

Internal Audit Report

of

ULB: Janakpur Road Nagar Panchayat

For the period from 01-04-2018 to 31-03-2019

Internal Audit Conducted by:

GKSureka & Co.
Chartered Accountants

104, Baidyanath Palace, Jagdeo Path,
Bailey Road Pillar No.10, Patna-800014. (Bihar).

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From 14-09-2019 to 20-09-2019

Report Issued on: 13-10-2019

Executive Summary

1. Introduction

Name of the Municipality	Janakpur Road Nagar Panchayat
Period Covered under Current Audit	01.04.2018 to 31.03.2019
Name of the Chief Municipal Officer for the period under Audit	Executive Officer Mr. Ajit Kumar Sharma

2. Results and Findings

<p>Strength observed during the audit engagement</p>	<ul style="list-style-type: none"> ➤ General Cash Book has been written but subsidiary Cash Book has not been written. ➤ Staff Co-operation during the Audit period was good. ➤ All municipal transactions shall be identified with funds in accordance with rule 5, and separate accounting records have been maintained for each fund.
<p>Weakness observed in the functioning of office, maintenance of records etc. observed during the audit engagement.</p> <p><i>The comments under these two categories should summarize each significant Audit observation in the order of materiality. The summary should be as brief as possible and draw on the observations under the Para on Consequence/ Effect/ impact of each Audit observation. It should also include a summation of outstanding statutory and internal audit observations.</i></p>	<ul style="list-style-type: none"> ➤ Municipality has not been maintaining its books of accounts using double accounting system of book keeping following accrual system of accounting principles guided by the Bihar Municipal Accounting Manual. ➤ Statement of outstanding liabilities for expense in BMAR Form-55 is not maintaining by the municipality. ➤ The property tax register has not been provided to us to ascertain the Total Demand and Arrear at the end of audit period. ➤ Taxes and other revenue collections from internal sources are not deposited in bank on same day. ➤ Nagar Panchayat is not maintaining the demand register for various types of Taxes and Rent to be collected from the revenue resources i.e. Holding Tax, Tower Tax, etc. ➤ Assessment of Property Tax, Rent and other



	<p>resources has not been conducting on regular intervals.</p> <ul style="list-style-type: none"> ➤ Office infrastructure is not efficient for operation. ➤ Most of the prescribed Register i.e Advance Register, Stock Register, fixed Assets ,Grant Register , Allotment Register etc. of accounts are not maintained. ➤ Voucher number is not recorded on cash book. ➤ TDS on salary paid to permanent staffs are not deducted. ➤ Professional tax and Provident fund are not deducted from salary to staffs. ➤ EPF has not been deducted from remuneration to Daily wages staffs. ➤ Statutory deductions like Income tax, GST, Labour cess and Royalty are not deposited in respective Govt. Head of Account. ➤ We observed wrong calculation in cash book as on 01.07.2018 by Rs. 126188.00. ULB should have to rectify this.
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3. Opinion

<p>Overall opinion of the Audit team about the functioning of the Municipality</p>	<p>The functioning of the Municipality is very weak due to following reasons:</p> <ul style="list-style-type: none"> ➤ Most of the prescribed Books of accounts are not maintained. ➤ Internal Control w.r.t. collection of taxes, monitoring of grant, monitoring of advances, monitoring of schemes etc. is very poor. ➤ Collection from own sources is very poor. ➤ Grant received for various purposes are not utilized on timely basis. ➤ Manpower of Nagar Panchayat is not adequate. ➤ Office infrastructure is not efficient for operation.
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	<ul style="list-style-type: none"> ➤ Most of the prescribed Register i.e Advance Register, Stock Register, Fixed Assets, Grant Register , Allotment Register etc. needs to be maintained.
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4. Audit Recommendations

<p>The recommendations of Audit team on the observed weakness</p>	<p>We recommend the followings:</p> <ul style="list-style-type: none"> ➤ Books of Accounts need to be maintained on double entry accounting system. ➤ All the prescribed books of accounts and Registers should be prepared on real time basis. ➤ Cashier Cash Book should be written on daily basis. ➤ Collection by tax collector should be deposited on daily basis. ➤ Assessment of property should be conducted on regular intervals. ➤ Grant Register should be prepared. ➤ Demand Collection Register of all the wards should be prepared. ➤ Property tax register should be prepared as per new assessment. ➤ Collection from own sources should be improved. ➤ BRS should be Prepared. ➤ Advance Register Should be Prepared.
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5. Comments from Management

Comment from Management

The audit report has been discussed with us; we will try our best to remove the irregularities pointed out in the audit report.

For Janakpur Road Nagar Panchayat

(Executive Officer)

6. Acknowledgment

We thank Mr. Ajit Kumar Sharma (Executive Officer), Mr. Ram Kumar Chaudhary (Accountant) for their support during the period of our audit. We are also thankful to Tax Daroga (Mr. Amit Ranjan) and support staffs of the municipality for their cooperation extended to us during the period of our audit.

For G. K. Sureka & Co.
Chartered Accountants
FRN.-513018C

(CA. Gokul Kumar Sureka)
Partner
M.N.-091380

UDIN: 20091380AAAADSG223

Date: 24-06-2020

Place:
Date:



Detailed Audit Report

1. Introduction

The Internal audit of Janakpur Road Nagar Panchayat covering period from 1st April 2018 to 31th March, 2019 was conducted by our audit team under guidance of CA. Gokul Kumar Sureka, Partner, M/s G.K. Sureka & Co., (Chartered Accountants).

- i. CA Anoop Kumar Singh
- ii. Mr. Lalan kumar
- iii. Mr. Amit Kumar

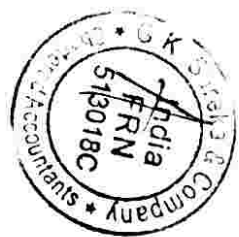
2. Administration

The present body of the ULB has taken charge on 17-01-2019. The incumbency in the key administrative and executive position was as under:

- i. Chairman : Shri. Manoj Kumar, from 16.11.2017 to till date,
- ii. Vice-Chairman : Smt. Sukriti Devi, 12-01-2018 to till date.
- iii. Executive officer : Mr. Ajit Kumar Sharma , from 17.01.2019 to till date.



Sl. No.	Particulars of Audit and date of report	Total No. of Audit Paras.	Total No. of audit paras where necessary improvement/corrective measure is required	Total No. of audit paras where recovery of cash proposed	Total No. of paras of recovery is made	Total No. of audit paras where recovery has been made	Total amount of Recovery	Total No. of outstanding paras where no action has been taken	No. & date of Compliance report
1.	AG Audit Report No.692/17-18	16	16	9 (Total Recoverable amount is Rs. 5039156.70)	1	1	14500.00	0	Letter No.- 448 dated- 30.07.2019
2.	Compliance of Internal Audit Report FY 2017-18 not provided to us for verification.								
3.	Internal Audit Report of Financial Year 2016-17 has not been provided.								



