

**Urban Development & Housing  
Department, Government of Bihar**

# INTERNAL AUDIT REPORT

**Of Nagar parishad Bairgania,**

**For the period from 01-04-2020 to 31-03-2021**

**Internal Audit conducted by**

**GK Sureka & Co.**  
**Chartered Accountants**

Flat No:104, Baidyanath Palace, Jagdeo Path More,

Bailey Road Pillar No.10, Patna-800014 (Bihar).

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**From 15-07-2022 to 24-07-2022**

**Report Issued on :**

# Audit Report :

## Content of Audit Report:

1. Executive Summary  
Scope of Audit
2. Auditee Profile
3. Summary Audit Observations
4. Detailed Audit Observations
5. Annexure
6. Acronyms

### 1. Executive Summary

#### 1. Introduction

Name of the Municipality	<b>Nagar parishad Bairgania</b>
Period covered under current audit	<b>01-04-2020 to 31-03-2021</b>
Name of the Chairman of the ULB for the period under Audit	<b>Smt. Veena Devi, from 01.08.2019 to till date</b>
Name of Chief Municipal Officer for the period under Audit	<b>Shri Ravi Kumar Arya ,</b>

#### 2. Results and Findings

<b>Strength observed during the audit engagement</b>	<ul style="list-style-type: none"><li>➤ Subsidiary Cash Book, Inventory and stock register is maintained.</li><li>➤ Staff Co-operation during the Audit period was very good.</li><li>➤ All municipal transactions shall be identified with funds in accordance with rule 5, and separate accounting records have been maintained for each fund.</li><li>➤ Office infrastructure is sufficient for operation.</li></ul>
<b>Weakness observed in the functioning of office, maintenance of records etc. observed during the audit engagement.</b> <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</i>	<ul style="list-style-type: none"><li>➤ 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.</li><li>➤ Statement of outstanding liabilities for expense in BMAR Form-55 is not maintaining by the municipality.</li><li>➤ The property tax register and demand</li></ul>

<p><i>thePara on Consequence/Effect/ impact ofeach Audit observation. It should also include a summation ofoutstanding statutory and internalaudit observations.</i></p>	<p>collection register are not maintained by ULB so they have not been provided to us to ascertain the Total Demand and Arrear at the end of audit period.</p> <ul style="list-style-type: none"> <li>➤ Taxes and other revenue collections from internal sources are not deposited in bank on same day.</li> <li>➤ Nagar parishad 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, and Shop Rent etc.</li> <li>➤ Assessment of Property Tax, Rent and other resources has not been conducting on regular intervals.</li> </ul>
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### 3. Opinion

<p><b>Overall opinion of the Audit team about the functioning of the Municipality</b></p>	<p>The functioning of the Municipality is weak due to following reasons:</p> <ul style="list-style-type: none"> <li>➤ Most of the prescribed Books of accounts are not maintained</li> <li>➤ Internal Control w.r.t. collection of taxes, monitoring of grant, monitoring of advances, monitoring of schemes etc. is very poor.</li> <li>➤ Collection from own sources is very poor.</li> <li>➤ Grant received for various purposes are not utilized on timely basis.</li> </ul>
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### 4. AuditRecommendations

<p><b>The recommendations of Audit team on the observed weakness</b></p>	<p><b>We recommend the followings:</b></p> <ul style="list-style-type: none"> <li>➤ Books of Accounts need to be maintained on double entry accounting system.</li> <li>➤ All the prescribed books of accounts and Registers should be prepared on real time basis.</li> <li>➤ General Cash Book should be written on daily basis.</li> <li>➤ Collection by tax collector should be deposited on daily basis.</li> <li>➤ Assessment of property should be conducted on regular intervals.</li> <li>➤ Demand Collection Register of all the wards should be prepared.</li> </ul>
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	<ul style="list-style-type: none"><li>➤ Property tax register should be prepared as per new assessment.</li><li>➤ Collection from own sources should be improved.</li></ul>
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*The recommendations of Audit Team on the observed weaknesses. This could be presented in a box of highlighted print.*



## 5. Comments from Management

<b>Comment Management</b>	<b>from</b>	The audit report has been discussed with us; we will try our best to remove the irregularities pointed out in the audit report.  <b>For Nagar parishad Bairgania</b>  (Executive Officer)
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*This should also include local management's action plan for resolution of the issues and compliance to the internal auditor's recommendations and suggestions on the areas of process and control weakness/ deficiency.*

## 6. Acknowledgement

We thank Mr. Shri Ravi Kumar Arya , (Executive Officer), Mr. Sonu sah(Accountant) and Mr. Janak Giri (Tax Daroga) for their support during the period of our audit. We are also thankful to support staffs of the municipality for their cooperation extended to us during the period of our audit.

Place: Patna

Date:

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



CA. K. K. SUREKA  
Partner

M.N.- 539535

Date - 12/09/22

UDIN No:- 22539535ARTSTX4141

*This section could acknowledge in brief the cooperation, acceptance of the criteria/ findings and recommendations by the Municipality (or otherwise). The observations should be stated in a factual and not in the form of an opinion (praise / accusation).*



## 7. Management Discussion with Risk Assessment

Risk Rating

High

Medium

Low

H

M

L

S. No.	Observations (sort the observations from high risk to low)	Risk Rating	Design Gap	System Gap	Operational Gap	Management (CMO) Comments	Reference Page
01	Loss of Revenue due to under assessment/ wrong generation of demand	H		Demand not Generated	Demand Registers not maintained	Noted for compliance	Demand registers should be prepared and updated to implement the designed system and to reduce the losses.
02	Non-updating various register like General Cash book, hand book, DCB register, Assessment register, etc.	M			Registers has not been updated on regular intervals.		

G. K. Sureka & Co.

Chartered Accountants



CA Kanram Javed

Partner

Date:

Place:

Executive Officer  
(signature with ULB's stamp)

Nagar parishad Bairgania

Date:

Place:

### Scope of Audit:

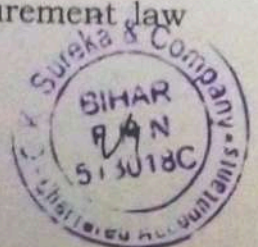
To improve and strengthen the financial Management at ULB, it has been decided, inter alias, to initiate Internal Audit of all significant financial transaction on an on- going basis.

Scope of Audit has been defined in Terms of Reference (TOR) of Internal Audit, Which include the following transaction:

- i. Internal Audit should undertake risk-based review and evaluation of the internal control as discussed in Bihar Internal Control Manual. Internal Audit should devote particular attention to any aspects of the internal control environment affected by significant changes to the ULB's riskenvironment.
- ii. Internal 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. In its report there must be a separate section for non-compliance of rules/directives of UD&HD,GoB;
- iii. Report on compliance of Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules ofBMAR
  - Rule 22: All moneys to be brought toaccount
  - Rule: 27: Collections to be deposited into Bank on the sameday
  - Rule 69: Grant RelatedCompliance
  - Rule 120-121: Monthly Receipt & Payment Account and TrialBalance
  - Rule 130: Audit to be completed & reported within 6month
- iv. Report on Compliance of financial guidelines of schemes ofMOHUA & UD&HD,GoB.
- v. 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;
- vi. Check on audit trail of all collection of Taxes and Non-Taxes either through staff or outsourced agency and report of any lapses in controls, if any and also advise recommendations to strengthen the prevailingprocesses;



- vii. Report in a separate chapter on implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment procedures to check any in-consistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actuals as per internal audits;
- viii. Vouch on all payments above Rs. 10,000 and report on adequacy and appropriateness of its documentation, approvals, compliance of procedures etc.
- ix. 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/-
- x. Auditor should report on presence or absence of a system of issuance of UC 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 If no system for UCs in the ULB Internal Auditor has to prepare UCs for the reporting period for which audit has been conducted.
- xi. Commissioner / Executive officer of the ULBs if they want, they can take help of the internal Auditor to ensure all the payment related to contracted works, purchase bills, advances refund of all kind of work related deposits, all kinds of consultancy fees and contingent bill of ULB according to the rules and regulation as per Municipality Act 2007, Municipal Accounts manual & Rules;
- xii. Report on Procurement procedure and payment of all works, goods and services.
- xiii. Internal Auditor shall also, provide recommendations to help the ULB management improve the ULB's internal control environment;
- xiv. Internal Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.
- xv. Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies.



- xvi. 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 gestationperiod.
- xvii. Internal Auditor will report on that all the expenditure i.e. Construction work, Material Procurement, Electric Bill, Telephone Bill, Diesel, Petrol, Greece, Vehicle Bill, House Rent etc. are as per the terms and condition of the contracts.
- xviii. Internal Auditor will report on, whether all the security deposit and earnest money deposited in tender/agreement process have been deposited in the bank immediately. Similarly refunds of these security deposit and earnest money deposit have been made ontime.
- xix. Internal Auditor will identify major areas of ULBs own revenue loss and auditor will access the loss and Prepare a statement ofloss.
- xx. Auditor will report on 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.
- xxi. 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 compliancereport.



## 2. Auditee Profile

### 1) Introduction

The Internal audit of (Nagar parishad Bairgania) covering the period from 01-04-2020 to 31-03-2021 was conducted by following persons under guidance of CA. Khurram Javed Partner, M/s G.K. Sureka & Co., (Chartered Accountants).

