



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

INTERNAL Audit Report

for

F. Y. 2018-19

Group 1

NAGAR PANCHAYAT

RAFIGANJ

BY

A. P. SANZGIRI & CO.

Chartered accountants

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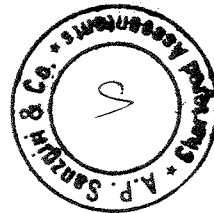
A. P. SANZGIRI & CO.

CHARTERED ACCOUNTANTS

Document History

Internal Audit

Project Title	Selection of Chartered Accountant Firms for Internal Audit of 140 ULBs of Bihar (Tender No. IA-140ULBs/2017-18/2018-19/2019-20) Group - 1 covering 19 ULBs"
Report Title	Internal Audit for FY 2018-19 of Nagar Panchayat Rafiganj
Reporting Entity	A P SANZGIRI & Co., Chartered Accountants
Reporting for	Nagar Panchayat Rafiganj
Report Prepared by	Internal Audit Team of A P SANZGIRI & Co., Chartered Accountants
Date of Submission	15th January 2020



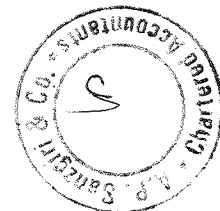
Abbreviation and Acronyms

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



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A. P. SANZGIRI & CO.
CHARTERED ACCOUNTANTS

Date:13th July, 2020

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

Sub: Submission of Internal Audit Report of Nagar Panchayat Rafiganj for the financial year 2018-19

Ref No.: Letter No. 7/I. AK. 23/2018 - 82 **Dated:** 16.01.2019

Respected Sir,

With reference to above subject matter, We A P Sanzgiri & Co., Chartered Accountants has been appointed as Internal Auditor for the project named as "Selection of Chartered Accountant Firms for Internal Audit of 140 ULBs of Bihar (Tender No. IA-140ULBs/2017-18/2018-19/2019-20) Group - 1 covering 19 ULBs"

As per the terms and conditions of RFP Document, we have successfully conducted the Internal Audit of Nagar Panchayat Rafiganj for the Financial Year 2018-19 and submitting the report of the same as per our deliverables.

We hereby also confirms that, this report has been prepared in accordance with the Terms of Reference of RFP issued by the department.


Hope you will find the same in compliance. Assuring you of our best services & cooperation always.

Thanking You,

Yours faithfully,

On Behalf of
A P Sanzgiri & Co,
Chartered Accountants

Satish
CA Satish Gupta
Team Leader



FRN: 116293W

UDIN: 20101134AAAAJX8780

Date - 07-07-2020
Membership No - 101134

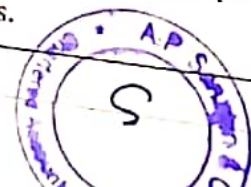
EXECUTIVE SUMMARY

1. INTRODUCTION:

Name of the Municipality	-	Rafiganj Nagar Panchayat
Period covered under Current Audit	-	01 st April 2018 to 31 st March 2019
Name of Mayor	-	Smt. Gayatri Devi
Name of Executive Officer	-	Sri Sindhu Kamal

2. OBSERVATIONS AND FINDINGS:

Strengths	<ol style="list-style-type: none">1. In the existing system as prevailing in the Nagar Panchayat, day to day working is in progressive manner in respect of collection of revenue and execution of the projects.2. There is sufficient co-operation from the management during the course of our audit.3. General Cash book is properly up-to-dated.
Weaknesses	<ol style="list-style-type: none">1. No data related to outstanding dues is maintained by Rafiganj Nagar Panchayat. Even no demand register is maintained by ULB.2. Short deduction of TDS has been made by Rs. 6,310, as a results excess payment of Rs. 6,310 to Taraqqee NGO has been made.3. There is no contract has been entered in respect of vehicle and other machinery given on hire to Taraqqee NGO, hence rate at which vehicle and other machinery given on hire is verbal agreement.4. Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the Panchayat has not been complied.5. There is a vast difference between estimated budget and actual.6. On physical verification of store it is found that insurance and registration of vehicles is not done.7. Complete Utilization certificate for FY 2018-19 has not been prepared.8. Fixed assets register is not maintained by ULB9. Compliance report of AG audit is prepared by the ULB but still some Para Pending as per letter issued by department and also report is not provided to us for inspection. Based on which, we are unable to comment whether the recoverable amount from the personal concerned has been recovered or not.10. In most of the cases, shops established or running under the jurisdiction of ULB are running without trade licence as per the concerned officer.11. In some of the cases, statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.



12. Certain Statutory Registers and Books are not maintained.

13. Bank Reconciliation Statement has not been prepared.

14. Non Levy of Taxes:

- Surcharge on transfer of lands and buildings
- Water 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,

15. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 15 to 30 days.

16. ULB is not 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.

17. ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter

18. Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.

19. Non Compliance of Rule 130 of BMAR in some of the cases.

20. ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.

21. Electricity bill has not been paid on due date as a results ULB suffer huge amount of Penalty as mentioned report.



3. **OPINION:**

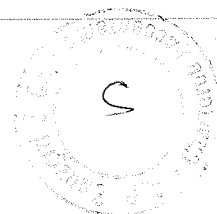
During the course of the auditor we have come across many deficiencies like maintaining of holding tax register, fixed assets register, award register of contract etc. all such deficiencies we have brought to knowledge of the ULB officials. Further non preparation of bank reconciliation has also been brought to the notice of the ULB officials.

4. **AUDIT RECOMMENDATION:**

Observed Weaknesses	Audit Recommendations
No data related to outstanding dues is maintained by Rafiganj Nagar Panchayat. Even no demand register is maintained by ULB.	ULB should maintained and update their demand register on regular basis for proper understanding of outstanding dues till date to be recover. Hence, it will be a huge loss of revenue for ULB.
Short deduction of TDS has been made by Rs. 6,310, as a results excess payment of Rs. 6,310 to Taraqquee NGO has been made.	The TDS should be deducted on Gross Value of consideration as per provision of Income Tax Act, 1961.
There is no contract has been entered in respect of vehicle and other machinery given on hire to Taraqquee NGO, hence rate at which vehicle and other machinery given on hire is verbal agreement.	Proper contract agreement to be signed by ULB with the contractor for any goods or services received by any party. No payment should be made just on verbal agreements. It results into loss of revenue to ULB.
Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the Panchayat has not been complied.	Internal Audit wing should be created by employing the Municipal Internal Auditor on the Board.
There is a vast difference between estimated budget and actual.	Estimation should be based on the past experience and after considering the fact that how the condition might change in future though the provision of Section 82 of the Act regarding preparation of budget need to be complied.
On physical verification of store it is found that insurance and registration of vehicles is not done.	Insurance and Registration of all vehicles should be done.
Complete Utilization certificate for FY 2018-19	Utilization Certificate should be prepare timely by the ULB and submit the same to Department on



has not been prepared.	regular basis.
Fixed assets register is not maintained by ULB	Fixed assets register should be maintained and updated properly with the assistance of DEAS team.
22. Compliance report of AG audit is prepared by the ULB but still some Para Pending as per letter issued by department and also report is not provided to us for inspection. Based on which, we are unable to comment whether the recoverable amount from the personal concerned has been recovered or not.	Compliance report for remaining Para should be prepared as soon as the report is received by ULB and steps to be taken for recovery of the amount for financial irregularities.
In most of the cases, shops established or running under the jurisdiction of ULB have not made payment for trade licence as per the concerned officer.	ULB should maintained proper register for registered shops and authorize them with Trade licence for proper collection and recovery of charges.
In some of the cases, statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.	As ULB is not proper in statutory compliances, that cause financial implication on ULB in mode of interest and penalty. So, ULB should ensure statutory compliance on time.
Certain Statutory Registers and Books are not maintained.	Statutory register and books of accounts should be maintained as per guidelines and BMAR.
Bank Reconciliation Statement has not been prepared.	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.
Non Levy of Taxes: <ul style="list-style-type: none"> - Surcharge on transfer of lands and buildings - Water 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. ULB should take steps to implement required taxes to boost their revenue



<ul style="list-style-type: none"> - 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 	
<p>During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 15 to 20 days.</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 on which collection is made.</p>
<p>ULB is not 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.</p>	<p>As per BMAR Rule No. - 121, ULB should prepare of monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</p>
<p>ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as</p>	<p>Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis.</p>



hard copy for each quarter at the end of month following each quarter	
Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.	As per BMAM-ULB are required to maintain fund wise receipts & payments. As per BMAM, following funds should be maintained by ULB. 1. Municipal General Fund 2. Basic service for urban poor 3. Water supply & sewerage fund 4. Solid Waste Management Fund 5. Road Development & Maintenance 6. Enterprise Fund
Non Compliance of Rule 130 of BMAR in some of the cases.	ULB should ensure compliance related to Rule 130 of BMAR on regular basis.
ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.	ULB should prepare financial statements for each year and get it approved from municipal account committee. As per BMAR, audited financial statements are required to submit to auditor for audit.
Electricity bill has not been paid on due date as a results ULB suffer huge amount of Penalty as mentioned report.	All dues in respect of which ULB can suffer Penalty , if not paid on due date , should be paid on time to saved cost burden to ULB.