The Major observations of AG audit report are as under:

1. No deduction of Labour Cess Rs.6.80 Lakh and Rs.1.61 Lakh.
2. Short deposit of tax collection by Rs.14,500/-
3. Irregularities in procurement of goods worth Rs.7.80 Lakh.
4. Irregularities in procurement of goods and not deduction of VAT, results into excess payment of Rs.46,437/- and Rs. 157178/-.
5. Payment of Salary Rs.8.14 Lakh without approval of committee.
6. Erroneous estimation and quality less work of Rs.9.50 Lakh.
7. Non deduction of VAT on purchase of Laptop/Tablet and furniture amounted Rs. 46349/-.
8. Non collection of Door to Door solid waste collection fees Rs.2.91 Lakh.
9. Non deduction of TDS on vehicle hire charge and excess payment by Rs.0.43 Lakh.
10. Un-authorized payment of Rs.2.15 Lakh on renovation of library building.
11. Due amount of Rs.5.94 Lakh on mobile towers.
12. Un adjusted Advances to staffs Rs. 3295000.00.
13. Dishonoured cheque for Rs. 1000.00 of collection from Map fees.
14. Approval date of AG Audit report compliance by standing committee is 14.06.2019 and General board is 12.06.2019.

4. Finance

I. Budgetary provisions and expenditure for the last three years

Year	2016-17	2017-18	2018-19
Final/ Revised Budget	N.A	6,77,54,000	27,78,15,000
Actual Expenditure	N.A	2,59,88,219	7,21,13,464
Savings (+)/ Excess (-)	N.A	4,17,65,781	20,57,01,536

Variance in Major Heads: Amount Financial Year 2018-19

- We have not been provided copy of Budget for the FY 2018-19.



II. Volume of transactions

Period	Budgeted 2018-19	Previous Year (For 2017-18)	Corresponding period of 2016-17	Current Period Year	Cumulative for the current period Year
Opening Balance	7,78,29,000	7,05,04,311	N.A	10,55,06,492	10,55,06,492
Receipts	27,44,15,000	6,09,90,400	N.A	7,35,97,061	7,35,97,061
TOTAL	35,22,44,000	13,14,94,711	N.A	17,91,03,553	17,91,03,553
Net Expenditure	27,78,15,000	2,59,88,219	N.A	7,21,13,464	7,21,13,464
Closing Balance	7,44,29,000	10,55,06,492	N.A	10,69,90,089	10,69,90,089

III. Bank Reconciliation

Details of Bank Accounts and their reconciliation position are as under

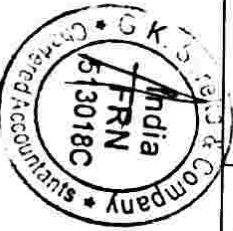
S.No	Bank Name	Account Number	Balance 31.03.2019	Name of scheme	Reconciliation position
1.	SBI	63707	48435.21	Own Source	BRS NOT PREPARED
2.	SBI	14652	36038.00	13th & 14th Financial.	BRS NOT PREPARED
3.	SBI	72075	29644.74	B.R.G.F & 13th Financial.	BRS NOT PREPARED
4.	CBI	99360	0.00	Social Security Pensions	BRS NOT PREPARED
5.	BOI	10000003	6262941.00	H.F.A	BRS NOT PREPARED
6.	PNB	12188	15160.60	Mukhmantry Nali Gali Yojna	BRS NOT PREPARED
7.	PNB	12203	62348.30	Kabir Anthodhi Yojna	BRS NOT PREPARED
8.	PNB	12197	16460.30	Kabir Anthodhi Yojna(General)	BRS NOT PREPARED
9.	PNB	15644	291520.40	Dindayal Yojna	BRS NOT PREPARED
10.	PNB	12179	7422.70	Mukhmantry Pay Jal Yojna	BRS NOT PREPARED
11.	ALLAHABAD BANK	55228	4534465.00	S.B.M.	BRS NOT PREPARED
12.	ALLAHABAD BANK	23363	0.00	B.R.G.F	BRS NOT PREPARED
13.	ALLAHABAD BANK	691691	547985.77	Own Source	BRS NOT PREPARED
14.	P/L A/C	046	95933280.40	All Misc Scheme	BRS NOT PREPARED
Total Amount as per Pass Book			107785702.42		
Total Balance as per Cash Book			106990089.70		
Difference Amount			795612.72		

➤ **Bank Reconciliation Statements has not been prepared by the N.P. There is a unidentified difference of Rs. 795612.72/- between Pass Book and consolidated balance as per Cash Book of all account.**



Income Details (Amounts to be provided in Rupees)

S. No.	Details	2017-18		2016-17	2018-19	2018-19		2019-20	2019-20	
		2017-18	2017-18			2018-19	2018-19		2019-20	2018-19
	Total Receipts (A+B)	6,09,90,400	Available	7,35,97,061	6,09,90,400	7,35,97,061	Not	7,35,97,061		
A	Revenue Receipts (1+2+3)	2,51,18,012	--do--	49,98,389	2,51,18,012	49,98,389	Applicable	49,98,389		
1	Own Revenue Receipts (a+b)	4,21,267	--do--	6,31,345	4,21,267	6,31,345	--do--	6,31,345		
a)	Tax Revenue (levied and collected by municipal body)	3,47,992	--do--	5,91,757	3,47,992	5,91,757	--do--	5,91,757		
i)	Property Tax		--do--				--do--			
ii)	Other Tax (levied and collected by municipal body)	3,47,992	--do--	5,91,757	3,47,992	5,91,757	--do--	5,91,757		
b)	Non-Tax Revenue (Levied and collected by municipal body)	73,275	--do--	39,588	73,275	39,588	--do--	39,588		
i)	Fees & Fines		--do--				--do--			
ii)	User Charges	73,275	--do--	39,588	73,275	39,588	--do--	39,588		
iii)	Other non-tax revenue (levied and collected by municipal body)	0	--do--	0	0	0	--do--	0		
2	Other Revenue Receipts	19,54,619	--do--	7,09,895	19,54,619	7,09,895	--do--	7,09,895		
i)	Income from interest/investments	16,55,752	--do--	1,96,712	16,55,752	1,96,712	--do--	1,96,712		
ii)	Other Revenue Income	2,98,867	--do--	513,183	2,26,317	3,32,383	--do--	3,32,383		
3	Transfers/ Grants/ Assigned Revenues	2,27,42,126	--do--	36,57,149	2,27,42,126	36,57,149	--do--	36,57,149		
a)	State Assigned Revenue	1,89,23,383	--do--	6,55,749	1,89,23,383	6,55,749	--do--	6,55,749		
b)	State Finance Commission (SFC) Grants/Devolution	38,18,743	--do--	8,00,000	38,18,743	8,00,000	--do--	8,00,000		
c)	Octroi Compensation	0	--do--	0	19,43,400	2201400	--do--	2201400		
d)	Other State Government Transfers	0	--do--	0	0	0	--do--	0		
e)	Central Finance Commission (CFC) Grant	0	--do--	2201400	0	0	--do--	0		
f)	Other Central Government Transfers	0	--do--	0	0	0	--do--	0		
g)	Others	0	--do--	0	0	0	--do--	0		
B	Capital Receipts	3,58,72,388	--do--	6,85,98,672	3,58,72,388	6,85,98,672	--do--	6,85,98,672		
1	Sale of Municipal Land	0	--do--	0	0	0	--do--	0		
2	Loans (from State Govt. or Banks etc.)	0	--do--	0	0	0	--do--	0		
3	State Capital Account Grant (under Central Schemes etc.)	2,41,30,376	--do--	1,63,52,498	2,41,30,376	1,63,52,498	--do--	1,63,52,498		
4	Central Capital Account Grant (under Central Schemes etc.)	1,17,42,012	--do--	4,52,79,524	1,17,42,012	4,52,79,524	--do--	4,52,79,524		
5	Other Capital Receipts	0	--do--	69,66,650	00.	69,66,650	--do--	69,66,650		



