



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

INTERNAL AUDIT REPORT

FOR
FY 2018-19

MOHANIA NAGAR PANCHAYAT

GROUP-06
ULBs-18

Vinod & Co. LLP
CHARTERED ACCOUNTANTS
We Plant Quality





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

Sub: Submission of Mohania Nagar Panchayat Annual Internal audit report with management comments for the financial year 2018-19.

Ref No.: Project No. 07/LA.-115/17-83 (NTP) dated; 16.01.2019

Dear Sir,

With Referenceto the above, we Vinod Singhal & Co.,LLP Chartered Accountants appointed as internal auditor of 18 ULBs of Bihar under Group-06 for the project namely "Appointment of internal auditor of 140 ULBs of Bihar."

As we have conducted Annual internal audit of Mohania Nagar Panchayat for the financial year 2018-19. ThroughThis letter we are submitting Annual internal audit report of Mohania Nagar Panchayat for the F.Y.2018-19 with management comments.

We confirm that the internal audit report has been prepared as per terms of reference of RFP.

Thanking You

For Vinod Singhal & Co, LLP
Chartered Accountants
FRN: 005826C/C400276

K. Sodhani

CA Krishan Kumar Sodhani
M.No:- 404603



UDIN No.:- 20404603AAAAK9 9303

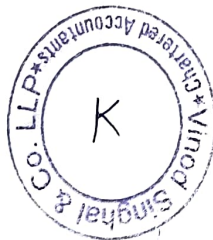
Date: 22-12-2020

Place: Patna

CC:State Level Project Monitoring Unit
PSP Financials Consultants Pvt. Ltd.

CONTENTS

Project Title	Internal audit of 18 ULBs of Group-06 of Bihar
Report Title	Annual internal audit report of Mohania Nagar Panchayat
Period	1 st Apr -2018 to 31 th -March-2019
Reporting Entity	Vinod Singhal & Co., LLP, Chartered Accountants
Reporting for	Mohania Nagar Panchayat
Report Prepared by	Team, Vinod Singhal & Co. LLP
Date of submission	24 th Dec 2019



EXECUTIVE SUMMARY

1. INTRODUCTION

Name of the Municipality	Mohania Nagar Panchayat
Period covered under current audit	01.04.2018 to 31.03.2019
Name of Executive Officer for the period under Audit	Mr. Sanjay Upadhaya

2. RESULTS AND FINDINGS

➤ **Strengths observed during audit engagement**

In the existing system as prevailing in the Nagar Parishad day to day work is in progressive manner in respect of execution of the projects.

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

SINo	Audit Observations
1	Partial comply AG report for the F.Y. 2012-13 to 2016-17
2	Budget not prepared/ given by for the FY 2017-18.
3	Non-updating of bank reconciliation on monthly basis as per Rule No. 118 of BMAR - 2014.
4	Non-Implementation of Double Entry Accounting System
5	No details were made available regarding meeting of municipal accounts committee held during the financial year 2018-19.
6	Non-levy of following taxes <ul style="list-style-type: none">· Surcharge on transfer of lands and buildings· Water tax· Fire tax.· Tax on advertisements, other than advertisements published in newspapers· Surcharge on electricity consumption within the municipal area· Tax on congregations.· Tax on pilgrims and tourists.· Tax on profession.· Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy Goods vehicles, and buses, which shall be heavy passenger motor vehicles.· User Charges for provision of water-supply, drainage and sewerage· User Charges for Solid Waste Management· User Charges for Parking Facility· User Charges for Garbage Clearance



	Collection of fees for sanction of building plans and issue of completion certificates, Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings, Collection of Development Charges
7	Late-Deposit of tax collection of taxes with cashier and with bank as per provision of BMAR
8	Non-collection of notice fees for defaulter
9	Non-recovery of outstanding taxes
10	Non-providing details regarding arrear of advertisement tax, mobile tower tax, rental income
11	Non-preparation of payment vouchers
12	Non-conducting physical survey of 20 high value properties
13	Non-maintenance of required registers as per Rule No. -3 of BMAR-2014
14	Non-preparation of Annual Financial Statement as per the provision of Rule 122 of BMAR - 2014
15	Irregularities in vendor payment process: <ul style="list-style-type: none"> ▪ Budget Control register was not updated ▪ Quality control test report was not available ▪ Completion certificate was not available in payment file in case of completed contract.
16	Non-maintenance of register for all procurements with value above Rs. 15,000
17	Missing signature of wages worker and stamp of ULB on muster roll register
18	No maintenance of separate earnest & security deposit register
19	Non-compliance of Act & Rules
20	Lack of internal control measures <ol style="list-style-type: none"> 1. Voucher file was not maintained 2. No internal mechanism for statutory compliance 3. No MIS was prepared for tracking of payments 4. Required books of accounts as per BMAM was not maintained 5. Statutory compliance reconciliation was not maintained 6. Year-end reconciliation was not available 7. Bank reconciliation of any bank account was not prepared. 8. Bank balance as per cash book was not maintained.
21	Non-compliance of statutory compliances: <ul style="list-style-type: none"> ▪ Non preparation of statutory compliance register ▪ Non deposit of TDS on timely basis. ▪ Non filling of TDS return for due period ▪ Non providing details regarding VAT/PF/Labour Cess
22	Deficiency in payroll system <ul style="list-style-type: none"> ▪ Non-preparation of salary payment voucher ▪ Non-maintaining salary payment reference number in cash book ▪ Non-implementation of Bio-metric device and payroll software
23	Non-providing of Utilization certificate for the reporting audit period
24	Non-maintaining of inventory/store register and non-conducting of physical verification of inventory and stores available with ULB as per requirement of BMAR-rule 130.



3. OPINION

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

4. AUDIT RECOMMENDATIONS

SIN	Audit Observations	Audit Observations
1	Partial comply AG report for the F.Y. 2012-13 to 2016-17	During audit we observed that the compliance of C & AG report for the F.Y.2014-15 to 2015-2016 has not be fully done by ULB. Further due to lack of co-operation we were also unable to help them in comply with C & AG audit report. We requested to management to nominate someone to comply with C & AG audit queries. <i>We suggest that ULB officials should take appropriate action to prepare compliance of C & AG & internal audit compliance.</i>
2	Budget not prepared/ given by for the FY 2017-18	ULB should implement real time budget preparation in prescribed format of BMAM. Further, Budget variance report should be prepared for actual budget report.
3	Non-updating of bank reconciliation on monthly basis as per Rule No. 118 of BMAR - 2014.	Bank Reconciliation help us to monitor over: 1. Difference between Bank Passbook and Cash Book 2. Unauthorised withdrawal from Bank. 3. Excessive debited by Bank 4. Helps to know any other reasons of differences. <i>Therefore, ULB should prepare bank reconciliation of all bank accounts including doormat accounts on monthly basis. Bank statements of all bank accounts should be kept in separate file for proper records.</i>
4	Non-Implementation of Double Entry Accounting System	As per requirement of BMAR-2014, Part -A, Chapter -2 Rule -4, "All ULB refereed in Schedule -I shall maintain its Books of Account using the double entry system".
5	No details were made available regarding meeting of municipal accounts committee held during the Q-1 of the financial year 2019-20.	As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of Municipal Accounts Committee each year. During our Audit no any evidence has been produced to us w.r.t. meeting of municipal accounts committee. <i>ULB should ensure timely meeting of accounts committee in compliance of BMA-2007.</i>
6	Non-levy of following taxes Surcharge on transfer of lands and buildings Water tax Fire tax. Tax on advertisements, other than advertisements published in newspapers	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. <i>ULB should take steps to implement required taxes to boost their revenue</i>



	<p>Surcharge on electricity consumption within the municipal area</p> <p>Tax on congregations</p> <p>Tax on pilgrims and tourists</p> <p>Tax on profession</p> <p>Toll tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy passenger motor vehicles, Goods vehicles, and buses, which shall be heavy passenger motor vehicles.</p> <p>User Charges for provision of water-supply, drainage and sewerage</p> <p>User Charges for Solid Waste Management</p> <p>User Charges for Parking Facility</p> <p>User Charges for Garbage Clearance</p> <p>Collection of fees for sanction of building plans and issue of completion certificates,</p> <p>Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings.</p> <p>Collection of Development Charges</p>	
7	Late-Deposit of tax collection of taxes with cashier and with bank as per provision of BMA rule-22	<p>As per Bihar Municipal Act, 2007 & Rules BMAR-2014 The amount of tax collected by the collector is required to be handed over to the cashier and deposited into bank on the same date latest before noon of next day on which collection is made. However, during our audit, we observed that there is a huge delay in depositing the tax into bank. Therefore, management should implement MIS Mechanism towards getting control over collection and deposit of Taxes. Further we wish to inform that failure to comply with Rule 22 is a cause for fine of Rs. 5,000</p>
8	Non-collection of notice fees for defaulter	<p>As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007, Municipality can issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified and the amount of penalty therefore, but In case of Babhua Nagar Parishad, ULB has not provided any information regarding charging and collection of notice fees. ULB should collect notice fees from applicable assesses in compliance of act and to boost ULB revenue.</p>
9	Non-recovery of outstanding taxes	<p>ULB has provided during audit the details of outstanding tax and other income, we observed on the basis of the data that there is huge arrear of taxes at ULB. Therefore, the management should take proper step to boost collection of arrears. Further a weekly or fortnightly meeting with all the collectors to be held for getting the reason of non-collection and resolving the same.</p>
10	Non-providing details regarding arrear of advertisement tax, mobile tower tax, rental income	<p>ULB should prepare proper records for arrear amount and should take proper steps to collect arrears.</p>
11	Non-preparation of payment vouchers	<p>ULB should prepare voucher based on running voucher as per the provision of Rule No. 16, 17 and 18 of BMAR -2014.</p>
12	Non-conducting physical survey of 20 high value properties	<p>Being ULB was not maintaining any details of high value properties, The details given in report have</p>

