

**URBAN DEVELOPMENT AND HOUSING  
DEPARTMENT**

**INTERNAL AUDIT REPORT OF  
ULB - NAGAR PANCHAYAT SILAO,  
BIHAR**

**01-04-2017 TO 31-03-  
2018**

**F/Y 2017-18**

**M/S R.N.SINGH & CO.**

**CHARTERED ACCOUNTANTS.**

**208, HEM PLAZA; FRASER ROAD;**

**PATNA: 800001.**

**PHONE NO: 9431019502.**

**Report Issued on 23<sup>rd</sup> August 2019**

**Urban Development and Housing Department**

**Executive Summary**

**1. INTRODUCTION**

Name of the Municipality	NAGAR PANCHAYAT SILAO
Period covered under current audit	Annual 2017-18
Name of Chief Municipal Officer for the period under Audit	Rakesh Kumar Sohit

**2. Results and Findings**

**A . Strengths observed during the audit engagement.**

- Nagar Panchayat Silao has properly maintained the General Cash book which is the consolidated cash book of all the schemes.
- Separate file of the parties to whom payments are made are properly maintained.
- Subsidiary cash books have been maintained.
- All voucher are serially arranged , Banded , Authorized by the competent authority and kept properly by the ULB.
- Board meeting of Silao Nagar Panchayat are held regularly and Problem faced and smooth operation are resolved by passing resolution.

**B Weaknesses observed in the functioning of office, maintenance of records etc. Observed during the audit engagement.**

- Double Entry Accounting System has not been implemented by the Nagar Panchayat Silao.
- Nagar Panchayat Silao has adopted Single Entry Accounting System which is not as per Bihar Munciple Accounting Manual.
- ULB has not implemented computerized accounting system.
- Nagar Panchayat Silao is not in practice to prepare fixed asset register.
- Stock Register is not maintained by Nagar Panchayat Silao.
- Nagar Panchayat Silao is not in practice to prepare the Bank Reconciliation Statement of different schemes.
- ULB has not been in practice to prepare monthly receipt and payment account and Trial Balance.
- Cash Book has not been authorized by the executive Officer on daily basis.
- Cash book is not maintained day to day basis.

10. Demand and collection register is not maintained by the ULB i.e. holding tax, Advertisement Tax, Fire tax etc.
11. Amount Collected from own sources revenue has not been deposited into bank by the ULB on the same date/next to the same date as required.
12. Daily Collection Register has not been maintained.
13. ULB is not in practice to prepare summary of daily collection receipt in form GEN-13
14. UC of various Schemes are not provided by ULB. Hence, we are unable to comment on it and get it prepared.
15. Log book is not properly maintained and consequently its analysis is not possible.
16. No advance and recovery register is maintained by the Nagar Panchayat Silao.
17. TDS, Royalty and Labour Cess have been deducted but it has not been deposited till date. Therefore, TDS Return has not filled till date. As per Income Tax Act 1961, penalty may be levied on ULB. It is a statutory irregularity.
18. Tower tax has not been collected, since the establishment of the ULB even though number of tower is 10 as on 31-03-2018. Thus total outstanding tax amount is Rs. 6,40,000.00 for registration fee, renewal fee.
19. Section 84 of the Bihar Municipal Act, 2007. Provides that Municipality shall submit its budget estimates for the ensuring year to the State Govt. by 15<sup>th</sup> of the March. But information furnished by the Nagar Panchayat Silao revealed that budget estimates were not passed on time by the board, which resulted into delay transmission of the same to the State Government.
20. Procurement register is not maintained by the Nagar Panchayat Silao.
21. Cheque Issue register is not maintained by the Nagar Panchayat Silao.
22. Various register books of records etc. are not being prepared by the ULB such as Demand Register, Collection register statutory register with regards TDS, VAT, Labour Cess and royalty, Vehicle and generator Log book, Assessment register for property tax record and revision of Taxes and rent, Rent register of shop, Survey register/files of hoardings etc.
23. Municipal Accounts Committee has not been constituted by the Nagar Panchayat Silao .
24. Nagar Panchayat Silao has not been in practice to deduct PF, and ESIC with respect to contractual employees.
25. Nagar Panchayat Silao has not been in practice to deduct TDS at the time of salary payment to the permanent and contractual employees.
26. ULB is not in practice to prepare summary of daily collection receipt in form GEN-13.
27. Nagar Panchayat silao has not issued any letter for recovery of Bank charge by Bank.
28. Nagar Panchayat silao has paid the amount to contractor for construction of road and Nali that on the basis of invoice that invoice is not proper as per specific guideline.
29. Nagar panchayat has not followed guidelines for procurement in excess of Rs. 15,000.00

### 3. Opinion

As per Our Opinion the following improvements are required.

- ULB is not working properly, even internal control is poor.
- Revenue collection of the ULB is very poor it has scope to increase to much higher level.
- All cash collection from source of revenue are not deposited in the bank on same day. It is deposited in the bank after making daily expenditure.
- Due to lack of manpower, there is delay in performing day-to-day work.
- There should be proper segregation of duties to perform day-to-day work in efficient manner.
- Bank reconciliation should be prepared on monthly basis.
- We find that rules and regulation are there but ULB is not following them properly.
- Most of the Books of Accounts as prescribed by BMAR are not maintained by the ULB.
- There are serious lapses in deduction and deposit of statutory dues, such as , Royalty, TDS, Labour Cess etc.
- Separate bank account should be maintained for each scheme

### 4. Audit Recommendations

The Recommendation of Audit Team on the Observed weakness

SL. No.	We Recommend the followings:-
1.	<ul style="list-style-type: none"> <li>• ULB should adopt double entry accounting system. Double entry accounting allows accounting department to prepare financial statement easily.</li> <li>• Double entry accounting system present accurate report of book of accounts of the income statement, balance sheet, cash flow statement and other financial statements and reports.</li> <li>• It provide check and balance which prevent fraudulent activity and reduce errors. Double entry accounting system prevents fraud in a greater way than single-entry accounting because it makes it difficult to manipulate accounts. You can easily detect accounts manipulation by examining the journal entries and comparing them to previous journal entries for the same or similar transactions.</li> </ul>
2.	ULB must have to implement computerized accounting system. It provides automatic ledger entries, accuracy and speed of automatic calculation, automatic production of trial balance from ledger entries, potential to create customized reports and provide additional analysis.
3	<p>Nagar Panchayat Silao must have to maintain fixed asset register that will help in:-</p> <ul style="list-style-type: none"> <li>• Track and identify the asset.</li> <li>• Security of the asset specifically to prevent theft.</li> <li>• Calculate depreciation annually.</li> <li>• Track gross book value and net value of asset.</li> <li>• Assists in conducting audit of assets and asset verification.</li> </ul>

