



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

**INTERNAL Audit Report**  
**for F. Y.2019-20**

**Group 1**

**NAGAR PARISHAD**

**AURANGABAD**

**BY**

**A. P. SANZGIRI & CO.**

**Chartered Accountants**

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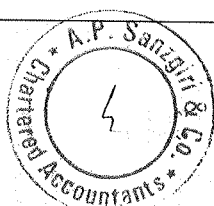
**A. P. SANZGIRI & CO.**

**CHARTERED ACCOUNTANTS**

## Document History

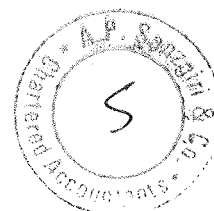
### Internal Audit

<b>Project Title</b>	<b>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"</b>
<b>Report Title</b>	<b>Internal Audit for FY 2019-20 of Nagar Parishad Aurangabad</b>
<b>Reporting Entity</b>	<b>A P SANZGIRI &amp; Co., Chartered Accountants</b>
<b>Reporting for</b>	<b>Nagar Parishad Aurangabad</b>
<b>Report Prepared by</b>	<b>Internal Audit Team of A P SANZGIRI &amp; Co., Chartered Accountants</b>
<b>Date of Submission</b>	<b>22.03.2021</b>



## Abbreviation and Acronyms

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



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# A. P. SANZGIRI & Co.

CHARTERED ACCOUNTANTS

Date: 04-03-2021

To

The Secretary

Urban Development & Housing Department,  
Patna-Bihar

**Sub:** Submission of Internal Audit Report of Nagar Parishad Aurangabad for the Financial Year 2019-20

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

Respected Sir,

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

We have undertaken our audit as per various standards on internal audit issued by the ICAI and as per scope of work and methodology presented. The audit procedures have been performed on the basis of accounting records and other information and explanation provided by the management and other authorised official. We have totally relied upon the data and information furnished by the ULB. It is the sole and exclusive responsibility of the ULB to ensure that data furnished is complete, consistent and accurate in all respect.

Our report is in nature of internal audit report only and prepared as per scope of work and methodology submitted earlier. Since the above procedures were not any statutory audit in accordance with generally accepted standards in India, we do not express any assurance on financial statement and also on the completeness of aforesaid factual findings.

Content of the report and matter might have varied if we had performed a statutory audit of the financial statement in accordance with generally accepted accounting/ auditing standards in India.

This report is restricted for the use of ULB who has agreed to the procedures and should not be used for any other purposed including disclosure to/ discussion with any other parties. We have no responsibility to update this report for the events and circumstances occurring after the date of this report.

Thanking You,

Yours faithfully,

On Behalf of  
**A P Sanzgiri & Co,**  
Chartered Accountants

*Satish Gupta*

CA Satish Gupta  
Partner

Membership No. : 1021334

FRN: 116293W

UDIN No.: 21101134AAAAJY8967

Date :16-09-2021



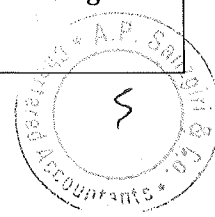
## EXECUTIVE SUMMARY

### 1. INTRODUCTION:

<b>Name of the Municipality</b>	-	Nagar Parishad Aurangabad
<b>Period covered under Current Audit</b>	-	01 <sup>st</sup> April 2019 to 31 <sup>th</sup> March 2020
<b>Name of Mayor</b>	-	Shri Uday Kumar Gupta
<b>Name of Executive Officer</b>	-	Dr.Amit Kumar