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		been prepared based on receipts book. Filed Survey of the same could not be conducted due to non-support of tax Daroga & tax collectors in filed survey. <i>ULB should identify and prepare separate list of high value properties by conducting re-assessment of prospective properties on timely basis to boost their revenue.</i>
13	Non-maintenance of required registers as per Rule No. -3 of BMAR-2014	Detail of registers not maintained by ULB is mentioned under PART-A (a). <i>ULB should ensure proper maintenance of required Books of Account and register as per the list given in Rule -3 of BMAR - 2014.</i>
14	Non-preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014	<i>ULB should ensure preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014</i>
15	Irregularities in vendor payment process: <ul style="list-style-type: none"> ▪ Budget Control register was not updated ▪ Quality control test report was not available ▪ Completion certificate was not available in payment file in case of completed contract. 	Proper tender documents regarding tender approval and allotment was not properly maintained or made available for audit. In provided cases, we are unable to comment on channel of procurement of tender and their required compliances. Further, no statutory compliance register was maintained in regards with statutory dues deducted from party bills. <i>So, ULB should maintained proper tender register and file that include all related documents of tender. Statutory compliance register should be maintained for all statutory deductions made form parties invoices.</i>
16	Non-maintenance of register for all procurements with value above Rs. 15,000	ULB should ensure maintenance of register for all Procurements with value above Rs. 15,000
17	Missing signature of wages worker and stamp of ULB on muster roll register	ULB should ensure proper maintenance of wages register by complying signature and stamping.
18	No maintenance of separate earnest & security deposit register	EMD and security deposit register help in tracking of balance payable to parties.
19	Non-compliance of Act & Rules	Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. <i>ULB should ensure compliance of all applicable Act & Rules.</i>
20	Lack of internal control measures <ul style="list-style-type: none"> 9. Voucher file was not maintained 10. No internal mechanism for statutory compliance 11. No MIS was prepared for tracking of payments 12. Required books of accounts as per BMAM was not maintained 13. Statutory compliance reconciliation was not maintained 14. Year-end reconciliation was not available 15. Bank reconciliation of any bank account was not prepared. 16. Bank balance as per cash book was not maintained. 	We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, Cheque handling and Statuary compliances: We suggest that: <ol style="list-style-type: none"> 1. MIS System should be implemented over daily collection and deposit. 2. Reason for non-deposit/ late deposit should be strongly need to ask for minimise delay. 3. Need to identify a person to comply with the statuary compliances. In case failure to comply with statuary compliances he should also be penalised. Therefore, the management has to take serious effort in implementation of Internal control Mechanism for getting a better result from ULB working.
21	Non-compliance of statutory compliances: <ul style="list-style-type: none"> ▪ Non preparation of statutory compliance register 	Statutory compliance register was maintained in regards with statutory dues deducted from party bills. <i>So, ULB should maintained proper statuary</i>



	<ul style="list-style-type: none"> ▪ Non deposit of TDS on timely basis. ▪ Non filling of TDS return for due period ▪ Non providing details regarding VAT/PF/Labour Cess 	<p><i>compliance register. Statutory compliance should be maintained for all statutory made form parties invoices. Non-compliance with statutory dues will penalty, interest and prosecution. Management should insure that all statutory are paid on time and returns related thereon on time.</i></p> <p>Every payment should be accompanied by payment voucher. Further as per Section 202 of the Indian Stamp Act 1899 makes it mandatory affixing of stamp on any receipt as defined above Rs 5000. Therefore, management should ensure that the payment is accompanied by payment voucher.</p> <p>Meaning of Receipt : "Receipt" includes any note, memorandum or writing- (a) whereby any money, or any bill of exchange or promissory note is acknowledged to have been received, or (b) whereby any other property is acknowledged to have been received in satisfaction of a debt, or (c) whereby any debt or demand, or any part of a debt or demand, is acknowledged to have been satisfied or discharged, or (d) which signifies or imports an acknowledgment; and whether the same is or is not signed with the name of any person "</p>
22	<p>Deficiency in payroll system</p> <ul style="list-style-type: none"> ▪ Non-preparation of salary payment voucher ▪ Non-maintaining salary payment reference number in cash book ▪ Non-implementation of Bio-metric device and payroll software 	<p>Grant is blood of ULB. Therefore, for getting of and running the ulb working smoothly it is important to comply with all necessary requirements of grant. Further timely submission of utilization certificate helps the grant realising authorities send the money for fulfill the requirement of fund. Therefore, management should ensure that ULB has been submitted with concerned department on a regular basis.</p> <p><i>Management should implement the control system over inventory and store. Stock register should be in place and get it verified by a responsible person as authorised by management time to time. Further any discrepancies arises/ found during verification should be reported immediately.</i></p>
23	<p>Non-providing of Utilization certificate for the reporting audit period</p>	<p>Grant is blood of ULB. Therefore, for getting of and running the ulb working smoothly it is important to comply with all necessary requirements of grant. Further timely submission of utilization certificate helps the grant realising authorities send the money for fulfill the requirement of fund. Therefore, management should ensure that ULB has been submitted with concerned department on a regular basis.</p> <p><i>Management should implement the control system over inventory and store. Stock register should be in place and get it verified by a responsible person as authorised by management time to time. Further any discrepancies arises/ found during verification should be reported immediately.</i></p>
24	<p>Non-maintaining of inventory/store register and non-conducting of physical verification of inventory and stores available with ULB as per requirement of BMAR-rule 130.</p>	<p>Grant is blood of ULB. Therefore, for getting of and running the ulb working smoothly it is important to comply with all necessary requirements of grant. Further timely submission of utilization certificate helps the grant realising authorities send the money for fulfill the requirement of fund. Therefore, management should ensure that ULB has been submitted with concerned department on a regular basis.</p> <p><i>Management should implement the control system over inventory and store. Stock register should be in place and get it verified by a responsible person as authorised by management time to time. Further any discrepancies arises/ found during verification should be reported immediately.</i></p>
25	<p>Non providing details of Advances, their adjustment & Recovery</p>	<p>To ensure timely recovery of advance with interest proper calculation should be there with proper recovery plan.</p>

5. COMMENTS FROM MANAGEMENT

Audit observations with audit recommendation has been submitted with management for providing management Comments.

6. ACKNOWLEDGEMENT

Considering the Physical Environment, accessibility, literacy of the Human Resources, communication facilities and so many other hindrances, we are in opinion that, the working of the ULB has a deep impact on the economic & social aspects and values of the inhabitants of the demarcated area. And the matters ancillary thereto.

DETAILED AUDIT REPORT**1. INTRODUCTION:**

S.NO.	Name Of ULB	Period-Covered		Audit Team
		From	TO	
1	Mohaniya Nagar Panchayat	01-04-2018	31-03-2019	1. Name of TL : CA Krishan Kumar Sodhani 2. Name of MAE : CA Rahul Kumar Shrivastwa 3. Name of MAA: Mukesh Kumar

2. ADMINISTRATION:

Sl. No	Particulars	Details
1	The present body of the ULB has taken charge on	09-06-2017
2	The incumbency in the key administrative and executive positions was as under:	
2.1	Name of Mayor:	Mr. Rajkumar Prasad
2.1.1	Period of Service:	From: 09-06-2017 To: Till date
2.2	Name of Commissioner/Executive Officer:	Mr. Sanjay Upadhaya
2.2.1	Period of Service:	From: 19-01-2019 To: Till date

3. REVIEW OF OUTSTANDING AUDIT PARAS:**3.1. Status of Audit Observations is as under:**

(Rs. In Lakh)

S.N.	Particulars of audit and date of report	Total no. of audit paras	Total no. of audit paras where necessary improvement/ corrective measures 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 O/s para where no action has been taken	No. & date of compliance report
1	Audit report submitted by AG for the F.Y. 2012-13 to 2016-17	24	14	10	-	-	14	1004/24.1 0.2019

3.2. Details of total no of audit paras:

Period of AG audit report : Financial year 2012-13 to 2016-17

Compliance report date & Number : 1004/24.10.2019



Sl. No	Audit Para Number	Heading of the audit para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
Part-I of AG Audit Report						
1	1 to 10	Basic Information	-	-	-	NA
Part-II (A) of AG Audit Report						
2	1	Irregularity in purchase of LED Light	33.27	33.27	-	Action Taken
Part-II (B) of AG Audit Report						
3	2	Excess payment for purchase of dustbin	2.24	2.24	-	Action Taken
4	3	Excess expenses against the guidance	3.44	3.44	-	Action Taken
5	4	Irregular Payment	7.20	7.20	-	Action Taken
6	5	Irregularity in contract work	49.80	49.80	-	Action Taken
7	6	Not collected the amount of Stamp duty and Nibandhan duty	1.06	1.06	-	Action Taken
8	7	Short deposited/ Not deposited amount	1.20	1.20	-	Action Taken
9	8	Property Tax dues on government building	53.26	53.26	-	Action Taken
11	9	Due rent on Shop	7.35	7.35	-	Action Taken
Part-III (TAN) of AG Audit Report						
12	1	Budget of Loss	-	-	-	Action Taken
13	2	a. Not issuing receipt for Death and birth certificate	-	-	-	Action Taken
14	3	b. Misc. receipt book not printed in proper manner	-	-	-	Action Taken
15	4	Not presented books of account.	-	-	-	Action Taken
Total			158.82	158.82		

Above details has been taken from the AG Report the F.Y. 2013-14 and 2014-15 and compliance report Thereof. **For AG Compliance Report, Refer the attached Annexure-01.**



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

Year	Year- 2016-17	Year- 2017-18	Year- 2018-19
Final/Revised Budget Data	3,73,43,333	5,44,71,514	165276496
Actual Expenditure Data	5,14,43,983	5,96,32,267	277,953,495
Savings (+)/Excess (-)	(1,41,00,650)	(51,60,753)	-112,676999

Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for The year 2016-17, 2017-18, 2018-19 & 2019-20 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures.

II. Volume of transactions

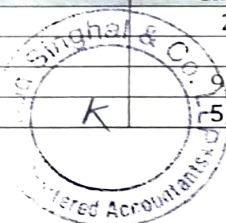
Period	Budgeted for F.Y. 2018-19	Actual for the F.Y. 2016-17	Actual for the F.Y. 2017-18	Actual for the F.Y. 2018-19	Cumulative for the current period
Opening balance	11,45,89,646	8,35,16,240	9,47,47,054	118,534,669	118,534,669
Receipts	20,59,91,251	6,26,74,797	8,34,19,882	197,269,991	197,269,991
Total	32,05,80,897	14,61,91,037	17,81,66,936	315,804,660	315,804,660
Net expenditure	16,52,76,496	5,14,43,983	5,96,32,267	277,953,495	277,953,495
Closing balance	15,53,04,401	9,47,47,054	11,85,34,669	37,851,165	37,851,165

Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for The year 2016-17, 2017-18, 2018-19 & 2019-20 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures.