- i. Mr. Amar Kumar
- ii. Mr. Rajeev Kumar

### 2) Administration

The present body of the ULB has taken charge on 03-04-2019. The incumbency in the key administrative and executive positions was as under:

1. Smt. Veena Devi, Chairman from 01.08.2019 to till date.
2. Smt. Ganesh choudhary, Vice-Chairman from 01-08-2019 to till date.
3. Shri Mr. Ravi Kumar Arya, Executive Officer



3) Review of outstanding audit paras: **Status of Audit Observations is asund**

S.NO	Particulars of audit and date of report	Total No. of Audit Paras	Total No. of Paras where necessary improvement/corrective measure is required	Total No of Audit Paras where recovery of cash is proposed	Total No. of Audit Paras where recovery has been made	Total Amount of Recovery	Total No. of outstanding para where no action has been taken	No. & date of compliance report
1	AG Report: 287/16-17 Dated- 11.11.2016	13	7	5	-	-	13	Not Complied

Please mention the outstanding paras wise details, where audit team helped ULBs in making compliance report as per para xxi of scope of work of internal audit.

**The Major observations of AG audit report are as under:**

1. Short deposit of Holding tax by Rs. 4.64 lakhs.
2. Short Deduction of VAT amounted to Rs. 9.63 lakhs.
3. Non collection of settlement amount of Rs. 7.51 lakhs from parties.
4. Revenue loss from settlement by Rs. 2.37 lakhs due to negligence.
5. Non collection of Health cess amounted Rs. 1.11 lakhs.
6. Not deposit of education cess in govt. A/c of Rs. 59,783.00/-.
7. Non collection of Mobile tower tax of Rs. 5,464 lakhs.
8. Non deduction of TDS of Income tax (2%) OF Rs. 53,283.00/- from payment to NGO.
9. Non collection of Labour cess Rs. 2,59,498.00/- and income tax Rs. 62,279.00/-.
10. Un adjusted advance of Rs. 50.38 lakhs.



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

	FY 2018-19	FY 2019-20	FY 2020-21
Final/Revised Budget	48,94,99,942.20	69,26,04,814.13	375,115,854.00
Actual Expenditure	12,96,71,807.50	6,32,49,332.28	131,635,647.50
Savings(+)/Excess(-)	35,98,28,134.70	62,93,55,481.85	243,480,206.50

**II. Volume of transactions**

Period	Budgeted FY 2020-21	Previous Year (For one year) FY 2019-20	Corresponding Period of Previous Year of FY 2018-19	Current Period of FY 2020-21	Cumulative for the current period FY 2020-21
Opening balance	59,659,634.00	149,895,168.09	109,197,554.31	156,578,875.81	156,578,875.81
Receipts	389,205,860.00	73,490,685.00	170,369,421.28	165,698,915.00	165,698,915.00
Total	448,865,494.00	223,385,853.09	279,566,975.59	322,277,790.81	322,277,790.81
Net expenditure	375,115,854.00	63,249,332.28	129,671,807.50	131,635,647.50	131,635,647.50
Closing balance	73,749,639.00	156,578,875.81	149,895,168.09	190,642,143.31	190,642,143.31



### III. Bankreconciliation

**(Instructions: Simply write "Reconciled and balances tallied" if reconciliation done satisfactorily. Report the difference in balances where they differ).**

#### Closing Bank Balance & Cash Book year end with details

S. N	Bank Name	Account No	Name of Scheme	Balance as per Pass Books on 31-03-2021	Balance as per Cash Book as on 31-03-2021	Difference
1	STATE BANK OF INDIA	32710015912		1,003,141.20		
2	STATE BANK OF INDIA	11803893079		781.27		
3	STATE BANK OF INDIA	31709995652		42,901.56		
4	STATE BANK OF INDIA	32710014996		179.50		
5	STATE BANK OF INDIA	32710015526		842,023.00		
6	BANK OF BARODA	20010100002113		5,441.30		
7	BANK OF BARODA	20010100004178		1,377,960.00		
8	BANK OF BARODA	20010200000175		859,665.50		
9	BANK OF BARODA	200101000013885		6,063,310.00		
10	ALLAHABAD BANK	21922484986		6,590,869.00		
11	ALLAHABAD BANK	219225022134		293,001.00		
12	UBGB	10001210300022270		12,780.00		
14	TREASURY	PLA-019		163,259,949.00		
Total Balance as on 31-03-2021				<b>180,352,002.33</b>	<b>190,642,243.31</b>	<b>10,290,240.98</b>

**Details of Bank Accounts and their reconciliation position are as under:**

**The closing balance of Main cash book is Rs. 190,642,243.31, and the total balance of Pass Book dated 31-03-2021 is Rs. 180,352,002.33, So, the difference between Cash Book & Pass Book is Rs. 10,290,240.98.**

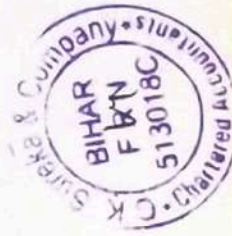
**"Reconciled and balances tallied"**



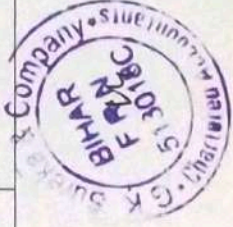
**IV. Revenue & Capital Receipts**

**Income Details (Amounts to be provided in Rupees )**

S. No.	Details	Period of Audit 2018-19		Period of Audit 2019-20		Period of Audit 2020-21	
		2018-19	2017-18	2019-20	2018-19	2020-21	2019-20
	<b>Total Receipts (A+B)</b>	170369421.00	68031488.00	73490685.00	170369421.00	165,698,915.00	73490685.00
<b>A</b>	<b>Revenue Receipts (1+2+3)</b>	96372429.00	12377215.00	9453530.00	96372429.00	11,582,202.00	9453530.00
<b>1</b>	<b>Own Revenue Receipts (a+b)</b>	2528031.00	5759373.00	1644994.00	2528031.00	4,324,344.00	1644994.00
a)	<b>Tax Revenue</b> (levied and collected by municipal body)	1358094.00	2445201.00	1359384.00	1358094.00	1,403,494.00	1359384.00
i)	Property tax	1350094.00	2445201.00	1359384.00	1350094.00	1,403,494.00	1359384.00
ii)	Other tax (levied and collected by municipal body)	8000.00	--	--	8000.00	--	--
b)	<b>Non-tax revenue</b> (levied and collected by municipal body)	1169937.00	3314172.00	285610.00	1169937.00	2,920,850.00	285610.00
i)	Fees & fines	870089.00	--	285610.00	870089.00	20,850.00	285610.00
ii)	User Charges	--	--	--	--	--	--
iii)	Other non-tax revenue (levied and collected by municipal body)	299848.00	--	--	299848.00	2,900,000.00	--

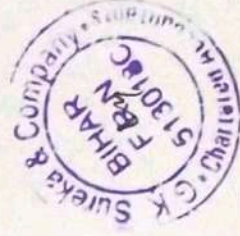


2	Other Revenue Receipts	964914.00	964914.00	964914.00	7568536.00	964914.00	7,257,858.00	7568536.00
a)	Income from interest/investments	184602.00	184602.00	184602.00	389390.00	184602.00	497,839.00	389390.00
b)	Other Revenue income	780312.00	780312.00	780312.00	7179146.00	780312.00	6,760,019.00	7179146.00
3	<b>Transfers/Grants/Assigned Revenues</b>	<b>5652928.00</b>	<b>5652928.00</b>	<b>5652928.00</b>	<b>240000.00</b>	<b>5652928.00</b>		<b>240000.00</b>
a)	State Assigned Revenue	0	0	0	--	0		--
b)	State Finance Commission (SFC) Grants/Devolution	--	--	--	--	--		--
c)	Octroi compensation	--	--	--	--	--		--
d)	Other State Government Transfers	5652928.00	5652928.00	5652928.00	--	5652928.00		--
e)	Central Finance Commission (CFC) Grant	--	--	--	--	--		--
f)	Other Central Government Transfers	--	--	--	240000.00	--		240000.00
g)	Others	--	--	--	--	--		--
<b>B</b>	<b>Capital Receipts</b>	<b>55654273.00</b>	<b>55654273.00</b>	<b>55654273.00</b>	<b>64037155.00</b>	<b>55654273.00</b>	<b>154,116,713.00</b>	<b>64037155.00</b>
1	Sale of Municipal Land	--	--	--	--	--		--
2	Loans (from State Govt. or Banks etc.)	--	--	--	--	--		--
3	State Capital Account Grant (under State Schemes etc.)	37643947.00	37643947.00	37643947.00	27461335.00	37643947.00	122,087,243.00	27461335.00
4	Central Capital Account Grant (under Central Schemes etc.)	18010326.00	18010326.00	18010326.00	36575820.00	18010326.00	26,543,360.00	36575820.00
5	Other Capital Receipts						5,486,110.00	



V. Revenue and Capital Expenditure Information.

Expenditure Details (Amounts to be provided in Rupees )							
S.No	Details	Period of Audit 2018-19		Period of Audit 2019-20		Period of Audit 2020-21	
		2018-19	2017-18	2019-20	2018-19	2020-21	2019-20
	<b>Total Expenditure (1+2)</b>	129671807.50	87706583.97	63249332.28	129671807.50	131,635,647.50	63249332.28
1	<b>Revenue Expenditure</b>	97622774.50	32497732.97	33015687.28	97622774.50	78,055,618.50	33015687.28
1.1	<b>Administrative Expenses, Establishment and Salaries</b> (All Departments- Regular and Contractual Staff)	4083596.00	9262753.00	4195649.00	4083596.00	5,979,033.00	4195649.00
1.2	<b>Operation and Maintenance</b> (O&M)	15330085.00	11708686.00	15423513.20	15330085.00	738,731.00	15423513.20
1.3	<b>Loan repayment</b> (Interest payments)	--	--	--	--	--	--
1.4	<b>Others</b> (any other revenue expenditure which is not salaries, O&M or Interest Payment)	78209093.50	11526293.97	13396525.08	78209093.50	71,337,854.50	13396525.08
2	<b>Capital Expenditure</b>	32049033.00	55208851.00	30233645.00	32049033.00	53,580,029.00	30233645.00
2.1	<b>All developmental works under Central/State specific schemes</b>	31131899.00	38873073.00	30233645.00	31131899.00	11,613,585.00	30233645.00
2.2	<b>Loan Repayments</b> (Principal Amount)	--	--	--	--	--	--
2.3	<b>Other Capital expenditure</b>	917134.00	16335778.00	--	917134.00	41,966,444.00	--



**VI. Status of implementation of Double Entry Accounting System:** *Comment on Fixed Assets Register, Opening Balance Sheet and Tally License and Installation in ULB Computer, Annual Financial Statement (AFS) and entry status and interval of accounting entry passed in tally etc.*

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.