Information

Expenditure Details (Amounts to Be provided in Rupees)

S. No.	Details	2017-18		2018-19		2019-20	
		2017-18	2016-17	2018-19	2017-18	2019-20	2018-19
	Total Expenditure (A+B+C+D)	2,59,88,219	Not Available	7,21,13,464	2,59,88,219	Not Applicable	7,21,13,464
1	Revenue Expenditure	1,71,98,358	--do--	4,41,79,662	1,71,98,358	--do--	4,41,79,662
1.1	Administrative Expenses, Establishment and Salaries (All Departments- Regular and Contractual Staff)	63,31,001	--do--	47,38,142	63,31,001	--do--	47,38,142
1.2	Operation and Maintenance (O&M)	3,28,991	--do--	7,99,350	3,28,991	--do--	7,99,350
1.3	Loan Repayment (Interest payments)	0.00	--do--	0.00	0.00	--do--	0.00
1.4	Others (any other revenue expenditure which is not salaries O&M or Interest Payment)	1,02,67,400	--do--	3,86,42,170	1,02,67,400	--do--	3,86,42,170
1.5	Advances to other agency	2,70,966	--do--	0.00	2,70,966	--do--	0.00
2	Capital Expenditure	87,89,861	--do--	2,79,33,802	87,89,861	--do--	2,79,33,802
2.1	All developmental works under Central/ State specific schemes	86,05,261	--do--	2,58,00,642	86,05,261	--do--	2,58,00,642
2.2	Loan Repayment (Principal Amount)	0.00	--do--	0.00	0.00	--do--	0.00
2.3	Other Capital Expenditure	1,84,600	--do--	21,33,160	1,84,600	--do--	21,33,160



Status of Implementation of Double Entry Accounting System

As suggested by the C&AG, the Ministry of Finance, Government of India has introduced a "National Municipal Accounts Manual" for adoption of accrual system of accounting system of accounting of ULBs. Based on NMAM, Bihar Municipal Accounts Manual (BMAM) has been got prepared by the Government of Bihar and has been enforced from April 1, 2007. Generally ULB following cash based accounting system which is only detail of total collection and expenses as per provision of BMR 2007, the double entry system should be employed to all ULB.

- Appointment of KRA & CO. for DEAS for the year 2016-17 to 2019-20 has been done vide UDHD letter no.07/Internal Audit and other work-16/2018/849 dated 08.07.2019
- For the Year 2018-19 Double Entry Accounting System is not operational in the Nagar Panchayat.
- However, DEAS has been implemented in Janakpur Road nagar panchayat till 2015-16.
- Status of Double Entry Accounting System:

- 1) Name of Agency Implementing DEAS: KRA & CO.
- 2) Period: 2016-17 to 2019-20.
- 3) Status of Report : N.A.
- 4) Preparation of Fixed Asset Register : N.A
- 5) Preparation of Opening Balance Sheet: N.A
- 6) Preparation of Financial Statement : N.A
- 7) Preparation of Property Tax Register : N.A
- 8) Details of Tally Installation: Tally Installed
- 9) Details of Tally Serial Id. And Email Id. :

Serial Id: 715641570,

Mail Id: fcadhrubnarayan@gmail.com

Status of Municipal Accounts Committee; if meeting held

As per section 98 of Bihar Municipal Act, 2007, it is necessary for the Municipality to constitute a Municipal Accounts Committee at its first meeting in each year or as soon as may be at any meeting subsequent thereto, **but no Municipal Accounts Committee has been constituted by the N.P. till the date of our audit.**

Recommendation:



We recommend to the Nagar Panchayat to Constitute "Municipal Accounts Committee" and conduct the meetings on regular intervals for fairly implementation of applicable regulations.

Key Observations

T- A

Audit objections/ irregularities which has monetary implication, particularly in following areas
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 fees etc.

Key Objective:

Identify and quantify all major own revenue losses and opportunities lost or missed including in the form of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairat etc;

Property Tax and other revenue receipts are not deposited by tax collectors to the cashier by 4:30 PM on the same Day.

Criteria:

Receipts should be deposited in to bank on the same day. (Rule-27)
Receipts to be brought to account. (Rule 22)

Condition:

Revenue collection process is not satisfactory; in case of property tax internal control is not adequate. We have observed that Property Taxes collected by tax collector were not deposited on same day or the day after tomorrow but it is being deposited after a week/month.

Reconciliation of property tax collection by tax collector and amount deposited into bank is also not available.

Tax demand register has not been provided for verification, in such a situation we cannot ascertain the actual tax demanded/dues which can be recovered from a single tax payer. This could be a huge loss to Nagar Panchayat.

Tax Collected and deposited by Tax collector during the FY 2018-19 are as under:-

Sl. No.	Quarter	Collection	Deposit	Date	Cumulative O/s Balance-Quarter wise
1	I	61260	17160	03.05.2018	44100
2	II	231141	186307	11.09.2018	88934
3	III	306579	0	--	395513
4	IV	268764	297159	11.03.2019	367118
	Total	867744	500626		367118

Consequence/Effect/Impact:

As per Rule 27 of BMAR it should be deposited on daily basis otherwise a penalty up to Rs. 1000/- may be imposed for delayed deposit.

Issue:

Non-compliance of BMAR by tax collectors and failure to remit collections to cashier by 4:30 PM on same day.

Corrective Action/ Recommendation:

Tax collectors are needs to follows the BMAR and remit the collections to cashier by 4:30 PM on same day.



Regularities in Mobile Tower Collection

Criteria:

Registration Fees per tower @ Rs. 30,000/- and annual renewal fees @ Rs.8,000/- per annum to be collected. If more than 1 antenna is placed on the tower then an extra registration and renewal fees @ 60% per annum will be collected. Moreover a late fine at 1.5% would be imposed in case of delay in collection after first month of the financial year. Further after every 5 years renewal fees has to be increased by 25%.

