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order.	BMAR Rule No.-130	UC have been prepared in prescribed format in timely manner	<i>( Refer Discussion Note)</i>
30	Whether, proper books of account as required by the Act and Rules have been kept by the Municipality so far as It appears from examination of those books. (Rule-130 of BMAR-2014)	BMAR Rule No.-130	<b>Refer-PART-B (a)</b> Some Books of accounts has not been prepared;	<i>( Refer Discussion Note)</i>
31	Whether physical verification has been conducted by the ULB at reasonable intervals In respect of stores;	BMAR Rule No.-130	No such practices followed by ULB;	It will be followed by F.Y. 2019-20. <b>Refer Discussion Note</b>

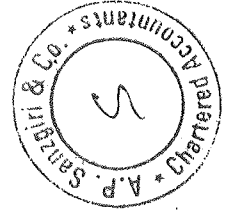


32	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?	BMAR Rule No.-130	No physical verification is carried out.	It will be consider and follow as per rule;
33	Whether any material discrepancies have been noticed on physical verification of stores as compared to book records, and If so, whether the same has been properly dealt with in the books of account; Whether proper procedures are in place to Identify any unserviceable or damaged stores and whether provision for the loss In this respect, If any, has been made In the accounts;	BMAR Rule No.-130	ULB not maintained stock register properly and further physical verification is also not carried out;	<i>(Refer Discussion Note)</i>
34	Whether the valuation of stores is in accordance with the accounting principles laid down In the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of such deviation, if material, should be reported;	BMAR Rule No.-130	ULB did not follow the practice of valuation of stock.	<i>(Refer Discussion Note)</i>
35	Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the Interest and If not, whether reasonable steps have been taken by the municipality for recovery of the principal and interest?	BMAR Rule No.-130	No loan given during F.Y.2019-20	ULB does not gives loan and advances. Refer Discussion Note
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.-130	Advance Register has not been maintained	ULB does not gives loan and advances. <b>Refer Discussion Note</b>
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	BMAR Rule No.-132	Yes, budget is prepared	

	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.				
38	<b>Municipal Fund:</b> Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007: Chapter IX	Not found		
39	<b>Payment not to be made out of Municipal Fund unless covered by budget grant:</b> Whether any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	No such case was found during Audit period.		
40	<b>Procedure when money not covered by budget grant is paid.</b> Whether the case is put up with Empowered Standing Committee, in case any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	(Refer Discussion Note)	(Refer Discussion Note)	
41	<b>Investment of surplus money.</b> Whether municipality has invested surplus fund as per the requirement of the chapter-X of BMA-2007. Auditor will report on the fixed deposit and other funds should be in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period. Check whether comparative interest rate is invited from parties before investing surplus funds:		No fund invested by ULB;	ULB does not follow the practices of investing its surplus amount;	
42	<b>Preparation of budget estimate of Municipality.</b> Whether The budget estimate stated the rates at which various taxes, surcharges, cesses and fees shall be levied by the Municipality in the year next following,		Yes, the same is levied at specified rate.		

43	<p><b>Maintenance of accounts.</b> Whether the Chief Municipal Officer prepared and maintained accounts of receipts and expenditure of the Municipality in such form, and in such manner, as may be prescribed,</p>		Receipt and Expenditure A/c has not been prepared;	<i>(Refer Discussion Note)</i>
44	<p><b>Financial Statement.</b> Whether The Chief Municipal Officer shall, within four months of the close of a year, cause to prepare a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality,</p>		Not Prepared;	<i>(Refer Discussion Note)</i>
45	<p><b>Submission of financial statement and balance sheet to auditor.</b> The financial statement prepared under section 88 and the balance sheet of the assets and the liabilities prepared under section 89 shall be placed by the Chief Municipal Officer before the Empowered Standing Committee which, after examination of the same, shall adopt and remit them to the Auditor as may be appointed in this behalf by the State Government.</p>		Financial Statement has not been submitted.	<i>(Refer Discussion Note)</i>
46	<p><b>As per section 127, 128, 129 &amp; 131 of chapter XV Bihar Municipal Act, 2007 various tax are applicable on ULBs</b> Section 145, 146 and 147 of the Bihar Municipal Act 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</p>		YES	

	<p>any holding, etc. As per act Every person who erects, exhibited, fixes or retain upon or over any land, building, wall, boarding, frame, post, kiosk, structure, vehicle, neon-sign or sky sign any advertisement, or display any advertisement to public view in any manner whatsoever (including any advertisement exhibited by means of cinematograph), visible from a public street a public place in any location in a municipal area including airport or a port or a railway station, shall pay or every advertisement, which is so erected, exhibited, fixed or retained or so displayed to public view, a tax calculated at such rate as may be determined regulations. it requires payment of certain fee for advertisement.</p>		
47	<p>As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007,) Municipality shall, by regulations, provide for issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore,</p>	<p>BMA,2007: Chapter XIX</p>	<p><b>Refer-PART-A(a)(3)</b> Yes, Notice of demand issued but levy of Notice Fee is not followed currently.  <b>( Refer Discussion Note)</b></p>
48	<p>As per section 342 of Bihar Municipal Act, 2007 Trade license fee is to be collected from different types of Trader, who are trading in Concerned Municipal area.</p>	<p>BMA,2007: Chapter XXXVII</p>	<p>Not, trade licence have been not collected,  <b>Refer Discussion Note</b></p>



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

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

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

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

S.N	Name of Party	Invoice Value	Amount of deduction	Due date of deposit	Actual Date of deposit	Cheque/Challan Number
1	Anil kumar	193307	1997	07.04.2020	Not deposited	
2	Rajesh kumar	688366	7090	07.03.2020		
3	Anil kumar	455070	4692	07.03.2020		
4	Anil kumar	241253	2484	07.02.2020		
5	Rupeshkumar	69492	716	07.03.2020		
6	Ravi Ranjan	14,25,789.00	14,686.00	02.05.2019		
7	Ravi Ranjan	3,95,161.00	4,070.00	29.04.2019		
8	Ravi Ranjan	9,77,959.00	1,080.00	7.10.2019		
9	Sita Ram	4,07,424.00	4,196.00	7.10.2019		
10	Anil Kumar	38,518.00	397.00	7.10.2019		
11	Rajesh kumar	13,93,565.00	1,435.00	7.9.2019		
12	Sita Ram	13,33,212.00	13,732.00	7.9.2019		
13	Sunil Prasad singh	9,61,104.00	9,899.00	7.9.2019		
	TOTAL	8580220.00	66474.00			

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	Anil kumar	193307	3866	Not Deposited	
		455070	9102		
2	Rajesh kumar	688366	13768		
3	Anil kumar	241253	4826		
4	Rupeshkumar	69492	1390		
5	Ravi Ranjan	14,25,789.00	14,686.00		
6	Ravi Ranjan	3,95,161.00	4,070.00		
7	Ravi ranjan	9,77,959.00	19,560.00		

8	Sita ram	4,07,424.00	8,148.00		
9	Anil kumar	38,518.00	770.00		
10	Rajesh kumar	13,93,565.00	27,871.00		
11	Sita ram	13,33,212.00	26,664.00		
12	Sunil Prasad singh	9,61,104.00	19,222.00		
13	Mithileshkumar	2,83,750.00	5,680.00		
14	Udakumar	7,13,865.00	14,278.00		
15	Sri Arun	2,68,627.00	5,378.00		
16	Sri Arun	1,78,500.00	3,577.00		
17	Udaykumar	1,54,833.00	3,099.00		
18	Udaykumar	1,51,048.00	3,720.00		
19	Mitheleshkumar	1,23,132.00	2,464.00		
	<b>TOTAL</b>	<b>10453975.00</b>	<b>192139.00</b>		

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

S.N	Name of Party	Invoice Value	Amount of deduction	Date deposit of	Cheque/Challan Number
1	Anil kumar	193307	1933	Not Deposited	NA
		455070	4551		
2	Rajesh kumar	688366	6884		
3	Anil kumar	241253	2413		
4	Rupeshkumar	69492	695		
5	Ravi Ranjan	14,25,789.00	14,258.00		
6	Ravi Ranjan	3,95,161.00	3,952.00		
7	Ravi ranjan	9,77,959.00	9,779.00		
8	Sita ram	4,07,424.00	4,074.00		
9	Anil kumar	38,518.00	385.00		
10	Rajesh kumar	13,93,565.00	13,936.00		
11	Sita ram	13,33,212.00	13,332.00		
12	Sunil Prasad singh	9,61,104.00	9,611.00		
13	Mithileshkumar	2,83,750.00	2,837.00		
14	Udakumar	7,13,865.00	7,139.00		
15	Sri Arun	2,68,627.00	2,686.00		
16	Sri Arun	1,78,500.00	1,785.00		
17	Udaykumar	1,54,833.00	1,548.00		
18	Udaykumar	1,51,048.00	1,510.00		
19	Mitheleshkumar	1,23,132.00	1,234.00		
	<b>TOTAL</b>	<b>10453975.00</b>	<b>104542.00</b>		

**Details of TDS returns filed are mentioned below:**

During audit of Warsliganj Nagar Panchayat we have noticed that no TDS return has been filled during the financial year 2019-20.

