

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

INTERNAL AUDIT REPORT

FOR

F. Y. 2019-20

GROUP 1

HISUA NAGAR PANCHAYAT

BY

A. P. SANZGIRI & CO. CHARTERED ACCOUNTANTS

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DOCUMENT HISTORY

INTERNAL AUDIT FOR FY 2019-20

Project Title	Selection of Chartered Accountant Firms for Internal Audit of 140 ULBs of Bihar (Tender No. IA-140ULBs/2017-18/2018-19/2019-20) Group - 1 covering 19 ULBs”
Report Title	Internal Audit for FY 2019-20 of Hisua Nagar Panchayat
Reporting Entity	A P SANZGIRI & Co., Chartered Accountants
Reporting for	Hisua Nagar Panchayat
Report Prepared by	Internal Audit Team of A P SANZGIRI & Co., Chartered Accountants
Date of Submission	17.04.2021



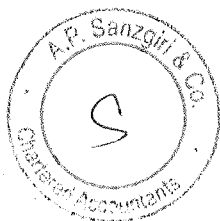
ABBREVIATION AND ACRONYMS

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



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A. P. SANZGIRI & Co.
CHARTERED ACCOUNTANTS

Date:17-04-2021

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

Sub: Submission of Internal Audit Report of Nagar Panchayat Hisua 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: 21101134AAAAJS3830

Date:16-09-2021



EXECUTIVE SUMMARY

1. INTRODUCTION:

Name of the Municipality	-	Hisua Nagar Panchayat
Period covered under Current Audit	-	01.04.2019 to 31.03. 2020
Name of Mayor/Chairman	-	Smt. Kunti Devi
Name of Executive Officer	-	Sunil Kumar Singh

2. OBSERVATIONS AND FINDINGS:

Strengths	<ol style="list-style-type: none">1. In the existing system as prevailing in the ULB, day to day working is in progressive manner in respect of collection of revenue and execution of the projects.2. There is sufficient co-operation from the management during the course of our audit.3. General Cash book is properly up-to-dated.4. Fixed assets register was prepared by a CA firm as on 01/04/2014 and it was updated till 2015-16.
Weaknesses	<ol style="list-style-type: none">1. The collection of rental income is not satisfactory.2. The shopkeeper/tenants have not been paying rent and have huge outstanding debts.3. Budget is not prepared properly; there is huge difference in opening balance of each year in continuous nature.4. No physical verification of store is exercised by ULB.5. No Physical verification of cash is exercised by ULB.6. Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the corporation has not been complied.7. Fixed assets register is not maintained by ULB.8. Statutory compliance of the ULBs is not deposited timely and hence it incurs penalty and other charges.9. Certain Statutory Registers and Books are not maintained. <p>10. Non Levy of Taxes:</p> <ul style="list-style-type: none">• Tax on advertisements, other than advertisements published in newspapers



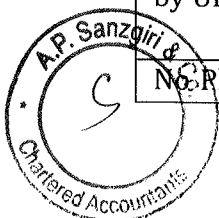
	<ul style="list-style-type: none"> • Surcharge on electricity consumption within the municipal area • Tax on congregations. • Tax on pilgrims and tourists. • User Charges for Solid Waste Management. • User Charges for Garbage Clearance. • Collection of fees for sanction of building plans and issue of completion certificates. • Collection of Development Charges. <p>11. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 9 to 31 days.</p> <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
Budget is not prepared properly; there is huge difference in opening balance of each year in continuous nature.	ULB need to check and rectify it in retrospective effect.
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	Physical verification to be carried out by ULB



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.
Non Levy of Taxes: <ul style="list-style-type: none"> • Tax on advertisements, other than advertisements published in newspapers • Surcharge on electricity consumption within the municipal area • Tax on congregations. • Tax on pilgrims and tourists. • User Charges for Solid Waste Management • User Charges for Garbage Clearance • Collection of fees for sanction of building plans and issue of completion certificates, • Collection of Development Charges 	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. ULB should take steps to implement required taxes to boost their revenue
During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 9 to 31 days.	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made.
ULB is not prepared monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	As per BMAR Rule No. - 121, ULB should prepare of monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the executive officer.
ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter	Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis.



Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.	As per BMAM-ULB are required to maintain fund wise receipts & payments. As per BMAM, following funds should be maintained by ULB. 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.

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 in discussion note. ***(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 Accountants

Satish Gupta

CA Satish Gupta

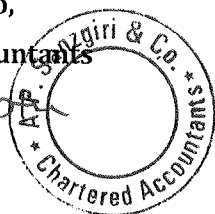
Partner

FRN: 116293W

UDIN: 21101134 AAAAJS3830

Date: 16-09-2021

Membership No: 101134



DETAILED AUDIT REPORT

1. INTRODUCTION:

Name Of ULB	Period-covered	Audit Team	
	From	To	
Hisua.Nagar Panchayat	01.04. 2019	31.03.2020	1. Team Leader: CA Satish Gupta 2. Name of CA: CA Ronak Agrwal 1. Name of Auditor-1: Md. Mahtab Alam

2. ADMINISTRATION:

S.N	Particulars	Details
1	The present body of the ULB has taken charge on	June, 2017
2	The incumbency in the key Administrative and Executive positions was as under:	
2.1	Name of Mayor:	Smt. Kunti Devi
2.1.1	Period of Service:	From: 19 th June, 2017 To: Till date
2.2	Name of Executive Officer:	Sunil Kumar singh
2.2.1	Period of Service:	From: 22.01.2019 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	Improvement/corrective measures required (Nos. of Para's)	Recovery of cash is proposed (Nos. of Para's)	Recovery has been made (Nos. of Para's)	Total amount of Recovery	No action has been taken	No. & date of compliance report
Audit report submitted by AG for the F.Y. 2014-15,	18	18	6	3	3.74 Lac	18	534/2014-15, Dated 26.05.2018
Internal Audit Paras of FY 2017-18 & 2018-19							Not complied. (refer Discussion note)

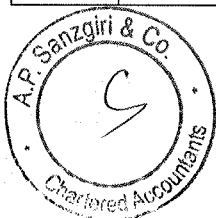
3.2. DETAILS OF TOTAL NUMBER OF AUDIT PARA'S:

Period of AG Audit Report :2014-15

Compliance Report Date & Number : 534/2014-15, Dated 26.05.2018



Para Nos.	Heading of the Audit Para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
1	Unusable of 35KVA 3 Phase Fabrication make DG set Generator.	0.00	No	No	Yes
2	Irregularities in purchase of Solar Street Light.	5.46 Lac	No	No	Yes
3	Execution of Training programme doubtful.	10.20 Lac	No	No	Yes
4	Wrong transfer of 13th finance scheme amount.	1.04 Lac	No	No	Yes
5	Grant Amount unspent.	3.94 Lac	No	No	Yes
6	Excess payment to contractor due non-deduction of Labour cess.	0.82 Lac	Yes	No	Yes
7	Non-deposit of collection amount through H receipt	1.17 Lac	Yes	Yes	Yes
	Non-deposit of collection amount through Miscellaneous & Bus stand.	1.20 Lac	Yes	Yes	Yes
8	Outstanding amount of Holding Tax	4.13 Lac	Yes	No	Yes
9	Outstanding amount of Mobile Tower.	4.68 Lac	Yes	No	Yes
10	Non-collection of Shop Rent.	1.37 Lac	Yes	Yes	Yes
11	Excess payment from estimates as per measurement book.	1.08 Lac	No	No	Yes
12	Un-authorized payment to Daily wages.	8.04 Lac	No	No	Yes
13	Non-maintenance of Govt grant register.	0.00	No	No	Yes
14	Irregular maintenance of treasury pass book.	0.00	No	No	Yes
15	Non-preparation of Income Expenditure Account, Receipt & Payment & Comparative Statement.	0.00	No	No	Yes
16	Profit & Loss Account Incomplete.	0.00	No	No	Yes
17	Incomplete work under various schemes.	0.00	No	No	Yes
18	Non-holding of fixed strong committee meeting.	0.00	No	No	Yes



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	296,487,356.00	90,819,998.86	10,27,08,965.00
Actual Expenditure Data	89,063,245.00	68,388,007.00	5,15,94,666.00
Savings(+)/Excess(-)	207,424,111.00	2,24,31,992.00	5,11,14,299.00

Auditor's Comment:

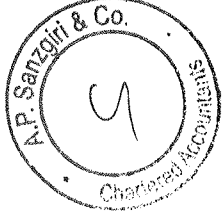
The cash book prepared by ULB in such way that we could not bifurcated or separated data as required in above mentioned format .The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. Financial Statement i.e. Audited Balance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

II. VOLUME OF TRANSACTIONS:

Period	Budgeted for F.Y. 2019-20	Actual for the F.Y. 2018-19	Actual for the F.Y. 2017-18	Actual for the F.Y. 2019-20	Cumulative for the current period
Opening balance	90,339,728.00	90,819,998	89,941,622	56,819,235	56,819,235
Receipts	46,995,900.00	34,387,244	89,941,622	7,080,152	7,080,152
Total	13,73,35,628.00	125,207,242	179,883,244	63,899,387	63,899,387
Net expenditure	102,708,965.00	68,388,007	89,063,245	51,594,666	51,594,666
Closing balance	346,26,663.00	56,819,235	90,819,999	12,304,721	12,304,721

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:

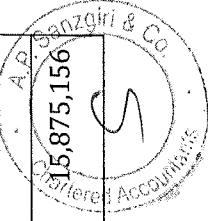
BANK RECONCILIATION POSITION AS ON 31-03-2020:

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	BOI	455910110010725	SBM	33,99,955.43	33,80,343.50	19,611.93	No
2	BOI	455910110002412	Bus Stand	19,61,921.07	19,61,921.07		Yes
3	PNB	0685000100138521	NULM	30,14,158.12	30,14,158.12		Yes
4	PNB	0685000101049815	HFA	16,85,347.25	16,85,347.25		Yes
5	PNB	0685000100167800	BRGF	14,60,400.00	14,60,400.00		Yes
6	PNB	685000100996606	Social Securities	1,62,341.29	1,62,341.29		Yes
7	MBGB	72730100037945	Revenue	66,72,031.45	66,72,031.45		Yes

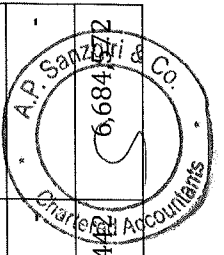
Note: Treasury Account details are not provided by ULB

IV. RECEIPT DETAILS:

S.N	Details	Income Details (Amounts to be provided in Rupees)					
		2017-18		2018-19		2019-20	
		2017-18 (Actual)	2016-17 (Actual)	2018-19 (Actual)	2017-18 (Actual)	2019-20 (Actual)	2018-19 (Actual)
	Total Receipts (A+B)	89,941,622	9,57,42,767	34,387,244	89,941,622	7,080,152	34,387,244
A	Revenue Receipts (1+2+3)	37,970,204	3,15,35,156	27,702,672	37,970,204	5,185,710	27,702,672
1	Own Revenue Receipts (a+b)	23,235,562	2,56,14,842	17,042,889	23,235,562	4,437,584	17,042,889
a)	Tax Revenue (levied and collected by municipal body)	21,567,109	2,39,02,076	15,875,156	21,567,109	2,173,889	15,875,156



i)	Property tax	2,247,409	72,35,076	1,556,056	2,247,409	222,148	1,556,056
ii)	Other tax (levied and collected by municipal body)	19,319,700	1,66,67,000	14,319,100	19,319,700	1,951,741	14,319,100
b)	Non-tax revenue and collected by municipal body) (levied	1,668,453	17,12,766.	1,167,733	1,668,453	2,263,695	1,167,733
i)	Fees & fines	-	-	-	-	-	-
ii)	User Charges	1,364,723	16,82,116	1,128,983	1,364,723	89,806	1,128,983
iii)	Other non-tax revenue (levied and collected by municipal body)	303,730	30,650	38,750	303,730	2,173,889	38,750
2	Other Revenue Receipts	2,788,336	28,69,567	6,197,783	2,788,336	465,655	6,197,783
a)	Income from interest/investments	1,241,646	11,60,933	5,300,563	1,241,646	407,334	5,300,563
b)	Other Revenue income	1,546,690	17,08,634	897,220	1,546,690	58,321	897,220
3	Transfers/Grants/Assigned Revenues	11,946,306	30,50,747	4,462,000	11,946,306	282,471	4,462,000
a)	State Assigned Revenue	11,946,306	30,50,747	4,462,000	11,946,306	282,471	4,462,000
b)	State Finance Commission (SFC) Grants/Devolution	-	-	-	-	-	-
c)	Octroi compensation	-	-	-	-	-	-
d)	Other State Government Transfers	-	-	-	-	-	-
e)	Central Commission (CFC) Grant Finance	-	-	-	-	-	-
f)	Other Central Government Transfers	-	-	-	-	-	-
g)	Others	-	-	-	-	-	-
B	Capital Receipts	51,971,418	6,42,07,611	6,684,572	51,971,418	1,894,442	6,684,572
1	Sale of Municipal Land	-	-	-	-	-	-
2	Loans (from State Govt. or Banks etc.)	-	-	-	-	-	-
3	State Capital Grant Account	51,920,418	6,41,65,111	6,684,572	51,920,418	1,894,442	6,684,572