### 2. OBSERVATIONS AND FINDINGS:

<b>Strengths</b>	<ol style="list-style-type: none"><li>1. In the existing system as prevailing in the Nagar Parishad, day to day working is in progressive manner in respect of collection of revenue and execution of the projects.</li><li>2. There is sufficient co-operation from the management during the course of our audit.</li><li>3. General Cash book is properly up-to-dated.</li></ol>
<b>Weaknesses</b>	<ol style="list-style-type: none"><li>1. No physical verification of store is exercised by ULB.</li><li>2. No Physical verification of cash is exercised by ULB.</li><li>3. 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 Parishad has not been complied.</li><li>4. Fixed assets register is not maintained by ULB.</li><li>5. Statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.</li><li>6. Certain Statutory Registers and Books are not maintained.</li><li><b>7. Non Levy of Taxes:</b><ul style="list-style-type: none"><li>• Surcharge on transfer of lands and buildings</li><li>• Water Tax</li><li>• Fire Tax.</li><li>• Surcharge on electricity consumption within the municipal area</li><li>• Tax on congregations.</li><li>• Tax on pilgrims and tourists.</li><li>• Tax on profession.</li><li>• 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.</li><li>• User Charges for provision of water-supply, drainage and sewerage</li><li>• User Charges for Solid Waste Management</li><li>• User Charges for provision of water-supply, drainage and sewerage</li><li>• Collection of Fees for issue of birth and death certificates.</li></ul></li></ol>



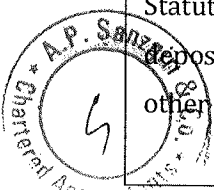
	<ul style="list-style-type: none"> <li>• Collection of Development Charges.</li> </ul> <ol style="list-style-type: none"> <li>8. ULB is not prepared monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</li> <li>9. 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</li> <li>10. Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.</li> <li>11. Non Compliance of Rule 130 of BMAR in some of the cases.</li> <li>12. ULB is not maintaining the accounts as well as not preparing the financial statements.</li> <li>13. BRS of all accounts are not prepared.</li> <li>14. ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.</li> </ol>
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**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 RECOMMENDATION:**

Observed Weaknesses	Audit Recommendations
No physical verification of store is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of the stock and process.
No Physical verification of cash is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of cash.
Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the Parishad has not been complied.	Internal Audit wing should be created by employing the Municipal Internal Auditor on the Board.
Fixed assets register is not maintained by ULB	Fixed assets register should be maintained and updated properly with the assistance of DEAS team.
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.



<p>Certain Statutory Registers and Books are not maintained.</p>	<p>Statutory register and books of accounts should be maintained as per guidelines and BMAR.</p>
<p><b>Non Levy of Taxes:</b></p> <ul style="list-style-type: none"> <li>• Surcharge on transfer of lands and buildings</li> <li>• Water Tax</li> <li>• Fire Tax.</li> <li>• Surcharge on electricity consumption within the municipal area</li> <li>• Tax on congregations.</li> <li>• Tax on pilgrims and tourists.</li> <li>• Tax on profession.</li> <li>• 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.</li> <li>• User Charges for provision of water-supply, drainage and sewerage</li> <li>• User Charges for Solid Waste Management</li> <li>• User Charges for provision of water-supply, drainage and sewerage</li> <li>• Collection of Fees for issue of birth and death certificates.</li> <li>• Collection of Development Charges</li> </ul>	<p>As per section 127, 128, 129 &amp; 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</p>
<p>ULB is not prepared monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</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 hard copy for each quarter at the end of month following each quarter</p>	<p>Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis.</p>
<p>Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.</p>	<p>As per BMAM-ULB are required to maintain fund wise receipts &amp; payments. As per BMAM, following funds should be maintained by ULB.</p> <p>1. Municipal General Fund</p>



	2. Basic service for urban poor 3. Water supply & sewerage fund 4. Solid Waste Management Fund 5. Road Development & Maintenance 6. Enterprise Fund
Non Compliance of Rule 130 of BMAR in some of the cases.	ULB should ensure compliance related to Rule 130 of BMAR on regular basis.
ULB is not maintaining the accounts as well as not preparing the financial statements.	ULB is require to maintain the accounts as well as prepare the financial statements at the end of the year.
ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.	ULB should prepare financial statements for each year and get it approved from municipal account committee. As per BMAR, audited financial statements are required to submit to auditor for audit.
BRS of all accounts are not prepared.	It should be prepared on time.

5. **COMMENTS FROM MANAGEMENT**

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

6. **ACKNOWLEDGEMENT**

During the course of the audit, management has cooperated in conducting audit, we are thankful for this.