III. Bank Reconciliation position as on reporting date**Bank Reconciliation position as on 31-03-2019**

S. N	Name of Bank	Bank A/C No.	Purpose of Bank Account	Balance as per Cash Book	Balance as per Bank Statement	Differences	Reconciled (Yes/No)
1	Punjab National Bank	2696000100215985	Family Profit	20,000	5,116	14,884	No
2	Punjab National Bank	2696000100177029	13th Fianance	-	-	-	No
3	Punjab National Bank	2696000100172185	Kabir Anatiyoshti	9,23,000	10,11,141	(88,142)	No
4	Bank Of Baroda	00070100020441	Internal Sources	5,56,139	11,22,945	(5,66,806)	No



9	Bank Of Baroda	00070100020801	Social Security Pension	-	-	-	No
10	Bank Of Baroda	00070100024432	CM Nali-Gali Yojana	-	-	-	No
11	Bank Of Baroda	00070100020668	E-Governance	-	-	-	No
12	State Bank Of India	36081794853	Misc Account	5,08,383	1,94,545	3,13,839	No
13	Central Bank Of India	3662394499	Day-NULM	21,98,405	22,01,546	(3,141)	No
14	Bank Of Baroda	70100024013	HFA	12,50,000	2,37,27,579	(2,24,77,579)	No
15	Treasury	PL-8448001020001	State Scheme	29,539,957	-	-	No
16	Treasury	PL-8448001020001	4th Fc	25,321	-	-	No
17	Treasury	PL-8448001020001	Ward Parsad Bhata	113,356	-	-	No
18	Treasury	PL-8448001020001	Pesakar	1,241,835	-	-	No
19	Treasury	PL-8448001020001	E-Governance	81,600	-	-	No
20	Treasury	PL-8448001020001	Stamp Fees	376,054	-	-	No
21	Treasury	PL-8448001020001	14 th Fc	2,837,480	-	-	No
22	Treasury	PL-8448001020001	Nagrik Suvidha	97,065	-	-	No
23	Treasury	PL-8448001020001	5 th fc	12,945,624	-	-	No
24	Treasury	PL-8448001020001	CM- Payjal	1,543,686	-	-	No
25	Treasury	PL-8448001020001	EO Salary	306,372	-	-	No
27	Treasury	PL-8448001020001	City Manager Mandey	30,100	-	-	No
28	Treasury	PL-8448001020001	Electric Bill	2,729,182	-	-	No
				8,080	-	-	No

Comment:

1. Bank Reconciliation statement has not been prepared by the Mohaniya Nagar Panchayat.
2. **Bank Reconciliation help us to monitor over:**
 - a. Difference between Bank Passbook and Cash Book
 - b. Unauthorised withdrawal from Bank.
 - c. Excessive debited by Bank
 - d. Helps to know any other reasons of differences.

Therefore, ULB should prepare bank reconciliation of all bank accounts including doormat accounts on monthly basis. Bank statements of all bank accounts should be kept in separate file for proper records. Refer "Annexure -3"



IV. Revenue & Capital Receipts information:

SI No	Details	Income Details (Amount in Rs.)					
		2017-18		2018-19		2019-20	
	Total Receipts (A+B)	83,419,882	62,674,797	Not Available	83,419,882	Not Applicable	Not Available
A	Revenue Receipts (1+2+3)	70,164,867	56,927,358	Not Available	70,164,867	Not Applicable	Not Available
1	Own Revenue Receipts	4,357,019	6,585,985	Not Available	4,357,019	Not Applicable	Not Available
a)	Tax Revenue (levied and collected by municipal body)	1,698,707	4,790,471	Not Available	1,698,707	Not Applicable	Not Available
i)	Property tax	1,698,707	579,971	Not Available	1,698,707	Not Applicable	Not Available
ii)	Other tax (levied and collected by municipal body)	-	4,210,500	Not Available	-	Not Applicable	Not Available
b)	Non-tax revenue (levied and collected by municipal body)	2,658,312	1,795,514	Not Available	2,658,312	Not Applicable	Not Available
i)	Fees & fines	1,671,969	1,069,096	Not Available	1,671,969	Not Applicable	Not Available
ii)	User Charges	-	-	Not Available	-	Not Applicable	Not Available
iii)	Other non-tax revenue (levied and collected by municipal body)	986,343	726,418	Not Available	986,343	Not Applicable	Not Available
2	Other Revenue Receipts	677,525	505,850	Not Available	677,525	Not Applicable	Not Available
a)	Income from interest/investments	406,250	325,000	Not Available	406,250	Not Applicable	Not Available
b)	Other Revenue income	271,275	180,850	Not Available	271,275	Not Applicable	Not Available
3	Transfers/Grants/Assigned Revenues	65,130,323	49,835,523	Not Available	65,130,323	Not Applicable	Not Available
a)	State Assigned Revenue	15,232,578	11,717,368	Not Available	15,232,578	Not Applicable	Not Available
b)	State Finance Commission (SFC) Grants/Devolution	49,629,295	37,911,655	Not Available	49,629,295	Not Applicable	Not Available
c)	Octroi compensation	-	-	Not Available	-	Not Applicable	Not Available
d)	Other State Government Transfers	-	-	Not Available	-	Not Applicable	Not Available
e)	Central Finance Commission (CFC) Grant	-	-	Not Available	-	Not Applicable	Not Available
f)	Other Central Government Transfers	-	-	Not Available	-	Not Applicable	Not Available
g)	Others (Sales & Hire Charges)	268,450	206,500	Not Available	268,450	Not Applicable	Not Available
B	Capital Receipts (1+2+3+4+5+6)	13,255,015	5,747,439	Not Available	13,255,015	Not Applicable	Not Available
1	Sale of Municipal Land	-	-	Not Available	-	Not Applicable	Not Available
2	Loans (from State Govt. or Bank etc.)	-	-	Not Available	-	Not Applicable	Not Available
3	State Capital Account Grant (under State Schemes etc.)	13,255,015	5,747,439	Not Available	13,255,015	Not Applicable	Not Available
4	Central Capital Account Grant (under Central Schemes etc.)	-	-	Not Available	-	Not Applicable	Not Available



V. Revenue and Capital Expenditure Information.

Sl No	Details	Income Details (Amount in Rs.)							
		2017-18		2018-19		2019-20		2019-21	
		2017-18	2018-19	2017-18	2018-19	2019-20	2019-21	2018-19	2019-20
	Total Receipts (A+B)	83,419,882	197,269,991	83,419,882	197,269,991	Not Applicable	197,269,991	Not Applicable	197,269,991
A	Revenue Receipts (1+2+3)	70,164,867	99,632,511	70,164,867	99,632,511	Not Applicable	99,632,511	Not Applicable	99,632,511
1	Own Revenue Receipts (a+b)	4,625,469	7,117,275	4,625,469	7,117,275	Not Applicable	7,117,275	Not Applicable	7,117,275
a)	Tax Revenue (levied and collected by municipal body)	2,685,050	4,336,776	2,685,050	4,336,776	Not Applicable	4,336,776	Not Applicable	4,336,776
i)	Property tax	1,698,707	3,212,523	1,698,707	3,212,523	Not Applicable	3,212,523	Not Applicable	3,212,523
ii)	Other tax (levied and collected by municipal body)	986,343	1,124,253	986,343	1,124,253	Not Applicable	1,124,253	Not Applicable	1,124,253
b)	Non-tax revenue (levied and collected by municipal body)	1,940,419	2,780,499	1,940,419	2,780,499	Not Applicable	2,780,499	Not Applicable	2,780,499
i)	Fees & fines	1,671,969	2,415,263	1,671,969	2,415,263	Not Applicable	2,415,263	Not Applicable	2,415,263
ii)	User Charges	268,450	365,236	268,450	365,236	Not Applicable	365,236	Not Applicable	365,236
iii)	Other non-tax revenue (levied and collected by municipal body)	-	-	-	-	Not Applicable	-	Not Applicable	-
2	Other Revenue Receipts	677,525	1,058,327	677,525	1,058,327	Not Applicable	1,058,327	Not Applicable	1,058,327
a)	Income from interest/investments	406,250	745,869	406,250	745,869	Not Applicable	745,869	Not Applicable	745,869
b)	Other Revenue income	271,275	312,458	271,275	312,458	Not Applicable	312,458	Not Applicable	312,458
3	Transfers/Grants/Assigned Revenues	64,861,873	91,456,909	64,861,873	91,456,909	Not Applicable	91,456,909	Not Applicable	91,456,909
a)	State Assigned Revenue	15,232,578	23,564,568	15,232,578	23,564,568	Not Applicable	23,564,568	Not Applicable	23,564,568
b)	State Finance Commission (SFC) Grants/Devolution	49,629,295	67,892,341	49,629,295	67,892,341	Not Applicable	67,892,341	Not Applicable	67,892,341
c)	Octroi compensation	-	-	-	-	Not Applicable	-	Not Applicable	-
d)	Other State Government Transfers	-	-	-	-	Not Applicable	-	Not Applicable	-



		2017-18	2016-17	2018-19	2017-18	2019-20	2018-19
g)	Others (Sales & Hire Charges)	-	-	-	-	-	-
8	Capital Receipts (1+2+3+4+5+6)	13,255,015	5,747,439	97,637,480	13,255,015	Not Applicable	97,637,480
1	Sale of Municipal Land	-	-	-	-	Applicable	-
2	Loans (from State Govt. or Bank etc.)	-	-	-	-	Not Applicable	-
3	State Capital Account Grant (under State Schemes etc.)	13,255,015	5,747,439	97,637,480	13,255,015	Not Applicable	97,637,480
4	Central Capital Account Grant (under Central Schemes etc.)	-	-	-	-	Not Applicable	-
5	Other Capital Receipts	-	-	-	-	Not Applicable	-

Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for The year 2016-17, 2017-18, 2018-19 & 2019-20 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures.

V Revenue and Capital Expenditure Information.

Sl No	Details	2017-18		2018-19		2019-20	
		2017-18	2016-17	2018-19	2017-18	2019-20	2018-19
	Total Expenditure (1+2)	59,632,267	51,443,983	277,953,495	59,632,267	Not Applicable	277,953,495
1	Revenue Expenditure	42,381,611	29,575,684	48,104,034	42,381,611	Not Applicable	48,104,034
11	Administrative Expenses, Establishment and Salaries (All Departments-Regular and Contractual Staff)	24,389,749	17,606,976	29,451,458	24,389,749	Not Applicable	29,451,458
12	Operation and Maintenance (O&M)	8,064,277	5,307,600	8,926,453	8,064,277	Not Applicable	8,926,453



		Central Finance Commission (CFC)			Grant	
		801,200		801,200	Not Applicable	
1.3	Loan repayment (Interest payments)					
1.4	Others (any other revenue expenditure which is not salaries, O&M or Interest Payment)	9,126,385	6,661,108	9,726,123	9,126,385	9,726,123
2	Capital Expenditure	17,250,656	21,868,299	229,849,461	17,250,656	229,849,461
2.1	All developmental works under Central/State specific schemes	17,250,656	21,868,299	229,849,461	17,250,656	229,849,461
2.2	Loan Repayments (Principal Amount)	-	-	-	-	-
2.3	Other Capital expenditure	-	-	-	-	-

Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2018-19 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for The year 2016-17, 2017-18, 2018-19 & 2019-20 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures.