5. **COMMENTS FROM MANAGEMENT**

We have conducted audit of the ULB and our report with observation was discussed with ULB officials and their comments are given . (Kindly refer *Discussion Note attached with the Report*).

7. **ACKNOWLEDGEMENT**

During the course of the auditor we have come across many deficiencies like maintaining of holding tax register, fixed assets register, award register of contract etc. all such deficiencies we have brought to knowledge of the ULB officials. Further non preparation of bank reconciliation has also been brought to the notice of the ULB officials.

On Behalf of

A.P. Sanzgiri & Co,
Chartered Accountants

Satis Gupta

CA Satis Gupta
Partner

FRN: 116293W16ZUBS
UDIN: 20101139A11A7x8780

DATE: 07-07-2020

Membership No: 101134

DETAILED AUDIT REPORT

1. INTRODUCTION:

S.N	Name Of ULB	Period-covered		Audit Team
		From	TO	
1	Nagar Panchayat Rafiganj	01.04.2018	31.03.2019	1 Team Leader : Satish Gupta 2. Name of CA : Ayush Agarwal 2. Name of Auditor-1: Raja Ansari 3. Name of Auditor-2: Vivek Kumar

2. ADMINISTRATION:

S.N	Particulars	Details
1	The present body of the ULB has taken charge on	
2	The incumbency in the key administrative and executive positions was as under:	
2.1	Name of Mayor:	Smt. Gayatri Devi
2.1.1	Period of Service:	From: 09.06.2017 To: Till date
2.2	Name of Executive Officer:	Sri Sindhu Kamal
2.2.1	Period of Service:	From: 24.01.2019 To: Till date

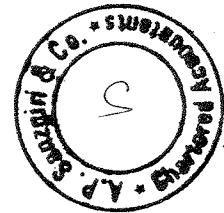
3. REVIEW OF OUTSTANDING AUDIT PARAS:

3.1. STATUS OF AUDIT OBSERVATIONS IS AS UNDER:

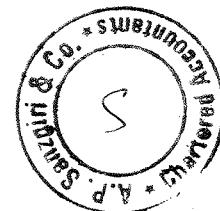
S.N	Particulars of audit and date of report	Total no. of audit paras	Total no. of audit paras where necessary improvement/corrective measures required	Total no. of audit paras where recovery of cash is proposed	Total no. of audit paras where recovery has been made	Total amount of Recovery	Total no. of O/s para where no action has been taken	No. & date of compliance report
1	Audit report submitted by AG for the F.Y. 2016-17	27	20	5	NIL	NIL	18	No.113 dated 18.02.2019

3.2. DETAILS OF TOTAL NO OF AUDIT PARAS:

Period of AG audit report : 2010-2012
Compliance report date & Number : 18.02.2019 Number 113



S.N.	Audit Para Number	Heading of the audit para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
1	11	Shop Rent	3.45 Lakh	NIL	NO	NO
2	15	Mobile tower tax	8.55 lakh	NIL	NO	NO
3	18	Unauthorised Expenditure	18.77 Lakh	NIL	NO	NO
4	20	13 th F.C Expenses	8.52 Lakh	NIL	NO	NO
5	21	Unauthorised Daily wages expenses	7.85 Lakh	NIL	NO	NO



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	2768,78,689	3145,14,081	2295,33,000
Actual Expenditure Data	426,48,292	574,42,070	353,29,098
Savings(+)/Excess(-)	2342,30,397	2570,72,011	1942,03,902

Auditor's Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2015-16, 2016-17, 2017-18 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for The year 2015-16, 2016-17 & 2017-18 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. The actual figure in respect of 2018-19 has been taken up to December 2018

II. VOLUME OF TRANSACTIONS

Period	Budgeted for F.Y. 2018-19	Actual for the F.Y. 2017-18	Actual for the F.Y. 2016-17	Actual for the F.Y. 2018-19	Cumulative for the current period
Opening balance	1157,41,103	1257,09,141	8,91,93,502	1157,41,103	1157,41,103
Receipts	1211,12,711	474,74,032	7,91,63,931	158,49,786	158,49,786
Total	2368,53,814	1731,83,173	16,83,57,433	1315,90,889	1315,90,889
Net expenditure	2295,33,000	574,42,070	4,26,48,292	353,29,058	353,29,058
Closing balance	73,20,814	1157,41,103	12,57,09,141	962,61,831	962,61,831

Auditor's Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2015-16, 2016-17, 2017-18 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for The year 2015-16, 2016-17 & 2017-18 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. The actual figure in respect of 2018-19 has been taken up to December 2018



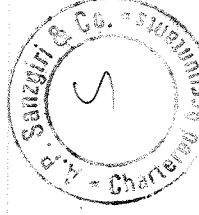
III. BANK RECONCILIATION POSITION AS ON REPORTING DATE

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	SBI	31591400061	Salary, Pension	122179.90	122179.90	-	YES
2	Indian Bank	6368906570	SBM	80380.00	80380.00	-	YES
3	Indian Bank	6412516128	HFA	3416932.00	3416932.00	-	YES
4	Indian Bank	6522290056	DAY- NULM	0	0	-	YES
5	PNB	0841002100000358	ANTRIK S.	4486325.51	4486325.51	-	YES
6	PNB	0841000101294206	4 th Finance	5252.28	5252.28	-	YES
7	PNB	0841000101334832	E- Governance	100574.90	108806.00	8231.10	NO
8	PNB	0841000101273072	13 th F.C	13992.00	13992.00	-	YES
9	Indian Bank	765154019	BRGF	93068.00	93068.00	-	YES
10	Treasury			Not updated	Not updated	NA	NA

Comment:

As per reply given by concern in respect of above adverse remark that it will be reconciled as soon as possible.



INCOME DETAILS (Amounts In Rupees)

S. No.	Details	2017-18		2018-19		2019-20	
		2017-18 (ACTUAL)	2016-17 (ACTUAL)	2018-19 (ACTUAL)	2017-18 (ACTUAL)	2019-20 (ACTUAL)	2018-19 (ACTUAL)
	Total Receipts (A+B)	4,74,74,032	7,91,63,931	1,58,49,786	4,74,74,032		1,58,49,786
A	Revenue Receipts (1+2+3)	1,64,80,418	3,90,48,841	1,58,49,786	1,64,80,418		1,58,49,786
1	Own Revenue Receipts (a+b)	48,05,334	1,14,94,813	84,02,620	48,05,334		84,02,620
a)	Tax Revenue(Collected by ULB)	33,70,084	97,56,186	78,93,024	33,70,084		78,93,024
i)	Property tax	21,84,635	14,48,421	6,08,513	21,84,635		6,08,513
ii)	Other tax (Collected by ULB)	11,85,449	83,07,765	7,28,45,11	11,85,449		7,28,45,11
b)	Non-tax revenue (Collected by ULB)	14,35,250	17,38,627	5,09,596	14,35,250		5,09,596
i)	Fees & fines	35,321	54,805	28,166	35,321		28,166
ii)	User Charges	0	0	0	0		0
iii)	Other non-tax revenue (Collected by ULB)	13,99,929	16,83,822	4,81,430	13,99,929		4,81,430
2	Other Revenue Receipts	8,06,702	11,79,810	1,27,029	8,06,702		1,27,029
a)	Income from interest/investments	4,12,723	10,78,410	1,27,029	4,12,723		1,27,029
b)	Other Revenue income	3,93,979	1,01,400	0	3,93,979		0
3	Transfers/Grants/Assigned Revenues	1,08,68,382	2,63,74,218	73,20,137	1,08,68,382		73,20,137
a)	State Assigned Revenue	1,08,68,382	2,63,74,218	73,20,137	1,08,68,382		73,20,137
b)	State Finance Commission Grants		-				
c)	Octroi compensation		-				
d)	Other State Government Transfers		-				
e)	Central Finance Commission (CFC) Grant		-				
f)	Other Central Government Transfers		-				
g)	Others		-				
B	Capital Receipts	3,09,93,614	4,01,15,090	-	3,09,93,614		-
1	Sale of Municipal Land	-	-	-	-		-
2	Loans (from State Govt. Or Banks etc.)	-	-	-	-		-
3	State Capital Account Grant	1,84,96,347	3,07,48,336	-	1,84,96,347		-
4	Central Capital Account Grant (under Central)	1,24,97,267	93,47,791	-	1,24,97,267		-
5	Other Capital Receipts	-	18,963	-	-		-



The above figures have been taken from the Budget Statement of the ULB for the year 2015-16, 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 2015-16, 2016-17 & 2017-18 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. The actual figure in respect of 2018-19 has been taken up to December 2018.