	<ul style="list-style-type: none"><li>• Help in estimating the repairs and maintenance cost.</li><li>• Assists in estimating the future capital investment in fixed assets.</li><li>• Comply with statutory requirements.</li></ul>
4.	ULB must have to maintain Material Receipt notes, Store ledger, Statement of closing stock and statement of material issued respectively in Form No. ST-1, ST-2, ST-3 ST-4.and regularly authorized from executive officer.
5.	ULB must have to maintain Bank Reconciliation statement as per UD & HD guidelines, which will help in:- <ul style="list-style-type: none"><li>• Accurate balance.</li><li>• Prevent Theft.</li><li>• Prevent mistakes.</li><li>• Accounts in good standing.</li></ul>
6.	ULB should prepare Trial Balance and Receipt and Payments accounts on monthly basis. Due to which it become very easy to find out how much fund has been received by the ULB.
7.	Cash book should be daily balanced and authorized by the executive officer.
8.	As per Rules 22(1) of Bihar Municipal Accounting Rules, 2014 Tax Collected has to be deposited on same day or latest before noon on the following working day.
9.	ULB should maintain DCR register separately for each head of its own revenue sources for appropriate internal control and also for appropriate disclosures of books of accounts.
10.	ULB should prepare summary of daily collection in form GEN-13.
11.	ULB should have to be prepare UC in prescribe format of various scheme as soon as possible and submit the same UD & HD Dept. also on regular interval as per prescribe guideline.
12.	ULB should maintain log book of vehicles & generator so that consequently its analysis is possible.
13.	Nagar Panchayat Silao must have to maintain advance register otherwise it would be very difficult to find out details regarding how much advance has been given to any particular person and how much recovery of same has been made from them.
14.	Nagar Panchayat Silao must have to take registration and insurance that will prevent from loss to ULB.
15.	Nagar Panchayat Silao must have to deducted and deposited statutory liability within the stipulated time limit otherwise it amounts to huge penalty which leads to loss of Nagar Panchayat Silao .
16.	Nagar Panchayat Silao must collect mobile tower tax which comes under its jurisdiction otherwise it leads to loss of revenue to Nagar Panchayat Silao .
17.	Nagar Panchayat Silao must have to maintain procurement register as per UDHD guidelines and also without procurement register verification of procurement process is very difficult.

18.	Nagar Panchayat Silao must have to maintain cheque issue register that will help in verification of payment process.
19.	ULB should maintain all the books of account, register, records etc. as prescribe in Bihar municipal accounts Act, Manual and Rules.
20.	Municipal accounts committee must be constituted by the Nagar Panchayat Silao .
21.	Nagar Panchayat Silao must have to deduct PF and ESIC with respect to contractual employees.
22.	Nagar Panchayat Silao must have to deduct TDS at the time of salary payment to the permanent and contractual employees and deposited within the stipulated time limit.

### 5. Comments from Management

As per discussion with Management, they have ensured that they are looking into the matter and proper action will be taken for all the irregularities coming out from audit.

Detail discussions on this are given in Discussion Note as attached below.

### 6. Acknowledgement: -

We thanks Rakesh Kumar Sohit (Executive Officer), for his support during the period of our audit. We are also thankful to accountant and other staff of the Nagar Panchayat for their co-operation during the period of audit.

For R. N. SINGH & CO.  
Chartered Accountants  
ICAI Reg.No:322066E

CA Chanakya Shree  
Partner  
M.No: -079322

UDIN :- 20079322AAAARR6191  
Date :- 29/09/2020

## Detailed Audit Report

### 1. Introduction

The Internal audit of (Nagar Panchayat Silao) covering the period from 1st April 2017 to 31st March 2018 was conducted by following persons under guidance of TL CA Chanakya Shree and MAE CA Ashok Kumar Pandey:

Mr. Chandan Kumar Rai

### 2. Administration

The present body of the ULB has taken charge on 18.01.2019. The incumbency in the key administrative and executive positions was as under:

Smt. Priyanka Kumari Chairman from 09/06/ 2017 to till date.

Rakesh Kumar Sohiti Executive Officer From 18/01/2019 to 11/07/2019

### 3. Review of outstanding audit paras:

Status of Audit Observations is as under

Sl. No	Particulars of Audit and date of report	Total no. of audit Paras	Total no. of audit Paras where necessary improvement/ corrective measure required	Total no. of audit Paras where recovery of cash is proposed	Total no. of audit Paras where recovery has been made	Total amount of Recovery	Total no. of outstanding para where no action has been taken	No. and Date of Compliance Report
1	AG Audit for the 2015-2016	AG Audit Report, are not provided, therefore we cannot comment on their compliance.						
2	Internal Audit, 2015-16	14	2	0	0	0	12	Audit compliance has

								not been made.
3	Internal Audit for the Year 2016-2017 (Qtr. 1)	01	00	00	00	00	01	Audit compliance has not been made.
4	Internal Audit for the Year 2016-2017.(Qtr.2)	02	00	00	00	00	02	Audit compliance has not been made.
5	Internal Audit for the Year 2016-2017.(Qtr3)	03	00	00	00	00	03	Audit compliance has not been made.
6	Internal Audit for the Year 2016-2017.(Qtr3)	12	12	00	00	00	12	Audit compliance has not been made.
7	Internal Audit for the Year 2016-2017.(Qtr4)	12	12	00	00	00	12	Audit compliance has not been made.