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

S.N	Name of Party	Invoice Value	Amount of deduction	Date deposit of	Cheque/Challan Number
1	Anil kumar	193307	3866	Not Deposited	NA
		455070	9102		

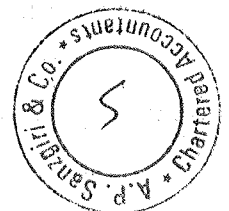
2	Rajesh kumar	688366	13768		
3	Anil kumar	241253	4826		
4	Rupeshkumar	69492	1390		
5	Ravi Ranjan	14,25,789.00	28,516.00		
6	Ravi Ranjan	3,95,161.00	7,904.00		
7	Ravi ranjan	9,77,959.00	19,560.00		
8	Sita ram	4,07,424.00	8,148.00		
9	Anil kumar	38,518.00	770.00		
10	Rajesh kumar	13,93,565.00	27,871.00		
11	Sita ram	13,33,212.00	26,664.00		
12	Sunil Prasad singh	9,61,104.00	19,222.00		
13	Mithileshkumar	2,83,750.00	7,248.00		
14	Udakumar	7,13,865.00	14,278.00		
15	Sri Arun	2,68,627.00	5,403.00		
16	Sri Arun	1,78,500.00	4,688.00		
17	Udaykumar	1,54,833.00	4,386.00		
18	Udaykumar	1,51,048.00	5,708.00		
19	Mitheleshkumar	1,23,132.00	2,464.00		
	<b>TOTAL</b>	<b>1686006.00</b>	<b>215782.00</b>		

**g. DEFICIENCY IN PAYROLL SYSTEM:**

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

**DETAILS OF DELAY OF DEPOSIT OF EPF:**

Month of Deduction	Amount PF Deduction	PF Advance ( Loan)	Due date of deposit	Amount Deposit
April - 19	1,404.00	-	15.05.2019	Not Deposited
May - 19	1,404.00	-	15.06.2019	
June - 19	1,404.00	-	15.07.2019	
July- 19	1,437.00	-	15.08.2019	
Aug-19	1,437.00	-	15.09.2019	



Sep-19	1,437.00	-	15.10.2019
Oct-19	1,437.00	-	15.11.2019
Nov-19	1,437.00	-	15.12.2019
Dec-19	1,437.00	-	15.1.2020
Jan-20	1,437.00	-	15.02.2020
Feb-20	1,437.00	-	15.03.2020
March-20	1,437.00	-	15.04.2020

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

**STATUS OF UTILIZATION CERTIFICATE:**

The same is prepared with the help of Auditor.

**(Refer Discussion note and annexure)**

**STATUS OF USE OF GRANT AS PER DEFAULT ALLOCATION**

Specifically grant allocation details has not been maintained, however it is maintained in grant register.

**(Refer Discussion Note)**

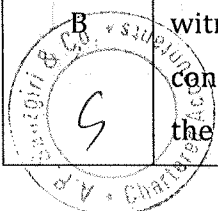
**(i) Physical verification of (kindly Attached Refer Discussion Note) inventory/stores**

**(j) Advances, their adjustment & recovery (kindly Attached Refer Discussion Note)**

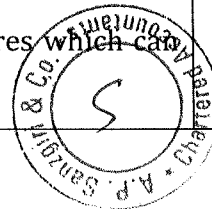
**(k) Any other matters as may be prescribed in due course:As all relevant matters has been covered in above mentioned points.**

**III. PART-C**

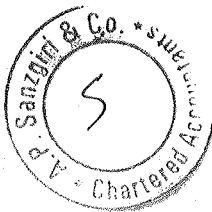
Sl. No.	Particulars	Complied or Not
A	Auditor should report in a separate section for non-compliance of rules/directives of UD&HD, GoB; Auditor should see the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD.	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 inconsistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS is	Complied Refer-PART-A(c)



	received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actuals as per internal audits;	
C	Auditor should report on compliance of Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR :	Complied Refer-PART-B(d)
	<b>Rule 22:</b> All moneys to be brought to account	
	<b>Rule 27:</b> Collections to be deposited into Bank on the same day	
	<b>Rule 69:</b> Grant Related Compliance	
	<b>Rule 120-121:</b> Monthly Receipt & Payment Account and Trial Balance	
	<b>Rule 130:</b> Audit to be completed & reported within 6 month	
D	Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, GoB.	Complied Refer-PART-B(c)
E	Report and quantify all major own revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairatetc;	Complied Refer-PART-A(a)
F	Auditor should Report on adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments above Rs. 10,000 and above.	Complied Refer-PART-B(b)
G	Auditor should Report on Procurement made including through E-Tendering and E-Auction indicating exceptions, if any and whether a register is kept for all Procurements with value above Rs. 15,000/-	Complied Refer-PART-B(b)
H	Auditor should Report on presence or absence of a system of issuance of utilisation certificate for the different schemes for any utilisation made during the reporting period; Where there is no system for issuance of U/Cs, the Internal Audit report shall prepare Utilisation Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	Complied Refer-PART-B(h)
I	Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	Complied Refer-Audit Recommendation



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



#### 4. DETAIL AUDIT OBSERVATIONS

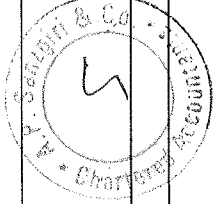
##### RISK ASSESSMENT

Name of the ULB: Nagar Panchayat Warisaliganj

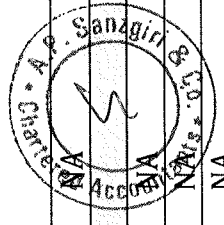
SN	Observations	Risk Rating	Design Gap	System Gap	Operating Gap	Management Comment	Auditor Recommendations
<b>DEMAND GENERATION</b>							
1	Loss of Revenue due to under assessment/ wrong generation of demand	H	NO	YES	YES	Due to lack of manpower some gap arose, However we are trying to minimize the gap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

##### RECEIPT AND BANKING

1	Error in collections, loss of receipts and perpetrated frauds	H	NO	NO	YES	It will be rectify very soon in near future	It is recommended that <ul style="list-style-type: none"> <li>➤ Collection must be in timely manner;</li> <li>➤ Amount collected must be deposited without making any delay;</li> <li>➤ And Regular check by competent authority to mitigate any type of fraud in this regard.</li> </ul>
2	Non-updating various register like hand book, DCB register, cash book, etc.	M	NO	YES	NO	We have shortage of skilled employees and due to this we are facing problem like this.	The various register like DCB, hand book Cash Book etc. should be maintained on real time basis.
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		



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



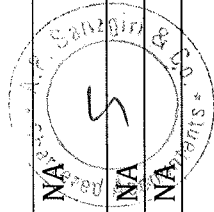
	Error											
4	Collusion with Employee	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Perpetrated Fraud (Like Payment more than one time on same bill)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Non-updating various register likes store register, issue register, bill register with payment fig., advance register, etc.	M	NA	YES	NA	NA	NA	NA	NA	NA	NA	It is recommended to maintain the same and it should be cross checked on regular interval by competent authority to mitigate fraud.
7	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