➤ KRA & Co. has started doing double entry accounting system but it is in process & incomplete, it is not in auditable position.

➤ Year wise Status of DEAS are as follows;

FY- 2014-15: Completed

FY- 2015-16: Completed

FY- 2016-17: Completed

FY- 2017-18: Completed

FY- 2018-19: Completed

FY- 2019-20: Completed

FY- 2020-21: In Process

- Interval of accounting entry passed in tally: Daily Basis
- Preparation of Fixed Asset Register: In Process.
- Opening Balance Sheet: Prepared.
- Annual Financial Statement: Not Prepared.

**VII. Status of Municipal Accounts Committee; if meeting is held:** *Report on Committee has been formed or not, if not mention the reason, Review and comments on compliance of decision taken in meeting of MAC, comments of interval of meeting.*

- 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, **Municipal Accounts Committee has not been constituted** by the N.P.

### 3. Summary Audit Observations

#### **Part - A (Monetary Implications)**

All Audit objections/irregularities which has monetary implications, particularly in following areas

- a. **Leakage of own source revenue (tax and non tax) either due to wrong assessment or non-levy of property tax, mobile tower tax, rent on municipal properties, advertisement tax, Trade License ,User Charges and fee etc.**
- |                 |                |             |
|-----------------|----------------|-------------|
| <b>Internal</b> | <b>Auditor</b> | <b>will</b> |
|-----------------|----------------|-------------|
- identify major areas of ULB's own revenue loss and auditor will access the loss and prepare a statement of loss.**

#### **Audit Objective:**

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

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

#### **Criteria:**

Collections should be deposited in to bank on the same day. (Rule-27)

All moneys 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 the same day or the day after tomorrow but it is being deposited after a week/month

1. 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 parishad.

#### **Consequence/Effect/Impact:**

As per Rule 27 of BMAR it should be deposited on daily basis otherwise a penalty up to Rs. 5000/- may be imposed for delayed deposit.

#### **Cause:**

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.



**b) Irregularities in Mobile Tower Collection**

**Criteria:**

Registration Fees per tower @ Rs. 40,000/- and annual renewal fees @ Rs.18,000/- 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 have 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.

**Consequence/Effect/Impact:**

Due to non collection and monitoring of Tower tax there is a huge revenue loss to the Nagar parishad. Total outstanding balance of Tower tax Rs.1,072,844/- as on **31<sup>st</sup> March, 2021** is as under:

S. No.	Name	No. of Tower	Total Due Amount as on 31-03-2020	Renewal Fee	Total Amount Received	Balance Amount Due as on 31.03.2021
1	Airtel	1	228,310.00	18,000.00	0.00	236,310.00
2	Essar co. ltd.	1	330,754.00	18,000.00	0.00	338,754.00
3	TATA Docomo	1	198,630.00	18,000.00	0.00	206,630.00
4	Airtel	1	243,150.00	18,000.00	0.00	251,150.00
	<b>Total:-</b>		<b>1,000,844.00</b>	<b>72,000.00</b>	<b>0.00</b>	<b>1,072,844.00</b>

**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.



**c) 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**

Advertisement tax register not provided to us for verification.

**Consequence/Effect/Impact:**

Due to no collection of Advertisement tax there is a huge revenue loss to the Nagar parishad.

**Cause:**

This is happening 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.

**d) Irregularities in Shop Rent Collection:**

The Nagar parishad has no any other shop in ownership.

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

- During our test check no irregularities observed.

d. Report on findings of field survey and calculation of Property Tax of minimum 20 high value properties (irrespective of the fact that SAS is received or not) in each quarter. Deviation with municipal record should be reported with quantification of loss.

**REPORT ON FIELD SURVEY OF 20 HIGH VALUE PROPERTIES OF N.P. BAIRGANIA**

SL. NO	NAME	FATHERS NAMES	WARD NO.	TYPE OF CONSTRUCTION	TYPE OF USES	TYPE OF ROAD	CARPE T AREA	ANNUAL VALUE	ANNUAL L TAX	REMARKS OF AUDITOR
1.	MOHAN PRASAD	PANNALAL SAH	12	R C C	RECIDENTIAL	MAIN ROAD	2210	70720	7080	No Variance
2.	RAMESH PRASAD	NARAYAN PRASAD	12	R C C	RECIDENTIAL	MAIN ROAD	650	20800	2080	--Do--
3.	MAHESH KUMAR	MADHUSUDAN PRASAD	12	A S B	RECIDENTIAL	MAIN ROAD	364			--Do--
4.	PAWAN TIBDE WAL	OMPHAKASH THIDE WAL	12	R C C	RECIDENTIAL	MAIN ROAD	634	20288	2030	--Do--
5.	JAGANNATH PRASAD	SITARAM PRASAD	12	R C C	RECIDENTIAL	MAIN ROAD	1058	33792	3380	--Do--
6.	RAJESH KUMAR SONI	VAIDHNATH PRASAD SONI	12	R C C	RECIDENTIAL	MAIN ROAD	1300	41600	4160	--Do--
7.	GOPAL PRASAD		12	R C C	RECIDENTIAL	MAIN ROAD	1820	58240	5830	--Do--
8.	GOPAL TIDEWAL	RAMKISHUN PRASAD	12	R C C	RECIDENTIAL	MAIN ROAD	1560	49920	5000	--Do--
9.	SHYAM SUNDAR PRASAD	LT. JESUK RAM	12	R C C	RECIDENTIAL	MAIN ROAD	1430	45760	4580	--Do--
10.	RAJESH KUMAR SONI	VAIDHNATH PRASAD	12	R C C	RECIDENTIAL	MAIN ROAD	1144	36608	3660	--Do--
11.	DHIRAJ KUMAR		12	R C C	MARRIAGE HA	MAIN ROAD	2002	64064	6410	--Do--
12.	SURVESH KUMAR	CHANDRASHEKHAR GUPTA	12	R C C	RECIDENTIAL	MAIN ROAD	910	29120	2020	--Do--
13.	UDAYCHANDRA BHANU	JAGANNATH SAH	12	R C C	RECIDENTIAL	MAIN ROAD	1365	43680	4370	--Do--
14.	VAIDNATH SAH		12	R C C	RECIDENTIAL	MAIN ROAD	960	19968	2000	--Do--
15.	RAMCHHABILA PRASAD		12	R C C	RECIDENTIAL	MAIN ROAD	1492	47744	4750	--Do--
16.	AASHA GUPTA	VISHAWPRASAD	12	R C C	RECIDENTIAL	MAIN ROAD	1378	44096	4410	--Do--
17.	BHADAI CHAUDHARI		12	R C C	RECIDENTIAL	MAIN ROAD	1300	41600	4160	--Do--
18.	KRISHNA PRASAD	ACHITRAM CHAUDHARI	12	R C C	RECIDENTIAL	MAIN ROAD	702	22464	2250	--Do--
19.	RAMBABU CHAUDHARI		12	R C C	RECIDENTIAL	MAIN ROAD	702	22464	2250	--Do--
20.	RAM JI RAJGARIYA	BHAGWAN DAS RAJGARIYA	12	R C C	RECIDENTIAL	MAIN ROAD	1690	52224	5230	--Do--



d. **Auditor should Report in a separate chapter on implementation of Self-Assessment System (SAS) of Property Tax in the ULB;**

**Audit Objective:** To which Audit Engagement objective does this observation relate?

- Wherever self-assessment of taxes is prevalent, income shall be accrued based on records available with the Municipality when it becomes due as per the provisions of the Act. Further, changes arising out of self-assessment will be treated as 'Change in Demand' and will be accounted accordingly.

**Criteria:** What should exist? The rules/ regulations/ procedures/ expectations are the basis against which Audit evidence is compared.

- As per Section-127 (3). Power to Levy Taxes.- The levy, assessment and collection of taxes under this Act shall be in accordance with the provisions of this Act and the Rules and the regulations made thereunder,

Provided that any person may make self-assessment and make payment of any levy or tax under this Act and rules and regulations made thereunder;

Provided further that if any discrepancy or under-assessment is found in such self-assessment, such person shall be liable for payment of differential amount and a fine of not less than fifty percent and upto 100% of such differential amount.