**Detail Report on Compliance of Previous Internal Audit Report: -**

Sr. No.	Audit Observation	Nature of Irregularities	Compiled/Non-Compiled
1	Statutory Dues like vat , labour cess , Royalty have not been deposited on stipulated time by the Nagar Panchayat and TDS Which has been deducted during year 2012-13, 2013-14 and 2014-15 are not deposited till the date of audit are Return file of TDS & VAT has not been made till the date of audit .	Persisting from the year 2015-16	No any action taken by Silao ULB.
2	Fixed assets register, Demand register of holding tax and gumti rent and collection register of holding tax and gumti rent has not maintained at Nagar	Persisting from the year 2015-16.	No any action taken by Silao ULB



	Panchayat level. Details of fixed assets have not been available at nagar panchayat.		
3	Huge amount of grant allotted to Nagar Panchayat but against these allotments few UCs submitted. Details are given in details are given in detailed audit report.	Persisting from the year 2015-16	Partly complied
4	There is no reconciliation between Treasuries cash balances with treasury.	Persisting from the year 2015-16.	No any action taken by Silao ULB
5	Accounting process adopted by silao Nagar Panchayat is Single Entry system on cash basis of accounting. It is not as per Bihar Municipal act manual. Bihar Municipal Act manual requires adoption on accrual Basis Double Entry System of accounting.	Persisting from the year 2015-16.	No any action taken by Silao ULB
6	The amount of tax collected by Tax collector is required to be handed over to the cashier next day of collection. the same process is not follow. Tax collector handed over the cash to the cashier after a time gap 15 to 30 days. It lead to violation of accounting policy and loss of income. Due to this reason a huge of amount not deposits.	Persisting from the year 2015-16.	No any action taken by Silao ULB.
7	A lot of tower tax and renewal charge have not been collected. Details are given in detailed Audit report.	Persisting from the year 2015-16	No any action taken by Silao ULB.
8	Silao Nagar Panchayat has not prepared monthly Receipt and payment and Trail Balance.	Persisting from the year 2015-16	No any action taken by Silao ULB.
9	There is much scope to improvement in tax collection process. After Being inquiry, it is being found that they levy and collection process is not running effectively.	Persisting from the year 2015-16.	No any action taken by Silao ULB.
10	NO any assessment and field survey in regarding of property Tax done during the year.	Persisting from the year 2015-16	No any action taken by Silao ULB.
11	Municipal Account Committee has not been formed till date of audit. Tax on Advertisement and footpath soap has not been imposed by the Nagar Panchayat this is a causing recurring lose to the municipal fund.	Persisting from the year 2015-16	No any action taken by Silao ULB.
12	A lot of deficiency observed in pay-roll system ie excess payment of labour payment not made on muster rolls.	Persisting from the year 2015-16	No any action taken by Silao ULB.
13	We absorbed that internal control are very week in case of following places :-	Persisting from the year 2016-17 (4th quarter).	No any action taken by Silao ULB.

	1 Contractor payment are not directly made ie it is made through office staff 2 Holding tax raised for collection of holding tax and miscellaneous raised for collection of other amount are not issued in concerned person who are not issued in collection process.		
14	Holding tax short credited by Rs 81,183 The Tax collectors, Namely – Samsheer kumar and kumar Sumit Ranjan have collected totaled holding tax Rs. 81,183 but not deposited in concerned Revenue Amount Account. So above Amount should be deposited by the concerned persons. By analyzing the above data , it is observed that the ULB is not deposited holding tax on the same Day as specified by Municipal Act 2007.	Persisting from the year 2016-17 (4th quarter).	No any action taken by Silao ULB.
15	Tower Tax is very poor , only Rs 8000.00 has been collected out of Rs 5,20,000.00	Persisting from the year 2016-17 (4th quarter).	No any action taken by Silao ULB.
16	PF & ESIC with respect to contractual employees are not paid to concerned department.	Persisting from the year 2016-17 (4th quarter).	No any action taken by Silao ULB.
17	Cash defalcation has been found in case of holding tax. Rs. 2,48,723.00 has been collected but not been collected but the same has been not deposited in the concerned Bank account, detail provided.	Persisting from the year 2016-17 (4th quarter).	No any action taken by Silao ULB.

#### 4. Finance

##### I. Budgetary provisions and expenditure for the last three years

Year	2015-16	2016-17	2017-18
Final/Revised Budget	4,15,01,000.00	13,50,83,000.00	16,06,47,470.00
Actual Expenditure	5,94,92,754.00	5,50,87,497.00	4,96,28,628.05
Savings(+)/ Excess(-)	(1,79,91,754.00)	7,99,95,503.00	11,10,15,842.00



**II. Volume of transactions**

Period	Budgeted 2017-18	Previous Year (For one Year)2016-17	Current year (2017-18)
Opening balance	51,535.00	4,50,22,124.00	5,67,64,927.86
Receipts	16,06,00,306.00	6,68,30,301.00	5,82,80,896.00
<b>Total</b>	<b>16,06,47,470.00</b>	<b>11,18,52,756.00</b>	<b>11,50,45,823.86</b>
Net expenditure	16,06,47,470.00	5,50,87,497.00	4,06,28,628.05
Closing balance	4,371.00	5,67,64,927.86	6,54,57,195.81

**Note:** - As per the details mentioned in the previous internal audit report of 2016-17 there is difference of RS.331.00 in the between the expenditure mentioned in volume of transaction and expenditure mentioned in the Revenue and capital Expenditure table.

**III. Bank Reconciliation: -**

Since different schemes has been maintained in single cash book therefore segregation of balances of different schemes as on 31<sup>st</sup> Mar. 2018 cannot be determined. Similarly, since through one bank account different schemes are being operated the bank balance of particular schemes on a particular date cannot be determined. BRS has not been prepared in the prescribed format by the HLB.