Further as per Rule 6(9) of Bihar Communication Towers and Related Structures Rules 2012, in case arrears of registration fees and/or renewal fees for any tower, the municipality reserve the right to seal the tower until the payment is received in full along with accrued interest.

Condition-2

Tower tax (Registration and Renewal Fees) is not being collected on timely basis as more than Rs. 8,98,520/- is receivable from tower tax.

SUMMARY OF TOWER TAX AS ON 31.03.2019

Ward No.	Address	Owner of Tower	Installation Date	Registration Charges	Renewal Fees	Total Dues	Interest	Total Amount
10	ANAPURNA RICE MELL	BSNL	2008	30,000	80,000	1,10,000	18,360	128,360
3	BANIYA TOLI	RIM CO.	2008	30,000	80,000	1,10,000	18,360	128,360
10	CLUB CHOK	AIR-CELL	2008	30,000	80,000	1,10,000	18,360	128,360
10	ANAPURNA RICE MELL	AIR-CELL	2008	30,000	80,000	1,10,000	18,360	128,360
11	BEHIND SBI PUPRI, JANAKPUR ROAD	IDEA	2008	30,000	80,000	1,10,000	18,360	128,360
4	JAITPUR MOHALLA	TATA INDI	2008	30,000	80,000	1,10,000	18,360	128,360
11	BEHIND SBI PUPRI, JANAKPUR ROAD	AIRTEL	2008	30,000	80,000	1,10,000	18,360	128,360
TOTAL				210,000	560,000	770,000	128,520	898,520



Consequence/Effect/Impact:

Due to no collection of Tower Rent there is a huge revenue loss to the Nagar Panchayat.

Cause:

This happens due to non-monitoring the working activities of concerned authorized personal on regular basis.

Corrective Action/ Recommendation:

There should be proper records of mobile tower rent demand/ collection/ arrear and proper mechanism for supervision and monitoring for collection.

3. Non Collection of Advertisement Tax:

Criteria:

Advertisement Taxes, in case auctioned to external agencies, shall be recognized as per the terms of agreement. In all other cases, when permission for advertisement is granted for the first time, the Advertisement Tax shall be accrued at the point when tax is paid and permission is granted. After the first year, Advertisement Tax shall be accrued when renewal is due.

Condition

Nagar Panchayat is not collecting any advertisement tax.

Consequence/Effect/Impact:

Due to no collection of advertisement tax there is a huge revenue loss to the Nagar Panchayat.

Cause:

This is happens due to failure of designated staff and non-monitoring of authorized officials on timely basis.

Corrective Action/ Recommendation:

There should be proper collection and monitoring mechanism for advertisement tax.

4. Irregularities in Shop Rent Collection:

Criteria:

Revenues in respect of rents from properties shall be accrued based on terms of agreement. All rent should be collected on due date otherwise it should be collected with penalty and interest.



Condition:

Nagar panchayat has not any shop/ stall.

Consequence/Effect/Impact:

N.A

Cause:

N.A

Corrective Action/ Recommendation:

N.A

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

- During the audit period, we observed some irregularities in payment against bills. Some of these are as :

i) **Short deduction of GST by Rs. 5369.40 :**

- Nagar panchayat has purchased Dustbin through GEM Portal.
- Standing committee was taken decision to purchase Dustbin as on 10.10.2018.
- The file of Dustbin purchased shows the details of only PS UDHYOG, who is supplier but others details like how many tenderers participate, how many types of prices offered by tenderers are not attached in file. Transparency in procurement could not be ensured.

➤ Payment Details :

Bill Amount : 1759920.0
(-) GST : 29829.00
Net Paid : 1730091.00 through ch. No. - A714042 dated- 22.12.2018

- But actually Nagar panchayat should have to deduct 2% on bill amount i.e $1759920.00 * 2\% = 35198.40$. So, Nagar panchayat deducted GST in short by Rs.5369.40 ($35198.40 - 29829.00$).

ii) **Non deduction of TDS on GST and Income tax :**

- Purchased of six seated mobile toilet by the ULB.

➤ Payment details :

Bill amount : 1107000.00
(-) Security Deducted : 110700.00
Net Payment : 996300.00 cheque no.- 024551 dated-06.10.2018.

- Observations are as under-

a) The E-tender for purchase of toilets (NIT 05/2017-18) was not done.



- b) Transparency in procurement could not be ensured.
- c) Work order no.- 284 dated - 24.05.2018 but bill no.-12 date is 04.10.2018 (which is after two months). Further it has been observed that ULB issued work order for the supply of 9 toilets but the party supplied only 3 toilets.
- d) Further it has observed that purchased toilet has not been mentioned on stock register.
- e) TDS on GST (2%) has not deducted from paid bill. So, there is excess payment of Rs. **22140.00** (1107000*2%).

iii) **Excess payment and Irregularities in Departmental works:**

Scheme No.	: 19/17-18
Fund name	: Stamp duty
Party -	: Vijay kumar sharma (Junior engineer who is not a regular employee)
Scheme Name-	: Construction of P.C.C Road and Drain from main road to sushil jha in ward no.- 11.
Board approval date	: 18.12.2017 (proceeding no.-15)
Work order no.	: 115 dated- 28.02.2018
Time duration	: 2 months
Estimated amount	: 652400.00
M.B.A	: 644124.00
GST	: 12882.00
CESS	: 6441.00
ROYALTY	: 12055.00
Net payable	: 612746.00
Payment Made (Rs.)	: 612000.00 through cheque no.- A714010 dated- 01.07.2018

Observations:

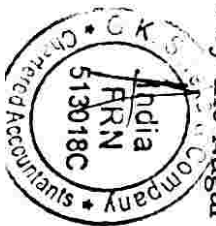
- a) The photograph of final work does not show Drain (only P.C.C Road shows).
- b) The bill number was not mentioned on following vouchers :
 - Cement- 89901.00- Satna cement bhandar, Janakpur road, Sitamarhi, Chips.
 - Cement-98960.00- Satna cement bhandar, Janakpur road, Sitamarhi
- c) Carriage voucher of materials has passed for payment on hand slip bill (not on cash memo or other taxable invoice)
- d) It is observed that some excess amount of materials consumed rather than Estimated amount :
 - Local sand = Rs.10298.00 (Estimated) but in actual Rs. 11437.00
 - Course sand = Rs. 67634.00 (Estimate) but in actual Rs. 71277.00
 - So, there is an excess payment in sand = 4782.00 (1139+3643)
- e) In work order, it has ordered that quality control report is required before the payment of bill but it has seen that there is no such report in file.