**GRANT AND LOANS AND UTILIZATION THEREOF**

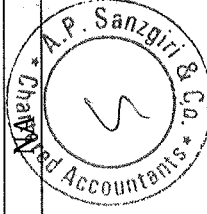
1	Not utilization of grant or grant unspent	M					YES	Due to practical and operational issues, there are some cases of non-utilization of grant. It will be utilizing in future.	Grant must be utilized as per guidelines in timely manner.
2	Not furnishing of UC	H				YES	It will be submitted.	UC must be furnished on time as per specified guidelines and format.	
3	Non fulfillment of condition part thereto	NA	NA	NA	NA	NA	NA	NA	
4	Perpetrated fraud (Like payment more than one time same contractor)	NA	NA	NA	NA	NA	NA	NA	
5	Non-updating various register like grant register, work register, bill register with payment fig., advance register etc.	H				YES	Will be updated very soon by deploying skilled staff.	Grant register, work register, bill register with payment fig., advance register etc. must maintain.	
6	Others	NA	NA	NA	NA	NA	NA	NA	

**FIXED DEPOSIT AND INVESTMENT**

1	Not deposited at appropriate time (loss of revenue)	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of Investment certificate	NA	NA	NA	NA	NA	NA	NA	NA
3	Non fulfillment of condition part thereto	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with bank officials to invest at lower rate	NA	NA	NA	NA	NA	NA	NA	NA
5	Deposit into Current account	NA	NA	NA	NA	NA	NA	NA	NA
6	Non-updating various register like	NA	NA	NA	NA	NA	NA	NA	NA



	investment register, Bank book, cashbook, etc.												
7	Other	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>UNAUTHORIZED ADVANCE</b>													
1	Unauthorized release of advance	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Release of advance beyond authority	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Non-adjustment of loan or advance during the year	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with employee/party to release advance/loan beyond authority	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Advance/loan not account for	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Non-updating various register like Loan & advance, Bank book, cash book, etc.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
7	Other	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



**LIST OF IMPORTANT REGISTERS**

Nagar Panchayat Warisaliganj

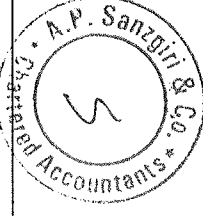
HIGH

COMPLIANCE REPORT SUBMITTED  
(No.-1418 dated 29.4.17)

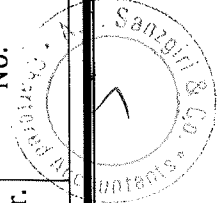
SN	Particulars	Audit Observation	Associates Risk	Management Comment	Status (Resolved or not)
1	Cash Book	Maintained	NA	NA	NA
2	Ledger	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved
3	Journal	Not Maintained	HIGH	Will be maintained from upcoming year.	
4	Register for Journal/Magazines/Newspapers	Not Maintained	HIGH	Will be maintained from upcoming year.	
5	Register for Temporary Advances	Not Maintained	HIGH	Will be maintained from upcoming year.	
6	Register of Money Orders/Bank Draft Received	Maintained	NA	NA	NA
7	Cheque Issue Register	Maintained	NA	NA	NA
8	Register of Remittances made into bank	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved
9	Bank Passbook	Maintained	NA	NA	NA
10	Register of Bank drafts dispatched	Maintained	NA	NA	NA
11	Bill Register	Maintained	NA	NA	NA
12	Establishment Register	Maintained	NA	NA	NA
13	Stock Register	Maintained	NA	NA	NA
14	Capital Goods/ Consumable articles, non-consumable articles	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved
15	Statutory Deduction Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved
16	Fixed Assets Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved
17	Grant Register	Maintained	NA	NA	NA



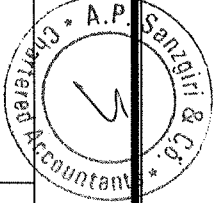
18	Scheme Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved
19	Monthly accounts of Receipts/ Payments	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved
20	Temporary Advances Register for Staff, Customers/ supplier/VEC and TA/DA Advance	Maintained	NA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



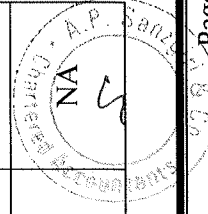
CASH AND BANK						
Nagar Panchayat Warisaliganj						
HIGH						
COMPLIANCE REPORT SUBMITTED (No.-1418 dated 29.4.17)						
F.Y. 2019-20						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Check whether there is no any undue delay in presentation of cheque /DD received, to bank	No such cases observed during the said period of Audit.	NA	NA	NA	NA
2	Whether cheque/draft issue/ receipt/ dishonored register have been maintained as per prescribed form (As Per BMAM) & entry are made on properly, accurately & timely basis.	Yes, the same has been maintained	NA	NA	NA	NA
3	Whether banking transactions (receipts & Payments) are matched with cash book, Cheque issue register, collection register, etc., Verify the same with Bank statement & BRS,	Yes, it is matched with cash book.	NA	NA	NA	NA
4	Whether cheque issue register are matched with cash book	Yes, it is matched with cash book.	NA	NA	NA	NA
5	Whether proper steps has been taken for dishonored cheque, it was realized in cash or not,	No such cases observed during the Audit period.	NA	NA	NA	NA
6	Whether Bank Reconciliation has been made for each account, verify the status of BRS, (attached BRS as annexure )	Bank reconciliation statement has not prepared by ULB on regular basis. However there is no	NA	Medium	Will be prepared from upcoming year.	No.



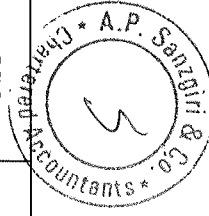
7	Check whether no any fraud payment or payment to other person has been made,	No such case found payments selected for audit	NA	NA	NA	NA	NA	NA	NA
8	Whether bank statement for all account have been promptly received from bank.	Bank statement of every bank is not received by ULB on timely basis. As a result of this bank reconciliation statement has not been prepared timely.	NA	Medium	Medium	Will issue instructions to staff to collect monthly statements from bank.	No		
9	Number of Bank accounts maintained	20 bank accounts are maintained.	NA	Medium	Medium	Will issue instructions to staff to collect monthly statements from bank	No		
10	Original copy of cancelled receipt is attached with duplicate copy with "CANCELLED" marked on it.	Not Maintained	NA	High	High	It will be implemented now onwards	No		
11	Liability for stale cheques account review is done and necessary reversal entries are passed	Done	NA	NA	NA	NA	NA		
12	Any other	NA	NA	NA	NA	NA	NA		



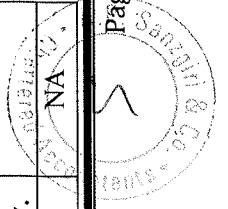
PUBLIC WORKS						
	Nagar Panchayat Warisaliganj					
	HIGH					
	COMPLIANCE REPORT SUBMITTED (No.-1418 dated 29.4.17)					
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether bill has been prepared as per actual measurement & page no. of the MB in which detailed measurement have been quoted has mentioned in first page of MB,	Yes, bill has been prepared on the basis of MB book.	NA	NA	NA	NA
2	Whether bill has been signed by proper in charge,	Yes	NA	NA	NA	NA
3	Whether the bill has been checked by the accountant with the MB (also compare the qty.), estimate, agreement, previous bill (in case of running agreement)	Yes	NA	NA	NA	NA
4	Verify whether any payment made for removing/dismantling materials which have scrap value must be indicated in the bill.	Yes	NA	NA	NA	NA
5	Whether measuring has done by the engineer concerned,	Measurement of work is done by J.E. of ULB.	NA	NA	NA	NA
6	Whether expenditure on construction of work was debited to WIP & verified with MB maintained	Manual books are maintained	NA	NA	NA	NA