V. REVENUE AND CAPITAL EXPENDITURE INFORMATION.

S.N		EXPENDITURE DETAILS (Amounts In Rupees)						
		2017-18		2018-19		2019-20		2018-19
Details		2017-18 (ACTUAL)	2016-17 (ACTUAL)	2018-19 (ACTUAL)	2017-18 (ACTUAL)	2019-20 (ACTUAL)	2018-19 (ACTUAL)	2018-19 (ACTUAL)
	Total Expenditure (1+2)	5,74,42,070	4,26,48,292	3,53,29,058	5,74,42,070	2341,25,500	3,53,29,058	
1	Revenue Expenditure	4,04,34,206	2,62,02,519	1,57,98,629	4,04,34,206	811,15,500	1,57,98,629	
1.1	Administrative Expenses, Establishment and Salaries (All Departments-Regular and Cont.)	58,64,177	61,84,894	39,68,497	58,64,177	25350500	39,68,497	
1.2	Operation and Maintenance	83,60,428	67,79,082	79,89,829	83,60,428	21240000	79,89,829	
1.3	Loan repayment (Interest payments)	-	-	-	-	-	-	
1.4	Others(any other revenue expenditure)	2,62,09,601	1,32,38,543	38,40,303	2,62,09,601	34525000	38,40,303	
2	Capital Expenditure	1,70,07,864	1,64,45,773	1,95,30,429	1,70,07,864	1530,10,000	1,95,30,429	
2.1	All developmental works under Central/State	1,68,82,664	1,64,45,773	1,76,58,566	1,68,82,664	127250000	1,76,58,566	
2.2	Loan Repayments(Principal Amount)	-	-	-	-	-	-	
2.3	Other Capital expenditure	1,25,200	-	18,71,863	1,25,200	25760000	18,71,863	

Auditor's Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2015-16, 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 2015-16, 2016-17 & 2017-18 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. The actual figure in respect of 2018-19 has been taken up to December 2018.

VI. STATUS OF IMPLEMENTATION OF DOUBLE ENTRY ACCOUNTING SYSTEM:

There is no agency currently working for implementation of Double Entry Accounting System. Refer Discussion Note

VII. STATUS OF MEETING OF MUNICIPAL ACCOUNTS COMMITTEE

Municipal Accounts committee has not been formed. Refer Discussion Note



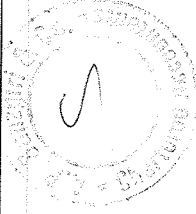
5. AUDIT OBSERVATION:

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

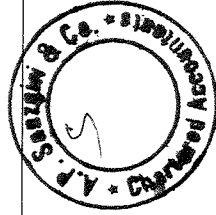
(A) LEAKAGE OF OWN SOURCE REVENUE EITHER DUE TO WRONG ASSESSMENT OR NON-LEVY OF PROPERTY TAX, MOBILE TOWER TAX, RENT ON MUNICIPAL PROPERTIES, ADVERTISEMENT TAX, FEE ETC.

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

SN	Head	Comments
1	Objective	The main objective of audit of taxes is to check whether all taxes which are covered under Bihar Municipal Act, 2007, is levied and collected by the ULB. Further to check whether taxes are levied and collected according to applicable provisions and rules.
2	Criteria	We have checked list of all the taxes which to be levied and collected by the ULB as per Act. Further we have checked Syah Register, Receipt book, cashier cash book and accountant cash book etc.
3	Condition	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. <i>In case of Nagar Panchayat Rajganj,</i> The following mentioned tax/charges are not implemented that leads to loss of revenue to corporation:
S.No	Particulars	Implemented by ULB or Not
1	Property tax on lands and buildings.	YES
2	Surcharge on transfer of lands and buildings	NO
3	Fire tax.	NO
4	Tax on advertisements, other than advertisements published in newspapers	NO
5	Surcharge on electricity consumption within the municipal area	NO



		6	Tax on congregations.	NO
		7	Tax on pilgrims and tourists.	NO
		8	Tax on profession.	NO
		9	Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles.	NO
		10	User Charges for provision of water-supply, drainage and sewerage	NO
		11	User Charges for Solid Waste Management	NO
		12	User Charges for Parking Facility	NO
		13	User Charges for Garbage Clearance	NO
		14	Collection of fees for sanction of building plans and issue of completion certificates,	NO
		15	Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,	NO
		16	Collection of Fees for issue of birth and death certificates.	YES
		17	Collection of Development Charges	No
4	Consequences/Effect	No levy of taxes will be resulted in to revenue loss to ULB.		
5	Cause	There is lack of standard policies and instructions from department. In some cases policies are prepared by it is not followed by the ULBs.		
6	Corrective Action/ Recommendation	It is recommended that department should prepare uniform policies for levy and collection of taxes in proper manner and on due time. Further capacity building programmes should be held for ULBs staff and awareness about these taxes should be done.		
7	Management Comments	Kindly refer discussion note attached with the report.		

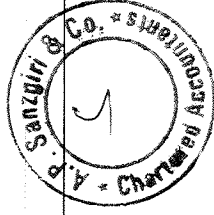


OBSERVATION-2 : DELAY IN DEPOSIT OF PROPERTY TAX COLLECTED BY ULB STAFF

SN	Head	Comments
1	Objective	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 the amount of tax collected by the Tax collector is required to be handed over to cashier and deposited into bank on the same day on which collection is made. To check compliance of these provisions, we have carried audit of such type of cases.
2	Criteria	We have checked respective books in order to carry the audit and some cases were checked on random basis.
3	Condition	During verification of receipts book and deposit slips, we have noticed that there is gap period in collection of tax and deposit of tax around 15 to 30 days. Details of such cases are given in Annexure-1 .
4	Consequences/Effect	In respect of above in most of the cases property tax has not been deposited on same day of collection which resulted in interest loss to ULB.
5	Cause	It is explained by concern person that due to non-availability of human resources the same issues arises.
6	Corrective Action/ Recommendation	It is recommended that tax collector/cashier should deposit the collected money into bank on same day itself and if he fails to do the same, necessary action should be taken by the ULB management in such cases.
7	Management Comments	Kindly refer discussion note attached with the report.

OBSERVATION-3: NON COLLECTION OF NOTICE FEE

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



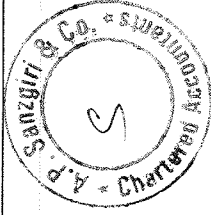
OBSERVATION-4: RECOVERY OF OUTSTANDING TAXES/RENTAL INCOME

1. RECOVERY OF OUTSTANDING PROPERTY TAX

SN	Head	Comments
1	Objective	ULB is authorized to collect holding tax from households situated in the municipal area and Property tax have major role in the internal revenue of ULB.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that property tax of Rs. 4.79 Lakh was outstanding as on 31/03/2019:
3	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/ Recommendation	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.

1. RECOVERY OF LICENCE FEE

SN	Head	Comments
1	Objective	ULB authorized to charge Licence fee in municipal are as per act/rule.
2	Criteria	It is checked from progress report prepared by ULB
3	Condition	During checking it is noted there was no outstanding dues as per record provided to us as on 31/03/2019
4	Consequences/Effect	Not applicable
5	Cause	Not applicable
6	Corrective Action/ Recommendation	Not applicable
7	Management Comments	Not applicable



2. RENT INCOME

SN	Head	Comments
1	Objective	ULB authorized to charge rent from municipal properties.
2	Criteria	It is checked from progress report prepared by ULB
3	Condition	During checking it is noted that rent income of Rs. 6.72 Lakh was outstanding as on 31/03/2019.
4	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/ Recommendation	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.