**Condition:** What exists? The condition identifies the nature and extent of deviation from the criteria i.e. deviation from what should exist. This should be supported by factual evidence. A statement of condition would be formed on the basis of Auditor's comparison of actual evidence against the appropriate criteria.

- Nagar parishad is in practice to collect the tax revenue as per self-assessment system of property tax (SAS). Further, to verify the accuracy of amount deposited by tax depositors and to find the amount of deferential tax revenue there is no demand registers has been maintained.

**Consequence/Effect/Impact:** What effect did it have? The effect establishes the actual or potential impact of the condition and can be both quantitative and qualitative. It is the likely effect/impact which would determine the significance of the condition.

- The effect of this could either lead to increase or decrease in demand.

**Cause:** Why did it happen? The possible or likely reason for the difference between the expected and actual condition.

- This happened due to non-maintenance of tax demand register.

**Corrective Action/Recommendation:** What should be done? The actions suggested or required to correct the situation and prevent future occurrences.

- To implement the self-assessment system of property tax there should must be proper maintenance of demand register.



## Part-B (Non-Monetary Implication)

All Audit objections/ irregularities which has no monetary implication, but significant violation of Act, Rules & directives of UD&HD.

Mention the reference to Act & Rules wherein remedial measure is required. 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.	Payroll Register	Not properly maintained
3.	Demand and Collection Register	Not Maintained
4.	Assessment Register	Not Maintained

#### Recommendation:

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

### b. Irregularity in procurement process. Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies.

➤ No major irregularity observed.

### 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.

#### Recommendation:

We recommend to the Nagar parishad to comply with all directives issued by concerned authorities of UD & HD, GOB.

### d. Non-compliance of Act & Rules

- As per Section 127 of the Bihar Municipal Act, the Municipality can levy the following taxes: -
- Property tax on lands and buildings.
  - Surcharge on transfer of lands and buildings,
  - Tax on deficit in parking spaces in any non-residential building,
  - Water tax,
  - Fire tax,
  - Tax on advertisements, other than advertisements published in newspapers.
  - 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

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.***

**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) 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.

**Recommendation:**

We recommend to the Nagar parishad to comply with the *Double Entry System* of accounting using double entry system.



**f. Non-compliance of TDS, VAT, GST 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 period of 01-04-2020 to 31-03-2021 has been deposited in full to the concerned departments except detail given below.

Particulars	Opening as on 01.04.2020	Collection as on 31.03.2021	Total	Deposited as on 31.03.2021	Tax Not Deposited in for the Period
Royalty	522,942.00	821,835.00	1,344,777.00	1,093,088.00	251,689.00
Labor Cess	850,941.00	686,517.00	1,537,458.00	1,315,201.00	222,257.00
GST	364,191.00	1,555,067.00	1,919,258.00	1,804,508.00	114,750.00
Income tax	666,983.00	1,442,566.00	2,109,549.00	2,207,916.00	(98,367.00)
VAT	174,990.00	0.00	174,990.00	0.00	174,990.00
Malikana Fee	0.00	755,467.00	755,467.00	474,909.00	280,558.00
Total	<b>2,580,047.00</b>	<b>52,61,452.00</b>	<b>7,841,499.00</b>	<b>6,895,622.00</b>	<b>9,45,877.00</b>

**Recommendation:**

We recommend to the Nagar parishad to comply with all statutory deduction collection and deposit to concerned government department.

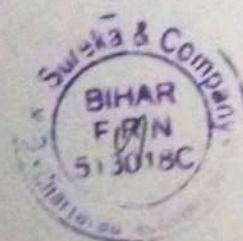
**g. Deficiency in pay-roll system**

- 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 parishad to comply with all provision of payroll system.

**h. Utilisation of Grant and report on missing Utilisation Certificates**



➤ Utilization certificates details submitted to UDHD is given below.

(Rs.In Lakhs)

S.N	Date	Sheme	Accepten ce No	Allotme nt Amount	Deposited Utilized Amount	Unutilised Amount
1	13.08.2019	5th Financ	53	186.02	0.00	186.02
2	13.08.2019	5th Finance	57	179.74	0.00	179.74
3	11.07.2019	14 <sup>th</sup> fin.	38	132.54	0.00	132.54
4	11.07.2019	14 <sup>th</sup> fin.	128	132.54	0.00	132.54
5	10.01.2020	JALJIWAN-HARIYALI	173	9.52	0.00	9.52
6	NA	5th Finance	NA	240.34		231.16
7	NA	15 <sup>th</sup> fin.	NA	721.88		962.22
8	NA	E.O SALARY	NA	6.00	0.00	6.00
9	NA	E.O SALARY	NA	14.31		14.31
10	NA	WARD PARSHAD SALARY	NA	7.20		7.20
<b>Total</b>				<b>1861.25</b>		<b>1861.25</b>

**Recommendation:**

We recommend to the Nagar parishad to prepare Utilization Certificate as soon as possible if any support is required from Internal Auditor in preparation of Utilization Certificate, Nagar parishad can contact concerned Internal Auditor.

**i. Physical verification of inventory/stores**

➤ Store Register has been prepared.

**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.

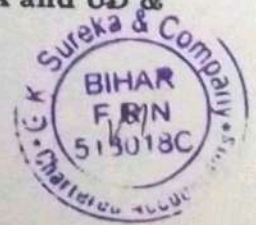
**Condition:**

Advance is not given to employees hence the advance register is not maintained.

**k. Comment on management of Fixed and other Assets**

➤ We were not provided with the Fixed Assets Register for the FY 2020-21 for verification.

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



- 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.

m. **Any other matters as may be prescribed in due course.**

- Staff strength of accounts department needs to be increased.

**Recommendation:**

We recommend to the Nagar parishad to employ new staff due to scarcity in staff strength especially in own source collection.

**Part-C (Other)**

<p>a) Auditor should Report on adequacy and appropriate ness of the documentation, approvals, compliance of procedures etc. of all payments above Rs. 10,000 and above.</p>	<p>➤ No irregularities observed on test check basis.</p>				
<p>b) 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/-</p>	<p>➤ No irregularities observed on test check basis.</p>				
<p>c) Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.</p>	<p><b><u>Instances of losses, failures or inefficiencies</u></b></p> <p>➤ 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 parishad.</p> <p>➤ Tower tax (Registration and Renewal Fees) is not being collected on timely.</p> <p><b>Recommendations and/or measures which can be taken to avoid their recurrence in future.</b></p> <p>➤ Proper monitoring of all transactions and implementation of Bihar Municipal Accounting Manual by authorised personals are recommended.</p>				
<p>d) 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.</p>	<p>➤ We observed during our audit that ULB is appropriate in depositing tax deducted by them on timely basis specially GST and TDS including return filling according the rule but Royalty &amp; Labor Cess deposited yearly basis detail of due royalty &amp; labor cess given below for the period of 01-04-2020 to 31-03-2021.</p> <table border="1" data-bbox="957 2004 1516 2056"> <thead> <tr> <th>Particulars</th> <th>Due Amount</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Particulars	Due Amount		
Particulars	Due Amount				



	Royalty	251,689.00
	Labor Cess	222,257.00
	GST	114,750.00
	Income tax	(98,367.00)
	VAT	174,990.00
	Malikana fee	280,558.00
e) 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 compliancereport.	We are following up with the concerned Staff of the ULBs.	
f) AnyOther-Auditor should report the deficiencies noticed during their audit and recommend ULB management to improve internal control systems.	➤ Manpower crisis in NP, we recommended for the appointment of manpower with adequate quality especially in tax collection department.	



*Each Audit Observation under Part-A, B and C should be in brief (maximum 100 words) and supporting evidence or list or statement should be attached as annexure with reference. In addition, observations should be structured as described below.*

**Audit Objective:** *To which Audit Engagement objective does this observation relate?*

**Criteria:** *What should exist? The rules/ regulations/ procedures/ expectations are the basis against which Audit evidence is compared.*

**Condition:** *What exists? The condition identifies the nature and extent of deviation from the criteria i.e. deviation from what should exist. This should be supported by factual evidence. A statement of condition would be formed on the basis of Auditor's comparison of actual evidence against the appropriate criteria.*

**Consequence/Effect/Impact:** *What effect did it have? The effect establishes the actual or potential impact of the condition and can be both quantitative and qualitative. It is the likely effect/ impact which would determine the significance of the condition.*

**Cause:** *Why did it happen? The possible or likely reason for the difference between the expected and actual condition.*

**Corrective Action/Recommendation:** *What should be done? The actions suggested or required to correct the situation and prevent future occurrences.*

*Wherever possible, the audit findings should be accompanied by graphs and charts to improve the visibility of the analysis and findings. Photographs could also be used as corroborative evidence.*

10) Detail Audit Observations

<b>RISK ASSESSMENT</b>							
Name of the ULB		Risk Rating	Design Gap	System gap	Operating Gap	Mgt. Comment	Auditor Recommendation
<b>DEMAND GENERATION:</b>							
1	Loss of Revenue due to under assessment/ wrong generation of demand	<b>H</b>	NIL	Demand not Generated	Demand Registers not maintained	Noted for compliance	Demand registers should be prepared and updated to implement the designed system and to reduce the losses.
2	Collusion with citizen regarding assessment	<b>M</b>	--	--	--	--	--
3	Non-updating various register like hand book, DCB register, Assessment register, etc.	<b>M</b>	NIL	NIL	Registers has not been updated on regular intervals.	--	--
4	Others	--	--	--	--	--	--