7	Whether master roll(machine numbered & authorized) has been maintained for details of store, specifying:								
8	• Date of Issue					NA			
9	• Name of Subordinate					NA			
10	• Name of Work					NA			
11	• Number of Labour					NA			
12	• Period of Engagement					NA			
13	• Details of Payment (Date, amount, Cheque no etc.)					NA			
14	Whether the same has been periodically verified.					NA	High	Not Available at ULB Office at that time.	NA
15	Whether payment are as predefined approval level sanctioned u/s 75 of BMA, 2007,					NA	NA	NA	NA
16	Any Other					NA	NA	NA	NA

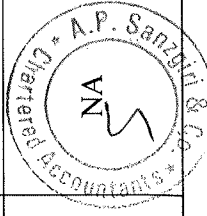


Cash Book						
NAME OF THE ULB		Nagar Panchayat Warisaliganj				
RISK RATING:		HIGH				
CAG OBSERVATIONS STATUS		COMPLIANCE REPORT SUBMITTED (No.-1418 dated 29.4.17)				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether Opening Balance & Closing Balance was worked out or not,	Yes	NA	NA	NA	NA
2	Whether posting of receipt & payment side of cash book are properly maintained & it was matched with properevidencelike Receipt Voucher, Cheque issue Register, Bank Statement, etc.,	Posting of transactions in receipt side of cash book is not proper. It is observed that receipt amount like interest, holding taxes or any other nature of income received has been accumulated and posted in cash book.	NA	HIGH	It will be followed as per Accounting Rule of Bihar Municipal Accounting Rule	No
3	Whether posting in on daily basis.	Audit is done after September, 2019 hence we cannot comment on it.	NA	NA	NA	NA
4	Whether there is any clerical error (casting or/and posting error, etc) or not	No such instances found	NA	NA	NA	NA
5	Whether any delay in deposit of amount of collection by cashier,	Yes Kindly refer Annexure-1 Attached with report.	NA	HIGH	We will take steps for deposition of collection on very next day.	No
6	conduct physical verification of cash and report heavy cash balance if any	ULB did not physically verify Cash.	NA	LOW	We will put the matter before board and follow accordingly.	No
7	Any Other	NA	NA	NA	NA	NA



Collection						
Nagar Panchayat Warisaliganj						
HIGH						
COMPLIANCE REPORT SUBMITTED (No.-1418 dated 29.4.17)						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether collection procedure are as per guidelines/direction of ULB,	No, Further collection is not deposited in to bank on same day.	Annex-1	High	We will follow the policy now onwards.	Not Resolved
2	Whether collections are made on the basis of Demand & Collection Register,	Yes	NA	NA	NA	NA
3	Whether collection are made in the same receipt Vouchers which has been issued/ authorized by ULB/ state government & it should be clearer mentioned of different head & not any alteration, & the carbon copy of receipt vouchers are properly vouched so that no any variation in posting the same.	In case of checking of property tax receipt, it is found that in some cases different heads are mentioned.	NA	Medium	We will look in to this matter.	No
4	Whether collections are bifurcated in different heads as required,	Consolidated amount is mentioned in the cash book.	NA	Medium	We will look in to this matter.	No
5	Whether a separate bank account has been maintained for each circle, (for PMC only)	NA	NA	NA	NA	NA
6	Whether all collections are made in proper "Receipt Voucher.Book" having same serial number which was actually issued to TC,	We have checked receipts vouchers books on random basis and it is found ok.	NA	NA	NA	NA

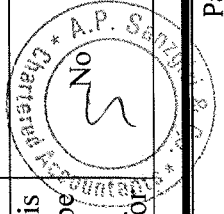
7	Whether all collections made during the day are account for & banked on next working day or there is any teaming & lading,	No, There is gap between collection and deposit of money in to bank. Kindly also refer Annexure-1 attached with this report	NA	High	We will follow Bihar Municipal Act now onwards.	No
8	Whether no any collection are directly expended without prior approval,	No such instances found during the audit.	NA	NA	NA	NA
9	Whether collections are made by all the holding fall under the same TC or Civics Centre	No such type of records is maintained at ULB Level.	NA	Medium	Due to shortage of human resources it is not possible in spite of this we will implement it from now.	No
10	Whether government share of collections (like Education Cess & Health Cess) are properly & timely deposited in its own account, (if applicable)	NA	NA	NA	NA	NA
11	Whether there is any short/non collection or short deposit or not deposit	Yes, property tax is not collected from all households	NA	Medium	We will look in to this.	No
12	Whether penalty (@2% P.M/ 1.5%) has been duly charged on late payment.	We have checked transactions on random basis and it is found that penalty is charged.	NA	NA	NA	NA
13	Whether daily collections are entered into hand book, collection register maintained by TC & it should be properly entered in demand & collection register,	Yes	NA	NA	NA	NA
14	Whether collection by way of cheque are properly banked & credited into account,	Yes	NA	NA	NA	NA
15	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	Yes, in case of taxes remission/discount is given to households but there is no mechanism to trace that this refund or remission was given	NA	NA	NA	NA



		after duly sanction or without sanction.				
16	Whether any immediate steps has been taken or not for cheque dishonored received	No such cases found during audit	NA	NA	NA	NA
17	Whether reversal of payment has been made for any dishonored cheque	No such cases found during audit	NA	NA	NA	NA

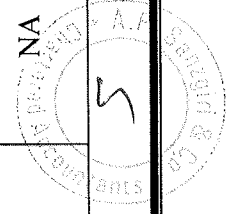
<b>DEMAND</b>						
	<b>NAME OF THE ULB</b>	<b>Nagar Panchayat Warisaliganj</b>				
	<b>RISK RATING:</b>	<b>HIGH</b>				
	<b>NAME OF TAX COLLECTOR</b>					
<b>S.N</b>	<b>Particulars</b>	<b>Audit Observation</b>	<b>Amt. Involved</b>	<b>Associates Risk</b>	<b>Management Comment</b>	<b>Status (Resolved /Not)</b>
1	Ensure whether closing balance of previous year is accurately brought forward,	Yes, brought accurately from previous year to current year.	NA	NA	NA	NA
2	Whether determination of demand is on manual or computerized way, & it would be as per updated rules, regulation, guidelines & other required details for proper calculation,	Manual cum computerized. As per requirement.	NA	NA	NA	NA
3	Whether data for calculation is correct & properly verified by appropriate authority/ Internal Auditor by way of physical survey,	It is found that for calculation of property tax, area of property or use of property, is on the basis of physical survey.	NA	NA	NA	NA
4	Whether revision of valuation of holding properly made after specified period	ULB not revised its valuation method after specified period. As a results of this ULB	NA	High	We will look in to this matter.	No

		suffering revenue loss for not revising method of valuation.				
5	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	Yes, in case of taxes remission/discount is given to households but there is no mechanism to trace that this refund or remission was given after duly sanction or without section.	NA	NA	NA	NA
6	Ensure whether there is any clerical error in calculation,	We have checked some cases on random and such instances not found.	NA	NA	NA	NA
7	Whether demand register in prescribed format is maintained or not,	Not Maintained	NA	Medium	We will maintain it now onwards.	No
8	Whether persons involve incalculation/collection have knowledge of their responsibility.	Yes, but they do not have knowledge of BMAM and BMAR	NA	NA	We will conduct training for the same and trained them accordingly.	No
9	Whether there is proper distribution of responsibility for calculation, recovery & updation of register for demand, so that no single person have control on two or process at the same time,	These activities are done by one person at ULB.	NA	High	Due to lack of staff, it is not possible to allot this task to multiple members.	No
10	Whether there is any under/no assessment,	No such case observed	NA	NA	NA	NA
11	Whether there is appropriate measures( As Per section 155 & 158 of BMA, 2007) are adopted for recovery of Government/bid dues,	No such evidence of recovery of Gov. dues provided by ULB	NA	Medium	We look in to this matter and resolve the same very soon.	No
12	Whether notice for demand has been made in prescribed format (As Per BMAR) & as per rules & regulations,	We found ULB is not in a regular practice to send notice of demand to concerned property holder	NA	High	We look in to this matter and will be send notice to concern person for	No