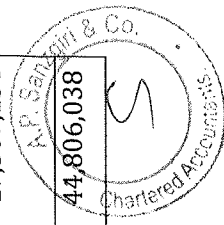
4	Central Grant Schemes etc.)	Capital (under Account Central	-	-	-	-
5	Other Capital Receipts		51,000	42,500	51,000	-

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:

Expenditure Details (Amounts to be provided in Rupees)							
S.N	Details	2017-18		2018-19		2019-20	
		2017-18 (Actual)	2016-17 (Actual)	2018-19 (Actual)	2017-18 (Actual)	2019-20 (Actual)	2018-19 (Actual)
	Total Expenditure (1+2)	89,063,245	6,14,25,996	68,388,007	89,063,245	51,594,666	68,388,007
1	Revenue Expenditure	38,768,716	2,69,79,848	23,581,969	38,768,716	16,617,701	23,581,969
1.1	Administrative Expenses, and Salaries Departments-Regular and Establishment (All)	10,939,727	1,21,15,902	6,070,310	10,939,727	4,579,686	6,070,310
1.2	Operation and Maintenance	-	-	-	-	-	-
1.3	Loan repayment (Interest payments)	17,989	5,246	4,525	17,989	3,111	4,525
1.4	Others(any other revenue expenditure which is not salaries,	27,811,000	1,48,58,700	17,507,134	27,811,000	12,034,904	17,507,134
2	Capital Expenditure	50,294,529	3,44,46,148	44,806,038	50,294,529	34,976,965	44,806,038



2.1	All developmental works under Central/State specific schemes	49,829,529	3,42,24,148	44,486,038	49,829,529	22,752,331	44,486,038
2.2	Loan Repayments(Principal Amount)	465,000	2,22,000	320,000	465,000	12,224,634	320,000
2.3	Other Capital expenditure	-	-	-	-	-	-

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**

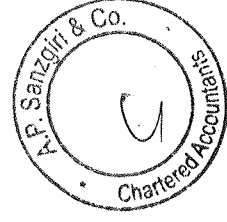
VI. STATUS OF IMPLEMENTATION OF DOUBLE ENTRY SYSTEM:

Name of agency	Remarks
M/s Sarkar Gurumurti & Associates.	Till now no work has been started.

Management Comment: Kindly refer discussion note.

VII. MUNICIPAL ACCOUNTS COMMITTEE:

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



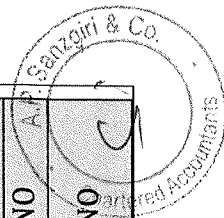
5. AUDIT OBSERVATION:

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

(A) LEAKAGE OF OWN SOURCE REVENUE EITHER DUE TO WRONG ASSESSMENT OR NON-LEVY OF PROPERTY TAX, MOBILE TOWER TAX, RENT ON MUNICIPAL PROPERTIES, ADVERTISEMENT TAX, FEE ETC.

OBSERVATION-1 :TAXES/CHARGES WHICH ARE NOT IMPLEMENTED BY ULB ACCORDING TO THE BIHAR MUNICIPAL ACT.2007

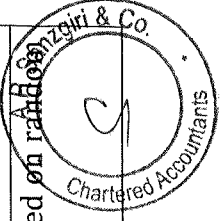
S.N	Head	Comments																														
1	Objective	The main objective of audit of taxes is to check whether all taxes which are covered under Bihar Municipal Act, 2007, is levied and collected by the ULB. Further to check whether taxes are levied and collected according to applicable provisions and rules.																														
2	Criteria	We have checked list of all the taxes which to be levied and collected by the ULB as per Act. Further we have checked Receipt book, cashier cash book and accountant cash book etc.																														
3	Condition	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. In case of HisuaNagar panchayat The following mentioned tax/charges are not implemented that leads to loss of revenue to ULB:																														
		<table border="1"> <thead> <tr> <th>S.N</th> <th>Particulars</th> <th>Implemented by ULB or Not</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Property tax on lands and buildings.</td> <td>YES</td> </tr> <tr> <td>2</td> <td>Surcharge on transfer of lands and buildings</td> <td>NO</td> </tr> <tr> <td>3</td> <td>Fire tax.</td> <td>NO</td> </tr> <tr> <td>4</td> <td>Tax on advertisements, other than advertisements published in newspapers</td> <td>NO</td> </tr> <tr> <td>5</td> <td>Surcharge on electricity consumption within the municipal area</td> <td>NO</td> </tr> <tr> <td>6</td> <td>Tax on congregations.</td> <td>NO</td> </tr> <tr> <td>7</td> <td>Tax on pilgrims and tourists.</td> <td>NO</td> </tr> <tr> <td>8</td> <td>Tax on profession.</td> <td>NO</td> </tr> <tr> <td>9</td> <td>Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles.</td> <td>NO</td> </tr> </tbody> </table>	S.N	Particulars	Implemented by ULB or Not	1	Property tax on lands and buildings.	YES	2	Surcharge on transfer of lands and buildings	NO	3	Fire tax.	NO	4	Tax on advertisements, other than advertisements published in newspapers	NO	5	Surcharge on electricity consumption within the municipal area	NO	6	Tax on congregations.	NO	7	Tax on pilgrims and tourists.	NO	8	Tax on profession.	NO	9	Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles.	NO
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7	Tax on pilgrims and tourists.	NO																														
8	Tax on profession.	NO																														
9	Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles.	NO																														



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

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

S.N	Head	Comments
1	Objective	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 the amount of tax collected by the tax collector is required to be handed over to cashier and deposited into bank on the same day on which collection is made. To check compliance of these provisions, we have carried audit of such type of cases.
2	Criteria	We have checked respective books in order to carry the audit and some cases were checked on random basis.



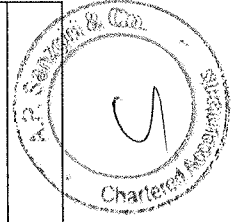
3	Condition	During verification of receipts book and deposit slips, we have noticed that there is gap period in collection of tax around 9 to 31 days. Details of such cases are given in Annexure-1 .
4	Consequences/Effect	In respect of above in most of the cases property tax has not been deposited on same day of collection which resulted in interest loss to ULB.
5	Cause	It is explained by concern person that due to non-availability of human resources the same issues arises.
6	Corrective Action/Recommendation	It is recommended that tax collector/cashier should deposit the collected money into bank on same day itself and if he fails to do the same, necessary action should be taken by the ULB management in such cases.
7	Management Comments	Kindly refer discussion note attached with the report.

OBSERVATION-3: NON COLLECTION OF NOTICE FEE

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

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

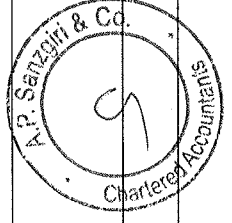
1. RECOVERY OF OUTSTANDING PROPERTY TAX:



S.N	Head	Comments
1	Objective	ULB is authorized to collect holding tax from households situated in the municipal area and Property tax have major role in the internal revenue of ULB.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that property tax of Rs. 5.32 lakh was outstanding as on 31/03/2020:
3	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/ Recommendation	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.

2. RECOVERY OF ADVERTISEMENT TAX:

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

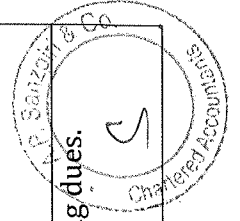


3. RENT INCOME

S.N	Head	Comments
1	Objective	ULB authorized to charge rent from municipal properties.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that there was 0.029 Lakh rent income outstanding as on 31/03/2020.
3	Consequences/Effect	Delay in collection or outstanding dues results in revenue loss to ULB.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Action/Recommendation	
	Management Comments	Kindly refer discussion note attached with the report.

4. MOBILE TOWER TAX:

S.N	Head	Comments
1	Objective	ULB is authorized to collect tax from telecom companies for mobile towers installed in the municipal area.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that mobile tower tax of Rs.13.302 lakh was outstanding as on 31/03/2020.
3	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
	Action/Recommendation	



7	Management Comments	Kindly refer discussion note attached with the report.
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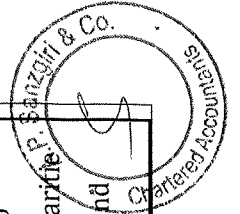
5 OTHER TAX:

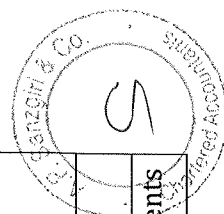
S.N	Head	Comments
1	Objective	ULB is authorized to collect other various types of taxes/fee.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that no other tax was outstanding as on 31/03/2020:
3	Consequences/Effect	Not Applicable
5	Cause	Not Applicable
6	Corrective Action/Recommendation	Not Applicable
7	Management Comments	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:																												
		<table border="1"> <thead> <tr> <th>S.N</th> <th>Name of Party</th> <th>Payment Head</th> <th>Invoice Amount</th> <th>Approved Amount</th> <th>Date of Payment</th> <th>Audit Observations</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Parveenvast rlaypanchu</td> <td>Purchase of bedsheet & blanket</td> <td>3500.00</td> <td>3500.00</td> <td>27.02.2020</td> <td>No Irregularities found</td> </tr> <tr> <td>2</td> <td>Shiv art</td> <td>Flex charges</td> <td>21,948.00</td> <td>21,948.00</td> <td>27.02.2020</td> <td></td> </tr> <tr> <td>3</td> <td>Santosh</td> <td>Purchase of</td> <td>6,500</td> <td>6,500</td> <td>27.02.2020</td> <td></td> </tr> </tbody> </table>	S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Date of Payment	Audit Observations	1	Parveenvast rlaypanchu	Purchase of bedsheet & blanket	3500.00	3500.00	27.02.2020	No Irregularities found	2	Shiv art	Flex charges	21,948.00	21,948.00	27.02.2020		3	Santosh	Purchase of	6,500	6,500	27.02.2020	
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3	Santosh	Purchase of	6,500	6,500	27.02.2020																									





	ready mede	toshak pillow				
4	Rozitailer dress	Sewing charges	43,800.00	43,800.00	43,800.00	27.02.2020
5	Supriyasinha	Contractor	11,31,666	11,31,666	11,31,666	2.01.2020
6	Sanjay choudhry	Contractor	4,30,292.00	4,30,292.00	4,30,292.00	11.01.2020
7	Sk Enterprises	Purchase of hund pump artices	20,000.00	20,000.00	20,000.00	1.07.2019
8	Common service centere	Trainin charges	73,887.00	73,887.00	73,887.00	31.07.2019
9	Jitenderkumar	Advertiseme nt charges	40,000.00	40,000.00	40,000.00	16.09.2019
10	Jitender media venture	Advertiseme nt charges	26,500.00	26,500.00	26,500.00	03.09.2019
11	Supriya sinha	contractor	5,26,343.00	5,26,343.00	5,26,343.00	14.09.2019
12	Udaykumar Bharti	Advertiseme nt charges	20,000.00	20,000.00	20,000.00	26.10.2019
13	Kuldeep service	Fuel charges	70,351.00	70,351.00	70,351.00	23.12.2019
14	Ratankumar	Training charges	1,81,162.00	1,81,162.00	1,81,162.00	23.12.2019
15	Ravi ranjan	Contractor	12,79,609.00	12,79,609.00	12,79,609.00	8.11.2019
16	Adit computer	Purchase of photo printer & paper	23,577.00	23,577.00	23,577.00	24.12.2019

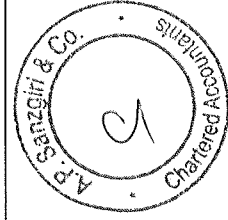
4	Consequences/Effect	Irregularities in payment lead to excess payment, wrong deductions, non-compliance with agreement and statutory compliances.
5	Cause	Cases were identified during audit and observations given.
6	Corrective Action	Management can implement standard checklist for each payment so that irregularities in payments

	can be avoided.
7	Management Comments NA

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

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

S.N	Head	Comments
1	Objective	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	Criteria	Survey was done for 20 High value properties.
3	Condition	We have checked twenty high value assessed property and found no variances related to FY 2019-20 during audit. Details of such cases are given in Annexure-2
4	Consequences/Effect	Irregularities in this area may cause short recovery of revenue receipt and it will result in loss to the ULB.
5	Cause	There are no cases found in which variance arise.
6	Corrective Action/Recommendation	Management need to carry survey of properties on regular interval.
7	Management Comments	Kindly refer discussion note attached with the report.