**Details of Closing Balance:-**

S.N o.	Name of scheme / item	Bank name / account no.	Balance as per pass book as on 31.03.2018	Balance as per cash book as on 31.03.2018	Differences	Remarks BRS Prepared/ Not Prepared
1.	Treasury/ PIA	Treasury	71705932.00	71705932.00	0.00	Reconciled
2.	12 <sup>th</sup> Finance	5698-MBGB	7714.00	7714.00	0.00	Reconciled
3.	13 <sup>th</sup> Finance	17332-PNB	294336.32	294336.32	0.00	Reconciled
4.	General Admin	8400-MBGB	374348.74	374348.74	0.00	Reconciled
5.	4 <sup>th</sup> Finance	7341-PNB	572830.00	572830.00	0.00	Reconciled
6.	Gair Yojna Mad	70473-PNB	1767486.00	1767486.00	0.00	Reconciled



7	BRGF	8098 (ALHABAAD BANK) 8457 (PNB)	274652.00	268993.00 5659.00	0	Reconciled
8	Road Naali Nirman	2176 (M.G.B.G)	64911.00	64911.00	0	Reconciled
9	MP MLA Fund	5669 (MBGB)	183117.00	183117.00	0	Reconciled
10	Parshashnik Bhawan	4667 (Alhabad bank)	1198712.00	1198712.00	0	Reconciled
11	Pension Fund	1922 (MBGB)	177753.00	177753.00	0	Reconciled
12	Subsidy Fund	6361 (SBI)	157936.00	157936.00	0	Reconciled
13	Holding Tax	2641 (SBI)	970905.89	970905.89		Reconciled
14	SBM	2595 (PNB) 0503 (ICICI BANK)	1688745.52	PNB 1688745.52 ICICI 1009327.00	1009327. 00	Not Reconciled
15	HFA ( House for All)	2595 (PNB)	9217189.50	9217189.50	0.00	Reconciled
16	Kabir Anthuosti	6735 (PNB)	434870.90	434870.90	0.00	Reconciled
17	SJSRY	05933 (SBI) 39363(MBGB)	3293609.00	3293609.00	0.00	Reconciled
18	GSY	10780 (Canara Bank)	10888.00	10888.00	0.00	Reconciled

#### IV. Revenue Receipts: -

Income Details (Amounts to be provided in Rupees )							
Sl. No.	Details	2017-18		2018-19		2019-20	
		2017-18	2016-17	2018-19	2017-18	2019-20	2018-19
<b>Total Receipts (A+B)</b>		<b>5,82,80,896.00</b>	<b>6,68,30,301.00</b>				
<b>A.</b>	<b>Revenue Receipts (1+2+3)</b>	<b>24,33,282.00</b>	<b>35,45,971.00</b>				
<b>1.</b>	<b>Own Revenue Receipts (a+b)</b>	<b>18,75,934.00</b>	<b>21,94,594.00</b>				
<b>a)</b>	<b>Tax Revenue(levied and collected by municipal body)</b>	<b>18,35,934.00</b>	<b>7,91,994.00</b>				
<b>i)</b>	<b>Property tax</b>	<b>18,35,934.00</b>	<b>7,91,994.00</b>				

ii)	Other tax (levied and collected by municipal body)	0	0	Not Applicable
<b>b)</b>	<b>Non-tax revenue (levied and collected by municipal body)</b>	<b>40,000.00</b>	<b>14,02,600.00</b>	
i)	Fees & fines	0	0	
ii)	User Charges	40000	14,02,600.00	
iii)	Other non-tax revenue (levied and collected by municipal body)	0	0	
<b>2</b>	<b>Other Revenue Receipts</b>	<b>5,57,348.00</b>	<b>8,24,676.00</b>	
a)	Income from interest/investments	3,25,266.00	302036	
b)	Other Revenue income	2,32,082.00	5,22,640.00	
<b>3.</b>	<b>Transfers/ Grants/ Assigned Revenues</b>	<b>0</b>	<b>1,26,79,826.00</b>	
a)	State Assigned Revenue	0		
b)	State Finance Commission (SFC) Grants/ Devolution	0		
c)	Octroi compensation	0	1,26,79,826.00	
d)	Other State Govt. Transfer	0		
e)	Central Finance Commission (CFC) Grant	0		
f)	Other Central Govt. Transfer	0		
g)	Others	0		
<b>B.</b>	<b>Capital Receipts</b>	<b>5,58,47,614.00</b>	<b>5,11,31,205.00</b>	Not Applicable
1	Sale of Municipal Land	0		
2	Loans (from State Govt. or Banks etc.)	0		
3	State Capital Account Grant (under State Schemes etc.)	3,85,43,503.00	5,11,31,205.00	
4	Central Capital Account Grant (under Central Schemes etc.)	1,73,04,111.00		
5	Other Capital Receipts	0		



**v. Revenue and Capital Expenditure Information:-**

Expenditure Details (Amounts to be provided in Rupees)							
Sl. No.	Details	2017-18		2018-19		2019-20	
		2017-18	2016-17	2018-19	2017-18	2019-20	2018-19
<b>Total Expenditure (1+2)</b>		<b>4,96,28,628.05</b>	<b>5,50,87,497.00</b>				
1	<b>Revenue Expenditure</b>	<b>86,04,531.05</b>					
1.1	<b>Administrative Expenses, Establishment and Salaries (All Departments-Regular and Contractual Staff)</b>	35,31,815.00					
1.2	<b>Operation and Maintenance (O&amp;M)</b>	0.00					
1.3	<b>Loan repayment (Interest payments)</b>	0.00					
1.4	<b>Others (any other revenue expenditure which is not salaries, O&amp;M or Interest Payment)</b>	50,72,716.05					
2.	<b>Capital Expenditure</b>	<b>4,10,24,097.00</b>					
2.1	<b>All developmental works under Central/State specific schemes</b>	4,10,24,097.00					
2.2	<b>Loan Repayments (Principal Amount)</b>	0.00					
2.3	<b>Other Capital expenditure</b>	0.00					

Details have not been provided to us to annex or either not mentioned in the previous internal audit report.

Not Applicable for this period.



## VI. Status of implementation of Double Entry Accounting System

Accounting of Nagar Panchayat Silao has not been maintained as Double Entry Accounting System. The consultant for DEAS has been appointed but no financial accounts for 2017-18 is still to be prepared. The DEAS team has started work since 22/02/2019.

## VII. Status of Municipal Accounts Committee; if meeting is held

Nagar Panchayat Silao has not constituted Municipal Accounts Committee under section 98 of the Municipal Act, 2007.

## 5. Audit Observations

### Part – A

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

a. Leakage of own source revenue either due to wrong assessment or non-levy of property tax, mobile tower tax, rent on municipal properties, advertisement tax, fee etc.

(a) Mobile Tower Collection: -

**Audit Objective** – As per Point No. – 5.00 of TOR

**Criteria** – Tower Tax is taxes on Communication Tower & related structure as defined in BIHAR COMMUNICATION TOWERS AND RELATED STRUCTURES RULES, 2012. As per the rule, all operators are required to register with their concerned ULBs and pay registration fee & renewal charges on annual basis for communication tower erected within municipal area. Currently the registration fee for Nagar Panchayat is Rs. 30,000/- per tower and annual renewal fee is Rs. 8000/- per annum per tower.