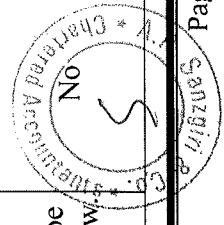




	sanctioned limit,							
2	Whether service log book has been maintained & up to date or not,	It is not produced before us during audit.	NA	NA	NA	We did not maintain, however same will be maintained from upcoming time.	No	
3	Audit whether apart from comparing the pay & allowance drawn by each employee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

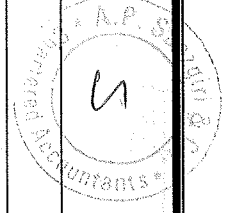


9	Whether disbursement of pay & allowance are duly recorded in books & accepted by employee specifying separate date with date of receive (In case of arrear),	Yes	NA	NA	NA	NA
10	Whether the bill prepared according to sanctioned scale,	Yes	NA	NA	NA	NA
11	Whether no any payment is made to employee whose service retired in any Manner	No such instances found	NA	NA	NA	NA
12	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	No such instances found	NA	NA	NA	NA
13	Whether all statutory deduction or adjustment has been made before payment,	Yes	NA	NA	NA	NA
14	To check compliance of rules in regard to establishment matters viz., travel, daily allowance, leave, advances (House building and vehicle advance etc.) and settlement thereof.	Yes	NA	NA	NA	NA
15	To check salary bills.	No Salary bill is prepared by the ULB.	NA	Medium	It will be implemented in future.	No
16	Position of outstanding advances paid to Employees	NA	NA	NA	NA	NA
17	To check deduction of provident fund and ESI has been made as per rules	Yes, it is deducted.	NA	NA	NA	NA
18	Whether PF slips are issued to the employees on yearly basis and to see whether all the statutory returns for PF are submitted to the concerned authorities.	Neither PF slip provided to its employees nor return submitted	NA	NA	NA	NA
19	To check whether salary bill is prepared in such a manner that it gives breakup of the amount of bill and all adjustments such as deduction of PF, TDS and other advances and loans etc.	No salary bill prepared by ULB; however a register containing of all details of deduction and their	NA	Low	Salary Bill will be prepared from now	NA

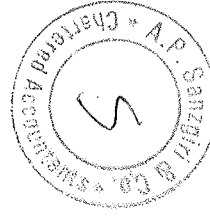


20	Check Retirement benefit to employee	adjustment has been maintained.	NA	NA	NA	NA	NA	NA	NA
21	Personnel Appointments and to see whether all records are updated from time to time.	Yes	NA	NA	NA	NA	NA	NA	NA
22	Dismissal and Resignation/ Termination	No Such case found.	NA	NA	NA	NA	NA	NA	NA
23	Temporary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

<b>GRANT</b>	
<b>NAME OF THE ULB</b>	Nagar Panchayat Warisaliganj
<b>RISK RATING:</b>	HIGH

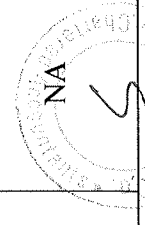


S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Maintenance/Update registers regarding detail of funds received and expenditure.	Grant register maintained by ULB.	NA	NA	NA	NA
2	Any diversion/re-appropriation of funds not covered under the provision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

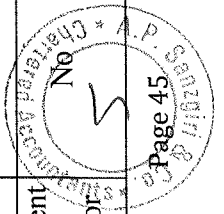


PAYMENT OF BILLS OF CONTRACTORS						
Nagar Panchayat Warisaliganj						
HIGH						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Original bill duly signed by contractors is submitted.	We have checked this on random basis and it is found ok.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

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



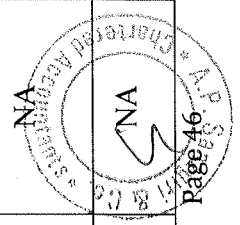
10	Check whether TC have same "Receipt Voucher" which was actually issued by store & it must be authorized by the appropriate authority,	Yes	NA	NA	NA	NA	NA
11	Check that there should be proper recording at each stage (where authority has been changed) of log book/ register for issue/receipt of "Receipt Vouchers",	Yes, the same has been maintained.	NA	NA	NA	NA	NA
12	Confirm that all unused "Receipt Vouchers" are under the custody of authorized person,	Yes, under the custody of store keeper.	NA	NA	NA	NA	NA
13	Verify that any cancelled vouchers have in both original & carbon copy,	Yes.	NA	NA	NA	NA	NA
14	Verify whether reversible carbon has been used during receipt.	Yes	NA	NA	NA	NA	NA
<b>Other Revenue</b>							
1	Advertisement Tax	ULB has huge outstanding balance to recover and recovery procedure followed is slow	54.80 Lakh	High	We will implement necessary step for recovery very soon	NA	No
2	Tower Tax	ULB has huge outstanding balance to recover and recovery procedure followed is slow	497.11 Lakh	High	We will implement necessary step for recovery very soon	NA	No
3	Professional Tax	NA	NA	NA	NA	NA	NA
4	Assigned Revenue (As details annexed)	NA	NA	NA	NA	NA	NA
5	Rental Charges (As details annexed)	ULB has huge outstanding balance to recover and recovery	29.49 Lakh	High	We will implement necessary step for	NA	No



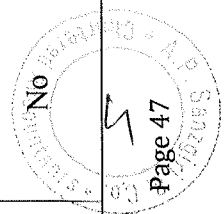
		procedure followed is slow.				recovery very soon.	
6	Fee & uses Charges (As details annexed)	NA	NA	NA	NA	NA	NA
7	Other Revenue Items	ULB has huge outstanding balance to recover and recovery procedure followed is slow	15.28 Lakh	High	We will implement necessary step for recovery very soon	No	

REVENUE EXPENSES							
	Nagar Panchayat Warisaliganj						
	Medium						
S/N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)	
1	Whether payment is on the basis of sanction/work order letter & incurred by authorized person,	Yes.	NA	NA	NA	NA	
2	Whether payment is made through prescribed voucher (As per BMAM),	No, ULB make payment on the basis of bill raised by contractor or supplier.	NA		We will follow the prescribed procedure from next time.	No	
3	Whether payment is made without any undue delay or whether any cheque issued are promptly issued to the respective person,	No delay observed during audit period.	NA	NA	NA	NA	
4	Whether there is bifurcation of responsibility towards person making payment & person preparing MB,	Yes, the hierarchy is maintained toward	NA	NA	NA	NA	

Internal Audit Report



	receipt of goods, maintenance of Payment file, etc.,	contracts work assigned.				
5	Whether updation of accounts/books are on proper & timely basis,	No	NA	Medium	Due to lack of human resources the same issues has been arise.	No
6	Whether authorized person verify & sign the document involve,	Yes	NA	NA	NA	NA
7	Whether data base for the same has been properly maintained & safeguard measures are taken,	Yes	NA	NA	NA	NA
8	Whether exact amount (no any over payment) are paid and verified by supporting document, & no any collusion with party,	No such type of case observed .	NA	NA	NA	NA
9	Whether register for settlement of service bill has been maintained and up to date,	No such type of case observed	NA	NA	NA	NA
10	Whether payment made to the same to whom it might be payable and no any second claim in this regard,	Yes	NA	NA	NA	NA
11	Whether payment has been made after deducting statutory dues or advances,	Yes	NA	NA	NA	NA
12	Whether the expenditure are made with a period & amount as sanctioned,	Yes	NA	NA	NA	NA
13	Whether there is undue rush of expenditure at the end of financial year,	No such type of case observed	NA	NA	NA	NA
14	Whether payment has to be made after confirmation from store,	No such type of practice followed.	NA	Medium	Will follow in future.	No
15	Whether payment for repairs, etc, has to be made on the basis of logbook maintained,	No such type of practice followed.	NA	Medium	We have make payment on the	No