Field survey of 20 high value properties has been conducted by us and our report thereon is:

SL. NO	NAME	FATHERS/HUSBAND NAMES	HOLDING NO	WARD NO	TYPE OF CONTRUCTION	TYPE OF USES	TYPE OF ROAD	CARPET AREA	ANNUAL VALUE	ANNUAL TAX	REMARKS OF AUDIT OR
1	OM PARKASH SHRIWASTAV	JAG MOHAN LAL	11	1	PCC	RESIDENTIAL	OTHERS		11840.00	1065.60	
2	MOILANA MAHFUZAR	ABDUL AZIZ	65	1	PCC	RESIDENTIAL	MAIN ROAD		17280.00	1555.20	
3	ABDUL BARI	SATAR	76	1	PCC	RESIDENTIAL	MAIN ROAD		11520.00	1036.80	
4	RAMANYACHAN PARSHAD	HUKUMCHANDRA BHAGAT	116	1	PCC	RESIDENTIAL	OTHERS		12160.00	1094.40	
5	SAVITRI DEVI	HARIHAR PARSHAD SAHI	140	2	RCC	RESIDENTIAL	OTHERS		7677.78	691.00	
6	GULSHAN JAHHA	MUSLIM ANSARI	23	3	PCC	RESIDENTIAL	MAIN ROAD		6560.00	590.40	
7	NIRAJAN KUMAR DAWARIKA	PURUSHTUMPARSHAD DAWARIKA	33	3	PCC	RESIDENTIAL	MAIN ROAD		17280.00	1555.20	
8	NIRMAL KUMAR DAWARIKA	NARAYAN PARSHAD DAWARIKA	35	3	PCC	RESIDENTIAL	MAIN ROAD		19200.00	1728.00	
9	VJAY SUNDAR	GAURI SANKAR SUNDAR	147	3	PCC	RESIDENTIAL	MAIN ROAD		11511.11	1036.00	
10	MD ASHARAF ALI	ABDUL BANKI	50	4	RCC	COMMERCIAL	OTHERS		11511.11	1036.00	
11	ABDUL KAMAL	ABDUL KAFI	51	4	RCC	RESIDENTIAL	MAIN ROAD		40000.00	3600.00	
12	GULSHAN JAHHA	MD MUSLIM	87	4	RCC	RESIDENTIAL	MAIN ROAD		46080.00	4147.20	
13	MEHARUN NISHA	MD ISHRAI ANSHARI	88	4	PCC	RESIDENTIAL	MAIN ROAD		11520.00	1036.80	
14	BILKASH FATMA	ABDUL BANKI	194	4	PCC	RESIDENTIAL	MAIN ROAD		15040.00	1353.60	
15	ABDUL JABAR ANSARI	ABDUL HAKIM ANSARI	202	4	PCC	RESIDENTIAL	MAIN ROAD		11520.00	1036.80	
16	PRINCEPAL S.R.	D.A.V.PUBLIC SCHOOL	122	5	PCC	RESIDENTIAL	OTHERS		198720.00	17884.80	
17	SARSAWTI DEVI	RAJU SANJIVAN	232	5	PCC	RESIDENTIAL	MAIN ROAD		5033.33	453.00	
18	USHA DEVI	RAMGOPAL BAPOREYA	2	6	PCC	RESIDENTIAL	OTHERS		12155.56	1094.00	
19	LAXMI NARAYAN RAJUNANDAN CHOUHDHARI	GAURI SANKAR PARSHAD RAMCHARIDA CHOUHDHARI	44	6	PCC	RESIDENTIAL	OTHERS		28800.00	2592.00	
20			182	6	PCC	RESIDENTIAL	OTHERS		2933.33	264.00	

No variance has found in the above data provided by the Nagar panchayat Janakpur Road for the financial year 2018-19.



II. PART-B

All audit objections/ irregularities which have no monetary implication, but significant violation of Act, Rules & directives of UD & HD. Mention the reference Act & Rules wherein remedial measures is required. In this part auditor should report in respect of -

a. Non- maintenance of books of accounts , subsidiary registers

S.No.	Particulars	Status
1.	Ledger Book	Not Maintained
2.	Grant Register	Not Maintained
3.	Payroll Register	Not properly maintained
4.	Log Book	Not Provided
5.	Demand and Collection Register	Not Provided
6.	Assessment Register	Not Provided

Recommendation:

We recommend to the Nagar Panchayat to Prepare and update the required books and registers

b. Irregularity in procurement process

Please refer Para B of Part A of the report.

c. Non-compliance of directives by UD & HD , GOB

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

- Non collection of various taxes required to be collected.
- Non maintenance of prescribed books of accounts
- Non submission of UC and other reports on timely basis etc.
- Non-supervision of Departmental work by a Regular Engineer.

Recommendation:

We recommend to the Nagar Panchayat to Prepare and update the required books and registers.

d. Non Compliance of Act & Rules

- All Municipalities referred to in Schedule-I shall maintain its books of accounts using the **double entry system** of book keeping following **accrual accounting principles** guided by the **Bihar Municipal Accounting Rules, 2014.**

Conditions:

Nagar Panchayat is not preparing its books of accounts using the accrual system of accounting.



Recommendation:

We recommend to the Nagar Panchayat to comply with the accrual system of accounting using double entry system.

2. As per Section 127 of the Bihar Municipal Act , the Municipality can levy the following taxes:-
- i. Property tax on lands and buildings.
 - ii. Surcharge on transfer of lands and buildings,
 - iii. Tax on deficit in parking spaces in any non-residential building,
 - iv. Water tax,
 - v. Fire tax,
 - vi. Tax on advertisements, other than advertisements published in newspapers,
 - vii. Surcharge on entertainment tax
 - viii. Surcharge on electricity consumption within the municipal area,
 - ix. Tax on congregations,
 - x. Tax on pilgrims and tourists, and
 - xi. Toll -
 - a) on roads, bridges, ferries and navigable channel and
 - b) on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles, within the meaning of the Motor Vehicles Act, 1988, plying on a public street.
 - xii. Tax on profession

Conditions:

- ***We observed that only property tax has been collected during the year other taxes have not been collected.***
- ***New Assessment has not been done since long and holding tax is being collected at old rates.***

Recommendation:

We recommend to the Nagar Panchayat to levy the above taxes and user charges.

e. Lack of internal Control measures

- 1) There are lack of internal control w,r.t collection of taxes.