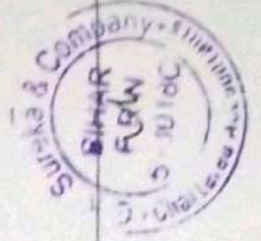


**RECEIPTS AND BANKING:**

		<b>H</b>	Demand for Collection not raised on time	Due to Manual Intervention on error occurred in collection of taxes.	Lack of Professional Competence	Noted for Further Compliance	Manual Intervention should reduce and System Integration should be implemented
1	Error in collections, loss of receipts and perpetrated frauds			NA	Lack of Competent staff	Noted for Further Compliance	ULBs should organize seminar for the same.
2	Non-updating various register like hand book, DCB register, cash book, etc.	<b>M</b>					
3	Collusion with the citizen and the ULBs staff to make wrong assessments of income	<b>H</b>	Lack of Communication	Lack of Communication	Lack of Communication	Noted for Further Compliance	ULBs should communicate with the citizen on timely basis.
4	Others						

**REVENUE EXPENDITURE:**

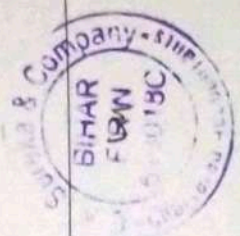
1	Error in over payment	<b>H</b>	NA	ULBs are not conscious.	ULB's staff are not accountable for his negligence.	Noted for further compliance	No any such cases found
2	Loss of supporting document	<b>H</b>					ULB's staff are not regular in keeping appropriate supporting document



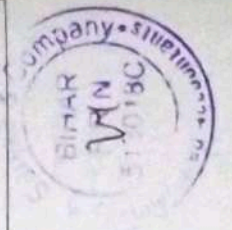
3	Loss of authentication	H	--	--	--	--	--	--	--
4	Perpetrated fraud (Like payment more than one time on same bill)	H	--	--	--	--	--	--	--
5	Non-updating various register like Bill register with payment fig., etc.	M	--	--	--	--	--	--	--
6	Others		--	--	--	--	--	--	--

**ESTABLISHMENT EXPENDITURE:**

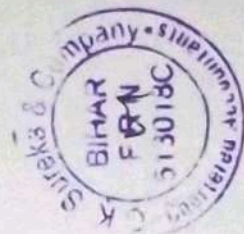
1	Error in over payment	H	--	--	--	--	--	--	--
2	Loss of supporting document	H	--	--	--	--	--	--	--
3	Loss of authentication	H	--	--	--	--	--	--	--
4	Collusion with employee	H	--	--	--	--	--	--	--
5	Perpetrated fraud (Like payment more than one time to same or ghost employee)	H	--	--	--	--	--	--	--

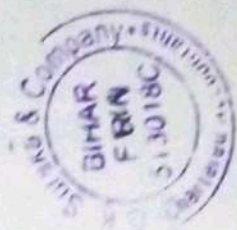


6	Non-updating various register like salary register, PF register, Service book/record, advanceregister, etc.	M	--	--	--	--	--	--	--
7	Others		--	--	--	--	--	--	--
<b>CAPITAL EXPENDITURE:</b>									
1	Error in over payment	H	--	--	--	--	--	--	--
2	Loss of supporting document	H	--	--	--	--	--	--	--
3	Loss of authentication	H	--	--	--	--	--	--	--
4	Collusion with contractor	H	--	--	--	--	--	--	--
5	Perpetrated fraud (Like payment more than one time to same contractor)	H	--	--	--	--	--	--	--
6	Non-updating various register like work register, MB, bill register, Fixed Assets register, Service book/record, advance register, etc.	M	--	--	--	--	--	--	--



7	Others									





**PROCUREMENT AND INVENTORY:**

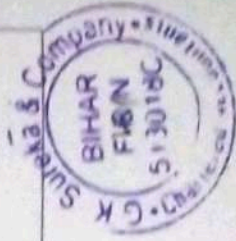
1	Error in over payment	H	--	--	--	--	--	--	--
2	Loss of supporting document	H	--	--	--	--	--	--	--
3	Loss of authentication / Procedural error	H	--	--	--	--	--	--	--
4	Collusion with contractor	H	--	--	--	--	--	--	--
5	Perpetrated fraud (Like payment more than one time to same contractor)	H	--	--	--	--	--	--	--
6	Non-updating various register like store register, issue register, bill register with payment fig., advance register, etc.	M	--	--	--	--	--	--	--
7	Others		--	--	--	--	--	--	--

**GRANT AND LOANS AND UTILISATION THEREOF:**

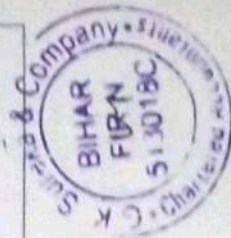
1	Non utilisation of grant or grant unspent	<b>M</b>	--	--	--	--	--	--
2	Not furnishing of UC	<b>H</b>	--	--	ULBs are not regular in preparation of Utilization Certificate on timely basis.	--	Noted for compliance	ULB should prepare Utilization Certificate on timely basis.
3	Non fulfillment of condition part thereto	<b>M</b>	--	--	--	--	--	--
5	Perpetrated fraud (Like payment more than one time same contractor)	<b>H</b>	--	--	--	--	--	--
6	Non-updating various register like grant register, work register, bill register with payment fig., advance register, etc.	<b>M</b>	--	--	--	--	--	--
7	Others		--	--	--	--	--	--

**FIXED DEPOSITS AND INVESTMENTS:**

1	Not deposited at appropriate time (loss of revenue)	<b>H</b>	--	--	--	--	--	--
---	---	----------	----	----	----	----	----	----



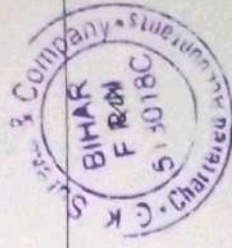
2	Loss of Investment certificate	H	--	--	--	--	--	--	--
3	Non fulfillment of condition part thereto	M	--	--	--	--	--	--	--
4	Collusion with bank officials to invest at lower rate	H	--	--	--	--	--	--	--
5	Deposit into Current account	M	--	--	--	--	--	--	--
6	Non-updating various register like investment register, Bank book, cash book, etc.	M	--	--	--	--	--	--	--
7	Others		--	--	--	--	--	--	--
<b>LOANS AND ADVANCES:</b>									
1	Un-authorized release of advance	H	--	--	--	--	--	--	--
2	Release of advance beyond authority	H	--	--	--	--	--	--	--
3	Non-adjustment of loan or advance during the year	M	--	--	--	--	--	--	--
4	Collusion with employee/party to release advance/loan beyond authority	H	--	--	--	--	--	--	--
5	Advance/loan not account for	H	--	--	--	--	--	--	--



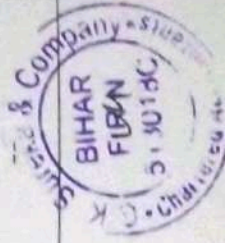


# List of Important Registers

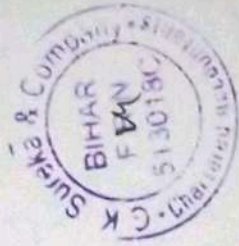
Name of the ULB	Nagar parishad Bairgania
RISK RATING:	High
	<p><u>The Major observations of AG audit report are as under:</u></p> <ol style="list-style-type: none"> <li>1. Short deposit of Holding tax by Rs. 4.64 lakhs.</li> <li>2. Short Deduction of VAT amounted Rs. 9.63 lakhs.</li> <li>3. Non collection of settlement amount Rs. 7.51 lakhs from parties.</li> <li>4. Revenue loss from settlement by Rs. 2.37 lakhs due to negligence.</li> <li>5. Non collection of Health cess amounted Rs. 1.11 lakhs.</li> <li>6. Not deposit of education cess in govt. a/c of Rs. 59783.00.</li> <li>7. Non collection of Mobile tower tax of Rs. 5.464 lakhs.</li> <li>8. Non deduction of TDS of Income tax (2%) OF Rs. 53283.00 from payment to NGO.</li> <li>9. Non collection of Labour cess Rs. 259498.00 and income tax Rs. 62279.00.</li> <li>10. Un adjusted advance of Rs. 50.38 lakhs.</li> </ol> <p style="text-align: center;">CAG OBSERVATIONS STATUS</p>



S. N.	Particulars	Audit Observation	PERIOD: 01-04-2020 to 31-03-2021	Associates Risk	MGT. Comment	Status (Resolved or not)
1	Cash Book	Maintained	NA			
2	Ledger	Not Maintained.	Omission of some transaction and wrong adjustment of transactions	Noted for Further Compliance	NOT	
3	Journal	Not Maintained	Omission of some transaction and wrong adjustment of transactions	Noted for Further Compliance	NOT	
4	Register for Journal/Magazines/Newspapers	Not Maintained	Omission of some transaction	Noted for Further Compliance	NOT	
5	Register for Temporary Advances	Maintained	NA	--	--	
6	Register of Money Orders/Bank Draft Received	Maintained	NA	--	--	
7	Cheque Issue Register	Maintained	NA	--	--	
8	Register of Remittances made into bank	Maintained	NA	--	--	
9	Bank Passbook	Maintained	NA	--	--	
10	Register of Bank drafts dispatched	Maintained	NA	--	--	
11	Bill Register	Maintained	NA	--	--	
12	Establishment Register	Maintained	NA	--	--	
13	Stock Register	Maintained	NA	--	--	