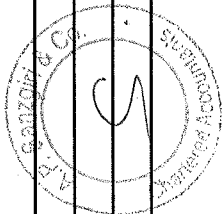


PART-B: ALL AUDIT OBJECTIONS/IRREGULARITIES WHICH HAS MONETARY IMPLICATION, BUT SIGNIFICANT VIOLATION OF ACT, RULES & DIRECTIVES OF UD & HD, MENTION THE REFERENCE TO ACT & RULES WHEREIN REMEDIAL MEASURE IS REQUIRED:

(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	Not Maintained	
2	Cash Book-Accountant	Maintained	31.03.2020
3	Collection Register	Maintained	31.03.2020
4	Cheque issue Register	Maintained	31.03.2020
5	Register of Advance	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	
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	Not maintained	
17	Document Control Register/Stock Account Receipts/Cheque Book	No Maintained	
18	Fixed Assets Register	Not Maintained	
19	Summary Statement of Demand Raised on assessment	Not Maintained	
20	Summary Statement of Head wise Collection of Other Income	Not Maintained	
21	Summary Statement of Refunds	Not Maintained	
22	Summary Statement of Write off	Not Maintained	
23	Grant Register	Not Maintained	
24	Summary Statement of status of Capital Work in Progress	Not Maintained	
25	Work Sheet	Not Maintained	
26	Deposit Works Register	Not Maintained	

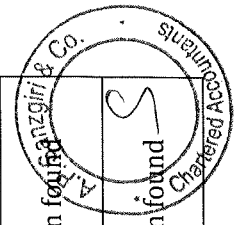


27	Material Receipt Note	Not Maintained
28	Store Ledger	Not Maintained
29	Statement of Closing Stock	Not Maintained
30	Statement of Material Issued	Not Maintained
31	BRS of all bank accounts (including dormant accounts)	Not Maintained
32	Final Accounts for the F.Y. 2012-13 to 2017-18	Not maintained
33	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	Check all required deductions from bill has made or not	Whether Deductions are with appropriate Rate	Check signature of Commissioner /EO 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 that no deviation has been made for the sanctioned plans and the estimates without the sanction of the competent authority; (BMAR Rule No.-130)
1	Sanjay choudhry	4,83,474.00	ALL DEDUCTION MADE	YES	YES	YES	Furnished and no deviation found
2	Laxmidevi	4,83,474.00	ALL DEDUCTION MADE	YES	YES	YES	Furnished and no deviation found
3	Supriyasingh	12,71,535.00	ALL DEDUCTION MADE	YES	YES	YES	Furnished and no deviation found
4	Rajiv kumarlochan	4,37,314.00	ALL DEDUCTION MADE	YES	YES	YES	Furnished and no deviation found



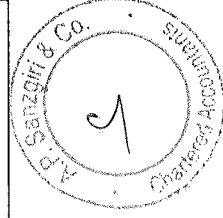
5	Nirajkumar	4,83,474.00	ALL DEDUCTION MADE	YES	YES	YES	Furnished and no deviation found
6	Rajiv ranjan	19,80,844.00	ALL DEDUCTION MADE	YES	YES	YES	Furnished and no deviation found
7	Ms chitranjancont echpvt ltd	47,31,597.00	ALL DEDUCTION MADE	YES	YES	YES	Furnished and no deviation found

2. DETAILS OF LOG BOOK MAINTAINED:

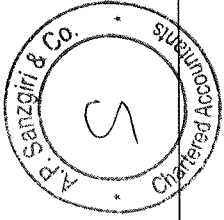
S.N	Name of Vehicle	Whether vehicle log book is maintained or not	Whether log book is properly updated or not	Whether vehicle is insured or not	Whether Rate of Diesel/Petrol properly mentioned in log book
1	JCB (02 nos.)	Yes	No	No	No
2	Tractor (2 nos.)	Yes	No	No	No
3	Tipper (6 nos.)	Yes	No	No	No
4	Section Machine	Yes	No	No	No

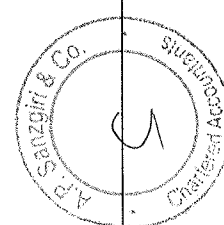
(c). NON-COMPLIANCE OF DIRECTIVES BY UD&HD, GOB:

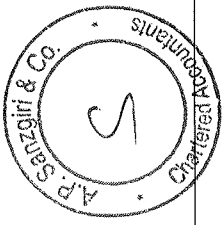
S.N	Direction issued by UDHD	Particulars of Circulars/Orders/Notice	Complied or Not
1	Gyapank No.- 1497; Dated- 30.10.2019	Survey of "use of Ply ash and Bricks" and compliance of direction given in this regard . And availability of copy for compliance of direction for decision taken in the Meeting held in this behalf as on 26.09.2018.	Complied

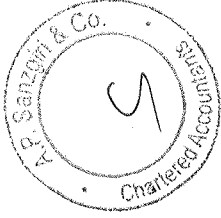


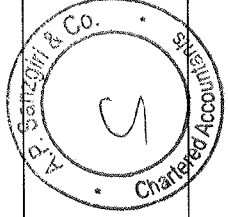
(d). NON COMPLIANCE OF ACTS& RULES:

S.N	Requirement	Criteria	Auditors Comment	Management Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made.	BMAR Rule No.-22	Refer point: Part-A (a) (2) The same rule did not follow by Tax Collector and on an average 9 to 31 days delayed found in hand of Tax Collector	(Kindly Refer Attached 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.	

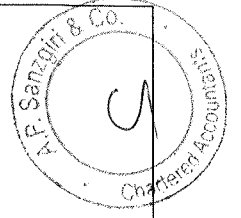
5	Whether every bill collector invariably remit his collections (in cash and/or cheques) to Cashier dally before 4.30 PM and take the cashier's acknowledgment in the collection register.	BMAR Rule No.- 27	Refer point: Part-A (a) (2) The same rule did not follow by Tax Collector and on an average 9 to 31 days delayed found in hand of Tax Collector;	(Kindly Refer Attached Discussion Note).
6	Whether Grant Register as prescribed in BMAR Form 28 was maintained by the Municipality to record receipts and utilization of grants sanctioned by the Government.	BMAR Rule No.- 69	No.	ULB is not in practice of maintaining Grant Register.
7	Whether specific grants, which have certain conditions attached for utilizing such grants including the requirement to use it for capital purposes or use it in a particular proportion or manner. Usually such grants have requirements for submitting utilization certificates e.g. Finance Commission grant, SFC grant for specific purpose, namely, road repairs. It is the responsibility of the Chief Municipal Officer that the conditions attached to the grant are complied with without exception.	BMAR Rule No.- 69	Refer point: Part-B (h)	
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	Refer PART-B (h) Yes, but complete UC has not been prepared;	(Kindly Refer Attached Discussion Note).
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;	(Kindly Refer Attached Discussion Note).
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	BMAR Rule No.- 121	No	

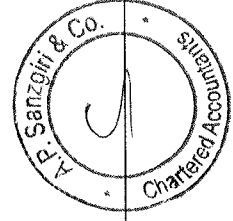
	<p>month following each quarter.</p> <p>The Chief Municipal Officer shall, Within three months after the end of each financial year be prepared financial statements for the preceding year in respect of the accounts of the Municipality. The Financial Statements shall comprise of</p> <p>a. Receipts and Payments Account for the year (BMAR Form No.71)</p> <p>b. Income & Expenditure Statement for the year (BMAR Form No.73)</p> <p>c. Balance Sheet as on 31st March of the year (BMAR Form No.74)</p> <p>d. Significant accounting policies adopted by the Municipality in presentation of the financial statements.</p> <p>e. Notes to Accounts, which shall disclose Contingent liabilities, and such other information as, may be useful in understanding the financial statements clearly.</p> <p>f. Comparative amounts shall be entered on the financial statements for the preceding</p>	<p>BMAR Rule No.- 122</p>	<p>Financial Statement has not been prepared by municipality.</p>	<p>ULB not in a practice to prepare Trial Balance, Income and Expenditure and Balance Sheet. It will be prepare after implementation of double entry Accounting System.</p> <div style="text-align: right;">  </div>
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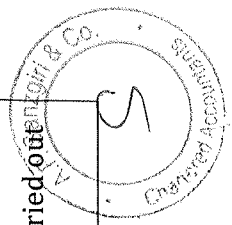
	financial year except. In the case of the first year to which those rules apply.				
15	Whether the municipality is regular in depositing statutory dues including Tax deducted at source, GST, TDS on GST, service tax, VAT, works contract tax, cess payable to the government etc. and If not, the nature and cause of such delay and the amount not deposited: (BMAR Rule No.-130).	BMAR Rule No.-130	Refer PART-B (f) Amount of statutory dues has not been deposited on due date.	(Kindly Refer Attached Discussion Note).	
16	Whether the municipality is regular in remittance of pension and leave encashment contributions or any other amounts which the municipality is liable to remit towards the retirement dues of its employees, including employees on deputation; (BMAR Rule No.-130).	BMAR Rule No.-130	Refer PART-B (g)		
17	Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated in sufficient detail.	BMAR Rule No.-130	Yes		
18	Whether all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any	BMAR Rule No.-130	Yes		

	deduction is made out of such grants towards any dues of the ULB? Whether such deductions have been properly accounted.				
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	Yes		
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	No		
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)		(Kindly Refer Attached Discussion Note).
22	Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery,	BMAR Rule No.-130	Yes Procedure have been followed.		



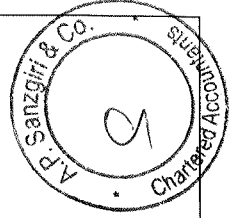
	equipment and other assets?			
23	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality' s accounts; If so, the details thereof.	BMAR Rule No.-130	No such case was found during the period of Audit.	
24	Whether the Bank Reconciliation statements have 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	Refer Point-04 (III) Yes BRS of all existing bank a/cs, except one bank a/c, have been prepared. Remedial Action,rectification of entries have been made in proper order. reconciliation statement	
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules.	BMAR Rule No.-130	Yes	
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	

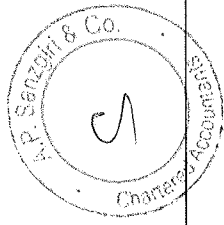


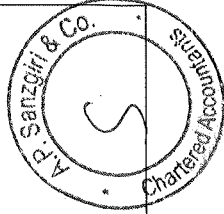


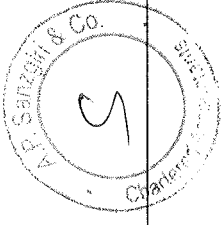
27	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis.	BMAR Rule No.-130	Refer-PART-A (a) (4) Yes, properly assessed and collected but recovery procedure is slow.	(Kindly Refer Attached Discussion Note).
28	Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act.	BMAR Rule No.-130	Refer-PART-A (a) (2) Yes, sums due to and received by ULB have been brought to books of accounts. But it takes on an average 9 to 31 days in case of holding tax. This delay was found in hand of tax collector;	(Kindly Refer Attached Discussion Note).
29	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order.	BMAR Rule No.-130	Yes, during the period of Audit we did not found that specific grant utilised other than specific purpose for which it received.	(Kindly Refer Attached Discussion Note).
30	Whether, proper books of account as required by the Act and Rules have been kept by the Municipality so far as It appears from examination of those books. (Rule-130 of BMAR-2014)	BMAR Rule No.-130	Refer-PART-B (a) Some Books of accounts has not been prepared;	(Kindly Refer Attached Discussion Note).
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;	(Kindly Refer Attached Discussion Note).
32	Whether the procedures of physical verification of stores followed by the ULB	BMAR Rule No.-130	No physical verification is carried out.	No physical verification is carried out.

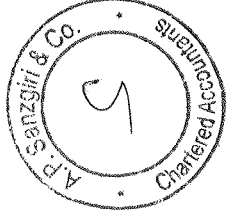
	are reasonable and adequate?			
33	Whether any material discrepancies have been noticed on physical verification of stores as compared to book records, and If so, whether the same has been properly dealt with in the books of account; Whether proper procedures are in place to Identify any unserviceable 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;	(Kindly Refer Attached Discussion Note).
34	Whether the valuation of stores is in accordance with the accounting principles laid down In the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of such deviation, if material, should be reported;	BMAR Rule No.-130	ULB did not follow the practice of valuation of stock.	(Kindly Refer Attached Discussion Note).
35	Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the Interest and If not, whether reasonable	BMAR Rule No.-130	No any Advance given by ULB	



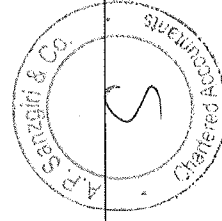
	steps have been taken by the municipality for recovery of the principal and interest?				
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.-130	No any Advance given by ULB		
37	Bihar Municipal Accounting Manual, 2014, every year budget should be prepared for receipts and expenditure in Performa 75,77 and 80 Preparing Budgets as per the Rules framed under Bihar Municipal Accounts Rule 2014. Rule 132 regarding Public Participation in Preparation Of Budget. Moreover, as required under provisions of Rule 139, mid - year review of Budget.	BMAR Rule No.-132	Yes, budget is prepared		
38	Municipal Fund: Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007: Chapter IX	Not found		
39	Payment not to be made out of Municipal Fund unless covered by budget grant: Whether any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	No such case was found during Audit period.		