VI. Status of Implementation of Double Entry Accounting System:

The ULB has not yet implemented Double Entry Accounting System

VII. Status of Meeting of Municipal Accounts Committee

There is no any accounting committee has been formed at ULB. However standing committee has been and meeting of such standing committee has been held at ULB.

We are submitting here with copy letter taken from ULB in respect of these committee.



5. AUDIT OBSERVATION

I. PART-A

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

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

1. Non-levy of taxes: As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. *In case of Mohaniya Nagar Panchayat*, the following mentioned tax/charges are not implemented that leads to loss of revenue to ULB.

SL	Particulars	Implemented by ULB or Not
1	Surcharge on transfer of lands and buildings.	No
2	Water tax	No
3	Fire tax.	No
4	Tax on advertisements, other than advertisements published in newspapers.	No
5	Surcharge on electricity consumption within the municipal area.	No
6	Tax on congregations.	No
7	Tax on pilgrims and tourists.	No
8	Tax on profession.	No
10	Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles.	No
11	User Charges for provision of water-supply, drainage and sewerage.	No
12	User Charges for Solid Waste Management.	No
13	User Charges for Parking Facility.	No
14	User Charges for Garbage Clearance.	No
15	Collection of fees for sanction of building plans and issue of completion certificates.	No
16	Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings.	No
17	Collection of Development Charges.	No

Audit Objective - As per Point No.- 5.00 of TOR.

Criteria – Non levied the taxes reported above by ULB.

Condition -As per details provided to us the ULB is not charging the above mention taxes.

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

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

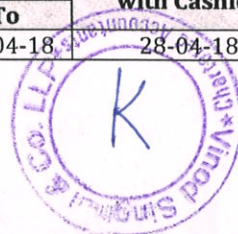
Corrective Action / Recommendation - As per our opinion, management should review the working on timely basis.

Please refer annexure- 5 for details of non-implemented taxes

2. Late deposit of property Tax: As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day or latest before noon of next day on which collection is made.

a. In case of Mohaniya Nagar Panchayat, during verification of receipts book and deposit slips, we have noticed that there was average gap of 9-37 days in collection of tax and deposit of tax with cashier.

SL	Serial Number		Amount of Tax	Date of Collection as per Receipts Booked		Date of Deposited with Cashier	Delay in deposit with Cashier	
	From	To		From	To		Minimum	Maximum
1	10489	10763	9,701.00	02-04-18	21-04-18	28-04-18	7	26



2	10764	10800	10,802.00	26-04-18	21-05-18	28-05-18	7	32
3	11401	11443	17,537.00	22-05-18	26-06-18	30-06-18	4	39
4	11801	11838	24,415.00	23-08-18	24-09-18	28-09-18	4	36
5	11451	11476	20,061.00	16-10-18	26-11-18	27-11-18	1	42
6	12101	12466	10,200.00	17-01-19	21-02-19	27-02-19	6	41
7	10086	10852	13,616.00	03-04-18	20-04-18	28-04-18	8	25
8	11225	11235	21,250.00	17-07-18	25-07-18	28-07-18	3	11
9	11601	11618	18,132.00	04-09-18	19-09-18	29-09-18	10	25
10	11751	11761	15,426.00	02-01-19	22-01-19	24-01-19	2	22
11	12251	12932	18,942.00	23-02-19	23-04-19	26-06-19	64	123
12	12001	12049	15,356.00	04-08-18	27-08-18	29-08-18	2	25
13	12202	12214	4,811.00	03-12-18	27-12-18	27-12-18	0	24
14	12215	12242	12,520.00	29-12-18	29-01-19	29-01-19	0	31
15	12243	12361	14,977.00	31-01-19	25-02-19	27-03-19	30	55
16	11651	11700	32,505.00	25-09-18	25-11-18	28-11-18	3	64
17	11951	12000	21,153.00	26-11-18	28-01-19	15-02-19	18	81
18	12301	12322	14,764.00	08-02-19	25-02-19	27-02-19	2	19
19	10969	10982	12,068.00	03-04-18	20-04-18	28-04-18	8	25
20	10915	10924	8,155.00	03-04-18	14-04-18	28-04-18	14	25
21	11572	11600	12,998.00	07-08-18	24-08-18	25-08-18	1	18
22	11901	11913	7,864.00	02-09-18	18-09-18	28-09-18	10	26

b. *In case of Mohaniya Nagar Panchayat*, during verification of receipts book and deposit slips, we have noticed that there was average gap of 16 days in collection of tax and deposit of tax into Bank.

SL	Serial Number		Amount of Tax	Date of Deposited with Cashier	Date of Deposited into Bank by Cashier	Delay in deposit with Cashier	
	From	To				Minimum	Maximum
1	10489	10763	9,701.00	02-04-18	28-04-18	0	30
2	10764	10800	10,802.00	26-04-18	28-05-18	0	1
3	11401	11443	17,537.00	22-05-18	30-06-18	0	4
4	11801	11838	24,415.00	23-08-18	28-09-18	0	5
5	11451	11476	20,061.00	16-10-18	27-11-18	0	30
6	12101	12466	10,200.00	17-01-19	27-02-19	0	0
7	10086	10852	13,616.00	03-04-18	28-04-18	0	9
8	11225	11235	21,250.00	17-07-18	28-07-18	0	30
9	11601	11618	18,132.00	04-09-18	29-09-18	0	26
10	11751	11761	15,426.00	02-01-19	24-01-19	0	22
11	12001	12049	15,356.00	04-08-18	29-08-18	0	3
12	12202	12214	4,811.00	03-12-18	27-12-18	0	14
13	12215	12242	12,520.00	29-12-18	29-01-19	0	17
14	12243	12361	14,977.00	31-01-19	27-03-19	0	4
15	11651	11700	32,505.00	25-09-18	28-11-18	0	29
16	11951	12000	21,153.00	26-11-18	15-02-19	0	12
17	12301	12322	14,764.00	08-02-19	27-02-19	0	12
18	10969	10982	12,068.00	03-04-18	28-04-18	0	30
19	10915	10924	8,155.00	03-04-18	28-04-18	0	30
20	11572	11600	12,998.00	07-08-18	25-08-18	0	4
21	11901	11913	7,864.00	02-09-18	28-09-18	0	24

Note:

1. Above calculations has been made on the basis of sample data.
2. Due to non-deposit of cash on timely basis there is loss of interest to ULB. It seems that huge fund easily available with cashier on the cost of Mohaniya ULB.
3. Management should reconcile time to time the physical cash with book for stopping the misuse of cash.
4. Date of receipts has been taken from receipt book and date of deposit into bank has been taken from cash book as well as from bank deposit slip.

Audit Objective - As per Point No.- 5.00 of TOR



Criteria – As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day or latest before noon of next day on which collection is made. Further we wish to inform that failure to comply with Rule 22 may cause for fine of Rs. 5,000.00

Condition -As per details provided to us the ULB is not depositing the amount collected from public on time.

Consequence Effect /Impact - Due to non-deposit of cash on timely basis there is loss of interest to ULB. It seems that huge fund easily available with cashier on the cost of Mohaniya ULB.

Cause- We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval, the ULB has not proper control, supervision, and monitoring over collection and deposit of taxes.

Corrective Action / Recommendation - Management should reconcile time to time the physical cash with cash book for stopping the misuse of cash.

- 3. Non collection of Notice fees:** As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007, Municipality can issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore, but

In case of Mohaniya Nagar Panchayat, ULB has not provided any information regarding charging and collection of notice fees.

Audit Objective - As per Point No.- 5.00 of TOR

Criteria –As per sec 158 of Bihar Municipal Act, 2007 the amount of notice fee should be collected by the municipality.

Condition -As per details provided to us the ULB is not collecting notice fee.

Consequence Effect /Impact - Due to non-collection of notice fee there is loss of interest to ULB.

Cause- We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval, the ULB has not proper control, supervision, and monitoring over issue of notices and collection of notice fee.

Corrective Action / Recommendation - Management should monitor the notices issued on periodic basis towards charging and collection of notice fee.

- 4. Recovery of outstanding taxes/rental income:** As per record provided by ULB, following income was in arrear as on 31.03.2019

Details of outstanding arrear of income as on 31-03-2019

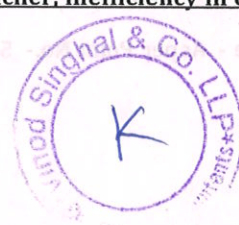
(Rs. In Lakh)

Sl. No	Type of Income	Arrear Amount
1	Holding Tax	Detail not Provided
2	Auto Stand Bandobasti	Detail not Provided
3	Tahbazari	Detail not Provided
4	Mobile Tower Tax	Detail not Provided
5	Rent Income	Detail not Provided
6	Misc. Income	Detail not Provided
7	Advertisement Tax	Detail not Provided

Suggestion:

- ULB should implement a mechanism towards calculation of outstanding/ Arrear tax amount at monthly basis.
- ULB should implement/take action to boost collection of arrear revenue to increase their own source revenue.

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



1. **Payment of bills after due date:** During audit of ULB we have not provided a single bill for our verification, therefore we can't comment on it.
2. **Pass payment without preparation of payment vouchers:** The ULB does not prepare Payment Vouchers for making payment to the parties/vendors. Payment was made on the basis of bills only raised in the name of ULB which is passed by the competent authority.
3. **Irregularities in payments:** In absence of documents we are unable to comment on the same

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

Comment:

Being no support regarding filed survey has been provided by ULB staff. Therefore we are unable to comment on the same.