14	Capital Goods/Consumable articles, non-consumable articles	Maintained	NA	--	--
16	Statutory Deduction Register	Maintained	NA	--	--
17	Fixed Assets Register	Maintained	NA	--	--
18	Grant Register	Maintained	NA	--	--
19	Scheme Register	Maintained	NA	--	--
20	Monthly accounts of Receipts/Payments	Maintained	NA	--	--
21	Temporary Advances Register for Staff, Customers/supplier/VEC	Maintained	NA	--	--
22	and TA/DA Advance	Maintained	NA	--	--
23	Dispatch Register	Maintained	NA	--	--
24	File Register	Maintained	NA	--	--
25	Any other (Name of the register)	Not Maintained	Not Required	--	--



# Cash and Bank

Nagar parishad Bairgania

S.No.	Particulars	PERIOD:		Associates Risk	MGT. Comment	Status (Resolved /Not)
		Amt. Involved	Audit Observation			
	<b>Name of the ULB</b>					
	<b>RISK RATING:</b>					
	<b>CAG OBSERVATIONS STATUS</b>					
1	<ul style="list-style-type: none"> <li>Check whether there is no anyundue delay in presentation ofcheque/DD received, tobank,</li> </ul>					
2	<ul style="list-style-type: none"> <li>Whether cheque/draftissue/receipt/dishonored register have been maintained as per prescribed form (As Per BMAM) &amp; entry are made onproperly,accurately &amp; timely basis.</li> </ul>					
3	<ul style="list-style-type: none"> <li>Whether banking transactions (receipts &amp; Payments) are matched with cash book, Cheque issue register, collectionregister,etc., Verify the same with Bank statement &amp; BRS,</li> </ul>					
4	<ul style="list-style-type: none"> <li>Whether cheque issue register are matchedwith</li> </ul>					
5	<ul style="list-style-type: none"> <li>Whether proper steps has been taken for dishonoured cheque, it was realised incashor not,</li> </ul>					



6	➤ Whether Bank Reconciliation has been made for each account, verify the status of BRS, (attached BRS as annexure )					
7	➤ Check whether no any fraud payment or payment to other person has beenmade,					
8	➤ Whether bank statement for all account have been promptly received frombank.					
9	➤ Number of Bank account maintained					
10	➤ Original copy of cancelled receipt is attached with duplicate copy with "CANCELLED" marked unit.					
11	➤ Liability for stale cheques account review is done and necessary reversal entries arepassed					
12	Any other					

# Public Works

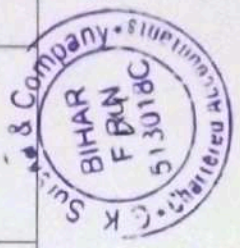
Nagar parishad Bairgania

**Name of the ULB**

**RISK RATING:**

**CAG OBSERVATIONS STATUS**

S.No.	Particulars	Audit Observation	1 <sup>st</sup> April to 31 <sup>st</sup> March		MGT. Comment	Status (Resolved/Not)
			PERIOD: Aml. Involved	Associates Risk		
1	<ul style="list-style-type: none"> <li>Whether bill has been prepared as per actual measurement &amp; page no. of the MB in which detailed measurement have been quoted has mentioned in first page of MB,</li> </ul>					
2	<ul style="list-style-type: none"> <li>Whether bill has been signed by proper in charge,</li> </ul>					
3	<ul style="list-style-type: none"> <li>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)</li> </ul>					
4	<ul style="list-style-type: none"> <li>Verify whether any payment made for removing/dismantling material which have scrap value must be indicated in the bill,</li> </ul>					
5	<ul style="list-style-type: none"> <li>Whether measuring has done by the engineer concerned,</li> </ul>					



6	➤ Whether construction expenditure on work was debited to WIP & verified with MB maintained,				
7	➤ Whether roll (machine & authorised) has been maintained for details of store, specifying:				
8	Date of Issue,				
9	Name of subordinate,				
10	Name of work,				
11	Number of labour,				
12	Period of engagement,				
13	Details of payment (date, amount, Cheque no, etc)				
14	Whether the same has been periodically verified.				
15	➤ Whether payment are as per defined approval level sanctioned u/s 75 of BMA, 2007,				
16	<b>Any Other</b>				

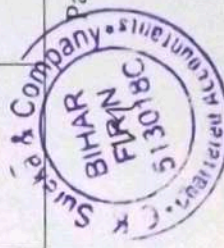
# Cash Book

Name of the ULB		Nagar parishad Bairgania				
RISK RATING:						
CAG OBSERVATIONS STATUS						
S.No.	Particulars	PERIOD:			MGT. Comment	Status (Resolved /Not)
		Audit Observation	Amt. Involved	Associates Risk		
1	<ul style="list-style-type: none"> <li>➤ Whether Opening Balance &amp; Closing Balance was worked out ornot,</li> </ul>					
2	<ul style="list-style-type: none"> <li>➤ Whether posting of receipt &amp; payment side of cash book are properly maintained &amp; it was matched with propevidencelike Receipt Voucher, Cheque issue Register, Bank Statement, etc.,</li> </ul>					
3	<ul style="list-style-type: none"> <li>➤ Whether posting in on dailybasis,</li> </ul>					
4	<ul style="list-style-type: none"> <li>➤ Whether there is any clerical error (casting or/and posting error, etc) ornot,</li> </ul>					
5	<ul style="list-style-type: none"> <li>➤ Whether any delay in deposit of amount of collection bycashier,</li> </ul>					
6	<ul style="list-style-type: none"> <li>➤ conduct physical verification of cash and report heavy cash balance ifany</li> </ul>					
7	<ul style="list-style-type: none"> <li>➤ AnyOther</li> </ul>					

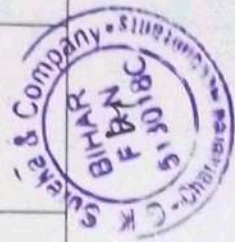
# Collection

Nagar parishad Bairgania

Name of the ULB		Nagar parishad Bairgania				
RISK RATING:						
Name Of The Tax Collector						
S.No.	Particulars	Audit Observation	PERIOD:		MGT. Comment	Status (Resolved/Not)
			Amt. Involved	Associates Risk		
1	Ø Whether collection procedure are as per guidelines/direction of ULB,					
2	Ø Whether collections are made on the basis of Demand & Collection Register ,					
3	Ø Whether collection are made in the same receipt Vouchers which has been issued/authorised 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,					
4	Ø Whether collections are bifurcated in different heads as required,					
5	Ø Whether a separate bank account has been maintained for each circle, (for PMC only)					
6	Ø Whether all collections are made in proper "Receipt Voucher Book" having same serial number which was actually					



	issued to TC,								
7	Ø Whether all collections made during the day are account for & banked on next working day or there is any teaming & lading,								
8	Ø Whether no any collection are directly expended without prior approval,								
9	Ø Whether collections are made by all the holding fall under the same TC or Civics Centre,								
10	Ø Whether government share of collections (like Education cess & health cess) are properly & timely deposited in its own account, (if applicable)								
11	Ø Whether there is any short/non collection or short deposit or not deposit,								
12	Ø Whether penalty (@2% P.M/ 1.5%) has been duly charged on late payment,								
13	Ø Whether daily collections are entered into hand book, collection register maintained by TC & it should be properly entered in demand & collection register,								
14	Ø Whether collection by way of cheque are properly banked & credited into account,								
15	Ø Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,								
16	Ø Whether any immediate steps has been taken or not for cheque dishonoured received,								
17	Whether reversal of payment has been made for any dishonoured cheque								



18	Any Other						

# Demand

Nagar parishad Bairgania

**Name of the ULB**

**RISK RATING:**

**Name of Tax Collector**

Particulars

Audit Observation

Amt. Involved

Associates Risk

MGT. Comment

Status (Resolved / Not)

- | S.No | Particulars   | Audit Observation | Amt. Involved | Associates Risk | MGT. Comment | Status (Resolved / Not) |
|------|---|-------------------|---------------|-----------------|--------------|-------------------------|
| 1    | <ul style="list-style-type: none"> <li>Ø Ensure whether closing balance of previous year is accurately brought forward,</li> </ul>  |                   |               |                 |              |                         |
| 2    | <ul style="list-style-type: none"> <li>Ø Whether determination of demand is on manual or computerized way, &amp; it would be as per updated rules, regulation, guidelines &amp; other required details for proper calculation,</li> </ul> |                   |               |                 |              |                         |
| 3    | <ul style="list-style-type: none"> <li>Ø Whether data for calculation is correct &amp; properly verified by appropriate authority/ Internal Auditor by way of physical survey,</li> </ul>   |                   |               |                 |              |                         |
| 4    | <ul style="list-style-type: none"> <li>Ø Whether revision of valuation of holding properly made after specified period</li> </ul>   |                   |               |                 |              |                         |
| 5    | <ul style="list-style-type: none"> <li>Ø Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,</li> </ul>   |                   |               |                 |              |                         |
| 6    | <ul style="list-style-type: none"> <li>Ø Ensure whether there is any clerical error in calculation,</li> </ul>  |                   |               |                 |              |                         |
| 7    | <ul style="list-style-type: none"> <li>Ø Whether demand register in prescribed format is maintained or not,</li> </ul>  |                   |               |                 |              |                         |
| 8    | <ul style="list-style-type: none"> <li>Ø Whether persons involve in calculation/ collection have knowledge of their responsibility,</li> </ul>  |                   |               |                 |              |                         |