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

43	<p>Maintenance of accounts. 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;	<p><i>(Kindly Refer Attached Discussion Note).</i></p>
44	<p>Financial Statement. Whether The Chief Municipal Officer shall, within four months of the close of a year, cause to prepare a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality,</p>	Not Prepared;	<p><i>(Kindly Refer Attached Discussion Note).</i></p>
45	<p>Submission of financial statement and balance sheet to auditor. The financial statement prepared under section 88 and the balance sheet of the assets and the liabilities prepared under section 89 shall be placed by the Chief Municipal Officer before the Empowered Standing Committee which, after examination of the same, shall adopt and remit them to the Auditor as may be</p>	Financial Statement has not been submitted.	<p><i>(Kindly Refer Attached Discussion Note).</i></p> 

	<p>appointed in this behalf by the State Government.</p>			
<p>46</p>	<p>As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act,2007 various tax are applicable on ULBs</p> <p>Section 145,146 and 147 of the Bihar Municipal Act 2007 chapter XVII provides for Advertisement tax on Advertisement in Urban Areas. Chapter XVII of the Bihar municipal Act, 2007 required license of Advertisement of any holding, etc. As per act Every person who erects, exhibited, fixes or retain upon or over any land, building ,wall, boarding, frame, post, kiosk, structure, vehicle, neon-sign or sky sign any advertisement, or display any advertisement to public view in any manner whatsoever (including any advertisement exhibited by means of cinematograph),visible from a public street a public place in any location in a municipal area including airport or a port or a railway station ,shall pay or every</p>		<p>Yes</p>	

	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.				
47	As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007,) Municipality shall, by regulations, provide for issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore,	BMA,2007: Chapter XIX	Refer-PART-A(a)(3) Yes, Notice of demand issued but levy of Notice Fee is not followed currently.	(Kindly Refer Attached Discussion Note).	
48	As per section 342 of Bihar Municipal Act, 2007 Trade license fee is to be collected from different types of Trader, who are trading in Concerned Municipal area.	BMA,2007: Chapter XXXVII	No		



(e) LACK OF INTERNAL CONTROL MEASURES:

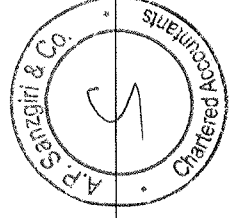
We have observed the following areas where internal Control measures are required by ULBs-

- a. Tax should be collected & deposited on timely basis as per BMAR Rules-As per trend every tax collector takes 9 to 31days to deposit the samafter 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.

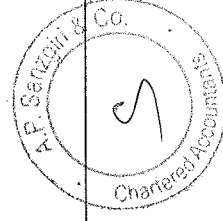
(f) NON-COMPLIANCE OF TDS, VAT AND OTHER RELEVANT STATUTE

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

S. N	Name of Party	Invoice Value	Amount deduction	Due date of deposit	Actual Date of deposit	Cheque/ Challan Number
1	Sanjay choudhry	4,83,474.00	4,835.00			
2	Laxmidevi	4,83,474.00	4,835.00			
3	Supriyasingh	12,71,535.00	12,715.00			
4	Rajiv kumarlochan	4,37,314.00	4,373.00	30.04.2020		
5	Nirajkumar	4,83,474.00	4,835.00			
6	Rajiv ranjan	19,80,844.00	19,808.00			
7	Ms chitranjancontechpvt ltd	47,31,597.00	47,316.00		Not deposited	NA
8	Santosh kumar	6,89,276.00	6,892.00	7-10-2019		
9	Kiran devi		19,245.00	7-9-2019		

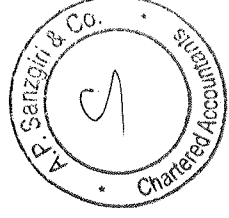


		19,24,535.00				
10	Kiran devi	23,66,185.00	23,662.00	7-9-2019	Not deposited	NA
11	Kiran devi	5,87,202.00	5,872.00	7-10-2019		
12	Ravi ranjan	18,31,587.00	18,316.00	7-8-2019		
13	Ravi ranjan	10,83,859.00	10,839.00	7-10-2019		
14	Santosh kumar	689,276.00	6,892.00	07.11.2019		
15	Ashok kumar	648,625.00	6,486.00	07.11.2019		
16	Kiran Devi	1,924,535.00	19,245.00	07.11.2019		
17	Kiran Devi	2,366,185.00	23,662.00	07.11.2019		
18	Kiran Devi	587,202.00	5,872.00	07.11.2019		
19	Ravi Ranjan	1,831,587.00	18,316.00	07.12.2019		
20	Ravi Ranjan	1,083,859.00	10,839.00	07.12.2019		
21	Kiran Devi	9,683,412.00	9,683.00	07.12.2019		
22	Ravi Ranjan	1,437,763.00	14,378.00	07.12.2019		
23	Santosh kumar	689,276.00	6,892.00	07.12.2019		



b. DETAILS OF DEPOSIT OF ROYALTY ARE MENTIONED BELOW:

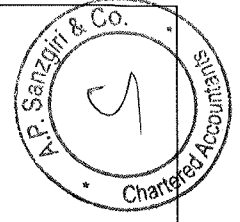
S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/Challan Number
1	Sanjay choudhry	4,83,474.00	9,669.00		
2	Laxmidevi	4,83,474.00	9,669.00		
3	Supriyasingh	12,71,535.00	25,431.00		
4	Rajiv kumarlochan	4,37,314.00	8,746.00		
5	Nirajkumar	4,83,474.00	9,669.00		
6	Rajiv ranjan	19,80,844.00	39,617.00		
7	Ms chitranjancontechpvt ltd	47,31,597.00	64,694.00		
8	Santosh kumar	6,89,276.00	13,786.00		
9	Kiran devi	19,24,535.00	38,491.00		
10	Kiran devi	23,66,185.00	47,324.00	Not deposited.	NA
11	Kiran devi	5,87,202.00	11,744.00		
12	Ravi ranjan	18,31,587.00	36,632.00		
13	Ravi ranjan	10,83,859.00	21,677.00		
14	Santosh kumar	689,276.00	13,786.00		
15	Ashok kumar	648,625.00	12,973.00		
16	Kiran Devi	1,924,535.00	38,491.00		
17	Kiran Devi	2,366,185.00	47,324.00		
18	Kiran Devi	587,202.00	11,744.00		



19	Ravi Ranjan	1,831,587.00	36,632.00
20	Ravi Ranjan	1,083,859.00	21,677.00
21	Kiran Devi	9,683,412.00	19,367.00
22	Ravi Ranjan	1,437,763.00	28,755.00
23	Santosh kumar	689,276.00	13,786.00

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

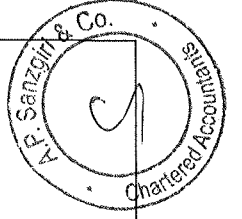
S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/Challan Number
1	Sanjay choudhry	4,83,474.00	4,835.00		
2	Laxmidevi	4,83,474.00	4,835.00		
3	Supriyasingh	12,71,535.00	12,715.00		
4	Rajiv kumarlochan	4,37,314.00	4,373.00		
5	Nirajkumar	4,83,474.00	4,835.00		
6	Rajiv ranjan	19,80,844.00	19,808.00		
7	Ms chitranjancontechpvt ltd	47,31,597.00	47,316.00		
8	Santosh kumar	6,89,276.00	6,892.00		
9	Kiran devi	19,24,535.00	19,245.00	Not deposited.	
10	Kiran devi	23,66,185.00	23,662.00		
11	Kiran devi	5,87,202.00	5,872.00		
12	Ravi ranjan	18,31,587.00	18,316.00		
13	Ravi ranjan	10,83,859.00	10,839.00		NA



	Santosh kumar	689,276.00		6,892.00	
14	Ashok kumar	648,625.00		6,486.00	
15	Kiran Devi	1,924,535.00		19,245.00	
16	Kiran Devi	2,366,185.00		23,662.00	
17	Kiran Devi	587,202.00		5,872.00	
18	Ravi Ranjan	1,831,587.00		18,316.00	
19	Ravi Ranjan	1,083,859.00		10,839.00	
20	Kiran Devi	9,683,412.00		9,683.00	
21	Ravi Ranjan	1,437,763.00		14,378.00	
22	Santosh kumar	689,276.00		6,892.00	

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

S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/Challan Number
1	Sanjay choudhry	4,83,474.00	9,669.00	Not deposited.	NA
2	Laxmidevi	4,83,474.00	9,669.00		
3	Supriyasingh	12,71,535.00	25,431.00		
4	Rajiv kumarlochan	4,37,314.00	8,746.00		
5	Nirajkumar	4,83,474.00	9,669.00		
6	Rajiv ranjan	19,80,844.00	39,617.00		
7	Ms chitranjancontechpvt ltd	47,31,597.00	94,632.00		
8	Santosh kumar	6,89,276.00	13,786.00		
9	Kiran devi	19,24,535.00	38,491.00		
10	Kiran devi	23,66,185.00	47,324.00		



11	Kiran devi	5,87,202.00	11,744.00
12	Ravi ranjan	18,31,587.00	36,632.00
13	Ravi ranjan	10,83,859.00	21,677.00
14	Santosh kumar	689,276.00	13,786.00
15	Ashok kumar	648,625.00	12,973.00
16	Kiran Devi	1,924,535.00	38,491.00
17	Kiran Devi	2,366,185.00	47,324.00
18	Kiran Devi	587,202.00	11,744.00
19	Ravi Ranjan	1,831,587.00	36,632.00
20	Ravi Ranjan	1,083,859.00	21,677.00
21	Kiran Devi	9,683,412.00	19,367.00
22	Ravi Ranjan	1,437,763.00	28,755.00
23	Santosh kumar	689,276.00	13,786.00

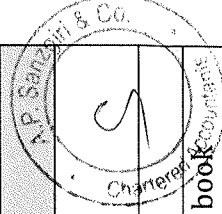
e. DETAILS OF TDS RETURNS FILLED ARE MENTIONED BELOW:

S.No	Quarter	Due date of Return	Actual date of return filled	Remark
1	Quarter-1	31-07-2019	Not filled	Not filled
2	Quarter-2	31-10-2019	19.10.2019	Not filled
3	Quarter-3	31-01-2020	Not filled	Not filled
4	Quarter-4	31-07-2020	Not filled	No delay

Management comment: (Kindly Attached Refer Discussion Note)

(g). DEFICIENCY IN PAYROLL SYSTEM:

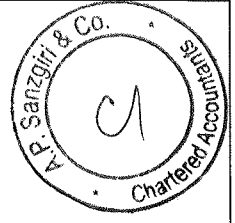
S.N	Particulars	Comments
1	Status of maintenance of salary register for all employees (Permanent/Daily wages/Contract worker)	Yes Maintained
2	Non availability of Salary payment voucher	Available
3	Matching of voucher number with cash book	Yes Matched with cash book



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	Due date of deposit	Amount Deposit	Actual Date of deposit	Delay in days
April	4190.00	15.5.19			
May	4190.00	15.6.19			
June	4190.00	15.7.19			
JULY	4,317.00	15.8.2019			
AUG	4,317.00	15.9.2019			
SEP	4,317.00	15.10.2019	NA	Not deposited	More than 1 and half Year
Oct	4,317.00	15.11.2019			
Nov	4,317.00	15.12.2019			
Dec	4,317.00	15.01.2020			
Jan	4,330.00	15.2.2020			
Feb	4,330.00	15.3.2020			
March	4,330.00	15.4.2020			



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

STATUS OF UTILIZATION CERTIFICATE: The same is prepared with 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 inventory/stores:

ULB did not follow the practice of physical verification of stock.

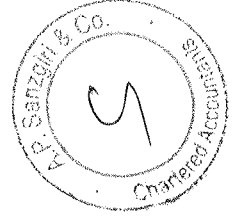
Management comment: (kindly Refer Discussion Note)

(j) Advances, their adjustment & recovery:

ULB did not give loan/advance, hence there are no case of adjustment and recovery.