**Condition** – As per details provided to us there are total 10(Ten) Mobile Towers installed within the Area of Nagar Panchayat Silao up to 31.03.2018 and Rs. 6,40,000.00 has been due but not collected till the date of audit from these tower operators as Tower Tax.

**Consequence Effect / Impact** - Due to non-collection of Tower Rent with in prescribe time line, ULB incurred interest loss and also the due to non-collection of taxes, and public interest has also been suffered.

**Cause** – We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval. The ULB has not proper mechanisms for supervision and monitoring of the Tower Rent due to which result in Revenue leakage.

**Corrective Action / Recommendation** – As per our opinion, management should review the collections on monthly and take appropriate actions against irregularity

Si. No.	Tower Name	Address	Year of installation	Amount due (till 31-03-2017)	Amount due (Renewal 2017-18)
1.	Airtel	Ward no. – 14	2008-09	72,000.00	8,000.00
2.	Airtel	Ward no. – 8	2016-17	72,000.00	8,000.00
3.	The cent Virless	Ward no. – 1	2008-09	72,000.00	8,000.00
4.	MTS	Ward no. – 3	2008-09	72,000.00	8,000.00
5.	Vodafone	Ward no. – 5	2009-10	72,000.00	8,000.00
6.	BSNL	Ward no. – 8	2007-08	72,000.00	8,000.00
7.	Smart	Ward no. – 6	2008-09	72,000.00	8,000.00
8.	TATA	Ward no. – 4	2009-10	72,000.00	8,000.00
9.	Reliance Jio	Ward no. – 2	2018-19	-	-
10.	Reliance Jio	Ward no. – 9	2018-19	-	-
<b>Total</b>				<b>5,76,000.00</b>	<b>64,000.00</b>

**(b) Advertisement Tax**

**Audit Objective** – As per Point No. – 5.00 of TOR

**Criteria** – Non – levied of advertisement tax by the ULB.

**Consequence / Effect / Impact** - Due to non - levied of collection of advertisement tax, there is a revenue loss to ULB.

**Cause** – This happens due to lack of awareness of imposition of advertisement tax of concerned person of the ULB.

**Corrective Action / Recommendation** – There should be proper monitoring and further steps are required to be taken for collection of advertisement tax by concerned ULB.

**(c) Holding & Property Tax Deposit – Irregularity: -**

**Audit Objective** – As per Point No. – 5.00 of TOR

**Criteria** – As per Rules 22(1) of Bihar Municipal Accounting Rules, 2014 Tax Collected has to be deposited on same day or latest before noon on the following working day.

**Condition** – we observed that no demand register maintained by ULB for Holding tax and collected amount is not deposited timely into Bank. In some cases, collected amount has been retained by the Tax Collectors for a period of 1-2 months from the date of collection of taxes.

b. Excess payment against bill, lack of prudence in payment against voucher, inefficiency in controls resulting loss to ULB's:

➤ No observation found during the course of audit.

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

**Report on field survey of 20 high value properties**

Sl. No.	Owner Property Name	Add Of Owner	Ward No	Type of construction	Taxable area	Rate/s q ft(Rate*.70/.80)	Annual rent	Annual Property Tax@9%	Residential/ Commercial/other
1	Jugal singh	Ramnagar	03	PCC	1200	9*.70	7560	680/-	Residential
2	Bhushi singh	Silao Masjid	03	PCC	3400	9*.70	21420	1928/-	Residential
3	Shankar prashad singh	LalGali	03	PCC	600	6*.70	2520	227/-	Residential
4	Projector Balika high scholl	Ramri Kuaana	03	PCC	3000	18*.70	37800	3402/-	Other
5	Rajendra Prasad singh	Ramnagar	03	PCC	4200	9*.70	26460	2381/-	Residential
6	Bakhtyarpur Dak ghar	Ramnagar	03	PCC	9000	18*.70	113400	10206/-	Other
7	Hari Prasad Gupta	Nepura	01	PCC	400	9*.70	2520	227/-	Residential
8	Dinesh kumar	Nepura	01	PCC	1500	12*.70	12600	1134/-	Residential
9	Ramsagar singh	Nepura	01	PCC	1500	36*.80	43200	3888/-	Commercial
10	Hari Prasad Gupta	Nepura	01	PCC	2000	36*.80	57600	5184/-	Commercial
11	Sanjya kumar	Nepura	01	PCC	3000	6*.70	12600	1134/-	Residential
12	Surendra Sharma	Sangat Kuan Silao	06	PCC	13000	36*.80	374400	33696/-	Commercial
13	Manjo Singh	Sangat Kuan Silao	06	PCC	2868	9*.70	18068	1626/-	Residential
14	Rajendra Prasad	Nayagaw Sialo	06	PCC	1800	9*.70	11340	1020/-	Residential
15	Shreekant Ray	Nayagaw Sialo	06	PCC	1100	12*.70	9240	831/-	Residential

16	Ramkumar Singh	Silao Pul Ke pass	06	PCC	1169	18*.80	16834	1515/-	Commercial
17	Madhusudan Singh	Silao Pul Ke pass	06	PCC	1296	18*.80	18662.40	1679/-	Commercial
18	Ramanad sing	Silao	06	PCC	1500	9*.70	9450	850/-	Residential
19	Sideswar singh	Sora Kothi	06	PCC	400	9*.70	2520	227/-	Residential
20	Sanjya kumar	Sora kothi	06	PCC	3000	6*.70	12600	1134/-	Residential

**Note: Property / Holding tax are assessed by the ULB. On test check basis, we have calculated the area and no variance found. However, it is very difficult to do the Field Survey due to resentment of property holders and sometimes it gets very ugly.**

### Part-B

All Audit objections/regularities which has no 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: -**

We have observe that following register which are given below that have not been maintained by the Nagar Panchayat Silao:-

1.	Monthly receipt and payment account is not prepared by the Nagar Panchayat Silao
2.	Monthly income and expenditure account is not prepared by the Ulb.
3.	Grant register is not maintained by the Nagar Panchayat Silao
4.	Scheme register is not maintained at the Ulb level.
5.	Advance issue and recovery register is not maintained by the Ulb.
6.	Pay-roll register is maintained by the Ulb.
7.	Assessment register of property tax.
8.	Provision made register of all taxes/user charges/ fees & fines.
9.	Demand and collection register of shop rent.
10.	Rent register of shop.
11.	Demand and collection of mobile towers and registration files of mobile tower.
12.	Ulb is not in practice to maintain procurement register.
13.	Bid register is not maintained by the Ulb.
14.	Cheque issue register is not maintained by the Nagar Panchayat Silao .
15.	Records and revision of Taxes and rent.
16.	Civil suit register is not maintained at the Ulb level.
17.	Demand and collection register of Hoardings.
18.	Ulb is not in practice to maintain fixed asset register.
19.	Stocks register are not properly maintained.