II. PART-B

a. Non-maintenance of books of accounts and subsidiary registers:

The ULB has not maintained the following prescribed registers *(Please find attached letter to the ULB regarding non-submission of the following documents):* -

1. Journal Book
2. Ledger
3. Contra Voucher
4. Journal Voucher
5. Receipt Voucher
6. Register of Cheque Received
7. Statement on status of cheque received
8. Register of Bills for Payment
9. Payment order
10. Register of Advance
11. Register of Permanent Advance
12. Deposit Received Register
13. Summary statement of Deposits Adjustment
14. Demand register
15. Bill of Income
16. Summary Statement of Bill Raised
17. Register of Notice Fee Warrant Fee other fees
18. Summary statement of Notice Fee Warrant Fee other fees
19. Summary statement of Refund and Remissions
20. Summary statement of Write offs
21. Statement of outstanding liability for expenses
22. Register of Immovable and Movable Property
23. Register of Land
24. Function wise Income Subsidiary Ledger
25. Function wise Expenditure Subsidiary Ledger
26. Asset Replacement Register
27. Register of Public Lighting System
28. Building Register
29. Status and Heritage Assets Register
30. Road and Street register
31. Bridges Flyover Subway and Causeway Register
32. Drains Register
33. Ponds and Lakes Register
34. Plant and Machinery Register
35. Vehicle Register
36. Office Equipment Register
37. Furniture and Fixture Register
38. Computer and Peripheral Register
39. Software Register
40. Grants Register

Required at - Property Tax and other taxes



1. Summary Statement of bills raised
2. Summary statement of Demand Adjustment raised
3. Summary statement of refunds and remissions
4. Summary Statement of write-offs
5. Money Receipt Book
6. Hand Book (details due from tax payer)

Documents required at – water Supply

1. Summary Statement of Demand raised on assessment
2. Summary statement of Head wise collection
3. Summary statement of refunds remissions
4. Summary statement of write- offs

Documents required at – Rentals Fees and Other Income

1. Summary Statement of Demand raised on assessment
2. Summary statement of Head wise collection
3. Summary statement of refunds
4. Summary statement of write- offs

Documents required at- Public Works

1. Summary Statement of status of CWIP
2. Work Sheet
3. Deposit works register

Documents required at – Stores

1. Material Receipt Note
2. Statement of Material Issues

Other

1. Balance confirmation as on 31.03.19
2. BRS of all Bank Accounts (including dormant accounts)
3. Physical Verification report of cash and Stock

Final Accounts for the year 2014-15 & 2015-16 & 2016-17, 2017-18 & 2018-19

1. Audited Balance Sheet
2. Audited Income & Expenditure Account
3. Audited Receipts & Payments Account and unaudited Receipts & Payment

Refer "Annexure -6"

b. Irregularity in procurement process:

1. Irregularities in publishing of tender

2. Whether a register is kept for all Procurements with value above Rs. 15,000/-: No procurement register was maintained at ULB level for procurement with value above Rs. 15,000/-

3. As per rule no 75, disbursement to the daily wage workers is to be witnessed by the chief municipal officer / engineer and he has to sign the disbursement certificate after ensuring that the acknowledgement has been obtained from the workers on the master payroll (BMAR Form -33):

As per provided master payroll of daily wages worker, we observed that signature of wages worker against their attendance was not available. This is noted that stamp of ULB was not affixed on signature done in master payroll.

4. No separate earnest & security deposit register: Earnest money deposit & security deposit register help in tracking refund of EMD/SD on time to concerned parties, but in ULB, no such register was maintained/provided for verification.

b. Non-Compliance of directives by UD&HD, GoB:

SINo.	Direction issued by UDHD	Complied or Not
-------	--------------------------	-----------------



1	No such non-compliance of directives by UD&HD, GoB was observed during the audit
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c. Non-Compliance of Act & Rules:

SINO	Requirement	Criteria	Auditors Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made.	BMAR Rule No.-22	Refer point: Part-A (a) (2) No, during the audit we observed that the tax collectors handed over there collections to cashier after a long gap . They have deposited the amount with cashier which takes maximum average delay of 37 days .
2	Whether every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	BMAR Rule No.- 27	Yes, Every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.
3	Whether the collection register was in the personal custody of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection.	BMAR Rule No.- 27	Yes, Collection register was in the personal custody of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection.
4	Whether bill collector get its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated stall of the Municipality	BMAR Rule No.- 27	Yes, bill collector get its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated stall of the Municipality
5	Whether every bill collector invariably remit his collections (in cash and/or cheques) to Cashier dally before 4.30 PM and take the cashier's acknowledgment in the collection register.	BMAR Rule No.- 27	Refer point: Part-A (a) No, during the audit we observed that the tax collectors handed over there collections to cashier after a long gap . They have deposited the amount with cashier which takes maximum average delay of 37 days ..
6	Whether Grant Register as prescribed in BMAR Form 28 was maintained by the Municipality to record receipts and utilization of grants sanctioned by the Government.	BMAR Rule No.- 69	Yes, Scheme wise grant register was maintained by the ULB.
7	Whether specific grants, which have certain conditions attached for utilizing such grants including the requirement to use it for capital purposes or use it in a particular proportion or manner. Usually such grants have requirements for submitting utilization certificates e.g. Finance Commission grant, SFC grant for specific purpose, namely, road repairs. It is the responsibility of the Chief Municipal Officer that the conditions attached to the grant are complied with without exception.	BMAR Rule No.- 69	Utilization certificate submitted by the ULB was not made available to audit.
8	Whether The grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.- 69	No such details/information provided.
9	Whether the Utilization Certificate was signed by Chief Municipal Officer for verification of the financial outlays and physical progress reported on BMAR Form No 29.	BMAR Rule No.- 69	Refer PART-B (h) No, Utilization certificate details produced for verification
10	Whether Municipality has returned unutilized grant for more than three years from date of receipt to the source	BMAR Rule No.- 69	No related information was provided by ULB.

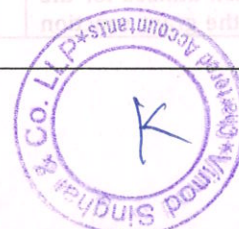


	from where such grant was received		
11	Whether The Chief Municipal Officer prepare a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.	BMAR Rule No.- 120	No, ULB was not prepared a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.
12	Whether ULB prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	BMAR Rule No.- 121	No, ULB was not prepared monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.
13	Whether ULB sent the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter	BMAR Rule No.- 121	No, Mohaniya Nagar Parisad was not send the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter
14	The Chief Municipal Officer shall, Within three months after the end of each financial year be prepared financial statements for the preceding year in respect of the accounts of the Municipality. The Financial Statements shall comprise of a. Receipts and Payments Account for the year (BMAR Form No.71) b. Income & Expenditure Statement for the year (BMAR Form No.73) c. Balance Sheet as on 31st March of the year (BMAR Form No.74) d. Significant accounting policies adopted by the Municipality in presentation of the financial statements. e. Notes to Accounts, which shall disclose Contingent liabilities, and such other information as, may be useful in understanding the financial statements clearly. f. Comparative amounts shall be entered on the financial statements for the preceding financial year except. In the case of the first year to which those rules apply	BMAR Rule No.- 122	BMAR Rule No. - 122 was not followed by ULB during the F.Y. 2018-19.
15	Whether the municipality is regular in depositing statutory dues including tax deducted at source, GST, TDS on GST, works contract tax, cess payable to the government etc. and If not, the nature and cause of such delay and the amount not deposited: (BMAR Rule No.-130)	BMAR Rule No.-130	Refer PART-B (f)
16	Whether the municipality is regular in remittance of pension and leave encashment contributions or any other amounts which the municipality is liable to remit towards the retirement dues of its employees, including employees on deputation;(BMAR Rule No.-130)	BMAR Rule No.-130	Refer PART-B (g)
17	Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated In sufficient detail;	BMAR Rule No.-130	No, BMAR Rule No. 130 was not followed by ULB. As Single entry accounting system was followed by ULB. ULB was booking only income & expenditure only according to cash method.
18	Whether all grants sanctioned or received by the municipality during the	BMAR Rule No.-130	Details of sanctioned of grant and deductions from grant



	year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB? Whether such deductions have been properly accounted;		was made available for audit.
19	Whether any Special Funds have been created as per the provision of any statute and whether the Special Funds have been utilized for the purposes for which they have been created;	BMAR Rule No.-130	No related information was provided by ULB
20	Whether the ULB is maintaining proper records showing full particulars, including quantitate details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable Intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;	BMAR Rule No.-130	ULB was not maintaining fixed assets register for reporting period. Further no, fixed assets physically verified report was made available to comment upon.
21	Whether in case of leasehold property given by the ULB, lease rentals are collected regularly by the ULB and that the lease agreements are renewed after their expiry;	BMAR Rule No.-130	No details regarding lease hold property was made available to comment upon.
22	Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets?	BMAR Rule No.-130	Yes, ULB followed adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets. But there were no assets register was maintained by ULB.
23	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality's accounts; If so, the details thereof;	BMAR Rule No.-130	We have not observed such type of transaction during audit.
24	Whether the Bank Reconciliation statements have been properly prepared for all the bank accounts of the ULB and the remedial actions including all correcting entries have been taken on timely basis;	BMAR Rule No.-130	Refer Point-04 (III) No, ULB has not prepared bank reconciliation for any bank accounts maintained.
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.-130	As ULB has single entry accounting system, in that case year end provisions and reconciliation was not made during the reporting period.
26	Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget. whether made originally or subsequently and are in all cases such as are authorized by Act;	BMAR Rule No.-130	Payments files was not made available.
27	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis;	BMAR Rule No.-130	Refer-PART-A (a) (2) & (4) No, As per referred point, this is clear that ULB was not recognising collection of taxes as and when collected, further there was arrears of revenue with ULB.
28	Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act;	BMAR Rule No.-130	Refer-PART-A (a)(3) No, As per referred point this is clear that In case of deposit of daily tax collection, that is deposited on average 57 days delay of collection.
29	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction	BMAR Rule No.-130	Grant sanction order was not produced

	order;		
30	Whether, proper books of account as required by the Act and Rules have been kept by the Municipality so far as It appears from examination of those books. (Rule-130 of BMAR-2014)	BMAR Rule No.-130	Refer-PART-B (a) No, Some required books of accounts as per BMAM/BMAR has not been maintained.
31	Whether physical verification has been conducted by the ULB at reasonable intervals In respect of stores;	BMAR Rule No.-130	No store verification report was made available during the reporting period to comment upon.
32	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?	BMAR Rule No.-130	No, procedures of physical verification of stores followed by the ULB has been provided to comment upon.
33	Whether any material discrepancies have been noticed on physical verification of stores as compared to book records, and If so, whether the same has been properly dealt with in the books of account; Whether proper procedures are in place to Identify any unserviceable or damaged stores and whether provision for the loss In this respect, If any, has been made In the accounts;	BMAR Rule No.-130	No such details provided
34	Whether the valuation of stores is in accordance with the accounting principles laid down In the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of such deviation, if material, should be reported;	BMAR Rule No.-130	No such details provided
35	Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the Interest and If not, whether reasonable steps have been taken by the municipality for recovery of the principal and interest?	BMAR Rule No.-130	No such details provided
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.-130	No such details provided
37	Bihar Municipal Accounting Manual, 2014, every year budget should be prepared for receipts and expenditure in Performa 75,77 and 80 Preparing Budgets as per the Rules framed under Bihar Municipal Accounts Rule 2014. Rule 132 regarding Public Participation in Preparation Of Budget. Moreover, as required under provisions of Rule 139, mid -year review of Budget.	BMAR Rule No.-132	No such details provided
38	Municipal Fund: Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007: Chapter IX	No, ULB is using single entry accounting system, so there was no fund was accounting followed.
39	Investment of surplus money. Whether municipality has invested surplus fund as per the requirement of the chapter-X of BMA-2007. Auditor will report on the fixed deposit and other funds should be in nationalized banks/Approved financial institutions and should earn maximum interest at	BMA,2007: Chapter X	No details provided by ULB regarding investment done.