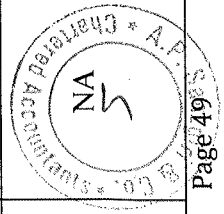
16	Whether payment are as per defined approval level sanctioned u/s 75 of BMA,2007,	No such case observed during Audit period.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
17	Confirm whether goods/assets received/accepted on or before 31 <sup>st</sup> March, where the bill is received after that date have been accounted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

STATUTORY REQUIREMENT						
NAME OF THE ULB		Nagar Panchayat Warisaliganj				
RISK RATING:		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether deduction of TDS on payment has been made as per law,	Yes	NA	NA	NA	NA

2	Whether TDS deducted are timely deposited into bank with same amount,	No. Deducted amount of TDS is not deposited on timely basis as prescribed in Law.	NA	High	Ok, we will deposit on timely basis from next time.	No
3	Whether regulatory requirement for submission of Return has been followed,	No. Return for TDS, GST and PF has not been submitted on or before due date.	NA	High	Ok, we will comply.	No
4	Whether any deduction is made in any act, must be deposited as per their respective act,	Yes, deposited but not on timely basis.	NA	High	Ok, we will comply.	No
5	Verify whether in case of "through rate" contract, there is no payment for material, etc by the ULB	Yes no deviation found	NA	NA	NA	NA
6	Any demand is outstanding from regulatory authority for non compliance	No notice of demand found in ULB.	NA	NA	NA	NA

**TENDER DETAILS**

<b>NAME OF THE ULB</b>		Nagar Panchayat Warisaliganj				
<b>RISK RATING:</b>		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	To check whether the provisions contained in Tender Advertisement for procurement were followed in award of contracts.	Yes, there is no deviation found	NA	NA	NA	NA
2	To check that the time/date of receipt and opening of tenders was properly incorporated in the tender documents.	Yes	NA	NA	NA	NA
3	The important guidelines relating to earnest money, delivery schedule, payment terms, performance warranty/ guarantee, inspection, arbitration, liquidated damages/penalty for delayed supplies, purchase on risk and cost were incorporated in the tender documents for	Yes	NA	NA	NA	NA

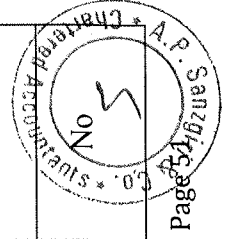


Internal Audit Report



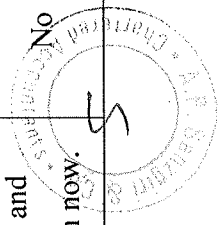
15	Whether any complaint was received regarding procurement and payment and existence of mechanism for Redressal of Complaints	No such case observed	NA	NA	NA	NA	NA
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VEHICLE LOG BOOK							
NAME OF THE ULB		Nagar Panchayat Warisaliganj					
RISK RATING: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





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



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



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

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

We will deposit on prescribed due date from next time.

**Implication/ Risk**

HIGH

**Recommendation**

**Management Comments**

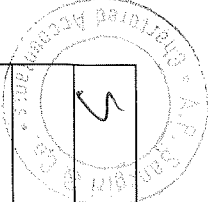


Person Responsible:

Timeless:

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

S.N	Serial no		Amount of tax	Date of collection as per receipt booked	Date of Deposit Into bank as per Deposit slip	Delay in Deposit with bank "In days"
	From	To				
1	10480	10491	20107	21.12.2020 to 3.01.2020	9.01.2020	6 days
2	10492	10500	11353	3.01.2020 to 7.01.2020	13.01.2020	6 days
3	10601	10615	179021	9.01.2020 to 21.01.2020	3.02.2020	13 days
4	10616	10644	33460	21.01.2020 to 29.01.2020	12.02.2020	14 days
5	10645	10674	25616	29.01.2020 to 11.02.2020	14.02.2020	3 days
6	10675	10700	18621	11.02.2020 to 19.02.2020	4.03.2020	11 days
7	10901	10944	39479	20.02.2020 to 16.03.2020	17.03.2020	1 days
8	10945	10959	15733	16.03.2020 to 18.03.2020	19.03.2020	1 days
9	10960	10974	17826	18.03.2020 to 19.03.2020	20.03.2020	1 days
10	10526	10575	16961	28.12.2020 to 24.01.2020	28.01.2020	4 days
11	10576	10600	4401	24.01.2020 to 28.01.2020	29.01.2020	1 days
12	10701	10725	6571	28.01.2020 to 29.01.2020	4.02.2020	6 days
13	10726	10750	10420	29.01.2020 to 5.02.2020	6.02.2020	1 days
14	10751	10775	5481	5.02.2020 to 7.02.2020	10.02.2020	3 days
15	10776	10800	14886	7.02.2020 to 13.02.2020	15.02.2020	2 days
16	10801	10823	12725	13.02.2020 to 19.02.2020	17.03.2020	26 days
17	10824	10842	4997	18.03.2020 to 18.03.2020	31.3.2020	13 days

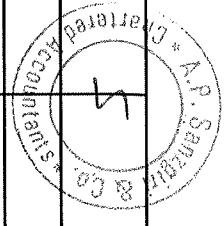


INTERNAL AUDIT REPORT FOR FY 2019-20

ULB- WARISALIGANJ NAGAR PANCHAYAT

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

S. N	Holding Name	W/N	H.N.	Type of Use of Property		Area of Property			Tax Amount			Remarks	
				As per tax Collector	As per Auditor	As per Tax Collector	As per Auditor	Difference	As per Tax Collector	As per Auditor	Difference		
1	CHINI MILL FACTORY MAIN FACTORY	20	4885	Commercial	Commercial	28200	28200	28200	28200		60608	60608	
2	CHINI MILL FACTORY	20	4884	Commercial	Commercial	2415	2415	2415	2415		17831	17831	
3	CHINI MILL GODAM	20	4887	Commercial	Commercial	37148	37148	37148	37148		17831	17831	
4	S N SINHA MAHA BIDHALAY	08	1785	Commercial	Commercial	15068	15068	15068	15068		23820	23820	
5	UMA SINGH	20	4948	Commercial	Commercial	6200	6200	6200	6200		8928	8928	
6	KARAMCHARI QUARTER CHINI MILL KOLNI	20	4895	Commercial	Commercial	19800	19800	19800	19800		7128	7128	
7	JANARDAN SINGH	08	1685	Residential cum Commercial	Residential cum Commercial	5176	5176	5176	5176		7543	7543	
8	UMA CHARAN RAM	09	2076	Commercial	Commercial	4392	4392	4392	4392		6324	6324	
9	Vidhya devi	07	5228	Commercial	Commercial	1143	1143	1143	1143		9593	9593	
10	PARAS NATH	09	2016	Residential	Residential	11870	11870	11870	11870		5750	5750	
11	BRIJ KISHOR PRASAD	10	2322	Commercial	Commercial	3003	3003	3003	3003		5186	5186	
12	MAHABIR PRASAD	10	2334	Commercial	Commercial	5134	5134	5134	5134		4071	4071	
13	SRI KANT SINGH	08	1687	Residential cum Commercial	Residential cum Commercial	4400	4400	4400	4400		3402	3402	



14	THANA KARYALAY SAH KARAMCHARI AWAS	06	1248	Commercial	Commercial	Commercial	4646	4646	5255	5255		
15	SURESH SINGH	06	1219	Commercial	Commercial	Commercial	2578	2578	3712	3712		
16	JANKI DEVI	20	4942	Commercial	Commercial	Commercial	2675	2675	3468	3468		
17	MITHELESH KUMAR	08	1703	Residential cum Commercial	Residential cum Commercial	Residential cum Commercial	5157	5157	3743	3743		
18	RAJ KUMAR AGARWAL	10	2183	Commercial	Commercial	Commercial	2222	2222	3200	3200		
19	BRIJ MOHAN LAL	10	2113	Residential cum Commercial	Residential cum Commercial	Residential cum Commercial	4960	4960	3398	3398		
20	DUARKA LAL	06	956	Residential cum Commercial	Residential cum Commercial	Residential cum Commercial	1867	1867	3585	3585		





Letter No. 38

Date: 20.01.2020


To

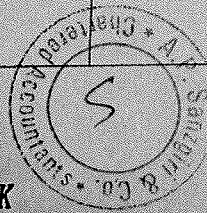
AP Sangari & Co.