9	Ø 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,						
10	Ø Whether there is any under/no assessment,						
11	Ø Whether there is appropriate measures( As Per section 155 & 158 of BMA, 2007) are adopted for recovery of Government/bid dues,						
12	Ø Whether notice for demand has been made in prescribed format (As Per BMAR) & as per rules & regulations,						
13	Ø Whether penalty(@2% P.M/ 1.5%) has been charged on latepayment,						
14	Ø Whether Demand, Collection & Balance Register has been prepared on daily basis for all receipts or not, & it would be authorised by proper authority or not,						
16	Ø Whether self assessment property tax return for payment of property tax has been filed by the assesses in the prescribed format,						
17	Ø Whether there is any collusion with customer/holding w.r.t., assessment, payment, etc,						
18	<b>Any Other</b>						

# Establishment

Nagar parishad Bairgania

**Name of the ULB**

**RISK RATING:**

**Name of the ULB**

**Particulars**

**Audit Observation**

**Amt. Involved**

**Associates Risk**

**MGT. Comment**

**Status (Resolved/Not)**

1 Whether establishment expenditure issanction by authorised person & it has been within sanctioned limit,

2 > Whether service log book has been maintained & up to date or not,

3 > Audit whether apart from comparing the pay & allowance drawn by each employee in the pay bill with the corresponding entries in the pay column of the service book and checking the acquaints roll of employee who have been paid in cash,

4 > Whether each employee has unique identification number & it has been referred in all matter in relation to service book Whether payment made to employee has been verified with attendance register/logbook,

5 > Whether service book for calculation of payable has been authorised by the proper person,



6	<ul style="list-style-type: none"> <li>➤ Whether account depart has prepared the advice &amp; instructed the bank for the payment as per advice,</li> </ul>				
7	<ul style="list-style-type: none"> <li>➤ Whether undistributed amount of pay &amp; allowance as shown in cash book matched with balance of undistributed salary balance,</li> </ul>				
8	<ul style="list-style-type: none"> <li>➤ Whether undistributed amount of pay &amp; allowance are not for more than 3 months as cash in hand,</li> </ul>				
9	<ul style="list-style-type: none"> <li>➤ Whether disbursement of pay &amp; allowance are duly recorded in books &amp; accepted by employee specifying separate date with date of receive (In case of arrear),</li> </ul>				
10	<ul style="list-style-type: none"> <li>➤ Whether the bill prepared according to sanctioned scale,</li> </ul>				
11	<ul style="list-style-type: none"> <li>➤ Whether no any payment is made to employee whose service retired in any manner,</li> </ul>				
12	<ul style="list-style-type: none"> <li>➤ Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,</li> </ul>				
13	<ul style="list-style-type: none"> <li>➤ Whether all statutory deduction or adjustment has been made before payment,</li> </ul>				
14	<ul style="list-style-type: none"> <li>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.</li> </ul>				



15	To check salary bills.						
16	Position of outstanding advances paid to Employees						
17	To check deduction of provident fund and ESI has been made as per rules						
18	Whether PF slips are issued to the employees on yearly basis and to see whether all statutory returns for PF are submitted to the concerned authorities.						
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.						
20	Check Retirement benefit to employee						
21	Personnel Appointments and to see whether all records are updated from time to time.						
22	Dismissal and Resignation/ Termination						
23	Temporary workers						
24	Overtime						
25	Attendance Register To check number of persons mentioned in the attendance register tally with the sanctioned strength of a unit.						
26	Personnel Files						
27	Training of employees(including Skill development Levy)						



28	Leave Register - To check whether a leave register is maintained as per types of leave as medical Leave/CL/EL/maternity/paternity leave.					
----	--	--	--	--	--	--



# Grant

Nagar parishad Bairgania

**Name of the ULB**

**RISK RATING:**

**Name of the ULB**

**S. No.**

**Particulars**

**Audit Observation**

**Amt. Involved**

**Associates Risk**

**MGT. Comment**

**Status (Resolved /Not)**

1

Maintenance/Updation register regarding details of funds received and expenditure.

2

Any diversion/re-appropriation of funds not covered under the provision of BMA, 2007 should be pointed out for remedial action.

3

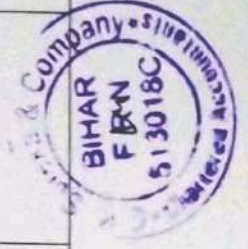
To check whether utilization certificate is for actual utilization of funds received

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

5

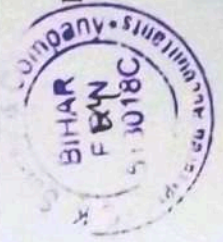
Internal Auditor should also check whether expenditure incurred on each activity does not exceed the budget.



# Payment of bills of contractors

Nagar parishad Bairstonia

Name of the ULB		Nagar parishad Bairstonia				
RISK RATING:						
Name of the ULB						
S.No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved/Not)
1	➤ Original - bill duly signed by contractors is submitted.					
2	➤ Contractor has put his initials in all cuttings and corrections in the bill.					
3	➤ All Supporting documents are attached with the bills.					
4	➤ The rates, security deposit, and deductions are as per terms and conditions specified in the agreement					
5	➤ The variations in quantities and completion period etc. have been authorized by the competent authority					
7	➤ Job completion certificate has been processed by the dealing assistant.					
8	➤ Bills passed for payment are as per rules & T & C of tender.					



<b>9</b>	➤ All terms and conditions of the contract are fulfilled before passing the bills.						
<b>10</b>	➤ Every final bill is checked in detail with measurement books.						
<b>11</b>	➤ Cash/Bank Vouchers to be checked for authorization etc.						
<b>12</b>	➤ Overall review of the books of accounts.						
<b>13</b>	➤ Position of outstanding advances paid to suppliers/contractors.						

# Receipt Voucher

Nagar parishad Bairgania

**Name of the ULB**

**RISK RATING:**

**Name of the ULB**

Particulars

Audit  
Observation

Amnt.  
Involved

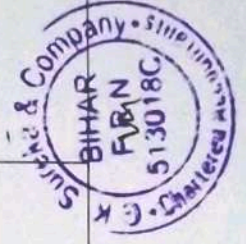
Associates  
Risk

MGT.  
Comment

Status  
(Resolved/Not)

**Receipt Vouchers:**

- | S.No. | Particulars  | Audit<br>Observation | Amnt.<br>Involved | Associates<br>Risk | MGT.<br>Comment | Status<br>(Resolved/Not) |
|-------|--|----------------------|-------------------|--------------------|-----------------|--------------------------|
| 1     | <ul style="list-style-type: none"> <li>➤ Whether "Receipt Vouchers" are in the prescribed format &amp; having machined serial number &amp; there is no any manuscript form,</li> </ul>   |                      |                   |                    |                 |                          |
| 2     | <ul style="list-style-type: none"> <li>➤ Check;</li> </ul>   |                      |                   |                    |                 |                          |
| 3     | <ul style="list-style-type: none"> <li>o What is the date of printing,</li> </ul>  |                      |                   |                    |                 |                          |
| 4     | <ul style="list-style-type: none"> <li>o What quantity of serial number was printed out,</li> </ul>  |                      |                   |                    |                 |                          |
| 5     | <ul style="list-style-type: none"> <li>o What is the date of dispatched, quantity of receipt vouchers &amp; their serial number;</li> </ul>  |                      |                   |                    |                 |                          |
| 6     | <ul style="list-style-type: none"> <li>o Log book/ Register maintained at</li> </ul>   |                      |                   |                    |                 |                          |
| 8     | <ul style="list-style-type: none"> <li>➤ Verify that "Receipt Vouchers" received &amp; their storing, having same quantity &amp; serial numbered which was actually dispatched &amp; proper recording of the same along with issue,</li> </ul> |                      |                   |                    |                 |                          |
| 9     | <ul style="list-style-type: none"> <li>➤ Verify Log book/ Register maintained at every collection centre &amp; cash counter with regard to receipt &amp; return quantity &amp; serial number,</li> </ul>                                       |                      |                   |                    |                 |                          |





# Revenue Expense

Nagar parishad Bairgania

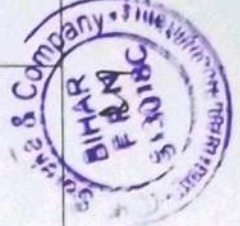
**Name of the ULB**

**RISK RATING:**

**Name of the ULB**

Particulars

	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved / Not)
1	➤ Whether payment is on the basis of sanction/work order letter & incurred by authorized person,				
2	➤ Whether payment is made through prescribed voucher (As per BMAM),				
3	➤ Whether payment is made without any undue delay or whether any cheque issued are promptly issued to the respective person,				
4	➤ Whether there is bifurcation of responsibility towards person making payment & person preparing MB, receipt of goods, maintenance of Payment file, etc.,				
5	➤ Whether updation of accounts/books are on proper & timely basis,				
6	➤ Whether authorised person verify & sign the document involve,				
7	➤ Whether data base for the same has been properly maintained & safeguard measures are taken,				