- 2) Demand collection Register has not been prepared hence it is not possible to ascertain total arrear of taxes
- 3) Taxes collected by tax collector are not deposited on daily basis we observed that it is being deposited after significant interval which is not proper. As per Rule 27 of BMAR it should be deposited on daily basis otherwise a penalty up to Rs. 5000/- per day may be imposed for delayed deposit.
- 4) Reassessment of holding tax has not been done since long and holding tax is being collected at old rates.
- 5) Due collection of revenue on old rates there is significant loss the N.P. Quantification of loss is not possible at this point of time.
- 6) Advertisement Tax is not being levied by the N.P as a result there is a loss to the N.P of advertisement tax amount.
- 7) Tower tax dues are not collected on time basis.
- 8) Tender of Ghat, Crematorium, Gate, Palm trees and lands are not done on yearly basis.
- 9) Advance Register is not prepared hence it is difficult to monitor for advances given and adjustment thereof.
- 10) There is lack of internal control on deduction and deposit of various taxes. On deduction of taxes liability is not created hence it is difficult to ascertain tax payable at any point of time. Taxes such as VAT, I.T. Royalty etc are collected from time to time but its payments are made on yearly basis which is not proper. Taxes should be remitted to the Govt. account on timely basis otherwise penal action may be taken by the concerned department for delayed deposit of taxes.

f. Non-compliance of TDS, VAT and other relevant Statute

- The municipality is not regular in depositing statutory dues including tax deducted at source, service tax, VAT/GST, works contract tax, cess payable to the government etc. We observed that all such taxes deducted during the financial year 2018-19 has not been deposited in full to the concerned departments. Details are as under:-

Particulars	Tax Deduction FY 2018-19	Tax Deposited FY 2018-19	Balance Due on 31.03.2019
GST	288371	0	288371
ROYALTY	266334	0	266334
LABOUS CESS	149451	0	149451
INCOME TAX	17072	0	17072
TOTAL	721228	0	721228



Amount of Tax deducted during the FY 2018-19 has not been deposited, and the balance due as on 31st March 2019 is Rs.721228/-

Recommendation:

We recommend to the Nagar Panchayat to comply with the above mentioned internal controls weakness for fair presentation of financial position.

g. Deficiency in Pay-roll System

- The pay-roll system does not contain leave details of employee. PF contribution and pension fund contribution of employees are deducted but municipal contribution is not being paid. PF account has not been opened with PF department all the deductions of PF contribution and pension fund contribution are being deposited in a separate account opened by the municipality.

Recommendation:

We recommend to the Nagar Panchayat to comply the said provisions.

h. Utilization of Grant and report on missing Utilization Certificates

- Grant Register has not been prepared hence it is difficult to ascertain unutilized grant at any particular time.
- Following are the details of Grant received during the FY 2018-19 but Utilization Certificate has not been prepared.

Sl. No	DATE	SANCTION LETTER / DATED	BILL NO.	AMOUNTS	FUND	U.C Amount	Remarks (UC Status)
1	19.09.22018	07/22.05.2018	01/2018-19	7,00,000.00	E.O SALARY	7,00,000.00	
2	19.09.2018	24/17.07.2018	02/2018-19	69,66,650.00	SAMRAT ASHOK BHAWAN	0	Not submitted
3	19.09.2018	21/10.07.2018	03/2018-19	27,41,505.00	5TH FINANCE	0	Not submitted
4	19.09.2018	21/10.07.2018	04/2018-19	27,41,506.00	5TH FINANCE	0	Not submitted
5	19.09.2018	22/10.07.2018	05/2018-19	21,14,872.00	NALI-GALI YOJNA	0	Not submitted
6	19.09.2018	22/10.07.2018	06/2018-19	19,48,539.00	NALI-GALI YOJNA	0	Not submitted
7	19.09.2018	22/10.07.2018	07/2018-19	1,23,566.00	NALI-GALI YOJNA	0	Not submitted
8	19.09.2018	15/03.07.2018	08/2018-19	26,80,666.00	5TH FINANCE	0	Not submitted
9	19.09.2018	15/03.07.2018	09/2018-19	26,80,666.00	5TH FINANCE	0	Not submitted
10	06.11.2018	31/31.10.2018	10/2018-19	22,01,400.00	CIVIC AMENITIES	0	Not submitted
11	06.11.2018	32/31.10.2018	11/2018-19	16,24,060.00	14TH FINANCE	0	Not submitted
12	06.11.2018	32/31.10.2018	12/2018-		14TH FINANCE	0	Not submitted



13	25.02.2019	27/24.10.2018	19	16,24,060.00			
14	25.02.2019	75/05.01.2019	13/2018-19	6,55,749.00	PROFESSIONAL TAX	0	Not submitted
15	25.02.2019	75/05.01.2019	14/2018-19	16,12,702.00	14TH FINANCE	0	Not submitted
16	25.03.2019	99/06.03.2019	15/2018-19	16,12,702.00	14TH FINANCE	0	Not submitted
		Total	16/2018-19	13,21,178.00	NALI-GALI YOJNA	0	Not submitted
				3,33,49,821.00		7,00,000.00	

- UCs relating to above mentioned grant received except Rs.7.00 lakh not made available to us.

Recommendation:

We recommend to the Nagar Panchayat to provide the grant register for assist in preparation of utilization certificate.

i. Physical verification of inventory/Stores

Store Register has not been prepared and physical verification of inventory/stores has also not been done.

Recommendation:

We recommend to the Nagar Panchayat to prepare the store/inventory register.

j. Advances, their adjustment & recovery

Advance Payment

Criteria:

The employees of the Municipality to whom official advances are provided for incurring expenditure on behalf of the Municipality shall prepare a Payment Order for the expenditure incurred as soon as the purpose for which the advance was provided is accomplished.

Condition:

Advance Register is not prepared hence it is difficult to monitor for advances given and adjustment thereof.

Recommendation:

We recommend to the Nagar Panchayat to adjust all the advances within scheduled time.

k. Any other matters as may be prescribed in due course.

Staff strength of accounts department needs to be increased.





III. PART- C

4. Auditor should report in a separate section for non-compliance of rules/directives of UD&HD, GOB; Auditor should see the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD.

➤ We observed several compliances and non-compliances of directives of UD & HD, GOB such as:

Chapter-IX:

Financial Management of Municipalities

Keeping in view the classification of municipal areas under section 7, the receipts and expenditures of the Municipality has not been kept under the heads of accounts, including those for water-supply, drainage and sewerage, solid waste management, road development and maintenance, slum services, commercial projects and other account heads as specified and the general account head, in such manner, and in such Form, as prescribed, so as to facilitate the imposition of user charges and preparation of any subsidy report under this Act.

Chapter-X: Application of Municipal Fund

Records for Power to incur expenditure within specified limits of the Municipality has not been provided to us.

The state fund grants received during the year were not specifically mentioned the purpose of their utilisation, the funds received as grant during the year were utilised for various purposes.

Chapter-XI: Budget Estimates

Variance in Major Heads: Amount Financial Year 2018-19

➤ We have not been provided copy of Budget for the FY 2018-19.

Chapter XII: Accounts and Audit

Books and Accounts of the Nagar Panchayat has not been maintained as per Municipal Accounting Manual and not placed to auditor appointed by UDHD. However the Nagar Panchayat is maintaining only cash book and



their subsidiary books.

Chapter-XIII: Municipal Property

We were not provided with the Fixed Assets Register for the FY 2017-18 for verification.

Chapter-XIV: Borrowings

No borrowings availed by Nagar Panchayat.

Chapter-XV: Municipal Revenue

Revenue collection process is not satisfactory; in case of property tax internal control is not adequate. We have observed that Property Taxes collected by tax collector were not deposited on the same day or the day after tomorrow but it is being deposited after a week/month.