- Log book is not properly maintained and consequently its analysis is not possible.
- Bank reconciliation statement is not prepared by the Nagar Panchayat Silao
- There is no system of Procurement is in vogue at the ULB for the procurement in excess of Rs. 15,000.00.

**(f). Non-compliance of TDS, VAT and other relevant statute:** -We observed that TDS, VAT, Royalty and Labour-cess for the financial year 2017-18 has been deducted but not deposited to appropriate authority by ULB till the date of audit. Also return filling of TDS & VAT has not been made by the ULB.

**(g). Deficiency in pay-roll system: -**

The pay-roll system at the ULB is not satisfactory. The register, records relating to statutory deduction like PF, ESIC, Income tax are not maintained. The PF, ESIC with respect to permanent and contractual employee are neither deducted nor paid to the statutory authority.

**(h). Utilizations of grant and report on missing Utilization certificates of financial year 2016-17 to 4thQtr of 2017-18 has not been submitted to the Urban Development & Housing Department till the date of audit.**

The details of Pending UCs are as follows: -

S. No.	Scheme Name	Letter No.	Amt. Allotted	UC Pending
1.	Pesakar	37/28.08.2015	6.01	5.64
2.	City Manager Honorarium	06/24.04.2015	3.54	3.33
3.	EO Salary	60/03.11.2015	3.05	1.98
4.	14 <sup>th</sup> Finance	75/23.12.2015	27.55	27.55
5.	Parsad Allowance	11/18.05.2016	414068	414068
6.	City Manager Honorarium	06/12.05.2016	211900	181800
07.	14 <sup>th</sup> Finance	29/06.07.2016	2134434	2134434 .
8.	14 <sup>th</sup> Finance	29/06.07.2016	2134434	2134434
9.	Pesakar Mad	155/27.09.2016	700013	700013
10.	5 <sup>th</sup> Finance	162/19.10.2016	5662043	5662043
11.	5 <sup>th</sup> Finance	162/19.10.2016	891924	891924
12.	5 <sup>th</sup> Finance	162/19.10.2016	4038108	4038108
13.	City Manager	181/18.11.2016	181800	181800

	Honorarium			
14.	14 <sup>th</sup> Finance	191/26.12.2016	2119296	2119296
15.	14 <sup>th</sup> Finance	191/26.12.2016	2119295	2119295
16.	5 <sup>th</sup> Finance	353/29.03.2017	5936407	5936407
17.	5 <sup>th</sup> Finance	353/29.03.2017	777353	777353
18.	5 <sup>th</sup> Finance	353/29.03.2017	1312471	1312471
19.	14 <sup>th</sup> Finance	33/02.08.2017	2556744	880484
20.	Nali-Gali	38/11.08.2017	1780093	1780093
21.	Nali-Gali	38/11.08.2017	1780092	1780092
22.	Nali-Gali	68/30.10.2017	1116442	1116442
23.	Nali-Gali	68/30.10.2017	1797791	1305282
24.	Nali-Gali	68/30.10.2017	136675	136675

**I. Physical verification of inventory/stores: -**

Inventory/ Stores Register is not maintained, and Fixed Assets Register have not been maintained in concerned ULB and in the absence of above register; it is difficult to verify the same.

**J. Advances, their adjustment & recovery: -**

No advanced and recovery register is maintained by the Nagar Panchayat Silao. Advances are given to the employees without any requisition form. Approval is given by the executive officer on the concerned file. After the submission of bills, concerned advances are adjusted with the concerned files. ULB does not prepare summery details of the amount of advances given to the Employees.



**K. Any other matter as may be prescribed in due course: -**

ULB has idle fund remaining in its account during the financial year 2017-18. If these funds be transferred to other account or utilised in other scheme, there would not be any blockage of fund. Details of idle fund are as follows: -

Si. No.	Scheme	Amount	Pending Since
1.	Administrative building	1198712.00	31/03/2017
2.	SJSRY	3293609.00	31/03/2017
3.	Pension Fund	177753.00	31/03/2017
4.	Subsidy Fund	157936.00	31/03/2017
5.	BRGF	274652.00	31/03/2017
6.	MP MLA Fund	183117.00	31/03/2017
<b>Total</b>		<b>5285779.00</b>	

**PART – “C”**

**Scope of Audit**

Sl. No	Particular	Remarks/ Observation
1	Whether all these 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.	
2	What is the status of implementation of SAS of Property Tax in the ULB; If SAS has been implemented then witness some assessment procedures to check any in-consistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not).	We have been witnessed the 20 high value of property same has been reported in “Sheet A”
3	Whether all compliance have been complied regarding Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR  Rule 22: All moneys to be brought to account  Rule: 27: Collections to be deposited into Bank on the same day	All the compliance has been made at ULB except Rule: 27 & Rule 120-121. Ulb is not in practice to deposit  Rule 22: We have found that all money has been brought to account but delayed.  Rule 27: We have observed that the collected money has not to be deposited into Bank Account on time.