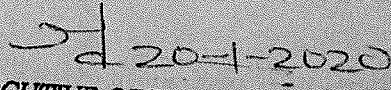
(Chartered Accountants)

Subject: Regarding confirmation of documents not maintained and Management comment in Audit report for F.Y. 2019-20 Q1

S.N.	Auditor observation	Management comment
1	Non implementation of Double entry system.	Currently there is no agency working for implementation of accrual based double entry accounting system.
2	AG Compliance Report.	It will be provided.
3	Difference in opening balance of in budget for F.Y. 16-17 and 2017-18; and 2015-16 details was not available.	Management is now making effort to find out error and will be rectify accordingly.
4	No Municipal Accounts committee established.	Under process, and matter will be put before Board for constitution of "Municipal Accounts Committee";
5	Notice fee.	It will be collected & copy has been provided.
6	TDS return file not on due date/ acknowledgement.	It will be provided. Due to shortage human resources & pressure of work TDS return filing is delayed.
7	Non levy of Taxes in IAR Para " I Part-A a) (1).	Only Property Tax Has Been Collected This ULB.
8	Late deposit of property Tax.	1. Due to shortage human resources & pressure of work amount of tax collected is not deposited on time. 3. Necessary steps will be taken in this respect and it will be collected and deposited as per Act.
9	Late deposit of statutory deduction of TDS.	It will deposit on or before due date from now.
10	Delay in deposit of EPF	Management will deposit it as soon as possible. Due to implementation of CFMS the same problem arises.
11	Non practice of Stock valuation, Non-preparation of Stock Register.	It will be followed as per rule and Management will decide about reasonable period of valuation i.e. frequency of time for valuation.
12	Non maintenance of log book.	ULB has prepared and updated Log book.

  
20/1/20  
ACCOUNTANT CUM HEAD CLERK  
NAGAR PANCHAYAT WARISALIGANJ  
(NAWADA)



  
20-1-2020  
EXECUTIVE OFFICER  
NAGAR PANCHAYAT WARISALIGA  
(NAWADA)

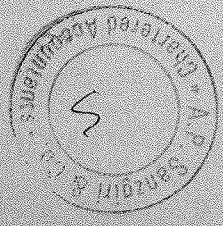


13	Maintenance of grant record with bifurcation like amount for Salary, water management, nail gall solid waste management and so on.	It will be provided.
14	Non maintenance of book refer to Para : II-PART B (a) ;	After reading this Para we conclude the following comments 1. S.N. 5 to 8 - No transaction Occurred. 2. 10 to 11 - Amount not collected in this respect. Rest will be maintained upon applicability of concern Para.
15	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/c and Balance Sheet (Financial Statement)	Receipt and Payment A/c, Trial Balance, Income and Expenditure A/c and Balance Sheet will be prepare after implementation of DEAS.
16	Non creation Special Fund and Fund Mentioned in Chapter ix of BMAR,2007	The same will be created on applicability of relevant provision of said act;
17	Non Maintenance of Fixed Assets Register	It will be maintained
18	Outstanding Taxes	We will make our best effort to realize it by establishing camp in ward. Steps will be taken very soon.
19	Bank Reconciliation on Monthly Basis	Bank Reconciliation Of Accountant Cash Book & subsidiary Cash Book.
20	Difference in Holding Tax Amount as per Physical Measurement.	"Report on survey relating to 20 high value property will be Reported in 19-20 Report after physically survey."
21	Any payment made out of Municipal Fund that is not covered by Budget.	Payment made out of budget provision. No such type of payment made that is not covered by budget.
22	Non implementation of Biometric Devices and Payroll Software	It is under process.
23	Directive/Circular issued during Financial Year 2017-18.	It will be provided.
24	Non Maintenance of Advance Register.	This ULB Not Provided Advance.

Further we confirm/affirm the Management comment given in Internal Audit report for 2019-20 Q1

is on behalf of *Nagar Panchayat Warsaliganj*.

*[Signature]*  
ACCOUNTANT CUM HEAD CLERK  
NAGAR PANCHAYAT WARISALIGANJ  
(NAWADA)



*[Signature]* 20-1-2020  
EXECUTIVE OFFICER  
NAGAR PANCHAYAT WARISALIGANJ  
(NAWADA)

Warsaliganj Nagar Panchayat

Discussion note

2019-20(Qtr-2)

Letter No. 04

Date: 15.01.2021

To

A.P. Sangin & Co

(Chartered Accountants)

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

We, Warsaliganj Nagar Panchayat, discuss with Internal auditor and confirm the following books of accounts/ documents/ fee has not been maintained, hence we could not produce it:

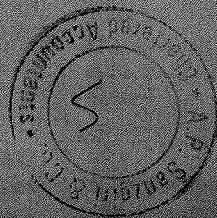
Sl. No.	Accounting irregularities	Management comment
1	Non Implementation of Double entry system;	Currently DEAS work hasnot been started.
2	compliances of internal audit paras.	It is under process and management will submit it as soon as possible;
3	Non maintenance of Advance Register;	Advance Not Provided In Nagar Panchayat Warsaliganj
4	No Municipal Accounts committee established;	Under process, and matter will be put before board for constitution of "Municipal Accounts Committee";
5	Notice fee;	Currently not collecting, but it will be consider and collected accordingly;
6	TDS return acknowledgement;	It will be filed on or before due date from now.
7	Non levy of Taxes in IAR Para " I Part-A a) (1);	Some of Taxes is collected by other department of Government like professional tax; And there is many taxes mentioned in this Para are not collected by ULB due to not providing services in this respect like fire taxes. For rest we will discussed in meeting of board and implement accordingly;
8	Late deposit of property Tax;	Show cause notice has been issued to tax collector in this respect and it will be collected as per Act.
9	Late /Non deposition of TDS, Royalty, Labourcess, TDS on gvt.	It will be deposited on time.
10	Delay in deposit/ Non Deposition of EPF	It will be deposited on time now.
11	Non preparation of Complete UC details ;	It is prepared with the help of Internal auditor.
12	Non maintenance of log book.	ULB has prepared and updated Log book except few vehicle, but not maintained as per BMAR.
13	Depreciation is not charged to Fixed Assets	ULB not follows double entry accounting system , hence depreciation is not accounted in our book.
14	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/c and Balance Sheet (Financial Statement)	Receipt and Payment A/c, Trial Balance, Income and Expenditure A/c and Balance Sheet will be prepareafter implementation of DEAS.
15	Non creation Special Fund and Fund Mentioned in Chapter IX of BMAR 2007	The same will be created on applicability of relevant provision of said act.

16	Non Maintenance of Fixed Assets Register	It will be maintained.
17	Collection of Outstanding Taxes	We will makes our best effort to realized it by established camp in ward;
18	BRS Issues relating to non- production of Bank statement and non Updation of related records. Non Preparation of BRS on time.	Bank Statement will be provided on time from now. BRS will be prepared on time now.
19	Any payment made out of Municipal Fund that is not covered by BUDGET.	Payment made out of budget provision. No such payment made that is not cover by budget;
20	Non Implementation of Biometric Devices and Payroll Software	It is under process;
21	Directive/Circular issued during Q-2 of 2019-20	No directives issued during qtr-2.
22	Not prepared Payment voucher	It will be prepared as soon as possible .
23	Advances and their adjustment.	No Advances and loan given.
24	Bank a/c which are closed.	No any bank A/c closed yet.
25	Non utilization of grant or grant unspent	Due to practical and operation issues, there are some cases of non-utilization of grant. It will be utilizing in future.
26	Physical verification of inventory/Stores	ULB did not follow the practice of physical verification of stock. It will be regularized .
27	Vehicles are not insured.	It is under process.
28	Cash book and various registers like , Issue register, bill register with payment fig., Register of Remittances made into bank, Statutory Deduction Register, Scheme Register. Is not maintained on regular basis.	It will be maintained.
29	There is no Valuation Of stock in nagarpanchayat.	We do not have any directivities/guidelines/instruction, issue by department for find valuation of stock.
30	Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Advertisement Tax, Mobile Tower Tax and Other Tax .	Detailed records has not been maintained but now we will maintain such type of records.
31	UC details preparation	It is prepared.