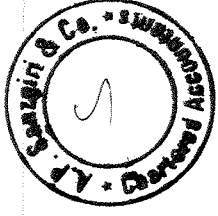
3. MOBILE TOWER TAX

SN	Head	Comments
1	Objective	ULB is authorized to collect tax from telecom companies for mobile towers installed in the municipal area.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted there was no outstanding dues as per record provided to us as on 31/03/2019
3	Consequences/Effect	Not applicable
5	Cause	Not applicable
6	Corrective Action/ Recommendation	Not applicable
7	Management Comments	Not applicable



4. OTHER TAX

SN	Head	Comments
1	Objective	ULB is authorized to collect other various types of taxes/fee.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted there was no outstanding dues as per record provided to us as on 31/03/2019
3	Consequences/Effect	Not applicable
5	Cause	Not applicable
6	Corrective Action/ Recommendation	Not applicable
7	Management Comments	Not applicable



(B) EXCESS PAYMENT AGAINST BILL, LACK OF PRUDENCE IN PAYMENT AGAINST VOUCHER, INEFFICIENCY IN CONTROLS RESULTING LOSS TO ULBS.

During the audit we have checked below mentioned payments on random basis and audit observation are as follows:

SN	Head	Comments																																																																		
1	Objective	Checking of payment made by ULBs to find out irregularities made during payment																																																																		
2	Criteria	Payment were checked on random basis																																																																		
3	Condition	<p>1. During 2018-19 following payment has been made to Taraqqee NGO:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Name</th> <th>Gross Amount (A)</th> <th>Rent for machinery (B)</th> <th>TDS Deducted (C)</th> <th>Short Deduction of TDS/ Excess Payment</th> </tr> </thead> <tbody> <tr> <td>03.05.2018</td> <td>Taraqqee NGO</td> <td>6,17,800</td> <td>73,106</td> <td>-</td> <td></td> </tr> <tr> <td>08.06.2018</td> <td>Taraqqee NGO</td> <td>6,17,800</td> <td>87,897</td> <td>-</td> <td></td> </tr> <tr> <td>01.07.2018</td> <td>Taraqqee NGO</td> <td>6,17,800</td> <td>64,663</td> <td>-</td> <td></td> </tr> <tr> <td>16.08.2018</td> <td>Taraqqee NGO</td> <td>6,17,800</td> <td>71,600</td> <td>-</td> <td></td> </tr> <tr> <td>22.09.2018</td> <td>Taraqqee NGO</td> <td>6,17,800</td> <td>65,087</td> <td>-</td> <td></td> </tr> <tr> <td>12.10.2018</td> <td>Taraqqee NGO</td> <td>6,17,800</td> <td>59,500</td> <td>76,571</td> <td>6,310</td> </tr> <tr> <td>05.11.2018</td> <td>Taraqqee NGO</td> <td>6,17,800</td> <td>68,000</td> <td>10,996</td> <td></td> </tr> <tr> <td>07.12.2018</td> <td>Taraqqee NGO</td> <td>6,17,800</td> <td>89,285</td> <td>10,570</td> <td></td> </tr> <tr> <td>07.01.2019</td> <td>Taraqqee NGO</td> <td>6,17,800</td> <td>69,371</td> <td>10,969</td> <td></td> </tr> <tr> <td>15.02.2019</td> <td>Taraqqee NGO</td> <td>6,17,800</td> <td>69,775</td> <td>10,961</td> <td></td> </tr> </tbody> </table>	Date	Name	Gross Amount (A)	Rent for machinery (B)	TDS Deducted (C)	Short Deduction of TDS/ Excess Payment	03.05.2018	Taraqqee NGO	6,17,800	73,106	-		08.06.2018	Taraqqee NGO	6,17,800	87,897	-		01.07.2018	Taraqqee NGO	6,17,800	64,663	-		16.08.2018	Taraqqee NGO	6,17,800	71,600	-		22.09.2018	Taraqqee NGO	6,17,800	65,087	-		12.10.2018	Taraqqee NGO	6,17,800	59,500	76,571	6,310	05.11.2018	Taraqqee NGO	6,17,800	68,000	10,996		07.12.2018	Taraqqee NGO	6,17,800	89,285	10,570		07.01.2019	Taraqqee NGO	6,17,800	69,371	10,969		15.02.2019	Taraqqee NGO	6,17,800	69,775	10,961	
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12.03.2019	Taraqquee NGO	6,17,800	70,000	10,956	
31.05.2019	Taraqquee NGO	6,17,800	71,844	10,919	
TOTAL		74,13,600	8,60,128	1,41,942	6,310

Following discrepancies has been notice while payment made to Taraqqee NGO, a contractor, for cleaning within municipality:

- TDS has been deducted on "Net Amount After Deduction of Hire Charges for Machinery". As per provision of Section 194C of Income Tax Act, 1961 it shall be deducted on Gross Amount Paid. As a results of this , Short deduction of TDS has been made by Rs. 6,310, which leads to excess payment by Rs. 6,310 to Taraqqee NGO has been made;
- TDS has been deducted from month of october'2018, instead of monthly deduction, consequences of such practices lead to additional loss of fund of ULB in form of interest and penalty under income tax act, 1961 ;
- There is no contract has been entered in respect of vehicle and other machinery given on hire to Taraqqee NGO, hence rate at which vehicle and other machinery has been given is not justified by ULB.

2. Following payment in respect of Electricity bill has been made after due date as a results ULB suffer Penalty:

S.N	Name of Utility	Bill Amount	Due date for Payment	Actual date for payment	Penalty/Late Fees Charged
1	SBPDCL	2327489	23.01.2019	28.03.2019	278519.19
2	SBPDCL	1575802	22.0.03.2019	28.03.2019	22943.00
	Total				3,01,462.19/-

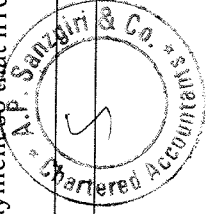
In respect of above point no. 1, short deduction of TDS has been made by Rs. 6,310, which leads to excess payment by Rs. 6,310 to Taraqqee NGO

In respect of point no. 2 , ULB Rafiganj did not pay electricity department on due date as a results they suffer Penalty Rs. 301462.19 for F.Y. 2018-19.

No such cases were identified during audit.

Management can implement standard checklist for each payment so that irregularities in payments can be avoided.

Kindly Refer Discussion Note



(C) REPORT ON SURVEY ON 20 HIGH VALUE PROPERTIES

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

SN	Head	Comments
1	Objective	Field survey and report of 20 high value properties of ULB and report on the basis of area of building, rate of property tax etc of the same. Comparison with the data of same property provided by the ULB and report on variance between them if available.
2	Criteria	Survey was to be done for 20 High value properties.
3	Condition	We have requested to Management to provide Tax Collector for Physical Measurement and Assessment of 20 High value Property, but Management replied staff of ULB are busy in some important work , hence Management will provide for same at latter stage of Audit. We will submit details of 20 High Value property Assessment report in Report for period of Q-2 of F.Y. 2019-20.Kindly refer Discussion Note.
4	Consequences/Effect	Irregularities in this area may cause short recovery of revenue receipt and it will result in loss to the ULB.
5	Cause	Not Applicable
6	Corrective Action/Recommendation	Not Applicable
7	Management Comments	Kindly refer discussion note attached with the report.

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

(a) NON MAINTENANCE OF BOOKS OF ACCOUNTS, SUBSIDIARY REGISTERS:

The Municipality has not maintained/provide for verification the following prescribed registers.

S.N	Name of Register	Maintained/ Not Maintained	Last date of Update
1	Cash Book-Cashier	MAINTAINED	31.03.2017
2	Cash Book-Accountant	MAINTAINED	31.03.2019
3	Collection Register	MAINTAINED	31.03.2019
4	Cheque issue Register	MAINTAINED	31.03.2019
5	Register of Advance	NOT MAINTAINED	
6	Register of Permanent Advance	NOT MAINTAINED	
7	Deposit received register	NOT MAINTAINED	
8	Summary statement of deposit adjusted	NOT MAINTAINED	