**RN Singh & Co**  
**Chartered Accountants**

**Nagar Parishad Silao**

**Discussion Notes 2017-18 (Annual)**

Sl. No.	Observation	Management Remarks
1	Compliance Report of AG Audit para's for FY 2012-13 to FY 2014-15 and Internal Audit paras of FY 2016-17 has not been prepared by Silao nagar panchayat & not even ready to prepare it. So, we are not able to check the Compliance Status of Audit Observations of AG Audit Report for FY 2012-15. Please give reason in this regard & till what time it will be prepared.	साक्ष्य खोजा जा रहा है साक्ष्य मिलते ही इन कंडिकाओं का निष्पादन केआर दिया जाएगा।
2	We have observed that Silao Nagar Panchayat is not in practice to prepare bank reconciliation statement as per prescribed format.	भविष्य में बनाया जाएगा ।
3	Double Entry Accounting System is still in process by Tibrewal Chand & Co. financial accounts for 2017-18 is still to be prepared.	भविष्य में पूरा कर दिया जाएगा ।
4	Municipal Accounts Committee has not been constituted by the Silao Nagar Panchayat. It should be constituted in the first Board Meeting of the ULB every year. Please give reason for the same.	अगले बोर्ड मीटिंग में कमिटी का गठन केआर दिया जाएगा।
5	During verification of property tax collection receipt and tax deposit receipt we have found that property tax collected by the tax collector is not deposited to the ULB on the same date. Details will be given in detailed audit report.	भविष्य में पूरा कर दिया जाएगा ।
6	Demand register is not maintained by the ULB. We are unable to quantify the total outstanding demand of Property Tax, Tower Tax, Advertisement Tax, Rent On Municipal Properties etc.	सर्वे नहीं होने के कारण Demand register नहीं बनाया गया है, भविष्य में बनाया जाएगा।
7	Demand Register of Property Tax has not been prepared by Silao Nagar Panchayat; neither survey of property holder has been done for assessment of tax liability.	सर्वे नहीं होने के कारण Demand register नहीं बनाया गया है, भविष्य में बनाया जाएगा।
8	Mobile Tower Tax has not been collected by the ULB. As per details provided to us there are total 10 Mobile Towers registered with this ULB up to 31.03.2018 and Rs. 640000 has not been collected till the date of audit from these tower operators as Tower Tax.	टावर टैक्स हेतु सभी टावर मालिकों को दिशानिदेश दिया गया है ।
9	The pay-roll system at the ULB is not satisfactory. The register, records relating to statutory deduction like PF, ESIC, Income tax are not maintained. The PF, ESIC with respect to permanent and contractual employee are neither deducted nor paid to the statutory authority.	भविष्य में पूरा कर दिया जाएगा ।
10	Advertisement Tax has not been levied by the Silao Nagar Panchayat. There have not been any system developed for the levy of advertisement tax.	अगले अंकेक्षण तक इसकी प्रणाली विकसित कर लिया जाएगा ।
11	Cashbook is not maintained on day to day basis which is not as per Bihar Municipal Accounting Manual. It should be prepared on daily basis i.e transaction wise.	BHMR के अनुसार cash book छपाई हेतु दिया गया है ।
12	Various registers, books of records etc. are not being prepared by the ULB. Such as Fixed Asset Register, Inventory/ Stores Register, Advance & Recovery Register, Demand Register, Cheque Issue Register. ULB should maintain these registers as soon as possible.	BHMR के अनुसार cash book छपाई हेतु दिया गया है ।
13	Various Statutory Register such as TDS, GST, Royalty, Labour Cess, GST are not prepared by the ULB. ULB should maintain these registers as soon as possible.	BHMR के अनुसार cash book छपाई हेतु दिया गया है ।

4/1/18  
R. N. SINGH & CO.  
Chartered Accountants



UC's Status

नगर निकाय का नाम- नगर पंचायत, सिलाव

वित्तीय वर्ष 2003-04 से 2018-19 में प्राप्त सहायक अनुदान कि निकासी/व्यय एवं अवशेष राशि कि चालान द्वारा कोषागार में जमा विवरणी सम्बन्धित प्रतिवेदन

क्र.सं	वित्तीय वर्ष	आवंटन का मद	स्वीकृत्यदेश संख्या एवं तिथि	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	2003-04	11 th Finance Commission	1340/30.03.2004	4.93	4.93	0.00	4.93	0.00	0.00	4.93	0.00	0.00	-	0.00	0.00	0.00	राशि लाख में
2	2003-04	Salary Allowance	459/05.02.2004	0.51	0.51	0.00	0.51	0.00	0.00	0.51	0.00	0.00	-	0.00	0.00	0.00	
3	2005-06	Salary Allowance	1075/29.03.2006	0.45	0.45	0.00	0.45	0.00	0.00	0.45	0.00	0.00	-	0.00	0.00	0.00	
4	2005-06	Sanitation	1101/30.03.2006	8.52	8.52	0.00	8.52	0.00	0.00	8.52	0.00	0.00	-	0.00	0.00	0.00	
5	2005-06	12th finance Commission	3191/28.09.2005	5.98	5.98	0.00	5.98	0.00	0.00	5.98	0.00	0.00	-	0.00	0.00	0.00	
6	2005-06	Road Construction	1131/31.03.2006	21.61	21.61	0.00	21.61	0.00	0.00	21.61	0.00	0.00	-	0.00	0.00	0.00	
7	2005-06	Road Construction	1102/30.03.2006	44.06	44.06	0.00	44.06	0.00	0.00	44.06	0.00	0.00	-	0.00	0.00	0.00	
8	2005-06	बिबिसी	3167/26.09.2005	0.23	0.23	0.00	0.23	0.00	0.00	0.23	0.00	0.00	-	0.00	0.00	0.00	
9	2006-07	Administrative Building	1398/30.03.2007	28.88	28.88	0.00	28.88	0.00	0.00	28.88	0.00	0.00	-	0.00	0.00	0.00	
10	2006-07	12th finance Commission	3115/11.08.2006	3.96	3.96	0.00	3.96	0.00	0.00	3.96	0.00	0.00	-	0.00	0.00	0.00	
11	2006-07	Road Construction	432/02.07.2007	15.00	15.00	0.00	15.00	0.00	0.00	15.00	0.00	0.00	-	0.00	0.00	0.00	
12	2006-07	Machinery & Equipment	3515/19.09.2006	4.25	4.25	0.00	4.25	0.00	0.00	4.25	0.00	0.00	-	0.00	0.00	0.00	
13	2007-08	12th finance Commission	5674/19.12.2007	5.94	5.94	0.00	5.94	0.00	0.00	5.94	0.00	0.00	-	0.00	0.00	0.00	
14	2007-08	12th finance Commission	1617/27.03.2008	2.97	2.97	0.00	2.97	0.00	0.00	2.97	0.00	0.00	-	0.00	0.00	0.00	
15	2007-08	Salary	5264/26.11.2007	3.40	3.40	0.00	3.40	0.00	0.00	3.40	0.00	0.00	-	0.00	0.00	0.00	
16	2007-08	3rd State Finance	1536/25.03.2008	2.40	2.40	0.00	2.40	0.00	0.00	2.40	0.00	0.00	-	0.00	0.00	0.00	
17	2008-09	Water Supply and sanitation	3774/14.07.2008	16.43	16.43	0.00	16.43	0.00	0.00	16.43	0.00	0.00	-	0.00	0.00	0.00	