On Behalf of **A P Sanzgiri & Co,**

Chartered Accountants

Satish Gupta  
CA Satish Gupta

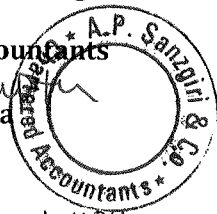
Partner

Membership No. : 101134

FRN : 116293W

UDIN No. : 21101134AAAAT78967

Date of UDIN : 16-09-2021



**DETAILED AUDIT REPORT**

**1. INTRODUCTION:**

Name Of ULB	Period-covered		Audit Team
	From	To	
Nagar Parishad Aurangabad	1 <sup>st</sup> April, 2019	31 <sup>st</sup> March 2020	Team Leader : CA Satish Gupta Name of MAE : CA Ronak Agarwal Name of Auditor-1: Raja Ansari

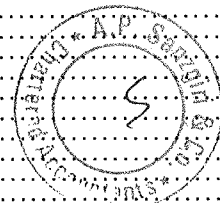
**2. ADMINISTRATION:**

Sl. No.	Particulars	Details
1	The present body of the ULB has taken charge on	June, 2017
2	<b>The incumbency in the key administrative and executive positions was as under:</b>	
2.1	<b>Name of Mayor:</b>	Shri Uday Kumar Gupta
2.1.1	<b>Period of Service:</b>	From: June 2017 To: Till Date
2.2	<b>Name of Commissioner/Executive Officer:</b>	Dr. Amit Kumar
2.2.1	<b>Period of Service:</b>	From: July, 2018 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	12	12	4	0	0	12	667 dated 22.05.18
2	Internal Audit F.Y. 2017-18 & 2018-19							Not complied (Refer discussion note)



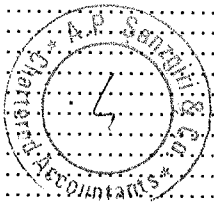
### 3.2 DETAILS OF TOTAL NUMBER OF AUDIT PARA'S:

Period of AG Audit Report : 2016-17

Compliance Report Date & Number : 22.05.2018, number- 667

Audit Para Number	Heading of the audit para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
1	Lapse of Grant	162.96	-	-	No
2	Purchase made without Publication of Tender	34.95	-	-	No
	Late fees not recovered from Suppliers and maximum amount of late fees on supply order was missing	338	-	-	No
3	Loss of Government fund	0.58	-	-	No
	Excess payment to Supplier under Registration & Insurance scheme against terms & conditions of Tender	3.35	-	-	No
4	Loss due to Non-implementation of user charges against Solid West Management System	68.44	68.44	-	No
5	Outstanding Property Tax on Government offices & Building	136	136	-	No
6	Expenses on Incomplete Projects/Scheme	214.50	-	-	No
7	Outstanding Shop Rent	9.15	9.15	-	No
8	Non-collection of Registration & Renewal fees of Mobile Towers	17.50	17.50	-	No
9	Additional Liabilities against Late Payment Cess due to delayed in payment of Electric Bill	66.88	-	-	No
10	Non-submission of Accounting Records/Reports	-	-	-	No
11	Non- Maintenance of Grant Register	-	-	-	No
12	Non-preparation of Bank & Cash Reconciliation Statements	-	-	-	No

Note-1: IILB did not provide AG report thereafter have taken from UD & HD website.



4. FINANCE

**I. BUDGETARY PROVISIONS AND EXPENDITURE FOR THE LAST THREE YEARS**

Year	Year- 2017-18	Year- 2018-19	Year- 2019-20
Final/Revised Budget Data	40,88,98,000.00	62,22,93,980.00	1,22,35,34,000.00
Actual Expenditure Data	12,29,75,837.00	17,95,88,246.00	16,04,57,130.00
Savings(+)/Excess(-)	<b>28,59,22,163.00</b>	<b>44,27,05,734.00</b>	<b>106,30,76870</b>

**Auditors Comment:**

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

**II. Volume of transactions**

Period	Budgeted for F.Y. 2019-20	Actual for the F.Y. 2017-18	Actual for the F.Y. 2018-19	Actual for the F.Y. 2019-20	Cumulative for the current period
Opening Balance	362559600.00	264755712.00	377577825.00	285872605	285872605
Receipts	3929176000.00	235797950.00	87883026.00	247020776.00	247020776.00
<b>Total</b>	<b>4291735600.00</b>	<b>500553662.00</b>	<b>465460851.00</b>	<b>532893381.00</b>	<b>532893381.00</b>
Net expenditure	1223534000.00	122975837.00	179588246.00	160457130.00	160457130.00
<b>Closing balance</b>	<b>3068201600.00</b>	<b>377577825.00</b>	<b>285872605.00</b>	<b>372436251.00</b>	<b>372436251.00</b>