<p><b>8</b></p>	<p>➤ Whether exact amount (no any over payment) are paid and verified by supporting document &amp; no any collusion with party,</p>						
<p><b>9</b></p>	<p>➤ Whether register for settlement of service bill has been maintained and up to date,</p>						
<p><b>10</b></p>	<p>➤ Whether payment made to the same to whom it might be payable and no any second claim in this regard,</p>						
<p><b>11</b></p>	<p>➤ Whether payment has been made after deducting statutory dues or advances,</p>						
<p><b>12</b></p>	<p>➤ Whether the expenditure are made with a period &amp; amount sanctioned,</p>						
<p><b>13</b></p>	<p>➤ Whether there is undue rush of expenditure at the end of financial year,</p>						
<p><b>14</b></p>	<p>➤ Whether payment has to be made after confirmation from store,</p>						
<p><b>15</b></p>	<p>➤ Whether payment for repairs, etc, has to be made on the basis of logbook maintained,</p>						
<p><b>16</b></p>	<p>➤ Whether payment are as per defined approval level sanctioned u/s 75 of BMA, 2007,</p>						
<p><b>17</b></p>	<p>Confirm whether goods/assets received/accepted on or before 31<sup>st</sup> March, where the bill is received after that date have been accounted for (either on the basis of purchase order, tender rate or as per bill),</p>						
<p><b>18</b></p>	<p>➤ Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,</p>						

19	<p>➤ Whether all statutory deduction or adjustment has been made before payment,</p>					
20	<p>Whether entry of any event during service has been made in service book by authorised person,</p>					



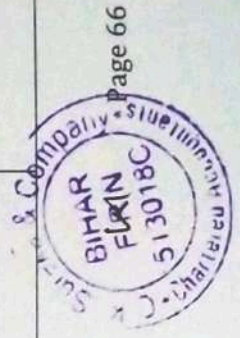
# Statutory Requirement

Nagar parishad Bairgania						
Name of the ULB	RISK RATING:	Name of the ULB	Particulars	Audit Observation	Amt. Involved	Associates Risk
S. No.						
1			<ul style="list-style-type: none"> <li>➤ Whether deduction of TDS onpayment has been made as perlaw,</li> </ul>			
2			<ul style="list-style-type: none"> <li>➤ Whether TDS deducted are timely deposited into bank with sameamount,</li> </ul>			
3			<ul style="list-style-type: none"> <li>➤ Whether regulatory requirementfor submission of Return has been has been followed,</li> </ul>			
4			<ul style="list-style-type: none"> <li>➤ Whether any deduction is made inanyact, must be deposited as per their respectiveact,</li> </ul>			
5			Verify whether in case of "through rate" contract, there is no any payment for material, etc by the ULB			
6			Any demand is outstanding from regulatory authority for non compliance			

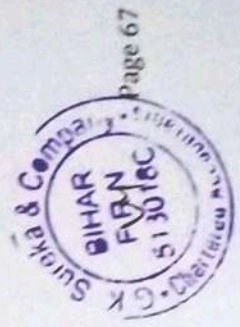


# Tender Details (Work Order Wise )

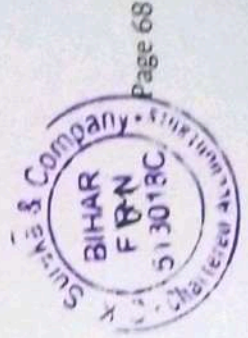
Name of the ULB		Nagar parishad Bairgania				
RISK RATING:						
Work Order No.-						
Particulars		Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved / Not)	
1	➤ To check whether the provisions contained in Tender Advertisement for procurement were followed in award of contracts.					
2	➤ To check that the time/date of receipt and opening of tenders was properly incorporated in the tender documents.					
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.					
4	➤ The purchase proposal was approved by the competent authority as per delegation of powers					



5	<ul style="list-style-type: none"> <li>➤ Indent for purchase indicates the details of quantity required, last purchase rate, period for which stores are needed and name of consignee.</li> </ul>					
6	<ul style="list-style-type: none"> <li>➤ Approval of mode of procurement</li> </ul>					
7	<ul style="list-style-type: none"> <li>➤ The tender documents are prepared properly and description of items to be procured, quantity and estimated value should be indicated.</li> </ul>					
8	<ul style="list-style-type: none"> <li>➤ 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.</li> </ul>					
9	<ul style="list-style-type: none"> <li>➤ 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, &amp; European Union etc.)</li> </ul>					
10	<ul style="list-style-type: none"> <li>➤ To check whether bids were evaluated in terms of the provisions of the bid documents and the evaluation report was available.</li> </ul>					
11	<ul style="list-style-type: none"> <li>➤ To check whether contract was awarded to the lowest evaluated responsive bidders who fulfilled qualification requirements, specified in the tender documents.</li> </ul>					



12	<ul style="list-style-type: none"> <li>➤ 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.</li> </ul>					
13	<ul style="list-style-type: none"> <li>➤ To check whether articles were received/work was completed in time as per delivery schedule.</li> </ul>					
14	<ul style="list-style-type: none"> <li>➤ The stores/goods are properly recorded in the Stock Registers / Asset Register.</li> </ul>					
15	<ul style="list-style-type: none"> <li>➤ Whether any complaint was received regarding procurement and payment and existence of mechanism for redressal of Complaints</li> </ul>					



# Vehicle Log Book

<b>Name of the ULB</b>		Nagar parishad Bairgania			
<b>RISK RATING:</b>					
<b>Name of the ULB</b>					
		<b>PERIOD:</b>			
		Audit Observation	Amt. Involved	Associates Risk	MGT. Comment
S No.	Particulars				Status (Resolved /Not)
1	<p>➤ Whether logbook has maintained or not &amp; up to date with proper details like journeys, work undertaken, covering root, visited place, kilometre, etc.,</p>				
2	<p>➤ Whether logbook of journey is maintained in detail &amp; signed by the officials using them,</p>				
3	<p>➤ Whether it should be used for official purpose, otherwise charges are recoverable,</p>				
4	<p>➤ Whether details of fuel for the same has been maintained in logbook,</p>				

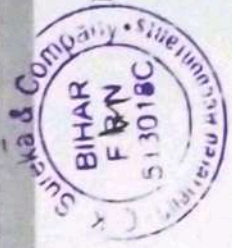


5	<p>&gt; Whether full details of repairs has been maintained &amp; it have been through authorized centre,</p>					
6	<p>Ø Whether authorised person have proper check over logbook.</p>					

# Fixed Assets

Nagar parishad Bairstonia

Name of the ULB					
RISK RATING:					
Name of the ULB					
Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved /Not)
1	Status on Maintenance of Fixed Assets Register	We were not provided with the Fixed Assets Register for the FY 2019-20 for verification.			
3	Budget availability is confirmed before acquisition				
4	Fixed assets are recognized at cost of acquisition and if so, check whether the cost components are incidental to its acquisition				
5	all fixed assets are acquired only after obtaining approval of the concerned authority				
6	Physical verification of fixed assets is done and discrepancies are reconciled with Fixed Asset Register.				
7	Depreciation is provided on each class of fixed assets at the prescribed rates				
8	Asset Replacement Register is properly maintained asset class- wise				
10					



# Others

Nagar parishad Bairgania

**Name of the ULB**

**RISK RATING:**

**Name of the ULB**

S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved /Not)
	<b>Register of Mutation</b>					
	<ul style="list-style-type: none"> <li>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</li> <li>demands of current year and previous year have been reconciled with reference to the above details</li> </ul>					
	<b>Register of Suits</b>					
	<ul style="list-style-type: none"> <li>all suits filed by the municipality for recovery of any sum due are entered</li> <li>all suits filed against the municipality are entered</li> </ul>					



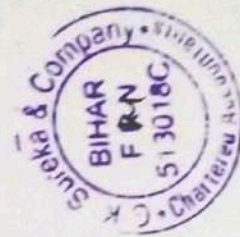
<p>➤ sanction from the Council obtained for filing/defending the suit</p>				
<p>➤ all details like the Assessment Number, amount involved, Name of Court and Suit Number etc. are clearly entered</p>				
<p>➤ Execution Petitions are filed for recovery of sums, in cases the suits are disposed in favour of municipality</p>				

**General Observations: -**

There is lots of scope for improvement with respect to maintenance of Records and Registers. The important and basic records like Advance register, annual accounts, assets register were not maintained. Effective steps may be taken to improve the maintenance of accounts and increasing of its own sources of revenues.

For G K SUREKA & CO.

Chartered Accountants





Urban Development & Housing Department  
Government of Bihar  
Bairgania Nagar Parishad

Discussion Note for Internal Audit observation of FY 2020-21

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 2020-21 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</u> <u>N</u> <u>O</u>	<u>Audit Observations</u>	<u>Reply of Management</u>
1.	Implementation of DEAS at ULB for the FY 2020-21.	DEAS team has been appointed by the concerned department. Implementation of DEAS is in progress, and pending for approval.
2.	Constitution of "Municipal Accounts Committee" is pending yet.	Yes, I will place this matter in meeting board/committee
3.	ULB is not collecting any advertisement tax.	We are working on it.
4.	ULB is not preparing its books of accounts using the accrual system of accounting.	DEAS team has been appointed by the concerned department for this and they are working on this.
5.	Staff strength of department needs to be increased.	Yes, I will place this matter in meeting board/committee.

Date:

Place:



For Nagar Parishad Bairgania

(Executive Officer)

कार्यपालक पदाधिकारी  
नगर परिषद, बैरगनियाँ