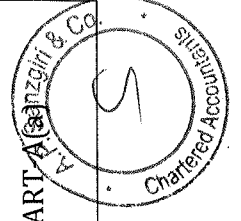
Management comment: (kindly Attached Refer Discussion Note)

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

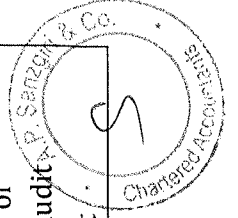


III. PART-C

S.N	Particulars	Complied or Not
A	<p>Auditor should report in a separate section for non-compliance of rules/directives of UD&HD, GoB;</p> <p>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.</p>	<p>Complied</p> <p>Refer-PART-B(C)</p>
B	<p>Auditor should Report in a separate chapter on implementation of SAS of Property Tax in the ULB;</p> <p>internal auditor should witness some assessment procedures to check any in-consistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actuals as per internal audits;</p>	<p>Complied</p> <p>Refer-PART-A(c)</p>
C	<p>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 :</p> <p>Rule 22: All moneys to be brought to account</p> <p>Rule 27: Collections to be deposited into Bank on the same day</p> <p>Rule 69: Grant Related Compliance</p> <p>Rule 120-121: Monthly Receipt & Payment Account and Trial Balance</p> <p>Rule 130: Audit to be completed & reported within 6 month</p>	<p>Complied</p> <p>Refer-PART-B(d)</p>
D	<p>Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, GoB.</p>	<p>Complied</p> <p>Refer-PART-B(c)</p>
E	<p>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;</p>	<p>Complied</p> <p>Refer-PART-A</p>



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
7J	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

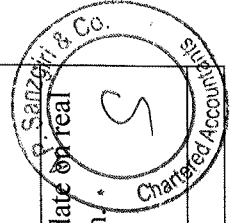


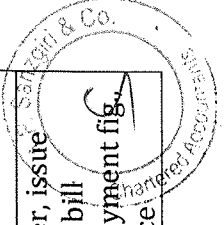
4. DETAIL AUDIT OBSERVATIONS

RISK ASSESSMENT

Name of the ULB: Nagar Panchayat Hisua

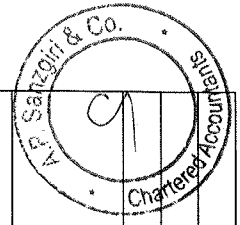
SN	Observations	Risk Rating	Design Gap	System Gap	Operating Gap	Management Comment	Auditor Recommendations
DEMAND GENERATION							
1	Loss of Revenue due to under assessment/ wrong generation of demand	NA	NA	NA	NA	NA	NA
2	Collusion with citizen regarding assessment	NA	NO	NO	NO	NA	NA
3	Non-updating various 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	NA	NA	NA	NA	NA	NA
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		
REVENUE EXPENDITURE							
1	Error in Over Payment	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA
3	Loss of authentication	NA	NA	NA	NA	NA	NA
4	Perpetrated Fraud (Like Payment more than one time on same bill)	NA	NA	NA	NA	NA	NA
5	Non-updating various register like bill register with payment figure etc.	M	NA	NA	YES	We have shortage of skilled employees and due to this we are facing problem like this.	Bill registers etc should be updated on real time basis transaction.
6	Others	NA	NA	NA	NA	NA	NA



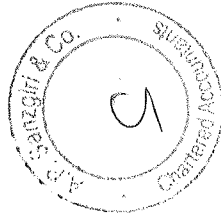


ESTABLISHMENT EXPENDITURE									
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with Employee	NA	NA	NA	NA	NA	NA	NA	NA
5	Perpetrated Fraud (Like Payment more than one time on same bill)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

												register, etc should be update on real time basis transaction.
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 un-spent	M	NA	NA	NA	NA	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	NA	NA	NA	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	NA	NA	NA	YES	Will be updated very soon by deploying skilled staff.	Grant register, work register, bill register with payment fig., advance register etc. must be maintained and updated.				
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 investment register, Bank book, cash book, etc.	NA	NA	NA	NA	NA	NA	NA	NA			
7	Other	NA	NA	NA	NA	NA	NA	NA	NA			
UNAUTHORIZED ADVANCE												
1	Unauthorized release of advance	NA	NA	NA	NA	NA	NA	NA	NA			

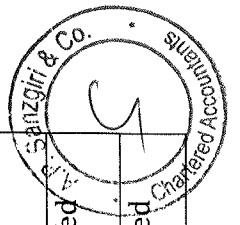


2	Release of advance beyond authority	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Non-adjustment of loan or advance during the year	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with employee/party to release advance/ loan beyond authority	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Advance/loan not account for	NA	NA	NA	NA	NA	NA	NA	NA	NA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

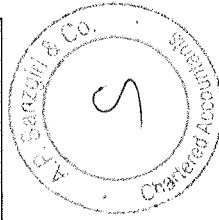


LIST OF IMPORTANT REGISTERS

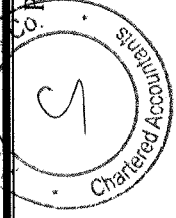
NAME OF THE ULB		Hisua Nagar Panchayat			
RISK RATING:		HIGH			
CAG OBSERVATIONS STATUS		COMPLIANCE REPORT SENT (534/2014-15, Dated 26.05.2018)			
SN	Particulars	Audit Observation	Associates Risk	Management Comment	Status (Resolved or not)
1	Cash Book	Maintained	NA	NA	NA
2	Ledger	Not Maintained	HIGH	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	NA	Not Resolved
6	Register of Money Orders/Bank Draft Received	Not Maintained	HIGH	Will be maintained from upcoming year.	
7	Cheque Issue Register	Maintained	HIGH	NA	NA
8	Register of Remittances made into bank	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved
9	Bank Passbook	Maintained	HIGH	NA	NA
10	Register of Bank drafts dispatched	Maintained	HIGH	NA	NA
11	Bill Register	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved
12	Establishment Register	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved
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



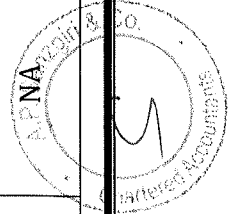
16	Fixed Assets Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved			
17	Grant Register	Maintained	NA	NA	NA			
18	Scheme Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved			
19	Monthly accounts of Receipts/ Payments	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved			
20	Temporary Advances Register for Staff, Customers/ supplier/VEC and TA/DA Advance	NA	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			



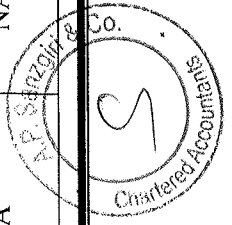
CASH AND BANK						
Name of the ULB		Hisua Nagar Panchayat				
RISK RATING:		HIGH				
CAG OBSERVATIONS STATUS		COMPLIANCE REPORT SENT (534/2014-15,Dated 26.05.2018)				
PERIOD:		F.Y. 2019-20				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Check whether there is no any undue delay in presentation of cheque /DD received, to bank	No such cases observed during the said period of Audit.	NA	NA	NA	NA
2	Whether cheque/draft issue/ receipt/ dishonored register have been maintained as per prescribed form (As Per BMAM) & entry are made on properly, accurately & timely basis.	Yes, the same has been maintained	NA	NA	NA	NA
3	Whether banking transactions (receipts & Payments) are matched with cash book, Cheque issue register, collection register, etc., Verify the same with Bank statement & BRS,	Yes, it is matched with cash book	NA	NA	NA	NA
4	Whether cheque issue register are matched with cash book	Yes, it is matched with cash book.	NA	NA	NA	NA
5	Whether proper steps has been taken for dishonored cheque, it was realized in cash or not,	No such cases observed during the Audit period.	NA	NA	NA	NA
6	Whether Bank Reconciliation has been made for each account, verify the status of BRS, (attached BRS as annexure)	Bank reconciliation statement has not prepared by ULB on regular basis.	NA	NA	Will be prepared from upcoming year.	Should be prepared to trace whether



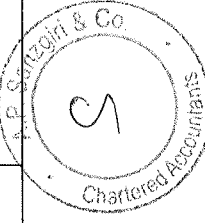
					However there is no difference between Cash Book balance and Bank Pass Book due to cash book maintained on the basis of Pass Book transaction.					transaction accurately recorded in books of accounts or not.
7	Check whether no any fraud payment or payment to other person has been made,		NA	NA	No such case found payments selected for audit		NA	NA	NA	NA
8	Whether bank statement for all account have been promptly received from bank.		NA	NA	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.		Medium	Will be prepared from upcoming year.	Should be prepared to trace whether transaction accurately recorded in books of accounts or not	
9	Number of Bank accounts maintained		NA	NA	08 bank accounts are maintained.		Medium	Will issue instructions to staff to collect monthly statements from bank	Need to make statement file for each bank account	
10	Original copy of cancelled receipt is attached with duplicate copy with "CANCELLED" marked on it.		NA	NA	Not Maintained		High	It will be implemented now onwards	Need to be maintained	
11	Liability for stale cheques account review is done and necessary reversal entries are passed		NA	NA	Done		NA	NA	NA	
12	Any other		NA	NA	NA		NA	NA	NA	



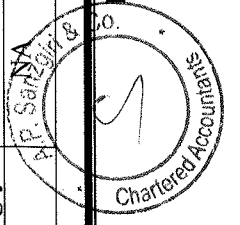
PUBLIC WORKS						
	Name of the ULB	Hisua Nagar Panchayat				
	RISK RATING:	HIGH				
	CAG OBSERVATIONS STATUS	COMPLIANCE REPORT SENT (534/2014-15,Dated 26.05.2018)				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether bill has been prepared 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



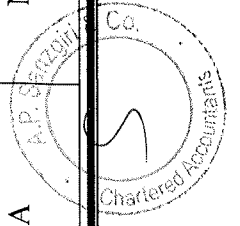
7	Whether master roll(machine numbered & authorized) has been maintained for details of store, specifying:								
8	• Date of Issue	NA							
9	• Name of Subordinate	NA							
10	• Name of Work	NA							
11	• Number of Labour	NA							
12	• Period of Engagement	NA							
13	• Details of Payment (Date, 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	As per information provided to us, JE of the Concerned ULB is verifying the same on Periodically gap.	Yes	NA	NA
16	Any Other	NA	NA	NA	NA	NA	NA	NA	NA



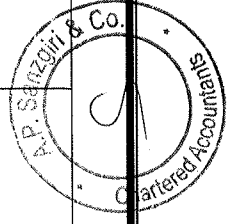
Cash Book						
Name of the ULB		Hisua Nagar Panchayat				
RISK RATING:		HIGH				
CAG OBSERVATIONS STATUS		COMPLIANCE REPORT SENT (534/2014-15, Dated 26.05.2018)				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether Opening Balance & Closing Balance was worked out or not,	Yes	NA	NA	NA	NA
2	Whether posting of receipt & payment side of cash book are properly maintained & it was matched with proper evidence like Receipt Voucher, Cheque issue Register, Bank Statement, etc.,	Posting of transactions in receipt 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,	Kindly refer Annexure-1 Attached with report.				
6	conduct physical verification of cash and report heavy cash balance if any	ULB did not physically verify Cash.		LOW	We will put the matter before board and follow accordingly.	No
7	Any Other	NA	NA	NA	NA	NA



Collection						
Name of the ULB		Hisua Nagar Panchayat				
RISK RATING:		HIGH				
CAG OBSERVATIONS STATUS		COMPLIANCE REPORT SENT (534/2014-15, Dated 26.05.2018)				
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.		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

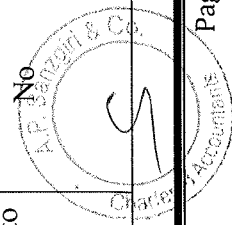


7	Whether all collections made during the day are account for & banked on next working day or there is any teaming & lading,	No, There is gap between collection and deposit of money in to bank. Kindly also refer Annexure-1 attached with this report	NA	High	We will follow Bihar Municipal Act now onwards.	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	NA	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	HIGH	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 after duly sanction or without sanction.	NA	NA	NA	NA

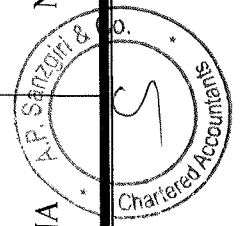


16	Whether any immediate steps has been taken or not for cheque dishonored received	No such cases found during audit	NA	NA	NA	NA
17	Whether reversal of payment has been made for any dishonored cheque	No such cases found during audit	NA	NA	NA	NA

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

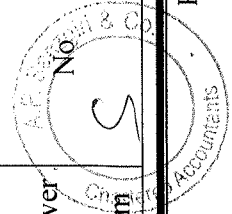


5	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	Yes, in case of taxes remission/discount is given to households but there is no mechanism to trace that this refund or remission was given after duly sanction or without section.	NA	NA	NA	NA
6	Ensure whether there is any clerical error in calculation,	We have checked some cases on random and such instances not found.	NA	NA	NA	NA
7	Whether demand register in prescribed format is maintained or not,	Not Maintained	NA	Medium	We will maintain it now onwards.	No
8	Whether persons involve in calculation/collection have knowledge of their responsibility.	Yes, but they do not have knowledge of BMAM and BMAR	NA	NA	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 to recover dues from them.	NA	High	We look in to this matter and will be send notice to concern person for the same.	No
13	Whether penalty (@2% P.M/ 1.5%) has been charged on late payment,	We have checked transactions on random basis and it is found that	NA	NA	NA	NA