**Auditors Comment:**

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



III. BANK RECONCILIATION POSITION AS ON REPORTING DATE

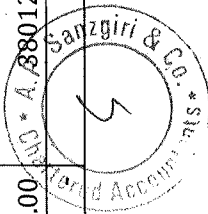
BANK RECONCILIATION POSITION AS ON 31-03-2020

S.N	Name of Bank	Bank A/C No.	Purpose of Bank Account	Balance as per Cash Book	Balance as per Bank Statement	Differences	Reconciled (Yes/No)
1	Canara Bank	1652	SBM	10,809,223.05	10,445,722.05	363,501.00	NO
2	Canara Bank	6795	IRMF	1,531,365.80	1,890,639.80	-359,274.00	NO
3	MBGB	46471	Misc.	501,462.19	532,470.59	-31,008.40	NO
4	ICICI	0500	SBM( Mother child)	3,346,136.00	3,367,942.00	-21,806.00	NO
5	PNB	13496	SLUM	24,472,366.60	24,472,366.60	-	YES
6	PNB	14945	HFA	16,193,123.47	16,116,799.07	76,324.40	NO
7	PNB	14954	AMRUT	6,084,932.05	6,084,932.05	-	YES
8	PNB	73805	NULM	3,631,702.70	3,487,332.70	144,370.00	NO
9	SBI	2271	Pension Fund	5,589,117.52	5,589,117.52	-	YES
10	Canara Bank	06923	Deduction A/c	2,675,398.00	3,289,863.00	-614,465.00	NO
11	Bank of Baroda	6171	SBM	989,963.00	989,963.00	-	YES
12	ICICI	0979	KabirAntosthyYojna	116,709.00	116,709.00	-	YES
13	Treasury	PLA-051	Treasury	175,317,359.00	176,194,442.00	-877,083.00	NO



**IV. RECEIPTS INFORMATION:**

SN		2017-18		2018-19		2019-20	
		INCOME DETAILS (Amounts In Rupees)		2018-19		2019-20	
		2017-18 (ACTUAL)	2016-17 (ACTUAL)	2018-19 (ACTUAL)	2017-18 (ACTUAL)	2019-20 (ACTUAL)	2018-19 (ACTUAL)
	<b>Total Receipts (A+B)</b>	235797950	19,70,04,556	87883026	235797950	247,020,776.00	87883026
<b>A</b>	<b>Revenue Receipts (1+2+3)</b>	91949269	7,14,06,085	63024851	91949269	101,140,598.00	63024851
1	<i>Own Revenue Receipts(a+b)</i>	76202264	95,92,480	23713884	76202264	18,296,054.00	23713884
a)	<i>Tax Revenue(collected by municipal body)</i>	15011718	80,93,766	7402089	15011718	11,997,979.00	7402089
i)	<i>Property tax</i>	12812918	55,28,098	4635389	12812918	5,777,919.00	4635389
ii)	<i>Other tax (collected by municipal body)</i>	2198800	25,65,668	2766700	2198800	6,220,060.00	2766700
b)	<i>Non-tax revenue (collected by municipal body)</i>	61190546	14,98,714	16311795	61190546	6,298,077.00	16311795
i)	<i>Fees &amp; fines</i>	0	-	0	0	536,487.00	0
ii)	<i>User Charges</i>	1681853	6,70,414	304692	1681853	24,499.00	304692
iii)	<i>Other non-tax revenue</i>	59508693	8,28,300	16007103	59508693	5,737,091.00	16007103
<b>2</b>	<b>Other Revenue Receipts</b>	5482371	23,72,284	1298809	5482371	2,137,825.00	1298809
a)	<i>Income from interest/investments</i>	4367685	22,07,129	989967	4367685	2,100,922.00	989967
b)	<i>Other Revenue income</i>	1114686	1,65,155	308842	1114686	36,903.00	308842
<b>3</b>	<b>Transfers/Grants/Assigned Revenues</b>	10264634	5,94,41,321	38012122	10264634	80,706,719.00	38012122
a)	<i>State Assigned Revenue</i>	10264634	1,60,22,245	38012122	10264634	80,706,719.00	38012122
b)	<i>State Finance Commission</i>	0	-	-	0	-	-