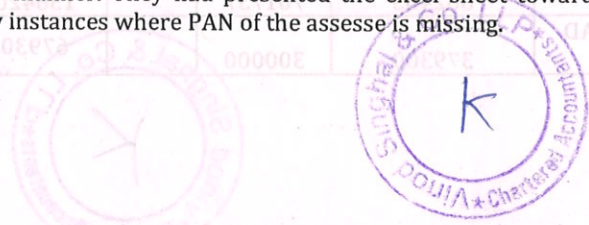
	their gestation period. Check whether comparative interest rate is invited from parties before investing surplus funds:		
40	Maintenance of accounts. Whether the Chief Municipal Officer prepared and maintained accounts of receipts and expenditure of the Municipality in such form, and in such manner, as may be prescribed,	BMA,2007: Chapter XII	As ULB was following single entry accounting system. So receipts and payments details were being maintained in form of cash book. Audited receipts & payments account as per BMAM was not prepared by ULB.
41	Financial Statement. Whether The Chief Municipal Officer shall, within four months of the close of a year, cause to prepare a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality,	BMA,2007: Chapter XII	Not maintaining
42	Submission of financial statement and balance sheet to auditor. The financial statement prepared under section 88 and the balance sheet of the assets and the liabilities prepared under section 89 shall be placed by the Chief Municipal Officer before the Empowered Standing Committee which, after examination of the same, shall adopt and remit them to the Auditor as may be appointed in this behalf by the State Government.	BMA,2007: Chapter XII	Not followed
43	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act,2007 various tax are applicable on ULBs.	BMA,2007: Chapter XV	Refer-PART-A(a)(1) for details
44	As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007,) Municipality shall, by regulations, provide for issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore,	BMA,2007: Chapter XIX	Refer-PART-A(a)(3)

e. Lack of internal control measures: We have observed the following areas where internal control measures are required by ULBs-

1. Voucher file was not maintained
2. No internal mechanism for statutory compliance
3. No MIS was prepared for tracking of payments
4. Required books of accounts as per BMAM was not maintained
5. Statutory compliance reconciliation was not maintained
6. Year-end reconciliation was not available
7. Bank reconciliation of any bank account was not prepared.
8. Bank balance as per cash book was not maintained.

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

1. **Deposit of TDS:** During the audit, we observed that statutory compliance file not properly maintained by the ULB. TDS detail was not in the proper manner. They had presented the excel sheet towards deduction of TDS, However we observed that there are many instances where PAN of the assessee is missing.



required by or under sub-section (2) of section 115-O; or the second year with rigorous imprisonment for a term which shall not be less than three months but which may extend to two years and with fine.

1. **Filing of TDS Return:** No details regarding TDS return filed by ULB during reporting period was provided.
2. **Deposit of Royalty:** No details of deposit of royalty provided.
3. **Deposit of Labour cess:** No details of deposit of Labour cess provided.
4. **Details of delay of deposit of EPF:** No details of deposit of EPF Provided.
5. **Details of delay of deposit of TDS on GST:** No details of deposit of TDS Provided.

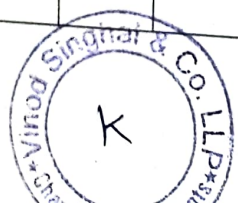
g. Deficiency in payroll system:

Sl No	Particulars	Comments
1	Status of maintenance of salary register for all employees (Permanent/Daily wages/Contract worker)	Yes, Salary register was maintained for all employees.
2	Non availability of Salary payment voucher	ULB was not in practice to issue salary payment voucher, Payment of salary was passed through bank approval by competent authority on salary register.
3	Matching of voucher number with cash book	No salary payment voucher number was mentioned in cash book.
4	Salary register contains all elements of salary	Yes, all elements of salary were mentioned in salary register.
5	Maintenance of Salary Deduction register	Deductions from salary was mentioned in salary register, no separate deduction register was maintained.
6	Whether biometric devices and payroll software is implemented in ULB. If Yes, then is it integrated with accounting software	Biometric device was and payroll software is implemented in ULB.

h. Utilisation of Grant and report on missing Utilisation Certificates

ULB has not provided approved utilization certificates send to the department. However, letter for submission of utilization certificates with department was provided. Details of the same is as follows:

Sr. No.	Name of Scheme	Allotment No. and Date	Amount Allotted	Amount withdrawn	Amount expended	Balance amount	Amount deposited in PL Account	Amount of UC Submitted	Status of UC
1	कार्यपालक पदाधिकारी का वेतन	07/22.05.2018	7	7	7	-	7	7	2297/11.10.2018
2	City Manager Salary	08/24-05-2018	2	-	-	-	-	-	817/26.06.2019
3	नागरिक सुविधा	10/01-06-2018	29	29	26	2	2	26	667/07.05.19
4	14th Finance	82/31.10.2018	39	39	39	-	-	39	817/26.06.2019
5	पेशाकर	26/24.10.2018	7	7	-	7	7	-	



	Sth Fin	15/03.07.2018	8*	8*	8*	8*			Deposit ed in PLA
	Sth Finance	21/10-07-2018	80						Deposit ed in PLA
	E.O Salary	76/23.10.2018	8	8	8	8			Deposit ed in PLA
	जई पार्षद भत्ता	75/31.01.19	3	3	3	0	0	3	Deposit ed in PLA
10	मुख्यमंत्री शहरी नाली गली योजना	131/22.02.2019	18	-	-	-	-	18	817/26.06.2019
11	मुख्यमंत्री शहरी नाली गली योजना	131/22.02.2019	26	26	26	-	-	18	817/26.06.2019
12	मुख्यमंत्री शहरी नाली गली योजना	131/22.02.2019	1	1	1	-	-	1	817/26.06.2019
13	पथ एवं पुलिया निर्माण	63/27.09.2018	31	31	31	-	-	31	817/26.06.2019
14	सम्राट अशोक भवन	136/01.03.2019	68	68	68	-	-	68	817/26.06.2019
15	विद्युत विपत्र	174/134/30.03.2019	14	14	14	0	0	14	1223/13.09.1019

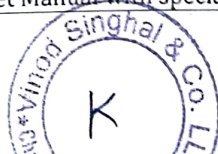
i. **Physical verification of inventory/Stores:** We have not received store register for the our verification.

j. **Advances, their adjustment & Recovery:** Since the ULB has not provided the amount of advance given during the year, earlier year and adjustment thereof. Therefore we can't comment on it.

k. **Any other matters as may be prescribed in due course:** As all relevant matters has been covered in above mention point

III. PART-C

Sl No	Particulars	Complied or Not
A	Auditor should report in a separate section for non-compliance of rules/directives of UD&HD, GoB; Auditor should see the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD.	Complied Refer-PART-B(d)
B	Auditor should Report in a separate chapter on implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment procedures to check any inconsistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actuals as per internal audits;	Complied Refer-PART-A(c)
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	Complied Refer-PART-B(d)



10	SAMRAT ASHOK BHWAN	-	6763000	-	6763000	-	6763000
11	CM NALI GALI	4799226	4480612	-	9279838	6550656	2729182
12	ELECTRICITY MAD		1358500	-	1358500	1350420	8080
13	CM PAY JAL	13035450	-	-	13035450	11491764	1543686
14	E-GOVERNANCE	81600	-	-	81600	-	81600
15	4TH FINANCE	116081	-	-	116081	90760	25321

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- j. **Advances, their adjustment & Recovery:** Since the ULB has not provided the amount of advance given during the year, earlier year and adjustment thereof. Therefore we can't comment on it.
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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: Rule 22: All moneys to be brought to account Rule 27: Collections to be deposited into Bank on the same day Rule 69: Grant Related Compliance Rule 120-121: Monthly Receipt & Payment Account and Trial Balance Rule 130: Audit to be completed & reported within 6 months	Complied Refer-PART-B(d)
D	Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, GoB.	Complied Refer-PART-B(c)
E	Report and quantify all major own revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairat etc.;	Complied Refer-PART-A(a)
F	Auditor should Report on adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments above Rs. 10,000 and above.	Complied Refer-PART-B(b)
G	Auditor should Report on Procurement made including through E-Tendering and E-Auction indicating exceptions, if any and whether a register is kept for all Procurements with value above Rs. 15,000/-	Complied Refer-PART-B(b)
H	Auditor should Report on presence or absence of a system of issuance of utilisation certificate for the different schemes for any utilisation made during the reporting period; Where there is no system for issuance of U/Cs, the Internal Audit report shall prepare Utilisation Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	Complied Refer-PART-B(h)
I	Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	Complied Refer-Audit recommendation
J	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies.	Complied Refer-PART-B(b)
K	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies	Complied Refer-PART-B(b)
L	Auditor will report on that the fixed deposit and other funds should be in nationalized Banks/Approved financial institutions and should earn maximum interest at their gestation period.	Complied Refer-PART-B(d)
M	Internal Auditor will identify major areas of ULBs own revenue loss and auditor will access	Complied

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

Thanking You,

For Vinod Singhal & Co. LLP

(Chartered Accountants)

FRN: 005826C/2400275

CA Krishan Kumar Sodhan

Partner

M. No. : 404603

UDIN No - 20404603AAAK49303

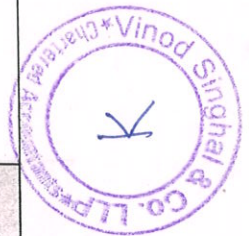
Date - 22-12-2020

Management Comments

1. INTRODUCTION

Name of the Municipality	Mohaniya Nagar Panchayat
Period covered under current audit	01.04.2018 to 31.03.2019
Name of Executive Officer for the period under Audit	Mr. Sanjay Upadhaya

Sl. No	Audit Observations	Auditor Recommendations	Management Comment
2	<p>Non Compliance of AG Report for the F.Y. 2014-2016</p> <p>Non-updating of bank reconciliation on monthly basis as per Rule No. 118 of BMAR - 2014.</p>	<p>During audit we observed that the compliance of C & AG report for the F.Y. 2014-2016 has not been done by ulb. Further due to lack of co-operation we were also unable to help them in comply with C & AG audit report. We requested to management to nominate someone to comply C & AG audit queries. We suggest that <i>ULB officials should take appropriate action to prepare compliance of C & AG & internal audit compliance.</i></p> <p>Bank Reconciliation help us to monitor over:</p> <ol style="list-style-type: none"> 1. Difference between Bank Passbook and Cash Book 2. Unauthorised withdrawal from Bank. 3. Excessive debited by Bank 4. Helps to know reasons of differences. <p>Therefore, <i>ULB should prepare bank reconciliation of all bank accounts including doormat accounts on monthly basis. Bank statements of all bank accounts should be kept in separate file for proper records.</i></p>	<p>All concern person are directed to comply the same. We will submit the same till Next Audit.</p> <p>We are preparing Reconciliation for the operating accounts. We will submit the same for your verification at next Audit.</p>