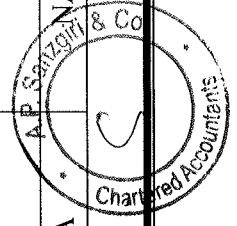


		penalty is charged.					
14	Whether Demand, Collection & Balance Register has been prepared on daily basis for all receipts or not, & it would be authorized by proper authority or not,	Demand, Collection and Balance register is not maintained by the ULB.	NA	High	Due to lack of staff, it is difficult to maintain on daily basis.	No	
15	Whether there are adequate safeguard on data has been operated or not,	Yes	NA	NA	NA	NA	
16	Whether self assessment property tax return for payment of property tax has been filed by the assesses in the prescribed format,	We have checked transactions on random basis and it is found that SAF is implemented.	NA	NA	NA	NA	
17	Whether there is any collusion with customer/holding w.r.t. assessment, payment, etc.	No such instances found	NA	NA	NA	NA	

ESTABLISHMENT							
	Hisua Nagar Panchayat						
	HIGH						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)	
1	Whether establishment expenditure is sanctioned by authorised person & it has been within sanctioned limit,	Yes, it has been authorized by appropriate person within limit.	NA	NA	NA	NA	
2	Whether service log book has been maintained & up to date or not,	It is not produced before us during audit.	NA	NA	We did not maintain, however same will be maintained from	No	

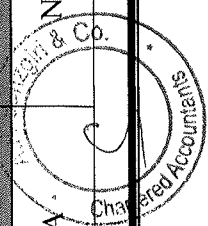


	Whether the bill prepared according to sanctioned scale,	Yes	NA	NA	NA	NA	NA
10	Whether the bill prepared according to sanctioned scale,	Yes	NA	NA	NA	NA	NA
11	Whether no any payment is made to employee whose service retired in any Manner	No such instances found	NA	NA	NA	NA	NA
12	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	No such instances found	NA	NA	NA	NA	NA
13	Whether all statutory deduction or adjustment has been made before payment,	Yes	NA	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	NA
15	To check salary bills.	No Salary bill is prepared by the ULB.	NA	Medium	It will be implemented in future.	No	No
16	Position of outstanding advances paid to Employees	NA	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	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	NA
19	To check whether salary bill is prepared in such a manner that it gives breakup of the amount of bill and all adjustments such as deduction of PF, TDS and other advances and loans etc.	No salary bill prepared by ULB; however a register containing of all details of deduction and their adjustment has been maintained.	NA	NA	NA	NA	NA
20	Check Retirement benefit to employee	No such instances found	NA	NA	NA	NA	NA

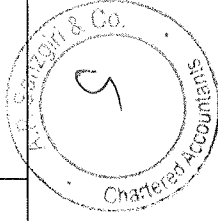


21	Personnel Appointments and to see whether all records are updated from time to time.	Yes	NA	NA	NA	NA	NA
22	Dismissal and Resignation/ Termination	No Such case found.	NA	NA	NA	NA	NA
23	Temporary workers	Yes	NA	NA	NA	NA	NA
24	Overtime	No Such case found	NA	NA	NA	NA	NA
25	Attendance Register To check 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
26	Personnel Files	Not produced before us during audit	NA	NA	NA	NA	NA
27	Training of employees(including Skill development Levy)	No such practice at ULB	NA	Medium	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	Registers of medical Leave/CL/EL/maternity/paternity leave will be maintained.	No	No

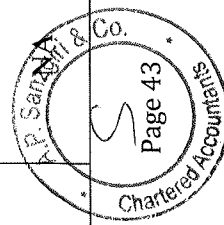
GRANT							
NAME OF THE ULB		Hisua Nagar Panchayat					
RISK RATING:		HIGH					
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)	
1	Maintenance/Updation registers regarding detail of funds received and expenditure.	Grant register is maintained by ULB.	NA	NA	NA	NA	



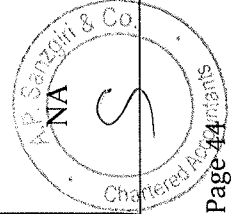
2	Any diversion/re-appropriation of funds not covered under the provision of BMA, 2007 should be pointed out for remedial action.	No such case found	NA	NA	NA	NA
3	To check whether utilization certificate is for actual utilization of funds received	No such UC submitted during this audit period.	NA	HIGH	We are working on it and will be submitted after completion of it.	No
4	It should also be checked that utilization certificate is issued as per prescribed time frame given in the Manual and issue of UCs is not delayed	No such UC submitted during this audit period.	NA	HIGH	We are working on it and will be submitted after completion of it.	No
5	Internal Auditor should also check whether expenditure incurred on each activity does not exceed the budget.	We have checked and found no expenditures exceeds to its budgets.	NA	NA	NA	NA



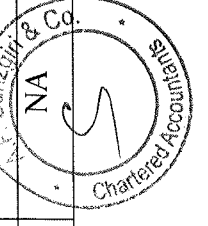
PAYMENT OF BILLS OF CONTRACTORS						
NAME OF THE ULB		Hisua Nagar Panchayat				
RISK RATING:		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Original bill duly signed by contractors is submitted.		NA	NA	NA	NA
2	Contractor has put 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
		We have checked this on random basis and it is found ok.				



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

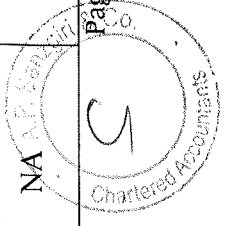


10	Check whether TC have same "Receipt Voucher" which was actually issued by store & it must be authorized by the appropriate authority,	Yes	NA	NA	NA	NA	NA
11	Check that there should be proper recording at each stage (where authority has been changed) of log book/ register for issue/receipt of "Receipt 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,	No such case observed.	NA	NA	NA	NA	NA
14	Verify whether reversible carbon has been used during receipt.	Yes	NA	NA	NA	NA	NA
Other Revenue							
1	Advertisement Tax	ULB is not in a practice to collect it.	NA	NA	NA	NA	NA
2	Tower Tax	ULB has huge outstanding balance to recover and recovery procedure followed is slow.	13.72 lakh	High	We will implement necessary step very soon.	No	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 outstanding balance to recover.	00.675 Lakh	High	We will implement necessary step very soon.	No	No
6	Fee & uses Charges (As details annexed)	NA	NA	NA	NA	NA	NA
7	Other Revenue Items	NA	NA	NA	NA	NA	NA

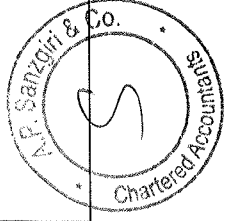


REVENUE EXPENSES							
Hisua Nagar Panchayat							
Medium							
S.N	NAME OF THE ULB	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1		Whether payment is on the basis of sanction/work order letter & incurred by authorized person,	Yes.	NA	NA	NA	NA
2		Whether payment is made through prescribed voucher (As per BMAM),	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, receipt of goods, maintenance of Payment file, etc.,	Yes, the hierarchy is maintained toward contracts work assigned.	NA	NA	NA	NA
5		Whether updation of accounts/books are on proper & timely basis,	No	NA	Medium	Due to lack of human resources the same issues has been arise.	No
6		Whether authorized person verify & sign the document involve,	Yes	NA	NA	NA	NA

Internal Audit Report



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,	NA	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,	NA	NA	NA	NA	NA
14	Whether payment has to be made after confirmation from store,	No such type of practice followed.	NA	Medium	Will follow in future.	No
15	Whether payment for repairs, etc, has to be made on the basis of logbook maintained,	No such type of practice followed.	NA	Medium	We have make payment on the basis of bill raised by service provider	No
16	Whether payment are as per defined approval level sanctioned u/s 75 of BMA,2007,	No such case observed during Audit period.	NA	NA	NA	NA
17	Confirm whether goods/assets received/accepted on or before 31 st 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

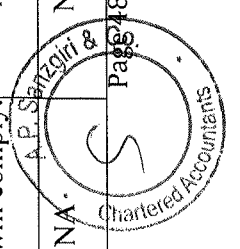


18	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	No such type of cases observed during period of Audit.	NA	NA	NA	NA
19	Whether all statutory deduction or adjustment has been made before payment,	Yes, payment has been made after deduction and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

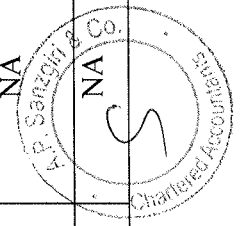
STATUTORY REQUIREMENT

Nagar Parishad Nawada						
HIGH						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether deduction of TDS on payment has been made as per law,	Yes	NA	NA	NA	NA
2	Whether TDS deducted are timely deposited into bank with same amount,	No. Deducted amount of TDS is not deposited on timely basis as prescribed in Law.	NA	High	Ok, we will deposit on timely basis from next time.	No
3	Whether regulatory requirement for submission of Return has been followed,	No. Return for TDS, GST and PF has not submit on or before due date.	NA	High	Ok, we will comply.	No
4	Whether any deduction is made in any act, must be deposited as per their respective act,	Yes, deposited but not on timely basis.	NA	High	Ok, we will comply.	No
5	Verify whether in case of "through rate" contract,	Yes no deviation found	NA	NA	NA	NA

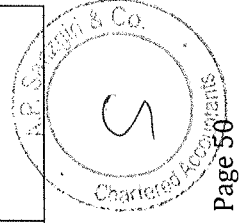
Internal Audit Report



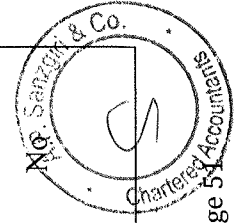
	there is no any payment for material, etc by the ULB								
6	Any demand is outstanding from regulatory authority for non compliance	No notice of demand found in ULB.	NA	NA	NA	NA	NA	NA	NA
TENDER DETAILS									
	NAME OF THE ULB	Hisua Nagar Panchayat							
	RISK RATING:	HIGH							
S.N	Particulars	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 safeguarding the interest of corporation.	Yes	NA	NA	NA	NA			
4	The purchase proposal was approved by the competent authority as per delegation of powers	Yes	NA	NA	NA	NA			
5	Indent for purchase indicates the details of quantity required, last purchase rate, period for which stores are needed and name of consignee.	Yes	NA	NA	NA	NA			
6	Approval of mode of procurement	Yes	NA	NA	NA	NA			

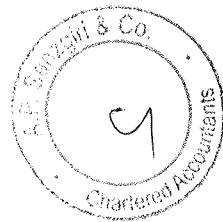


7	The tender documents are prepared properly and description of items to be procured, quantity and estimated value should be indicated.	Yes	NA	NA	NA	NA
8	To check whether the direction were followed for notification/advertising and opening of bids at notified date, time and place in the presence of bidders.	Yes, direction in this regard followed by ULB	NA	NA	NA	NA
9	Award of contract and its execution is as per procedure and guidelines issued by the Govt. of India in view of conditions agreed with the Development partners (DFID, World Bank, & European Union etc.)	NA	NA	NA	NA	NA
10	To check whether bids were evaluated in terms of the provisions of the bid documents and the evaluation report was available.	Yes	NA	NA	NA	NA
11	To check whether contract was awarded to the lowest evaluated responsive bidders, who fulfilled qualification requirements, specified in the tenders documents.	Yes, ULB awarded contract to lowest bidder.	NA	NA	NA	NA
12	In case of negotiations of prices, it should be checked whether the negotiation was made with L1 bidder and all the relevant records thereof were available.	NA	NA	NA	NA	NA
13	To check whether articles were received/work was completed in time as per delivery schedule.	Yes	NA	NA	NA	NA
14	The stores/goods are properly recorded in the Stock Registers /Asset Register.	Yes	NA	NA	NA	NA
15	Whether any complaint was received regarding procurement and payment and existence of mechanism for Redressal of Complaints	No such case observed	NA	NA	NA	NA

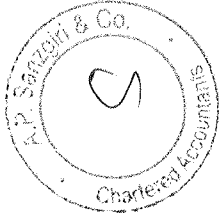


VEHICLE LOG BOOK						
NAME OF THE ULB		Hisua Nagar Panchayat				
RISK RATING:		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether logbook has maintained or not & up to date with proper details like journeys, work undertaken, covering 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 follow.	No
6	Whether authorized person have proper check over log book.	No	NA	High	Due to lack of time the same thing happened, however we will follow from now.	

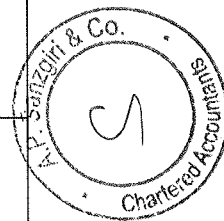




7	Asset Replacement Register is properly maintained asset class-wise		NA	High	Will follow and maintain from now.	No
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Others						
	NAME OF THE ULB	Hisua Nagar Panchayat				
	RISK RATING:	HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
Register of Mutation						
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.	No
Register of Suits						
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

1

Implication/ Risk

HIGH

Recommendation

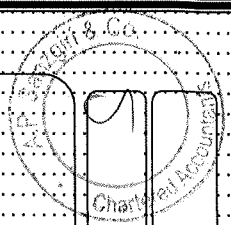
Deducted amount of TDS is not deposited on timely basis as prescribed in Law.