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104	2017.18	पंचम राज्य वित्त आयोग	46/14.09.2017	5162347	5162347	5162347	0.00	9572828	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30% सेजल में PHED को हस्तांतरित किया जाना है।
105	2017.18	पंचम राज्य वित्त आयोग	46/14.09.2017	5162346	5162346	5162346	0.00	9572828	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30% सेजल में PHED को हस्तांतरित किया जाना है।
106	2017.18	मुख्यमंत्री नली-पत्ती	38/11.08.2017	1780093	0.00	0.00	0.00	1780093	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30% सेजल में PHED को हस्तांतरित किया जाना है।
107	2017.18	मुख्यमंत्री नली-पत्ती	38/11.08.2017	1780092	0.00	0.00	0.00	1780092	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30% सेजल में PHED को हस्तांतरित किया जाना है।
108	2017.18	14th Finance	97/24.01.2018	2549812	2549812	2549812	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30% सेजल में PHED को हस्तांतरित किया जाना है।
109	2017.18	14th Finance	97/24.01.2018	2549811	2549811	2549811	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30% सेजल में PHED को हस्तांतरित किया जाना है।
110	2017.18	स्मार्ट अडॉक भवन	112/13.02.2018	6763000	6763000	6763000	0.00	6763000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30% सेजल में PHED को हस्तांतरित किया जाना है।
111	2017.18	Out fall नाला निर्माण	127/07.03.2018	7720500	7720500	7720500	0.00	7720500	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30% सेजल में PHED को हस्तांतरित किया जाना है।
112	2017.18	मुख्यमंत्री सेजल निरवय योजना	148/21.03.2018	10000000	10000000	10000000	0.00	10000000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30% सेजल में PHED को हस्तांतरित किया जाना है।
113	2017.18	कार्यालयक पदाधिकारी का वेतन	145/19.03.2018	700000	700000	700000	0.00	700000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30% सेजल में PHED को हस्तांतरित किया जाना है।
114	2017.18	कार्यालयक पदाधिकारी का वेतन	145/19.03.2018	64070	64070	64070	0.00	64070	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30% सेजल में PHED को हस्तांतरित किया जाना है।
115	2017.18	मुख्यमंत्री नली-पत्ती	68/30.10.2017	1116442	1116442	1116442	0.00	1116442	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30% सेजल में PHED को हस्तांतरित किया जाना है।
116	2017.18	मुख्यमंत्री नली-पत्ती	68/30.10.2017	1797791	1797791	1797791	0.00	1305282	492509	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30% सेजल में PHED को हस्तांतरित किया जाना है।
117	2017.18	मुख्यमंत्री नली-पत्ती	68/30.10.2017	136675	136675	136675	0.00	136675	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30% सेजल में PHED को हस्तांतरित किया जाना है।
118	2018.19	मुख्यमंत्री नली-पत्ती	09/30.05.2018	3588950	3588950	3588950	0.00	0.00	3588950	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30% सेजल में PHED को हस्तांतरित किया जाना है।
119	2018.19	मुख्यमंत्री नली-पत्ती	09/30.05.2018	3306682	3306682	3306682	0.00	0.00	3588950	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30% सेजल में PHED को हस्तांतरित किया जाना है।
120	2018.19	मुख्यमंत्री नली-पत्ती	09/30.05.2018	209693	209693	209693	0.00	0.00	209693	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30% सेजल में PHED को हस्तांतरित किया जाना है।

मुख्यमंत्री नली-पत्ती का काम किया जा रहा है।  
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 कार्यालयक पदाधिकारी,  
 नगर पंचायत, सिलाव (नालन्दा)

20.	Sairat register is not maintained at the ULb level.
21.	Log book is not prepared at the ULb level.
22.	Nagar Panchayat Silao have not issue any latter to bank for recovery of bank charge.

**(b). Irregularity in procurement process: -**

The system of Procurement is in vogue at the ULB. There are instances of procurement made in excess of Rs. 15,000/= where no guidelines of procurement have been adhered with.

**(c). Non-compliance of directives by UD & HD, Government of Bihar: -**

We observed several non-compliances of directives of UD&HD, GOB such as; -

- (1) Non collection of various taxes required to be collected.
- (2) Non maintenance of prescribe books of accounts
- (3) Non submission of UC and other reports on timely basis.

**(d). Non- compliance of Act & Rules: -**The ULB is not preparing the Accounts and Financial Statement as per Section 86 & 88 of the Bihar Municipal Act, 2007. As required under section 88 of the said Act, the ULB is required to prepare within four months from the close of the year, Financial Statement Containing an Income & Expenditure Accounts and a Receipt and Payment Account for the previous year w.r.t. the accounts of the ULB.

- i. The ULB is not preparing Fund Wise Receipts & Payments under BMAR Form No. 71 within 20th day of the subsequent months as per Rule 120 of the Bihar Municipal Accounts Rule 2014.
- ii. The ULB is not preparing following Financial Statement of the Preceding years as required under Rule 122 of the Bihar Municipal Accounts Rule, 2014:
  - a. Receipt & Payment Accounts for the Year (BMAR Form No 71).
  - b. Income & Expenditure Account for the Year (BMAR Form No 73).
  - c. Balance Sheet as on 34th March of the Year (BMAR Form No 74).
- iii. The ULB is not depositing the Collection of revenue from its own sources on the same day on which it is being collected.

**(e). Lack of internal control measures: -**

- No advance and recovery register is maintained by the Nagar Panchayat Silao . Advances are given to the employee without any requisition form.