1. Reconciliation of property tax collection by tax collector and amount deposited into bank is also not available.
 2. Tax demand register has not been provided for verification, in such a situation we cannot ascertain the actual tax demanded/dues which can be recovered from a single tax payer. This could be a huge loss to Nagar Panchayat.
- Tower tax (Registration and Renewal Fees) is not being collected on timely basis as more than Rs. 8,98,520/- is receivable from tower tax.
 - Nagar Panchayat is not collecting any advertisement tax.
 - Not any Shop available in NP Janakpur Road.

Auditor should Report in a separate chapter on implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment procedures to check any inconsistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS

➤ Field survey of 20 high value properties has been conducted by us and our report as annexed in Part-A Point-3 of this report.



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;

c. Auditor should Report on compliance of Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR

- a) Rule 22: All moneys to be brought to account
- b) Rule: 27: Collections to be deposited into Bank on the same day
- c) Rule 69: Grant Related Compliance
- d) Rule 120-121: Monthly Receipt & Payment Account and Trial Balance
- e) Rule 130: Audit to be completed & reported within 6 month

d. Report on compliance of financial guidelines of schemes of MOHUA and UD & HD, GoB.

e. Auditor should 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;

As suggested by the C&AG, the Ministry of Finance, Government of India has introduced a "National Municipal Accounts Manual" for adoption of accrual system of accounting system of accounting of ULBs. Based on NMAM, Bihar Municipal Accounts Manual (BMAM) has been got prepared by the Government of Bihar and has been enforced from April 1, 2007. Generally ULB following cash based accounting system which is only detail of total collection and expenses as per provision of BMR 2007, the double entry system should be employed to all ULB.

- Internal control for collections of revenue from internal sources is not adequate such as :
 - i. Demand register is not maintained.
 - ii. All the collections are not deposited in bank account on same day.
 - iii. Monthly Receipt & Payment Account and Trial Balance has not been prepared.
 - iv. Audit of accounts is not completed and report has not been submitted within 6 month.

Separate details of schemes of MOHUA (Ministry of Housing and Urban Affair) and UD&HD (Urban Development and Housing Department) not provided to us for Report on compliance of financial guidelines.

➤ Revenue collection process is not satisfactory; in case of property tax internal control is not adequate. We have observed that Property Taxes collected by tax collector were not deposited on the same day or the day after tomorrow but it is being deposited after a week/month.

1. Reconciliation of property tax collection by



tax collector and amount deposited into bank is also not available.

2. Tax demand register has not been provided for verification, in such a situation we cannot ascertain the actual tax demanded/dues which can be recovered from a single tax payer. This could be a huge loss to Nagar Panchayat.

➤ Tower tax (Registration and Renewal Fees) is not being collected on timely basis as more than Rs.8,98,520/- is receivable from tower tax.

➤ Nagar Panchayat is not collecting any advertisement tax.

➤ Not any Shop available in NP Janakpur Road.

➤ Please refer Para No. b of Part A of the Report.

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.

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/-

➤ During Audit period, we found that no any procurement register has been kept by ULB.

➤ **Irregularities in E-tendering Process:**

No transparent procurement process obtained.

NIT 02/17-18, Group no.- 01

Scheme No.- N.A

Scheme name: Construction of protection wall, Drain, Road and staircase at Pancheswar Nath Temple Pond in ward no.- 06 of nagar panchayat Janakpur road.

Contractor: Abhay kumar singh

Fund: State plan

Process: E-tendering

Work order no.- 809 dated- 30.11.2017

Time period: 6 months

Estimated: Rs. 9301617.00

Agreement value: 8371455.00 (10% below)

We observed in this tender, only one tenderer



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.

Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.

- (Abhay kumar singh) participated and submitted documents. So, it is a single tender.
- ULB have paid to contractor first advance of Rs. 3000000.00 through cheque no. - A713995 dated- 09.06.2018.
- Original copy of photograph of final work, quality control report and M & N form not attached in file.
 - Grant Register has not been prepared by Nagar Panchayat.
 - However we have given List of Grant received during the FY 2018-19.
 - Utilisation Certificate has not prepared on regular basis.

Instances of losses, failures or inefficiencies

- In case of property tax internal control is not adequate. We have observed that Property Taxes collected by tax collector were not deposited on the same day or the day after tomorrow but it is being deposited after a week/month.
- Reconciliation of property tax collection by tax collector and amount deposited into bank is also not available.
- Tax demand register has not been provided for verification, in such a situation we cannot ascertain the actual tax demanded/dues which can be recovered from a single tax payer. This could be a huge loss to Nagar Panchayat.
- Tower tax (Registration and Renewal Fees) is not being collected on timely basis as more than Rs. 8,98,520/- is receivable from tower tax.
- Nagar Panchayat is not collecting any advertisement tax.
- Not any Shop available in NP Janakpur Road.

Recommendations and/or measures which can be taken to avoid their recurrence in future.



Proper monitoring of all transactions and implementation of Bihar Municipal Accounting Manual by authorised personals are recommended.

Please refer Para b of Part A

No such FD.s held by Nagar Panchayat.

S. No.	Particulars	Amount	Reason
1	Property Tax	367118	Not deposited in Bank
2	Tower Tax	8,98,520	Non-Recovery/Delay in collection.
3	Advertisement Tax	Nil	Nagar Panchayat is not collecting any advertisement tax.

- > The municipality is not regular in depositing statutory dues including tax deducted at source, service tax, VAT/GST, works contract tax, cess payable to the government etc. We observed that all such taxes deducted during the financial year 2018-19 has been deposited in full to the concerned departments.
- > Tax deducted during the FY 2018-19 has not been deposited in full, and the balance due as on 31st March 2019 is Rs.3,05,877/-




Internal Auditor will ensure that all the C&AG audit & Internal audit Paras has been complied by the ULBs, if not complied the Internal Auditor shall help the ULBs staffs to prepare the compliance report.

➤ We are following up with the concerned staff to assist in compliance of C&AG Report.

General Observations: Auditor should report the deficiencies noticed during their audit and recommend ULB Management to improve internal systems.

➤ Manpower of Nagar Panchayat is not adequate and equipped with required knowledge.

For G. K. Sureka & Co.
Chartered Accountants
FRN.-513018C


(CA. G. K. Sureka)
Partner
M.N.-091380



UDIN: 20091380AAAADS9223

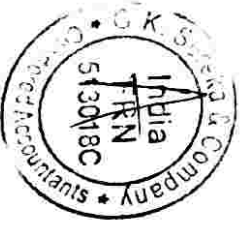
Date: 24-06-2020

Place:
Date:

Discussion Note for Internal Audit observation of FY 2018-19

Discussion has been made with the audit manager of the internal audit Firm M/s G.K. Sureka& Co. on the Internal Audit observations of the financial year 2018-19 and we kept in mind and follow their recommendations and suggestions on the areas of process and control weakness in best manner. Some of the serious issues have been given below.