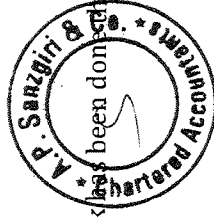
9	Demand Register	NOT MAINTAINED
10	Summary Statement of Bills Raised	NOT MAINTAINED
11	Register of Notice Fees, Warrant Fees, Other Fees	NOT MAINTAINED
12	Summary Statement of Notice Fees, Warrant Fees, Other Fees	NOT MAINTAINED
13	Register of Refunds, Remissions and Write off	NOT MAINTAINED
14	Summary statement of Refunds and Remissions	NOT MAINTAINED
15	Summary Statement of Write-offs	NOT MAINTAINED
16	Statement of outstanding Liability for Expenses	NOT MAINTAINED
17	Document Control Register/Stock Account Receipts/Cheque Book	NOT MAINTAINED
18	Fixed Assets Register	NOT MAINTAINED
19	Summary Statement of Demand Raised on assessment	NOT MAINTAINED
20	Summary Statement of Head wise Collection of Other Income	NOT MAINTAINED
21	Summary Statement of Refunds	NOT MAINTAINED
22	Summary Statement of Write off	NOT MAINTAINED
19	Summary Statement of Demand Raised on assessment	NOT MAINTAINED
20	Summary Statement of Head wise Collection of Other Income	NOT MAINTAINED
21	Summary Statement of Refunds	NOT MAINTAINED
22	Summary Statement of Write off	NOT MAINTAINED
23	Grant Register	NOT MAINTAINED
24	Summary Statement of status of Capital Work in Progress	NOT MAINTAINED
25	Work Sheet	NOT MAINTAINED
26	Deposit Works Register	NOT MAINTAINED
27	Material Receipt Note	NOT MAINTAINED
28	Store Ledger	NOT MAINTAINED
29	Statement of Closing Stock	NOT MAINTAINED
30	Statement of Material Issued	NOT MAINTAINED
31	BRS of all bank accounts (including dormant accounts)	NOT MAINTAINED
32	Final Accounts for the F.Y. 2012-13 to 2017-18	NOT MAINTAINED
33	Audited Balance Sheet	NOT MAINTAINED
34	Audited Income & Expenditure Account	NOT MAINTAINED
35	Audited Receipts & Payment Account	NOT MAINTAINED

(b) IRREGULARITY IN PROCUREMENT PROCESS:

1. COMPLIANCE REGARDING TENDER ISSUED BY THE ULBS:

a) Note: No tender has been issued during the F.Y. 2018-19.

Management comments: During the F.Y. 2018-19 no E-tender has been issued, some work has been done through departmental work.



b) Details of Irregularities in payment made by ULB

S.N	Name of Party	Invoice Amount	Check all required deductions from bill has made or not	Whether Deductions are with appropriate Rate	Check signature of Commissioner/EO in Payment Order	Whether measurement book & bill signed by the JE of ULB	Whether in respect of all bills for charges on account of all works and other expenditure, proper certificates have been furnished in support of them and that no deviation has been made for the sanctioned plans and the estimates without the sanction of the competent authority; (B.MAR Rule No.-130)
1	Ashok Kumar	551650	YES	YES	YES	YES	Yes furnished and no deviation has been notice.
2	Sanjeev Kumar Ranjan	1412276	YES	YES	YES	YES	Yes furnished and no deviation has been notice.
3	Kudaishia Begam	675770	YES	YES	YES	YES	Yes furnished and no deviation has been notice.
4	Ashok Kumar	209706	YES	YES	YES	YES	Yes furnished and no deviation has been notice.
5	Bablu Singh	509333	YES	YES	YES	YES	Yes furnished and no deviation has been notice.
6	Kamlesh Kumar	423453	YES	YES	YES	YES	Yes furnished and no deviation has been notice.
7	Shamshad Khan	245958	YES	YES	YES	YES	Yes furnished and no deviation has been notice.
8	Ajay kumar Sharma	754444	YES	YES	YES	YES	Yes furnished and no deviation has been notice.
9	Ahmad Ali	633000	YES	YES	YES	YES	Yes furnished and no deviation has been notice.
10	Isha kuraishi	756858	YES	YES	YES	YES	Yes furnished and no deviation has been notice.

2. DETAILS OF LOG BOOK MAINTAINED:

All vehicle and Machinery Except JCB has been given on hire to Taraquee NGO, a agency appointed for cleaning within municipality area. Because of "Right to Operation has been Transfer to NGO" the log book in respect of these Vehicle has not been maintained by ULB.

Name of Vehicle	Whether vehicle log book is maintained or not	Whether log book is properly updated or not	Whether vehicle is insured or not	Whether Rate of Diesel/Petrol properly mention in log book
JCB	YES	YES	NO	NO

Auditor comment:

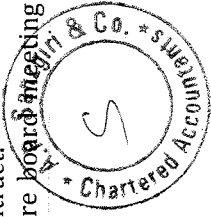
i. JCB Log book is not authorised by concern official, a copy regarding this has been attached;

Management Comment:

i. It will be authorised by concern official for JCB log book.

ii. Rafiganj ,ULB, assets in respect of which log book can be maintained has been given on hire to tarakki NGO, with whom a contract entered for cleaning in rafiganj; hire charges has been deducted from bill raised, for cleaning contract.

iii. The issues raised by Auditor for rate of hire charges of vehicle shall be put before Board of Rafiganj and accordingly a written agreement will be entered as soon as possible.

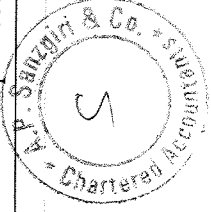


3. NON-COMPLIANCE OF DIRECTIVES BY UD&HD, GOB:

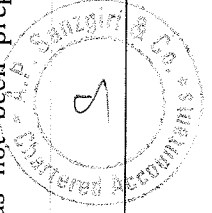
S.N	Directions Issued by UDHD	Particulars of Circulars/Orders/Notices	Complied or Not
1	Gyapank No.- 6628; Dated- 26.12.2018	Mukhyamantri NAL JAL Yojna:- "Whether Para No. 1- 28 have been complied of this circulars".	Complied
2	Gyapank No.- 3234; Dated- 12.06.2018	Purchase of Material or Receive of Service from "GeM Portal" w.e.f. 01.07.2018	Complied
3	Gyapank No.- 3453; Dated- 29.06.2018	Outsourcing of Services and There respective Standard:- "Whether Standard or Measurement criteria mentioned in this circular in respect to their respective "Type of Services' have been complied".	Complied
4	Amendment in Oath Number-3557, Dated 20.11.2014; Dated of Amendment- 04.05.2018	Related to Departmental Work:- "Whether Para '1- 4' of this order have been complied in respect to 14 th F.C. or 5 th F.C Departmental work carried on , which is mentioned in this order,".	Complied
5	Gyapank No.- 5124; Dated- 28.09.2018	Deduction of TDS on GST:- w.e.f. 01.10.2018 TDS on GST shall be deducted as per Section 51 of BGST act, 2017	Complied

4. NON COMPLIANCE OF ACTS& RULES:

S.N	Requirement	Criteria	Auditors Comments	Management Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made	BMAR Rule No.-22	Refer point: Part-A (a) (2) On an Average 15 to 30 days delayed and amount collected was in hand with Tax Collector.	(Refer Discussion Note)
2	Whether every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	BMAR Rule No.- 27	Yes, Tax collector and other municipal employees are entrusted to collect municipal revenue within municipality area.	
3	Whether the collection register was in the personal custody	BMAR Rule	Yes ,Tax Collector kept receipt	

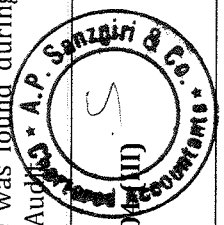


	of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection.	No.- 27	book in his personal custody;	
4	Whether bill collector get its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated stall of the Municipality	BMAR Rule No.- 27	Yes, Daily Collection Register is verified by designated Officer of Council.	
5	Whether every bill collector invariably remit his collections (in cash and/or cheques) to Cashier daily before 4.30 PM and take the cashier's acknowledgment in the collection register.	BMAR Rule No.- 27	Refer point: Part-A (a) (2) The same rule did not followed by Tax Collector and on an average 15 to 30 days delayed found during which collected amount was in hand of Tax Collector.	(Refer Discussion Note)
6	Whether Grant Register as prescribed in BMAR Form 28 was maintained by the Municipality to record receipts and utilization of grants sanctioned by the Government.	BMAR Rule No.- 69	No, Grant Register has not been maintained by ULB.	We are under process to prepare grant register. (Refer Discussion Note)
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	Yes, Complied.	
8	Whether The grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.- 69	No such case was found.	
9	Whether the Utilization Certificate was signed by Chief Municipal Officer for verification of the financial outlays and physical progress reported on BMAR Form No 29.	BMAR Rule No.- 69	Refer PART-B (h) Yes, but complete UC has not been prepared.	(Refer Discussion Note).
10	Whether Municipality has returned unutilized grant for more than three years from date of receipt to the source from where such grant was received	BMAR Rule No.- 69	See Note Below	It will be refund to UD & HD. (Refer Discussion Note)
11	Whether The Chief Municipal Officer prepare a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.	BMAR Rule No.- 120	Currently Receipt and Payment A/c has not been prepared by ULB.	Currently it is not prepared, However we will proceed further. (Refer Discussion Note)