Management Comments

We will deposit on prescribed due date from next time.

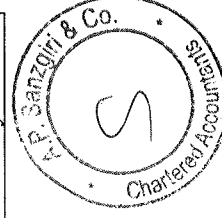
Person Responsible:

Timeless:



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

S.N	Serial Number		Amount of tax	Date of collection as per Receipt book	Date of Deposit Into bank as per Deposit slip	Delay in Deposit with bank
	From	To				
1	13391	13400	1,07,420	31.12.2019 to 20.3.2020	31.3.2020	10 days
2	14919	14941	31,312	31.12.2020 to 20.3.2020	31.3.2020	10 days
3	13784	13800	17,126	10.01.2020 to 21.3.2020	31.3.2020	9 days
4	14640	14649	5,412	13.01.2020 to 19.03.2020	31.3.2020	11 days
5	15019	15022	1,259	23.01.2020 to 20.03.2020	31.3.2020	10 days
6	14478	14489	6,444	23.01.2020 to 20.03.2020	31.3.2020	10days
7	14719	14723	1,413	14.01.2020 to 20.03.2020	31.3.2020	10 days
8	14804	14809	4,697	31.12.2019 to 19.03.2020	31.3.2020	11 days
9	14296	15315	80,570	7.01.2020 to 15.03.2020	31.3.2020	15 days
10	15204	15211	6,841	26.02.2020 to 20.03.2020	31.3.2020	10 days
11	14083	14087	3,597	8.01.2020 to 20.03.2020	31.3.2020	10 days
12	14369	14378	16,670	9.01.2020 to 20.03.2020	31.3.2020	10 days
13	14153	14159	12,422	8.01.2020 to 29.02.2020	31.3.2020	31 days
14	14531	14537	19,619	13.01.2020 to 21.03.2020	31.3.2020	9 days
15	12764	12770	75,00,91	12.01.2020 to 20.3.2020	31.3.2020	10 days
16	13855	13857	1,690	11.02.2020 to 21.03.2020	31.3.2020	9 days
17	15112	15119	5,409	24.02.2020 to 21.03.2020	31.3.2020	9 days

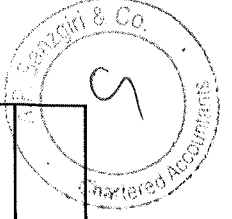


INTERNAL AUDIT REPORT FOR FY 2019-20

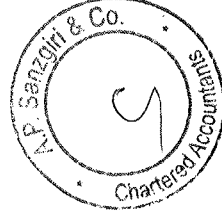
ULB-NAGAR PANCHAYAT HISUA

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

S.N	Holding Name	W.N	H.N	Type of Use of Property		Area of Property			Tax Amount			Remarks
				As per Collector	As per Auditor	As per Collector	As per Auditor	Diff	As per Collector	As per Auditor	Diff	
1	Chandra Kanta Devi	1	74	Residential cum Commercial	Residential cum Commercial	8868	8868			30,164	30,164	
2	Uma Sharan Singh	1	100	Residential cum Commercial	Residential cum Commercial	11660	11660			30,821	30,821	
3	Bihar Rajya Vidhut Board	7	14	Other	Other	57178	57178			98,803	98,803	
4	T.S. College	15	124	Commercial	Commercial	294248	294248			69,472	69,472	
5	Rajendra Pd. Sahu	1	183	Commercial	Commercial	19115	19115			18,707	18,707	
6	Shanti Devi	1	128	Residential cum Commercial	Residential cum Commercial	3920	3920			17,367	17,367	
7	Urmila Devi	2	234	Residential cum Commercial	Residential cum Commercial	5425	5425			13,064	13,064	
8	Binti	11	213	Residential cum Commercial	Residential cum Commercial	3312	3312			14,201	14,201	
9	Pradhan Adhyapak Uchhya Vidyalaya	7	24	other	other	43563	43563			12,503	12,503	
10	Sadanand Patel	1	80	Commercial	Commercial	3514	3514			15,180	15,180	
11	Dhirendra Prasad	2	246	Residential cum Commercial	Residential cum Commercial	2664	2664			13,994	13,994	



12	Jawahar Lal Shaw	2	39	Commercial Residential cum Commercial	8284	8284	10,751	10,751
13	Divendra Kumar	1	89	Commercial Residential cum Commercial	1800	1800	10,579	10,579
14	Gita Devi	2	219	Commercial Residential cum Commercial	3441	3441	10,330	10,330
15	Lila Devi	4	183	Commercial Residential cum Commercial	5824	5824	10,607	10,607
16	Mithlesh Kumar	6	48	Commercial Residential cum Commercial	4400	4400	8,794	8,794
17	Madhya Vidyalaya	13	16	Other	36876	36876	7,981	7,981
18	Sadanand Patel	1	81	Commercial	2125	2125	9,180	9,180
19	Sahu Kanya Ucchya Vidyalaya	12	245	Other	32102	32102	7,775	7,775
20	Bhagwati Devi	1	94	Commercial	1000	1000	7,143	7,143



Nagar Panchayat Hisua

Letter No.

Date: 26.12.2019

To

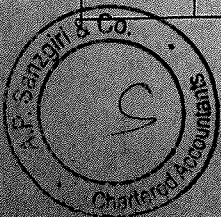
AP Sangziri & Co.

(Chartered Accountants)

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

We, Nagar Panchayat Hisua, confirm the following books of accounts/ documents/ file has not been maintained, hence we could not produced it:

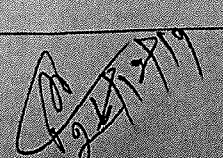
S.N.	Auditor observation	Management comment
1	Non implementation of Double entry system;	Currently there is no such agency working for implementation of accrual based double entry accounting system;
2	AG Compliance Report;	It is provided;
3	Difference in opening balance of in budget for F.Y. 16-17 and 2017-18;	Management is now making effort to find out error and will rectify accordingly;
4	Non maintenance of Advance Register;	It is provided;
5	No Municipal Accounts committee established;	Under process, and matter will be put before board for constitution of "Municipal Accounts Committee";
6	Notice fee;	Currently not collecting, but it is being will be consider by the Board and collected accordingly;
7	TDS return acknowledgement;	It has been provided;
8	Non levy of Taxes in IAR Para " I Part-A a) (1);	Some of the Taxes are collected by other departments of Government like professional tax; And there are many taxes mentioned in this Para not collected since these services are not provided by ULB like fire taxes. For rest we will discuss in meeting of board and implement accordingly;
9	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. A copy of show cause has been attached

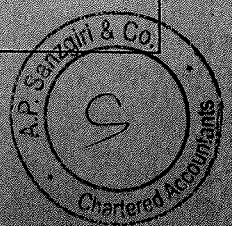


[Handwritten Signature]
26/12/19
E.O.
26/12/19

Nagar Panchayat Hisua

10	Late deposit of statutory deduction of TDS;	It will be deposited on or before due date from now;
11	Delay in deposit of EPF	Due to implementation of CFMS the same problem arise.
12	Non preparation of Complete UC details ;	It is provided;
13	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;
14	Non maintenance of log book.	ULB has prepared and updated Log book except few vehicle, but not maintained as per BMAR.
15	Maintenance of grant record with bifurcation like amount for Salary, water management, nail gali solid waste management and so on ;	It will be provided.
16	Non maintenance of book refer to Para : II-PART B (a) ;	After reading this para we conclude the following comments: 1. S.N. 6 to 8 - no transaction happened; 2. 10 to 11 - amount not collected in this respect; Rest will be maintained upon applicability of concern para.
17	Difference In Holding Tax Amount as per Physical Measurement: ➤ Auditor found difference in area; as per self assessment form and actual measurement of property area there is difference for some cases selected on sample basis ➤ Valuation method not Revised till 2011.	➤ We will take necessary action and impose Holding Tax as per actual measurement taken. ➤ The Entire process of valuation need to be changed and the concern matter will be put before Board very soon and after approval of UD & HD (will be send after approval of board) it will be implemented accordingly;
18	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/c and Balance Sheet (Financial Statement)	Annual account of actual Receipt and Payment A/c, Trial Balance and Balance Sheet will be prepare after implementation of DEAS.


 F. O.
 26/12/14


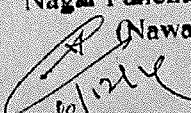


Nagar Panchayat Hisua

19	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;
20	Non Maintenance of Fixed Assets Register	It will be maintained.
21	Outstanding Taxes	We will make our best effort to realize it by established camp in ward;
22	Bank Reconciliation on Monthly Basis	It will be maintained;
23	Any payment made out of Municipal Fund that is not covered by	Payment is made out of budget provisions. No such payment is made that is not covered by budget;
24	Non implementation of Biometric Devices and Payroll Software	It is under process;
25	Directive/Circular issued during Q-1 of 2019-20	No such directives or circular issued during said period.

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




Executive Officer
Nagar Panchayat, Hisua
(Nawada)

 26/12/19

Hisua Nagar Panchayat

Discussion note

2019-20 (Qtr-2)

Letter No. 1297

No. - 1212/2019

To

A.P. Sangiri & Co.

(Chartered Accountants)

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

We, Nagar Panchayat Hisua, confirm the following books of accounts/ documents/ file has not been maintained, hence we could not produce it:

S.N	Audit observation	Management comments
1	Non-L levy of taxes in IARI. PART-A (a)1	Some of taxes is collected by other department of GOB, like professional tax, and there are many taxes in this para are not collected by ULB due to not providing services in this respect like fire tax, water tax Otherwise discussed in meeting of board and implement as soon as possible.
2	Late deposit of property tax	Property taxes deposited late due to lack of staff and over load work. Instructions given to tax collector in this respect and it will be collected as per Act.
3	Notice fee Collection	Currently not collecting but it will be considered and collected as soon as possible.
4	Not prepared Payment voucher	Due to lack of revenue staff but It will be

15/12/2019
Executive Officer
Nagar Panchayat, Hisua
(Nawada)

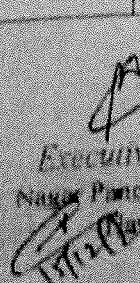


5	Non-maintenance of books of accounts as per para ii-PART B (a)	preparing as soon as possible . We follow the practice of payment of supplier or contractor on the basis of Invoice & M.B. there after a request letter is raised by the concerned person.
6	Implementation of biometric devices and payroll software.	Not Implemented but Very soon it will be implemented.
7	Royalty not deposited	It will be deposited.
8	Labourcessnot Deposited	It will be deposited.
9	Directive/Circular issued during Quarter 2 of 2019-20.	No directives issued during (qtr-2) audit period.
10	Complete UC details.	It is prepared with the help of Internal auditor.
11	Non practice of Stock valuation; Non-preparation of Stock Register.	Same is complied by Nagar Panchayat Hisua (Nawada)
12	Physical verification of inventory/Stores	ULB did not follow the practice of physical verification of stock. It will be regularized .
13	Vehicles are not insured.	It is under process.
14	Non deposition of PF and ESI	Due to Lack of staff and starting of CFMS it is not deposited but now it will be deposited on or before due date.
15	Bank a/c which are closed.	No any bank A/c closed yet.
16	Advances and their adjustment.	No Advances and loan given.
17	Municipal Account Committee	Under process, and matter will be put before board for constitution of "Municipal Accounts Committee".
18	I) Non preparation of receipt and payment A/C trial balance, income and expenditure A/C and balance sheet (financial statement). II) Implementation of DEAS.	I) It will be prepared by agency appointed for implementation of double entry accounting system. ii) Currently there is no work done relating to implementation of accrual based double entry accounting system by the agency appointed.
19	Non completion of survey of trade license	It will be done very soon.
20	Non-preparation of rent collections and demand registers as per rule	It will be prepared.
21	Huge amount arrear of rent ,Holding tax, Mobile tower tax, and other	The collection are going on and notice has been sent to defaulters.



15/12/2020
Executive Officer
Nagar Panchayat, Hisua
(Nawada)
15/12/2020

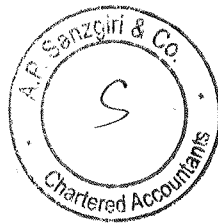
	taxes.	
22	BRS Issues relating to non- production of Bank statement and non Updation of PLA related records. Non Preparation of BRS on time .	Bank Statement will be provided on time from now. PLA related data will be updated as well as BRS will be prepared on time.
23	Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Mobile Tower Tax and Other Tax .	Detailed records has not been maintained but now we will maintain such type of records.
24	Advertisement tax charging	It is charged by tender.
25	Non deposition of Tds and delay in filing of TDS Return .	TDS will be deposited on or before due date. TDS return will be filed on or before due date now.
26	Non maintenance of fixed assets register	It will be maintained.
27	Non- maintenance of procurements register	It will be maintained.
28	Cash book and Non-updating of various register like Advance register, store register, issue register, bill register with payment fig., Register of Remittances made into bank, Statutory Deduction Register, Scheme Register etc. is not maintained on regular basis.	It will be maintained.
29	i) Non utilization of grant or grant unspent. ii) Non maintenance of grant record with bifurcation like amount of salary, water management, NaliGali Solid Waste mgmt and so on.	i) Due to practical and operation issues, there are some cases of non-utilization of grant. It will be utilizing in future. ii) It will be provided.
30	Depreciation is not charged on Fixed Assets.	ULB did not follow double entry accounting system , hence depreciation is not accounted in our book.
31	Whether expenditure on construction of work was debited to WIP & verified with MB maintained.	ULB did not follow practice to debit WIP for expenditure incurred on Construction.
32	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.