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

Signature  
**Executive Officer**  
**NAGAR PANCHAYAT WALSALIGAN**  
**MUNDA**

15/11/20



Warsaliganj Nagar Panchayat

Discussion note

2019-20(Qtr-3)

Letter No. 25

Date: 19.01.2021

To

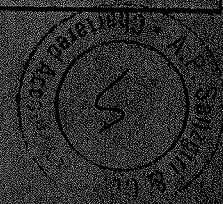
AP Sanghvi Co

(Chartered Accountants)

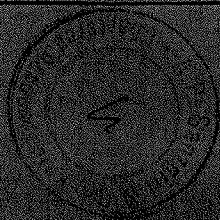
Subject: Regarding confirmation and discussion of documents not maintained and management comment in Audit report for F.Y. 2019-20 (Q3)

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

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



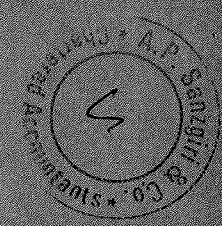
11	Preparation of Complete UC details ;	It is prepared with the help of internal auditor.
12	Non maintenance of log book.	ULB has not updated Log book as per BMAR.
13	Depreciation is not charged to Fixed Assets	ULB not follows double entry accounting system , hence depreciation is not accounted in our book.
14	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/c and Balance Sheet (Financial Statement)	Receipt and Payment A/c, Trial Balance, Income and Expenditure A/c and Balance Sheet will be prepare after implementation of DEAS.
15	Non creation Special Fund and Fund Mentioned in Chapter IX of BMAR,2007	The same will be created on applicability of relevant provision of said act;
16	Non Maintenance of Fixed Assets Register	It will be maintained.
17	Collection of Outstanding Taxes	We will makes our best effort to realized it by established camp in ward;
18	BRS Issues relating to non- production of Bank statement and non Updation of related records. Non Preparation of BRS on time.	Bank Statement will be provided on time from now. BRS will be prepared on time now.
19	Any payment made out of Municipal Fund that is not covered by BUDGET.	Payment made out of budget provision. No such payment made that is not cover by budget;
20	Non implementation of Biometric Devices and Payroll Software	It is under process;
21	Directive/Circular issued during Q-3 of 2019-20	It is complied.
22	Not prepared Payment voucher	It will be prepared as soon as possible.
23	Advances and their adjustment.	No Advances and loan given.
24	Bank a/c which are closed.	No any bank A/c closed yet.
25	Non utilization of grant or grant unspent	Due to practical and operation issues, there are some cases of non-utilization of grant. It will be utilizing in future.
26	Physical verification of Inventory/Stores	ULB did not follow the practice of physical verification



		of stock. It will be regularized.
27	Vehicles are not insured.	It is under process.
28	Cash book and various registers like , Issue register, bill register with payment fig., Register of Remittances made into bank, Statutory Deduction Register, Schema Register. Is not maintained on regular basis.	It will be maintained.
29	There is no Valuation Of stock in nagarpanchayat.	We do not have any directivities/guidelines/instruction, Issue by department for find valuation of stock.
30	Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Advertisement Tax, Mobile Tower Tax and Other Tax.	Detailed records has not been maintained but now we will maintain such type of records.

Further we confirm/affirm the management comment given in Internal Audit report for 2019-20 ( QTR-3) is on behalf of Nagar Panchayat[Waghligan].

*[Signature]*  
**Executive Officer**  
**NAGAR PANCHAYAT WAGHLIGAN**  
**MORADA**  
*[Date]*



Wansaliganj Nagar Panchayat

Discussion note

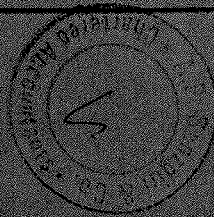
2019-20(Qtr-4)

Letter No. 96  
 Date: 15.01.2021  
 To  
 AP Saragiri & Co.  
 (Chartered Accountants)

Subject: Regarding confirmation and discussion of documents not maintained and management comment in Audit report for F.Y. 2019-20 (Q4)

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

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



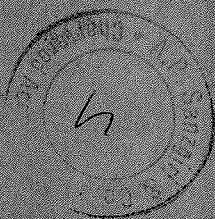
	Non maintenance of log book.	ULB updated Log book as per BMAR.
	Depreciation is not charged to Fixed Assets	ULB not follows double entry accounting system, hence depreciation is not accounted in our book.
14	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/c and Balance Sheet (Financial Statement)	Receipt and Payment A/c, Trial Balance, Income and Expenditure A/c and Balance Sheet will be prepare after implementation of DEAS.
15	Non creation Special Fund and Fund Mentioned in Chapter IX of BMAR, 2007	The same will be created on applicability of relevant provision of said act;
16	Non Maintenance of Fixed Assets Register.	It will be maintained.
17	Collection of Outstanding Taxes	We will makes our best effort to realized it by established camp in ward;
18	BRS Issues relating to non- production of Bank statement and non Updation of related records. Non Preparation of BRS on time.	Bank Statement will be provided on time from now. BRS will be prepared on time now.
19	Any payment made out of Municipal Fund that is not covered by BUDGET.	Payment made out of budget provision. No such payment made that is not cover by budget;
20	Non implementation of Biometric Devices and Payroll Software	It is under process;
21	Directive/Circular issued during Q-4 of 2019-20	No Directives issued during quarter-4 of FY 2019-20
22	Not prepared Payment voucher	It will be prepared as soon as possible.
23	Advances and their adjustment.	No Advances and loan given.
24	Bank a/c which are closed.	No any bank A/c closed yet.
25	Non utilization of grant or grant unspent	Due to practical and operation issues, there are some cases of non-utilization of grant. It will be utilizing in future.
26	Physical verification of inventory/Stores	ULB did not follow the practice of physical verification of stock. It will be regularized.
27	Vehicles are not Insured.	It is under process.



	Cash book and various registers like , Issue register, bill register with payment fig., Register of Remittances made into bank, Statutory Deduction Register, Scheme Register, is not maintained on regular basis.	It will be maintained.
29	There is no Valuation Of stock in nagarpanchayat.	We do not have any directivities/guidelines/Instruction, Issue by department for find valuation of stock.
30	Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Advertisement Tax, Mobile Tower Tax and Other Tax.	Detailed records has not been maintained but now we will maintain such type of records.

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

*[Handwritten Signature]*  
 Senior Executive Officer  
 NAGAR PANCHAYAT WARSALIGANJ  
 15/11/21



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

S.No	Head	Approval order and date	Sanctioned Amount	Expenses Incurred	Balance Amount	UC Submitted against Expenses	UC Pending Against Expenses	% of UC Submitted against expenses	% of UC Pending against expenses	Letter Number & Date of Submission of UC
1	14th finance	128/27.11.19	137.29	-	137.29	-	-	NIL	NIL	Unutilised Amount
2	5th finance	57/13.08.19	197.16	-	197.16	-	-	NIL	NIL	Unutilised Amount
3	Chairman, Deputy Chairman, Ward Councilor Allowance	82/20.09.2019	3.48	-	3.48	-	-	NIL	NIL	Unutilised Amount
4	Salary Payment	42/12.07.19	2.19	-	2.19	-	-	NIL	NIL	Unutilised Amount
5	Civic amenities item	47/06.08.19	44.17	-	44.17	-	-	NIL	NIL	Unutilised Amount
6	14th Finance	38/11.07.2019	137.29	-	137.29	-	-	NIL	NIL	Unutilised Amount
7	Vocational item	51/09.08.2019	15.72	-	15.72	-	-	NIL	NIL	Unutilised Amount
8	5th Finance Commission	53/13.08.19	204.07	-	204.07	-	-	NIL	NIL	Unutilised Amount