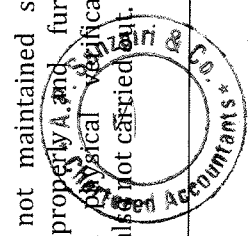


12	Whether ULB prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	BMAR Rule No.- 121	Trial Balance has not been prepared.	ULB not following to prepare Trial Balance, Income & Expenditure on monthly basis. It will be prepare after implementation of double entry Accounting System.
13	Whether ULB sent the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter	BMAR Rule No.- 121	The ULB was not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter.	(Refer Discussion Note)
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	Financial Statement has not been prepared by municipality.	ULB is not in practice to prepare Trial Balance, Income and Expenditure and Balance Sheet. It will be prepared after implementation of Double entry Accounting System.
15	Whether the municipality is regular in depositing statutory dues including tax deducted at source, GST, TDS on GST, service tax, VAT, works contract tax, cess payable to the government etc. and If not, the nature and cause of such delay and the amount not deposited: (BMAR Rule No.-130)	BMAR Rule No.-130	Refer PART-B (f) Amount of statutory dues has not been deposited on due date. Like TDS should be deposited 7 th day of next month and same has been delayed.	(Refer Discussion Note)

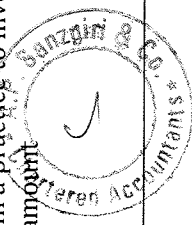
16	Whether the municipality is regular in remittance of pension and leave encashment contributions or any other amounts which the municipality is liable to remit towards the retirement dues of its employees, including employees on deputation; (BMAR Rule No.-130)	BMAR Rule No.-130	Refer PART-B (g)	<i>(Refer Discussion Note)</i>
17	Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated in sufficient detail;	BMAR Rule No.-130	No Trial balance is prepared hence classification of transaction was not done.	<i>(Refer Discussion Note)</i>
18	Whether all grants sanctioned or received by the municipality during the 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;	BMAR Rule No.-130	Yes, recorded properly in grant register as well as in cash book, but no case of deduction was found.	
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 special fund created.	<i>(Refer Discussion Note)</i>
20	Whether the ULB is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;	BMAR Rule No.-130	Not maintained by ULB	<i>(Refer Discussion Note)</i>
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	Yes collected but not regular, in some cases renewal has not been done.	Notice will be send for non payment of lease rent. And matter renewal of such lease rent shall be put before board and implement accordingly. <i>(Refer Discussion Note)</i>
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, There exist an adequate Internal control system in purchasing of Stores etc.	
23	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality's accounts; If so, the details thereof;	BMAR Rule No.-130	No such case was found during the period of Audit.	
24	Whether the Bank Reconciliation statements have been property prepared for all the bank accounts of the ULB and the remedial actions including all correcting entries have been taken on timely basis;	BMAR Rule No.-130	Refer Point-04 (III)	<i>(Refer Discussion Note)</i>



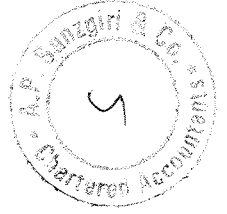
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.-130	YES, Reconciliation Procedures have been carried out Except in some cases.	(Refer Discussion Note)
26	Whether all the expenditure incurred by the Municipality are authorized by appropriate 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	YES. Expenditure has been authorised by competent authority.	
27	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis;	BMAR Rule No.-130	Refer-PART-A (a)(4) ULB did not provide such data from where outstanding can be found out	(Refer Discussion Note)
28	Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act;	BMAR Rule No.-130	Refer-PART-A (a)(2)	(Refer Discussion Note)
29	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order;	BMAR Rule No.-130	UC have not been prepared in prescribed format in timely manner	(Refer Discussion Note)
30	Whether, proper books of account as required by the Act and Rules have been kept by the Municipality so far as It appears from examination of those books. (Rule-130 of BMAR-2014)	BMAR Rule No.-130	Refer-PART-B (a) Books of Account are maintained except some Books of accounts.	(Refer Discussion Note)
31	Whether physical verification has been conducted by the ULB at reasonable intervals In respect of stores;	BMAR Rule No.-130	No such practices followed by ULB.	ULB does not maintained stock register , hence verification can not be done. Further stock register will be maintain from Nov'2019 and onward on the direction of Auditor. (Refer Discussion Note)
32	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?	BMAR Rule No.-130	No physical verification is carried out.	It is considered and will be followed as per rule.
33	Whether any material discrepancies have been noticed on physical verification of stores as compared to book records, and If so, whether the same has been properly dealt with in the books of account; Whether proper procedures are in place to Identify any unserviceable or damaged stores and whether provision for the loss In this respect, If any, has been made In the accounts;	BMAR Rule No.-130	ULB did not maintained stock register properly and further periodical physical verification of stores also not carried out.	(Refer Discussion Note)



34	Whether the valuation of stores is in accordance with the accounting principles laid down in the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of such deviation, if material, should be reported;	BMAR Rule No.-130	No such details provided	(Refer Discussion Note)
35	Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the interest and If not, whether reasonable steps have been taken by the municipality for recovery of the principal and interest?	BMAR Rule No.-130	No such case was found.	No advance has been given by ULB. (Refer Discussion Note)
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.-130	No such case was found.	No advance has been given by ULB. (Refer Discussion Note)
37	Bihar Municipal Accounting Manual, 2014, every year budget should be prepared for receipts and expenditure in Performa 75,77 and 80 Preparing Budgets as per the Rules framed under Bihar Municipal Accounts Rule 2014. Rule 132 regarding Public Participation in Preparation Of Budget. Moreover, as required under provisions of Rule 139, mid - year review of Budget.	BMAR Rule No.-132	YES prepare	
38	Municipal Fund: Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007: Chapter IX	No, such fund has been created	Will be consider and created accordingly. (Refer Discussion Note)
39	Payment not to be made out of Municipal Fund unless covered by budget grant: Whether any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	No payment made out of Municipal Fund that is not covered by budget grant.	(Refer Discussion Note)
40	Procedure when money not covered by budget grant is paid. Whether the case is put up with Empowered Standing Committee, in case any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	No such case found	
41	Investment of surplus money. Whether municipality has invested surplus fund as per the requirement of the chapter-X of BMA-2007. Auditor will report on the fixed deposit and other funds should be in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period. Check whether comparative interest rate is invited from parties before investing surplus funds:		ULB not in a practice to invest its surplus amount	



42	Preparation of budget estimate of Municipality. Whether The budget estimate stated the rates at which various taxes, surcharges, cesses and fees shall be levied by the Municipality in the year next following,		No, Estimation should be based on the past experience and after considering the fact that how the condition might change in future though the provision of Section 82 of the Act regarding preparation of budget have been complied.	
43	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,		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.	(Refer Discussion Note)
44	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,		No, ULB was not preparing 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	(Refer Discussion Note)
45	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.		No, Financial Statements were not provided for audit by ULB.	



46	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007 various tax are applicable on ULBs Section 145, 146 and 147 of the Bihar Municipal Act 2007 chapter XVII provides for Advertisement tax on Advertisement in Urban Areas. Chapter XVII of the Bihar Municipal Act, 2007 required license of Advertisement of any holding, etc. As per act Every person who erects, exhibited, fixes or retain upon or over any land, building, wall, boarding, frame, post, kiosk, structure, vehicle, neon-sign or sky sign any advertisement, or display any advertisement to public view in any manner whatsoever (including any advertisement exhibited by means of cinematograph), visible from a public street a public place in any location in a municipal area including airport or a port or a railway station ,shall pay or every advertisement, which is so erected ,exhibited, fixed or retained or so displayed to public view, a tax calculated at such rate as may be determined regulations. it requires payment of certain fee for advertisement.		Refer-PART-A (a) (1)	(Refer Discussion Note)
47	As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007,) - Municipality shall, by regulations, provide for issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore,	BMA, 2007: Chapter XIX	Refer-PART-A(a)(3) Notice fees has not been implemented in the Aurangabad Municipal Council.	(Refer Discussion Note)
48	As per section 342 of Bihar Municipal Act, 2007 Trade license fee is to be collected from different types of Trader, who are trading in Concerned Municipal area.	BMA, 2007: Chapter XXXVII		

Note- Following are the Grant remains Unutilised for long period:

S.N.	Name of Fund	Amount	Last date of Transaction/ Utilised
1	LED Light	20,00,000	29.03.2016
2	MMPJ	3613795	29.03.2016
3	Water supply	1.86 crore	