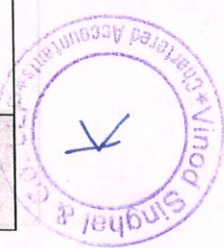
3	<p>Non-Implementation of Double Entry Accounting System</p>	<p>As per requirement of BMAR-2014, Part -A, Chapter -2 Rule -4, "All ULB referred in Schedule - I shall maintain its Books of Account using the double entry system". Since Mohaniya Nagar Panchayat is Covered under Schedule -I, therefore they should have to maintain their accounts on double entry accounting system in compliance of such rule. We found the detail that double accounting system is implemented at Mohaniya ULB, however we not got any data for verification the same.</p>	<p>Double entry system was implemented at ULB till FY 2015-16, M/s Manas Das & Co. was working here as DEAS consultant. The appointment of the firm were done by UD & HD head office. We are waiting for new appointment. However, if the new firm not appointed by UD & HD, Then we will appoint our own accounting team for Double entry accounting system</p>
4	<p>No details were made available regarding meeting of municipal accounts committee held during the financial year 2018-19.</p>	<p>As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of Municipal Accounts Committee each year. During our Audit no any evidence has been produced to us w.r.t. meeting of municipal accounts committee. ULB should ensure timely meeting of accounts committee in compliance of BMA-2007.</p>	<p>There is no any accounting committee has been formed at ULB. We have submitted a request letter in board for formation of Municipal accounting Committee.</p>

Name of Executive Officer for the subject matter	M. Suresh Chandra
Date of the report	01/05/2018 to 31/03/2018
Name of the Institution	Municipal Committee



1. INTRODUCTION

<p>Non-levy of following taxes</p> <ul style="list-style-type: none"> * Surcharge on transfer of lands and buildings * Fire tax. * Surcharge on electricity consumption within the municipal area * Tax on congregations. * Tax on pilgrims and tourists. * Tax on profession. * Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles. * User Charges for provision of water-supply, drainage and sewerage * User Charges for Solid Waste Management * User Charges for Parking Facility * User Charges for Garbage Clearance * Collection of fees for sanction of building plans and issue of completion certificates, * Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings, * Collection of Development Charges 	<p>As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. <i>ULB should take steps to implement required taxes to boost their revenue</i></p>	<p>Many of taxes as reported here are not applicable on us. Further we insure you that we will collect all applicable taxes as soon as possible.</p>	<p>Due to work load and filed survey the collector not submitted their collection for deposit into bank. However irrespective of fact we have directed the collector to submit their collection amount as per Rule. Now there is maximum delay in deposit is 9-37 days.</p>
<p>5</p>	<p>6</p>	<p>As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day or latest before noon of next day on which collection is made. However, during our audit, we observed that there is a huge delay in depositing the tax at bank. <i>Therefore, management should implement a MIS Mechanism towards getting control over collection and deposit of Taxes. Further we wish to inform that failure to comply with Rule 22 may cause for fine of Rs. 5,000</i></p>	<p>Late-Deposit of tax collection of taxes with cashier and with bank as per provision of BMA rule-22</p>



11	Non preparation of payment voucher	<p>ULB should prepare voucher based on running voucher as per the provision of Rule No. 16, 17 and 18 of BMAR -2014.</p>	<p>With the help of available man power we are trying to serve in best possible manner. However, due to lack of manpower and excess work load some of rules are not followed by or missed by us. We will try to cover the same at earliest.</p>
12	Non-conducting physical survey of 20 high value properties and non-collection of outstanding property tax	<p>Being ULB was not maintaining any details of high value properties, The details given in report has been prepared based on receipts book. Filed Survey of the same could not be conducted due to non-support of tax Daroga & tax collectors in filed survey. <i>ULB should identify and prepare separate list of high value properties by conducting re-assessment of prospective properties on timely basis to boost their revenue.</i></p>	<p>Due to election duty many of our regular work got pending, therefore we have not visited in filed with your team. However, we ensure that we will visit the filed on your next audit schedule.</p>
13	Non-maintenance of required registers as per Rule No. -3 of BMAR-2014	<p>Detail of registers not maintained by ULB is mentioned under PART-A (a). <i>ULB should ensure proper maintenance of required Books of Account and register as per the list given in Rule -3 of BMAR -2014.</i></p>	<p>We will maintain the same at earliest.</p>
14	Non-preparation of Annual Financial Statement as per the provision of Rule 122 of BMAR - 2014	<p><i>ULB should ensure preparation of Annual Financial Statement as per the provision of Rule 122 of Bamar - 2014</i></p>	<p>Annual Financial statement are prepared till FY 2015-16 by M/s Manas Das & Co.. The appointment of the firm were done by UD & HD head office. We are waiting for new appointment. However, if the new firm not appointed by UD & HD till 31st Dec. we will appoint our own accounting team for Double entry accounting system and preparation of Annual Financial Statement.</p>





15	<p>Irregularities in vendor payment process:</p> <ul style="list-style-type: none"> ▪ Budget Control register was not updated ▪ Quality control test report was not available ▪ Completion certificate was not available in payment file in case of completed contract. 	<p>Proper tender documents regarding tender approval and allotment was not properly maintained or made available for audit. In provided cases, we are unable to comment on channel of procurement of tender and their required compliances. Further, no statutory compliance register was maintained in regards with statutory dues deducted from party bills. So, <i>ULB should maintained proper tender register and file that include all related documents of tender. Statutory compliance register should be maintained for all statutory deductions made from parties invoices.</i></p>	<p>We are maintaining the file, However due to lack of manpower we were unable to arranged the same on day to day. Now we have arranged the tender file in proper manner. We will show the same on next Audit.</p> <p>Further, statutory compliance are handle by file. We are maintaining the file w.r.t. deduction and deposit of all statutory dues. We will prepare statutory deduction register and will be presented to your team on next visit.</p>
16	<p>Non-maintenance of register for all procurements with value above Rs. 15,000</p>	<p>ULB should ensure maintenance of register for all Procurements with value above Rs. 15,000</p>	<p>We are maintaining voucher file w.r.t. all expenses irrespective of amount. However, due to lack of manpower and excess work load some of rules are not followed by or missed by us.. Further we wish to say that with the help of available man power we are trying to serve in best possible manner at earliest.</p>
17	<p>Missing signature of wages worker and stamp of ULB on muster roll register</p>	<p>ULB should ensure proper maintenance of wages register by complying signature and stamping.</p>	<p>All concerned person are directed to resolve this issue within 30 days. We will inform you after rectification.</p>
18	<p>No maintenance of separate earnest & security deposit register</p>	<p>EMD and security deposit register help in tracking of balance payable to parties.</p>	<p>We are maintain the same with contractor register. However, due to lack of manpower and excess work load some of rules are not followed by or missed by us. We will try to cover the same at earliest.</p>



19	<p>Non-Compliance of Act & Rules</p>	<p>Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. <i>ULB should ensure compliance of all applicable Act & Rules.</i></p>	<p>With the help of available man power we are trying to serve in best possible manner. However, due to lack of manpower and excess work load some of rules are not followed by or missed by us. We will try to cover the same at earliest.</p>
20	<p>Lack of internal control measures</p> <ol style="list-style-type: none"> 1. Voucher file was not maintained 2. No internal mechanism for statutory compliance 3. No MIS was prepared for tracking of payments 4. Required books of accounts as per BMAM was not maintained 5. Statutory compliance reconciliation was not maintained 6. Year-end reconciliation was not available 7. Bank reconciliation of any bank account was not prepared. 	<p>We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, Cheque handling and Statutory compliances:</p> <p>We suggest that:</p> <ol style="list-style-type: none"> 1. MIS System should be implemented over daily collection and deposit. 2. Reason for non-deposit/ late deposit should be strongly need to ask for minimise delay. 3. Need to identify a person to comply with the statutory compliances. In case failure to comply with statutory compliances he should also be penalised. <p>Therefore, the management has to take serious effort in implementation of Internal control Mechanism for getting a better result from ULB working.</p>	<p>With the help of available man power we are trying to serve in best possible manner. However, due to lack of manpower and excess work load some of rules are not followed by or missed by us. We will try to cover the same at earliest.</p>
21	<p>Non-compliance of statutory compliances:</p> <ul style="list-style-type: none"> Non preparation of statutory compliance register Non deposit of TDS on timely basis. Non filling of TDS return for due period <p>Non providing details regarding VAT/PF/Royalty/Labour Cess</p>	<p>As ULB is not proper in statutory compliance, that cause monetary/non-monetary implication on ULB in mode of interest, penalty and Late Fee & imprisonment. So, <i>management should ensure statutory compliance on time.</i></p>	<p>Due to lack of trained staff statutory compliances are handled by professional hired by us. We will present all file with you after getting data from them.</p>



22	<p>Deficiency in payroll system</p> <ul style="list-style-type: none"> ▪ Non-preparation of salary payment voucher ▪ Non-maintaining salary payment reference number in cash book ▪ Non-implementation of Bio-metric device and payroll software 	<p>Every payment should be accompanied with payment voucher. Further as per Section 2(23) of the Indian Stamp Act 1899 makes it mandatory for affixing of stamp on any receipt as defined therein above Rs 5000. Therefore, management should ensure that the payment is accompanied with payment voucher.</p> <p>Meaning of Receipt :</p> <p>"Receipt" includes any note, memorandum or writing-</p> <p>(a) whereby any money, or any bill of exchange, cheque or promissory note is acknowledged to have been received, or (b) whereby any other movable property is acknowledged to have been received in satisfaction of a debt, or</p> <p>(c) whereby any debt or demand, or any part of a debt or demand, is acknowledged to have been satisfied or discharged, or</p> <p>(d) which signifies or imports any such acknowledgment; and whether the same is or is not signed with the name of any person "</p> <p>Grant is blood of ULB. Therefore, for getting grant and running the ulb working smoothly it is very important to comply with all necessary requirement of grant. Further timely submission of utilisation certificate helps the grant realising authority to send the money for fulfil the requirement of future. Therefore, management should ensure that UC has been submitted with concerned department on time.</p>	<p>All concerned person are directed to resolve this issue within 30 days. We will inform you after rectification.</p>
23	<p>Non-providing of Utilization certificate for the reporting audit period</p>	<p>Management should implement the control system over inventory and store. Stock register should be in place and get it verified by a responsible person as authorised by management time to time. Further any discrepancies arises/ found during such verification should be reported immediately.</p>	<p>We have submitted various UC at the department. We will submit the same at your next visit. However, Balance UC will be prepared and submitted in January 2020 with the help of your team.</p>
24	<p>Non-maintaining of inventory/store register and non-conducting of physical verification of inventory and stores available with ULB as per requirement of BMAR-rule 130.</p>	<p>Management should implement the control system over inventory and store. Stock register should be in place and get it verified by a responsible person as authorised by management time to time. Further any discrepancies arises/ found during such verification should be reported immediately.</p>	<p>We are maintaining the Store register. The same will be show you at your next visit.</p>