<u>S. No</u>	<u>Audit Observations</u>	<u>Reply of Management</u>
1.	Bank Reconciliation statement has not been prepared on regular intervals. i.e. Monthly/Quarterly, Account and Scheme wise Bank reconciliation not prepared and corresponding Book Balance and Pass balance not provided of respective accounts.	Preparation of Bank Reconciliation Statement is in progress. It will be provided as soon as possible.
2.	ULB has not maintained subsidiary cash book. We recommend to the ULB to maintain scheme wise subsidiary cashbook.	Preparation of subsidiary book is in progress.
3.	Implementation of DEAS at ULB for the FY 2018-19.	DEAS team has been appointed by the concerned department. Implementation of DEAS is in progress, and pending for approval.



Executive Officer
Nagar Panchayat Janakpur Road,
Dus, Siddhartha

5.

a. Reconciliation of property tax collection by tax collector and amount deposited into bank is also not available.

b. Tax demand register has not been provided for verification, in such a situation we cannot ascertain the actual tax demanded/dues huge loss to ULB.

a) Noted for further compliance.

b) Noted for further compliance.

c) Noted for further compliance.

Nagar panchayat Janakpur Road

Holding tax Details

2018-19					
Sl. No.	Quarter	Collection	Deposit	Date	O/s Balance
1	I	61260	17160	03.05.218	44100
2	II	231141	186307	11.09.2018	88934
3	III	306579	0		395513
4	IV	268764	297159	11.03.2019	367118
	Total	867744	500626		367118



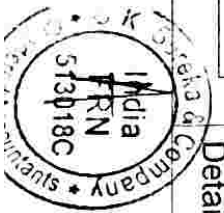
EXECUTIVE COMMITTEE

Nagar Panchayat Janakpur Road.

Dr. Suman Singh

c Property Tax should be deposited on daily basis otherwise a penalty up to Rs. 5000/- may be imposed for delayed deposit.

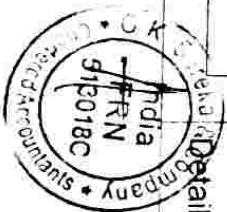
<p>6. Tower tax (Registration and Renewal Fees) is not being collected on timely basis as more than Rs. 8,98,520/- is receivable from tower tax.</p>	<p>Notice will be issue to the concerned person, as and when stay order of High Court will be laps/remove.</p>						
<p>7. ULB is not collecting any advertisement tax.</p>	<p>We are working on this.</p>						
<p>8. Demand Register for shop rent has not been maintained on regular basis. ULB is not collecting any shop rent.</p>	<p>Maintenance of Demand Register for shop rent is in progress and it will be provided from next time. Notice to be issued to the concerned shop tenant.</p>						
<p>9. Non- maintenance of books of accounts , subsidiary registers</p> <table border="1" data-bbox="263 235 359 1198"> <thead> <tr> <th>S.No.</th> <th>Particulars</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Ledger Book</td> <td>Not Maintained</td> </tr> </tbody> </table>	S.No.	Particulars	Status	1.	Ledger Book	Not Maintained	<p>We are working on the preparation of Subsidiary books and Register, few of them is prepared. Details as below.</p>
S.No.	Particulars	Status					
1.	Ledger Book	Not Maintained					



EXECUTIVE
 Manager Prakash Jaiswal, 102, Sakinaka,
 Lucknow

c. Property Tax should be deposited on daily basis otherwise a penalty up to Rs. 5000/- may be imposed for delayed deposit.

<p>6. Tower tax (Registration and Renewal Fees) is not being collected on timely basis as more than Rs.8,98,520/- is receivable from tower tax.</p>	<p>Notice will be issue to the concerned person, as and when stay order of High Court will be laps/remove.</p>						
<p>7. ULB is not collecting any advertisement tax.</p>	<p>We are working on this.</p>						
<p>8. Demand Register for shop rent has not been maintained on regular basis. ULB is not collecting any shop rent.</p>	<p>Maintenance of Demand Register for shop rent is in progress and it will be provided from next time. Notice to be issued to the concerned shop tenant.</p>						
<p>9. Non-maintenance of books of accounts , subsidiary registers</p> <table border="1" data-bbox="295 241 383 1209"> <thead> <tr> <th>S.No.</th> <th>Particulars</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Ledger Book</td> <td>Not Maintained</td> </tr> </tbody> </table>	S.No.	Particulars	Status	1.	Ledger Book	Not Maintained	<p>We are working on the preparation of Subsidiary books and Register, few of them is prepared.</p> <p>Details as bellow.</p>
S.No.	Particulars	Status					
1.	Ledger Book	Not Maintained					



EXECUTIVE
 Manager Pankaj Kumar Jaiswal, B.Com.,
 112, Sarthali

	<p>Grant Register has not been prepared hence it is difficult to ascertain unutilized grant at any particular time.</p> <p>Total amount of grant whose UC not submitted of Rs. 33349821.00</p> <p>We recommend to the ULB to provide the grant register for assist in preparation of utilization certificate.</p>	<p>Preparation of Grant Register is in progress.</p> <p>Utilization Certificate of respective grant will be prepared and submitted to the concerned department as soon as such grant utilized.</p> <p>Help of Internal Auditor will be taken, if required.</p>
16.	<p>Store Register has not been prepared and physical verification of inventory/stores has also not been done.</p>	<p>Store register is prepared but not maintained.</p> <p>We are working on this.</p>
17.	<p>Advance Register is not being prepared hence it is difficult to monitor for advances given and adjustment thereof. However, the list of employees who taken advances for expenditure and their outstanding balance on March 2019 has been provided.</p>	<p>It will be followed from next time.</p>
18.	<p>Staff strength of accounts department needs to be increased.</p>	<p>Yes, I will place this matter in meeting board/committee.</p>
19.	<p>Separate details of schemes of MOHUA (Ministry of Housing and Urban Affair) and UD&HD (Urban Development and Housing Department) not provided to us for Report on compliance of financial guidelines.</p>	<p>It will be provided from next time.</p>
20.	<p>Internal control measure has not been consider by concerned ULB for its operation and transaction.</p>	<p>We are working on the recommendations made by the Internal Auditor.</p>



List of directive issued by UD&HD, GOB has not been provided to us for verification of same regarding compliances.

It will be provided from next time

22.

In the Audit period, we observed some irregularities in Budget Estimate 2018-19 :

Noted for further compliance

- a) Budget Estimates has been prepared without Service Level Benchmarking.
- b) Opening Balance and Closing Balance differs from previous Budget Estimate.
- c) Outcome Details not attached in Budget 2018-19.
- d) Establishment Details not prepared.
- e) Wardwise meeting's proceeding not attached in Budget.

Date:
Place:

For Nagar Panchayat Janakpur Road
(Executive Officer)



[Signature]
Executive Officer
Nagar Panchayat Jan. Kur Road,
Lax. Saurashtra