5. LACK OF INTERNAL CONTROL MEASURES:

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

- a. Advance register not maintained by Rafiganj Panchayat, it should be maintained.
- b. TDS should be deducted on Gross amount i.e. before deduction as per section 194C of Income Tax Act,1961.
- c. Notice fee should be collected, currently ULB not charging notice fee as a results ULB suffer losses;
- d. UC is not prepare and deposit it on time it suggested to follow the same;
- e. ULB is in practice to deposit holding tax after due date as per rule, it should be deposit on day of collection itself;
- f. Many books of accounts not maintained as highlighted in report, the same should be maintained and follow according to BMAR;
- g. Payment in respect of penalty arise after due date should be paid on or before due date for example electricity bill where ULB suffer loss'

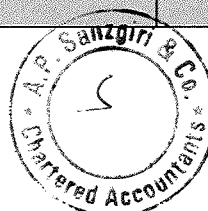
6. NON-COMPLIANCE OF TDS, VAT AND OTHER RELEVANT STATUTE

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

S.N	Name of Party	Invoice Value	Amount of deduction	Due date of deposit	Actual Date of deposit	Cheque/Challan Number
1	Mahendra Yadav	432900	4329	07.05.2018	27.03.2019	A767515
2	Ranjeet Kumar	550333	5503	07.05.2018		
3	Kamlesh Kumar	914940	9149	07.05.2018		
4	Ashok Kumar	551650	5517	07.06.2018		
5	Sanjeev Kumar Ranjan	1412276	14123	07.06.2018		
6	Kudaishia Begam	675770	6758	07.06.2018		
7	Ashok Kumar	209706	2097	07.06.2018		
8	Nilam Devi	708871	7089	07.08.2018		
9	Satendra Ram	630650	6307	07.08.2018		
10	Ahmad Ali	887881	8879	07.08.2018		
11	Rajiv Kumar singh	610762	6108	07.09.2018		
12	Bablu Singh	509333	5093	07.09.2018		
13	Kamlesh Kumar	423453	4235	07.10.2018		
14	Shamshad Khan	245958	2460	07.10.2018		
15	Ajay kumar Sharma	754444	7544	07.12.2018		
16	Ahmad Ali	633000	6330	07.12.2018		
17	Isha kuraishi	756858	7569	07.03.2019		
18	Mahendra Yadav	717616	7176	07.03.2019		
Total		1,16,26,401	1,16,266			

b) DETAILS OF DELAY IN DEPOSIT OF VAT ARE MENTIONED BELOW:

S.N	Name of Party	Invoice Value	Amount of deduction	Due date of deposit	Actual Date of deposit	Cheque/Challan Number
1	Kudaishia Begam	675770	54062		Not Deposited	
2	Ashok Kumar	209706	16776			
3	Nilam Devi	708871	56710			
Total		15,94,347	1,27,548			



c) DETAILS OF DEPOSIT OF ROYALTY ARE MENTIONED BELOW:

S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/ Challan Number
1	Mahendra Yadav	432900	8658	30.03.2019	R085300102004
2	Ranjeet Kumar	550333	11017		
3	Kamlesh Kumar	914940	18299		
4	Ashok Kumar	551650	11033		
5	Sanjeev Kumar Ranjan	1412276	28246		
6	Kudaishia Begam	675770	14776		
7	Ashok Kumar	209706	4194		
8	Nilam Devi	708871	14004		
9	Satendra Ram	630650	12613		
10	Ahmad Ali	887881	17758		
11	Rajiv Kumar singh	610762	12215		
12	Bablu Singh	509333	10187		
13	Kamlesh Kumar	423453	8469		
14	Shamshad Khan	245958	4919		
15	Ajay kumar Sharma	754444	15089		
16	Ahmad Ali	633000	12660		
17	Isha kuraishi	756858	15137		
18	Mahendra Yadav	717616	14352		
	Total	1,16,26,401	2,33,626		

d) DETAILS OF DEPOSIT OF LABOUR CESS ARE MENTIONED BELOW:

S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/ Challan Number
1	Mahendra Yadav	432900	4329	Not Deposited	
2	Ranjeet Kumar	550333	5503		
3	Kamlesh Kumar	914940	9149		
4	Ashok Kumar	551650	5517		
5	Sanjeev Kumar Ranjan	1412276	14123		
6	Kudaishia Begam	675770	6758		
7	Ashok Kumar	209706	2097		
8	Nilam Devi	708871	7089		
9	Satendra Ram	630650	6307		
10	Ahmad Ali	887881	8879		
11	Rajiv Kumar singh	610762	6108		
12	Bablu Singh	509333	5093		
13	Kamlesh Kumar	423453	4235		
14	Shamshad Khan	245958	2460		
15	Ajay kumar Sharma	754444	7544		
16	Ahmad Ali	633000	6330		
17	Isha kuraishi	756858	7569		
18	Mahendra Yadav	717616	7176		
	Total	1,16,26,401	1,16,266		



e) DETAILS OF DEPOSIT OF TDS ON GST ARE MENTIONED BELOW:

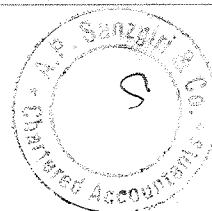
S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	CPIN
1	Brijesh Kumar	340999	6820	30.11.2018	18111000099566
2	Sanjeev Kumar	432859	8657		
3	Ashok Kumar	494703	9894		
4	Umesh chaudhry	231250	4624		
5	Bablu Singh	324806	6496		
6	Rajiv kumar singh	610762	12214		
7	Maa Eatt Udyog	98870	1978		
8	Sandic Enterprises	300438	6008		
9	Aditya Enterprises	842857	16858	16.02.2019	19021000000405
10	Bablu Singh	453306	10186		
11	Satendra Ram	208328	4682		
12	Maa Vaishno Ent.	649764	12674		
13	Usha Eatt Udyog	276409	1860		
14	Saundic Enterprises	327742	1294		
15	Ahmad Ali	515398	11582		
Total		61,08,491	1,15,827		

f) Details of TDS returns filled are mentioned below:

S.N	Quarter	Due date of Return	Actual date of Return filled	Remark
	Q-1		Not File	
	Q-2			
	Q-3			
	Q-4		31.05.2019	Filed

7. DEFICIENCY IN PAYROLL SYSTEM:

S.N	Particulars	Comments
1	Status of maintenance of salary register for all employees (Permanent/Daily wages/ Contract worker)	YES
2	Non availability of Salary payment voucher	Salary voucher not prepare
3	Matching of voucher number with cash book	As salary voucher not prepare, hence there is no question of matching.
4	Salary register contains all elements of salary	YES
5	Maintenance of Salary Deduction register	Salary deduction register not maintained
6	Whether deduction of PF/ESI made from contract employee	NO
7	Whether biometric devices and payroll software is implemented in ULB. If Yes, then it is integrated with accounting software	Not installed yet.



8. DETAILS OF DELAY OF DEPOSIT OF EPF:

1.1.

Permanent Employee:

As per PF Act, deposit of EPF of Employees should be made 15th of the following month. However, delay has been observed for depositing of PF A/C to EPFO A/C which are as below:

Auditor Comment: No PF deducted and deposited in respect of both permanent as well as contractual employees.

Management Comment: Since for long time ULB has not deducted and deposited EPF .We are under process to deduct and deposit the same , but currently no action has been taken by Authorised officer regarding this.

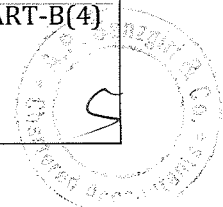
9. UTILISATION OF GRANT AND REPORT ON MISSING UTILISATION CERTIFICATES

1. STATUS OF UTILIZATION CERTIFICATE- (REFER ANNEXURE)

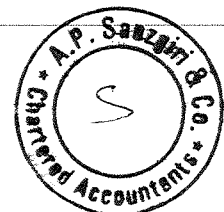
SN	Head	Details
1	STATUS OF USE OF GRANT AS PER DEFAULT ALLOCATION	Specifically grant allocation details has not been maintained, however it is maintained in grant register. <i>(Refer Discussion Note)</i>
2	PHYSICAL VERIFICATION OF INVENTORY/STORES	Refer point 31-40 PART-B (d). ULB did not follow the practice of physical verification of stock. <i>(Refer Discussion Note)</i>
3	ADVANCES, THEIR ADJUSTMENT & RECOVERY	Refer point 35-36 PART-B (d), ULB did not give loan/ advance, hence there are no case of adjustment and recovery. <i>(Refer Discussion Note)</i>

III. PART-C

S.N	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(3)
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 in-consistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actuals as per internal audits;	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 Rules of BMAR :	Refer-PART-B(4)
	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 Page 39 of 45 in 6 month	



D	Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, GoB.	Complied Refer-PART-B(4)
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(9)
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(4)
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(6)
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