 15/12/2020
 Executive Officer
 Nagar Panchayat, Hissar
 (Haryana)



33	Compliances of internal audit paras.	It will be complied.
34	ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer. Details of repairs and maintenance did not mention in log book.	We will comply the same.
35	Difference in opening balance of in budget for F.Y. 16-17 and 2017-18;	Management is now making effort to find out error and will be rectify accordingly;

15/12/2022
Executive Officer
 Signature of Executive Officer
 Nagar Panchayat, Hisua
 (Navvada)



Hisua Nagar Panchayat

Chartered Accountants

2019-2020 (Qtr-3)

Letter No. 1298

Date: 15/12/2020

To

A.P Sanzgiri & Co.

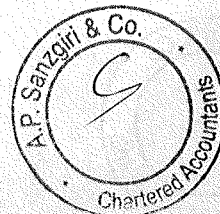
(Chartered Accountants)

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

We, Nagar Panchayat Hisua, confirm the following books of accounts/ documents/ file has not been maintained, hence we could not produce it:


S.N	Audit observation	Management comments
1	Non-Levy of taxes in IAR I. PART-A (a)1	Some of taxes is collected by other department of GOB. like professional tax; and there are many taxes in this para are not collected by ULB due to not providing services in this respect like fire tax, water tax Otherwise discussed in meeting of board and implement as soon as possible.
2	Late deposit of property tax	Property taxes deposited late due to lack of staff and over load work. Instructions given to tax collector in this respect and it will be collected as per Act.
3	Notice fee Collection	Currently not collecting but it will be considered and collected as soon as possible.
4	Not prepared Payment voucher	Due to lack of revenue staff but It will be preparing as soon as possible
5	Non-maintenance of books of accounts as per para ii-PART B (a)	We follow the practice of payment of supplier or contractor on the basis of Invoice & M.B. there after a request letter is raised by the concerned person.
6	Implementation of biometric devices	Not Implemented but Very soon it will be

15/12/2020
Executive Officer
Nagar Panchayat, Hisua
(Nawada)



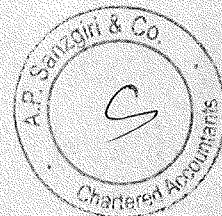
	and payroll software.	implemented.
7	Royalty not deposited	It will be deposited.
8	Labourcess not Deposited	It will be deposited.
9	Directive/Circular issued during Quarter 3 of 2019-20.	It is complied.
10	Complete UC details.	It is prepared with the help of Internal auditor.
11	Non practice of Stock valuation, Non-preparation of Stock Register.	Same is complied by Nagar Panchayat Hisua (Nawada)
12	Physical verification of inventory/Stores	ULB did not follow the practice of physical verification of stock. It will be regularized .
13	Vehicles are not insured.	It is under process.
14	Non deposition of PF and ESI	It is not deposited but now it will be deposited on or before due date.
15	Bank a/c which are closed.	No any bank A/c closed yet.
16	Advances and their adjustment.	No Advances and loan given.
17	Municipal Account Committee	Under process, and matter will be put before board for constitution of "Municipal Accounts Committee".
18	<p>i) Non preparation of receipt and payment A/C trial balance, income and expenditure A/C and balance sheet (financial statement).</p> <p>ii) Implementation of DEAS.</p>	<p>i) It will be prepared by agency appointed for implementation of double entry accounting system.</p> <p>ii) Currently there is no work done relating to implementation of accrual based double entry accounting system by the agency appointed.</p>
19	Non completion of survey of trade license	It will be done very soon.
20	Non-preparation of rent collections and demand registers as per rule	It will be prepared.
21	Huge amount arrear of rent ,Holding tax, Mobile tower tax, and other taxes.	The collection are going on and notice has been sent to defaulters.
22	BRS Issues relating to non- production of Bank statement and non Updation of PLA related records. Non Preparation of BRS on time .	Bank Statement will be provided on time from now. PLA related data will be updated as well as BRS will be prepared on time.
23	Break-ups of outstanding amount of Rent on Municipal Properties,	Detailed records has not been maintained but now we will maintain such type of records.




 15/12/2020
 Executive Officer
 Nagar Panchayat, Hisua
 (Nawada)
 15/12/2020

	Property Tax, Mobile Tower Tax and Other Tax .	
24	Advertisement tax charging	It is charged by tender.
25	Non deposition of Tds and Non filing of TDS Return .	TDS will be deposited on or before due date. TDS return will be filed on or before due date now.
26	Non maintenance of fixed assets register	It will be maintained.
27	Non- maintenance of procurements register	It will be maintained.
28	Cash book and Non-updating of various register like Advance register, store register, issue register, bill register with payment fig., Register of Remittances made into bank, Statutory Deduction Register, Scheme Register etc. is not maintained on regular basis.	It will be maintained.
29	i) Non utilization of grant or grant unspent. ii) Non maintenance of grant record with bifurcation like amount of salary, water management, NaliGali Solid Waste mgmt and so on.	i) Due to practical and operation issues, there are some cases of non-utilization of grant. It will be utilizing in future. ii) It will be provided.
30	Depreciation is not charged on Fixed Assets.	ULB did not follow double entry accounting system , hence depreciation is not accounted in our book.
31	Whether expenditure on construction of work was debited to WIP & verified with MB maintained.	ULB did not follow practice to debit WIP for expenditure incurred on Construction.
32	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.
33	Compliances of internal audit paras.	It will be complied.
34	ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer. Details of repairs and maintenance did not mention in log book.	We will comply the same.
35	Difference in opening balance of in	Management is now making effort to find out

15/12/2022
Executive Officer
Nali Gali Panchayat, Hissar
15/12/2022



budget for F.Y. 16-17 and 2017-18;

error and will be rectify accordingly;

15/12/2017
Secretary
Nagar Panchayat, Hisua
(Angada)



Hisua Nagar Panchayat

Discussion report

2019-20 (Qtr-4)

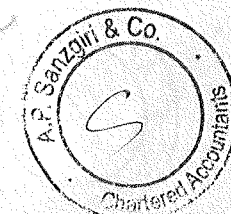
Letter No. 1299
Date: 15/12/2020
To
A.P Sanzgiri & Co.
(Chartered Accountants)

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

We, Nagar Panchayat Hisua, confirm the following books of accounts/ documents/ file has not been maintained, hence we could not produce it:

S.N	Audit observation	Management comments
1	Non-Levy of taxes in IAR I. PART-A (a)1	Some of taxes is collected by other department of GOB. like professional tax; and there are many taxes in this para are not collected by ULB due to not providing services in this respect like fire tax, water tax Otherwise discussed in meeting of board and implement as soon as possible.
2	Late deposit of property tax	Property taxes deposited late due to lack of staff and over load work. Instructions given to tax collector in this respect and it will be collected as per Act.
3	Notice fee Collection	Currently not collecting but it will be consider and collected as soon as possible.
4	Not prepared Payment voucher	Due to lack of revenue staff but It will be preparing as soon as possible.
5	Implementation of biometric devices and payroll software.	Not Implemented but Very soon it will be implemented.
6	Royalty not deposited	It will be paid on time.
7	Labour cess not deposited	It will be paid on time.
8	Directive/Circular issued during Quarter of 2019-20	No Directives or circular issued during quarter - 4.
9	Non practice of Stock valuation; Non-preparation of Stock Register.	It will be followed as per rule and management

15/12/2020
Executive Officer
Nagar Panchayat, Hisua
(Dawada)

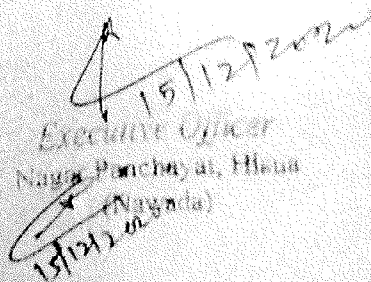


		will decide about reasonable period of valuation i.e. frequency of time for valuation;
10	Physical verification of inventory/Stores	ULB did not follow the practice of physical verification of stock. It will be regularized.
11	Vehicles are not insured.	It is under process.
12	Non deposition of PF and ESI	It is not deposited but now it will be deposited on or before due date.
13	Bank a/c which are closed.	No any bank A/c closed yet.
14	Advances and their adjustment.	No Advances and loan given.
15	Municipal Account Committee is not constituted.	Under process, and matter will be put before board for constitution of "Municipal Accounts Committee".
16	<p>I) Non preparation of receipt and payment A/C trial balance, income and expenditure A/C and balance sheet (financial statement.</p> <p>ii) Implementation of DEAS.</p>	<p>i) It will be prepared by agency appointed for implementation of double entry accounting system.</p> <p>ii) Currently there is no work done for implementation of accrual based double entry accounting system by agency. We are planning to give Show Cause notice to agency.</p>
17	Non completion of survey of trade license	It will be done very soon.
18	Non-preparation of rent collections and demand registers as per rule	It will be prepared.
19	Huge amount arrear of rent ,Holding tax, Mobile tower tax, and other taxes.	The collection are going on and notice has been sent to defaulters.
20	BRS Issues relating to non- production of Bank statement and Non Preparation of BRS on time.	Bank Statement will be provided on time from now. BRS will be prepared on time.
21	Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Mobile Tower Tax and Other Tax .	Detailed records has not been maintained but now we will maintain such type of records.
22	Advertisement tax charging	It is charged by tender.
23	Electricity DPS	Due to non-receiving of electricity bill on due date the DPS on electricity arise



15/12/2020
 Executive Officer
 Nagar Panchayat, Hisua
 (Nayada)
 15/12/2020

24	Non maintenance of fixed assets register	A letter will be given to SBPDCL to submit bill on or before due date and also gives reason for DPS. It will be maintained.
25	Non- maintenance of procurements register	It will be maintained.
26	Cash book and Lots of register not maintained like Register of Remittances made into bank, Statutory Deduction Register, Scheme Register, Advance register, store register, issue register, bill register with payment etc is not maintained on regular basis.	It will be maintained.
27	i) Non utilization of grant or grant unspent. ii) Non maintenance of grant record with bifurcation like amount of salary, water management, NaliGali Solid Waste mgmt. and so on.	i) Due to practical and operation issues, there are some cases of non-utilization of grant. It will be utilizing in future. ii) It will be provided.
28	Depreciation is not charged on Fixed Assets.	ULB did not follow double entry accounting system , hence depreciation is not accounted in our book.
29	Whether expenditure on construction of work was debited to WIP & verified with MB maintained	ULB did not follow practice to debit WIP for expenditure incurred on Construction.
30	ULB is not submitted UC in timely manner.	Due to shortage of human resources, the same has been delayed. UC is prepared with the help of Internal auditor.
31	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;
32	Compliances of internal audit paras.	It will be complied.
33	ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer. Details of repairs and maintenance did not mention in log book.	We will comply the same.


 Executive Officer
 Naga Panchayat, Hleuda
 (Nagada)
 15/12/2022



34	Survey of 20 high value properties.	Survey done but there is no variances found.
35	Difference in opening balance of in budget for F.Y. 16-17 and 2017-18;	Management is now making effort to find out error and will be rectify accordingly;
36		We will comply the same.
37	Non deposition of Tds and non filing of TDS Return.	It will be done on or before due date now.

[Handwritten Signature]
Executive Officer
Signature of CEO
 Nagar Panchayat, Hissar
 (Haryana)



HISUA 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	93.30	-	93.30	-	-	NIL	NIL	Transfer to PL
2	5th finance	57/13.08.19	123.98	-	123.98	-	-	NIL	NIL	Transfer to PL
3	EO SALARY	84/20.09.2019	4.39	-	4.39	-	-	NIL	NIL	Transfer to PL
4	Salary Payment	42/12.07.19	2.19	-	2.19	-	-	NIL	NIL	Transfer to PL
5	Civic amenities item	47/06.08.19	33.19	-	33.19	-	-	NIL	NIL	Transfer to PL
6	14th Finance	38/11.07.2019	93.30	-	93.30	-	-	NIL	NIL	Transfer to PL
7	5th state finance commission	53/13.08.19	128.32	-	128.32	-	-	NIL	NIL	Transfer to PL