25	Non providing details of Advances, their adjustment & Recovery	To ensure timely recovery of advance with interest proper calculation should be there with proper recovery plan.	There is no any Advance provided during the year.
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29/1/19

अनुभूति श्रीवास्तव
कार्यालय - मन्दासिवापुरी
नगर - मन्दासिवापुरी (फिरोज़)



कार्यालय:नगर पंचायत मोहनियाँ

Email-ID- municipaloffice786mohania@gmail.com

नगर पंचायत मोहनियाँ, द्वारा यह प्रमाणित किया जाता है कि नगर पंचायत मोहनिया में अभी तक **Accounting Committee** का गठन नहीं हो पाया है। भविष्य में इसका गठन कर लिया जाएगा।

19/12/15
कार्यापालक पदाधिकारी
नगर पंचायत मोहनियाँ



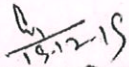
कार्यालय: नगर पंचायत मोहनियाँ

मोहनियाँ नगर पंचायत द्वारा निम्न करो का संग्रह किया जाता है, जिसकी सूची निम्न प्रकार है:-

1. मकान कर
2. Tower Tax
3. सैरात/ बंदोबस्ती

इसके अलावा निम्न शुल्को का संग्रह भी किया जाता है।

1. जन्म/मृत्यु विलम्ब शुल्क
2. विवाह निबंधन शुल्क
3. Motation Fees
4. शौचालय टंकी सफाई शुल्क
5. Water Tanker शुल्क
6. नक्शा पारित शुल्क
7. Trade Licence


कार्यपालक पदाधिकारी
नगर पंचायत मोहनियाँ



कार्यालय:नगर पंचायत मोहनियाँ

Email-ID- municipaloffice786mohania@gmail.com

नगर पंचायत मोहनियाँ, में निम्न खाताबही का संधारण किया गया है। जिनका सूची इस प्रकार है:-

1. General cash book
2. Subsidiary cash book(Scheme wise)
3. Cheque issue register
4. treasury ledger cash book
5. Stock register
6. Cheque handing register
7. Collection register for taxes & miscellaneous
8. Grant register
9. Yojna register
10. Demand register

19-12-15
कार्यापालक पदाधिकारी
नगर पंचायत मोहनियाँ



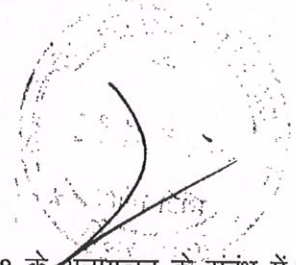
प्रेषक,

कार्यपालक पदाधिकारी,
नगर पंचायत मोहनियाँ।

S.S (JPM)

सेवा में,

वरीय लेखा परीक्षा अधिकारी।
लेखा परीक्षा समिति समाजिक प्रक्षेत्र-1/स्थानीय निकाय
महालेखाकार (लेखा परीक्षा)
वीरचन्द पटेल मार्ग, पटना-800001(बिहार)।



विषय :- नगर पंचायत मोहनियाँ के निरीक्षण प्रतिवेदन सं०-965/17-18 के अनुपालन के संबंध में।

प्रसंग :- भवदीय पत्रांक-538/दिनांक-13.09.2019

महाशय,

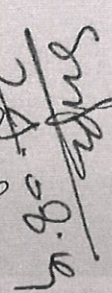
उपर्युक्त विषयक एवं प्रसांगिक पत्र के संबंध में कहना है कि निरीक्षण प्रतिवेदन सं०-965/17-18 के अनुपालन में इस कार्यालय के पत्रांक-319/न०५० दिनांक-09.04.2019 द्वारा भेजे गये अनुपालन प्रतिवेदन में आपके द्वारा की गयी कंडिका वार टिप्पणी का अनुपालन निम्न प्रकार है।

क्रम सं०	कंडिका	टिप्पणी	टिप्पणी का अनुपालन
50.7 24 7-11-19	भाग-11 (क)-1	सिर्फ अंतरिम जवाब दिया गया है।	<p>1. दिनांक-17.06.2015, को हुई कय समिति की बैठक के प्रस्ताव सं०- 02, के आलोक में तथा दिनांक-24.06.2015को हुई बोर्ड की बैठक के प्रस्ताव सं०-02, में पारित निर्णय के आलोक में नव गठित नगर पंचायत मोहनियाँ के वार्डों तथा मेन रोड में आवश्यकतानुसार स्ट्रीट लाईट लगाने के लिए निर्णय लिया गया था। कार्यवाही की छाया (प्रति संलग्न परिशिष्ट-1)। इसी निर्णय के आलोक में स्ट्रीट लाईट खरीदने हेतु निविदा प्रकाशन के लिए पी0आर0डी0 में भेजा गया था। जो दिनांक-15.08.2015, को दैनिक समाचार पत्र में प्रकाशित हुआ था। दैनिक समाचार पत्र में प्रकाशित अतिअल्पकालिन निविदा की छाया (प्रति संलग्न परिशिष्ट-2) है।</p> <p>❖ नगर निकाय बोर्ड द्वारा आवश्यकता अनुसार लाइट कय हेतु प्रस्ताव पारित किया गया था, जिसके आलोक में दो बार कय किया गया था। कार्यादेश की (प्रति संलग्न परिशिष्ट-3 एवं 4) है। निविदा सशक्त स्थायी समिति के समक्ष खोली गयी थी और न्यूनतम दर वाले संवेदक को ही कार्य आवंटित किया गया था। कय दरों में अंतर उस समय के बाजार भाव एवं गुणवत्ता आधारित है।</p> <p>❖ भविष्य में संख्यात्मक रूप से ही कय करने हेतु निविदा का प्रकाशन किया जाएगा।</p> <p>❖ कय के शर्त के अनुसार ही भुगतान किया गया</p>



Nagar Panchayat Mohania

S.I no	Sanction Letter No Date	Year	Head	Amount Grant Received	Submitted UC पूर्व में	Amount of UC	Balance
1.	142 / न०वि०एवं आ०वि० 30.03.2016	2015-16	मु०मंत्री श० पेयजल निश्चय योजना	977341=00	0	964268=00	13073=00
2.	115 / न०वि०एवं आ०वि० 25.09.2016	2016-17	मु०मंत्री श० पेयजल निश्चय योजना	7589685=00	0	7245499=00	344186=00
कुल योग :- बेयासी लाख नौ हजार सात सौ सड़सठ रु० / - मात्र						8209767=00	


 कार्यपालक पदाधिकारी,
 नगर पंचायत, मोहनियाँ।
 27/11/17



Nagar Panchayat Mohania

S. No	Sanction Letter No Date	Year	Head	Amount Grant Received	पूर्व में Submitted UC	Amount of UC	Balance
1.	121 / न०वि०एव आ०वि० 31.01.2019	2018-19	वार्ड पार्श्व नियत भत्ता	300000=00	-	275000=00	25000=00
2.	174 / न०वि०एव आ०वि० 30.03.219	2018-19	बकाया विद्युत विपत्र	1358500=00	-	1350420=00	8080=00
कुल योग- सोलह लाख पचीस हजार चार सौ बीस रू० / - मात्र						1625420=00	



कार्यपालक पदाधिकारी,

Signature
01-07-19

August, 2018

Date	Description	Particulars	Debit	Credit	Balance
02/24.8.18	2015-16	शुद्ध मूल्य		142/4-8-18-2018	97234/-00
		प्रतिशत		20.2.16	964268-00
		अव			—
		15/9-18-2018			964268-00
		20.2.16			13023-00
02/24.8.18	2016-17	अव			—
		15/9-18-2018			2245498-00
		20.2.16			2245498-00
					244186-00

श्री. अ. अ. अ.
 (अ. अ. अ. अ. अ. अ.)
 24.8.18



April, 2019

12/4/2019

12/4/2019 2018-19 2018-19 2018-19
 13/4/2019 " " " " " "
 14/4/2019 " " " " " "
 15/4/2019 " " " " " "
 16/4/2019 " " " " " "
 17/4/2019 " " " " " "

विद्युत् अकाउंटिंग
 कर्मचारी तालिका
 15/5/19

June 2019

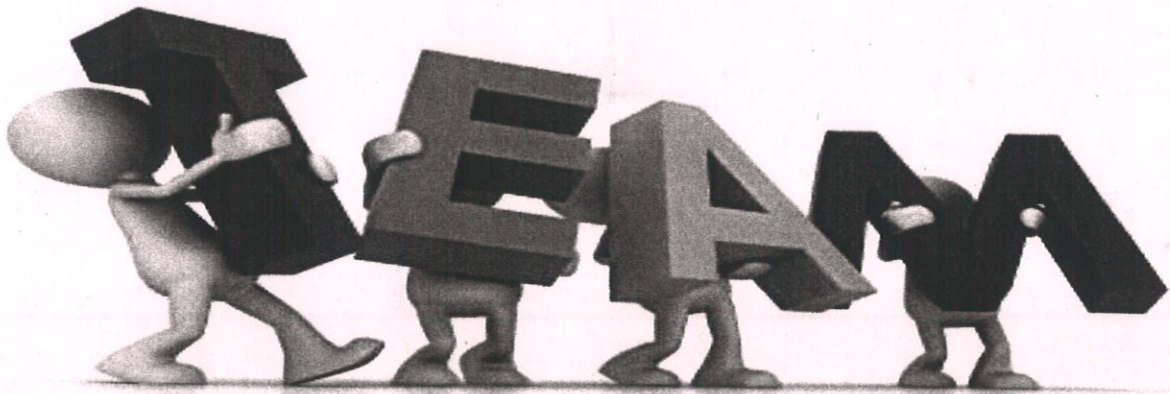
05/6/2019 2018-19 2018-19 2018-19
 06/6/2019 " " " " " "
 07/6/2019 " " " " " "

08/6/2019 " " " " " "
 09/6/2019 " " " " " "
 10/6/2019 " " " " " "

विद्युत् अकाउंटिंग
 कर्मचारी तालिका
 15/5/19



thank you



Vinod & Co. LLP
CHARTERED ACCOUNTANTS
We Plant Quality

510, SUMATI PALANCE, OPPOSITE ALANKAR
JEWELERS, BORING ROAD, PATMA-800001

TEAM
TOGETHER
EVERYONE
ACHIEVES
MORE