INTERNAL AUDIT REPORT FOR F.Y 2018-19
ULB-NAGAR PANCHAYAT RAFIGANJ
ANNEX-1 REPORT ON LATE DEPOSIT OF PROPERTY TAX

S.No	Serial no		Amount of Tax	Date of Collection as per Receipts Booked	Amount Deposited with Cashier	Delay in Deposit with Cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To						
1	1476	1485	11285	03.04.18 TO 09.04.18	10.04.2018	11285	1-7	10.04.2018
2	1486	1498	7517	09.04.18. TO 08.05.18	10.05.2018	7517	1-31	19.05.2018
3	1701	1719	11906	0305.18 TO 08.05.18	10.05.2018	11906	1-7	19.05.2018
4	1801	1820	34203	04.05.18 TO 13.05.18	14.05.2018	34203	1-10	19.05.2018
5	1720	1733	10223	10.05.18 TO 23.05.18	23.05.2018	10223	1-13	29.05.2018
6	1821	1834	6940	15.05.18 TO 24.05.18	06.06.2018	6940	1-22	15.06.2018
7	1661	1676	23286	03.05.18 TO 15.05.18	15.05.2018	23286	1-12	19.05.2018
8	1671	1700	18262	15.05.18 TO 30.05.18	01.06.2018	18262	1-16	15.06.2018
9	1738	1746	11671	04.06.18 TO 08.06.18	08.06.2018	11671	1-4	15.06.2018
10	1835	1846	7664	12.06.18 TO 25.06.18	29.06.2018	7664	1-17	29.06.2018
11	1747	1759	18101	12.06.18 TO 26.06.18	27.06.2018	18101	1-15	27.06.2018
12	1901	1931	23295	Jun-18	27.06.2018	23295	10	27.06.2018
13	1944	1951	12049	10.07.18 to 20.07.18	27.07.2018	12049	1-17	31.07.2018
14	1767	1776	20221	04.07.18 to 20.07.18	24.07.2018	20221	1-20	31.07.2018
15	1867	1877	12612	30.08.18 to 17.09.18	18.09.2018	12612	1-18	29.09.2018
16	1884	1893	11790	01.10.18 to 11.10.18	18.10.2018	11790	1-17	31.10.2018
17	1894	1900	9249	29.10.18 to 16.11.19	22.11.2018	9249	1-24	29.11.2018
18	1	10	25719	19.11.18 to 22.11.19	23.11.2018	25719	1-5	29.11.2018
19	107	116	21588	14.12.18 to 26.12.18	26.12.2018	21588	1-12	28.12.2018
20	35	41	15828	03.01.19 to 09.01.19	10.01.2019	15828	1-7	30.01.2019
21	118	125	23290	03.01.19 to 12.01.19	16.01.2019	23290	1-13	30.01.2019
22	142	156	41468	30.01.19 to 14.02.19	16.02.2019	41468	1-17	26.02.2019



23	195	200	6250	16.03.19 to 27.03.19	27.03.2019	6250	1-11	30.03.2019
24	401	403	3769	27.03.19 to 30.03.19	30.03.2019	3769	1-3	30.03.2019



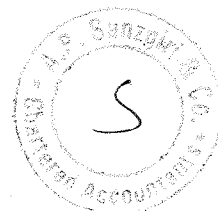
RAFIGANJ PANCHAYAT

Discussion Note

Date: 30.12.2019
Rafiganj Panchayat
With
AP Sangziri & Co.
(Chartered Accountants)

Subject: Regarding confirmation of documents not maintained and management comment in Internal Audit Report for F.Y. 2018-19.

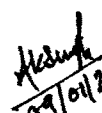
S.N.	Auditor observation	Management comment
1	Non Action taken on Remaining Para of AG Report for F.Y. 2012-13 & 13-14; (Refer IAR-) for 2017-18	We have submitted AG Compliance Report on all Para. But the Question raised by Auditor on those Para which is not dismiss by AG. It is under process to comply again on said Para.
2	No Municipal Accounts committee established;	It is under process, and matter will be put before board for constitution of "Municipal Accounts Committee";
3	Non levy of Notice fee;	Currently in Rafiganj Panchayat "Notice Fee" is not collecting but it will be collected as per rules framed in this behalf;
4	Non levy of Taxes in IAR under Para " I Part-A a) (1);	We will collect in near future of those taxes which is imposible within municipality area;
5	Late deposit of property Tax;	Due to wok pressure and Tax Collector are busy in another work the amount so collected has not been deposited on same day ;
6	Late deposit/ Non deposit of statutory deduction including TDS;	It will deposit on or before due date from now;
7	Non deduction of EPF Amount	It is under Process;
8	Non Preparation of Payment Voucher	It will be implemented from Q-4 of 2019-20
9	Non preparation of Complete UC details ;	It is under process with the help of "Internal Auditor" and will be submit very soon;
10	Non practice of Stock valuation;	It will be follow as per rule and management will decide about reasonable period of valuation i.e. frequency of time for valuation;
11	Directives/Notificatons/ Orders issued by UD & HD:	The same has been complied;
12	Maintenance of grant record with bifurcation like amount for Salary, water management, nail gali solid waste management and so on:	It will be submitted at the time when Audit for Q-2 of F.Y. 2019-20 Carry on;
13	Non maintenance of book refer to Para : II-PART B (a) of Internal Audit Report of above said period:	It will be maintained as per applicability of the same;
14	Report Relating to 20 High Value Property:	"Report on survey relating to 20 high value property will be Reported in 19-20 Report after physically survey"



RAFIGANJ PANCHAYAT

15	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet (Financial Statement)	Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet will be prepare after implementation of Double Entry Accounting System.
16	Non creation of Special Fund and Fund Mentioned in Chapter ix of BMA, 2007	The same will be created on applicability of relevant provision of said act;
17	Non Maintenance Fixed Assets register	It will be maintained as soon as possible;
18	Non Renewal of Leasehold property	This matter will be put before Next Board Meeting and after approval, it will be collected as per resolution passed by Board;
19	Outstanding Taxes Refer to PART-A (a)(4) of Internal Audit Report:	Recovery procedure are under process;
20	Non preparation of Bank Reconciliation statement on Monthly Basis:	It will be prepared very soon ;
21	Any Payment made out of Municipal Fund that is not covered by Budget? :	Payment made out of budget provision. No such payment made that is not cover by budget;
22	Non implementation of Biometric Devices and Payroll Software	Not implemented, however it is under process.
23	Electricity - DPS	There is dispute regarding holding tax, which is due on electricity department, and this amount has not been adjusted towards electricity due on Rafiganj Panchayat.
24	Non filing of TDS Return on Due date:	The same has been complied thereafter;
25	Status of "Double Entry Accounting System"	Currently there is no Agency working for Implementation of "Double Entry Accounting System"
26	Irregularity in Payment Refer to PART-A (b)(3) of IAR for above said period	We will rectify the same by deducting TDS in next Bill (Refer to observation raised by Auditor in IAR - 17-18)
27	Non Maintenance of Log Book	The vehicle and Machinery has given on hire to Taraqqee NGO. Because of "Right to operation has been transfer", we did not maintained log book.
28	Non availability of Agreement for Vehicle given on Hire	We will provide the same as soon as possible;
29	Amount Remains pending for Long Period relating to "Unutilized Grant"	It will be refunded very soon;
30	Non maintenance of Advance Register	ULB not in a practice to provide Advance, hence same is not maintained.

Further we confirm/affirm the management comment given in Internal Audit report for 2018-19 is on behalf of Rafiganj Panchayat.


 09/01/2020
 नगरपालक पदाधिकारी
 नगर पंचायत रफिगंज
 उमेशचन्द्र



RAFIGANJ NAGAR PANCHAYAT
STATUS OF UTILIZATION CERTIFICATION FOR FY 2018-19

S.No	Head	Approval order and date	Sanctioned Amount	Expenses Incurred	Balance Amount	UC Submitted against Expenses	UC Pending Against Expenses	% of UC Submitted against expenses	% of UC Pending against expenses	Letter No & Date of Submission of UC
1	EO SALARY	07/22-05-2018	7.00	-	7.00	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C
2	City Manager Salary	08/24-05-2018	1.97	-	1.97	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C
3	Nali-Gali	09/30-05-2018	98.35	-	98.35	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C
4	Civic Amenities Item	81/31.10.2018	37.60	-	37.60	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C
5	14th Finance	82/31.10.2018	73.00	-	73.00	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C
6	5th Finance	15/03.07.2018	119.01	-	119.01	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C
7	5th Finance	21/10-07-2018	121.71	-	121.71	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C
8	Civil Liberties	24/17-07-2018	67.63	-	67.63	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C