	<i>Grants/Devolution</i>												
c)	<i>Octroi compensation</i>	0	-	0	-	0	-	-	-	-	-	-	-
d)	<i>Other State Government Transfers</i>	0	29,39,778	0	-	0	-	-	-	-	-	-	-
e)	<i>Central Finance Commission (CFC) Grant</i>	0	-	0	-	0	-	-	-	-	-	-	-
f)	<i>Other Central Government Transfers</i>	0	-	0	-	0	-	-	-	-	-	-	-
g)	<i>Others</i>	0	4,04,79,298	0	-	0	-	-	-	-	-	-	-
<b>B</b>	<b>Capital Receipts</b>	<b>143848681</b>	<b>1,25,59,847</b>	<b>24858211</b>	<b>143848681</b>	<b>145,880,180.00</b>	<b>143848681</b>	<b>143848681</b>	<b>145,880,180.00</b>	<b>24858211</b>	<b>24858211</b>	<b>145,880,180.00</b>	<b>24858211</b>
1	<i>Sale of Municipal Land</i>	0	-	0	-	-	-	-	-	-	-	-	-
2	<i>Loans (from State Govt. Or Banks etc.)</i>		-	0	-	-	-	-	-	-	-	-	-
3	<i>State Capital Account Grant</i>	116167532	7,77,36,258	7434243	116167532	67,908,034.00	116167532	116167532	67,908,034.00	7434243	7434243	67,908,034.00	7434243
4	<i>Central Capital Account Grant (under Central Schemes etc.)</i>	27261149	4,78,62,213	17423968	27261149	45,165,820.00	27261149	27261149	45,165,820.00	17423968	17423968	45,165,820.00	17423968
5	<i>Other Capital Receipts</i>	420000	-	0	420000	32,806,326.00	420000	420000	32,806,326.00	0	0	32,806,326.00	0

**Auditors Comment:**

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

**Kindly refer discussion note**



**V. EXPENDITURE INFORMATION.**

SN	Details	EXPENDITURE DETAILS (Amounts In Rupees)					
		2017-18		2018-19		2019-20	
		2017-18 (ACTUAL)	2016-17 (ACTUAL)	2018-19 (ACTUAL)	2017-18 (ACTUAL)	2019-20 (ACTUAL)	2018-19 (ACTUAL)
	<b>Total Expenditure (1+2)</b>	122975837	21,48,60,410	179588246	122975837	160,457,130.00	179588246
1	<b>Revenue Expenditure</b>	51368331	8,19,13,075	26667488	51368331	44,511,998.00	26667488
1.1	<i>Administrative Expenses, Establishment and Salaries (All Departments-Regular and Contract)</i>	12933427	79,17,756	11543410	12933427	13,804,577.00	11543410
1.2	<i>Operation and Maintenance</i>	28094367	1,12,46,034	13101934	28094367	18,083,550.00	13101934
1.3	<i>Loan repayment (Interest payments)</i>	0	-	0	0	11,210.00	0
1.4	<i>Others (any other revenue expenditure)</i>	10340537	6,27,49,285	2022144	10340537	12,612,661.00	2022144
2	<b>Capital Expenditure</b>	71607506	13,29,47,335	152920758	71607506	<b>115,945,132.00</b>	152920758
2.1	<i>All developmental works under Central/State schemes</i>	57900098	12,58,32,820	145271265	57900098	107,698,420.00	145271265
2.2	<i>Loan Repayments (Principal Amount)</i>	0	-	0	0	-	0
2.3	<i>Other Capital expenditure</i>	13707408	71,14,515	7649493	13707408	8,246,712.00	7649493

**Auditors Comment:**

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

**Kindly refer discussion note**



#### VI. Status of Implementation of Double Entry Accounting System:

Conversion of single entry into double entry is in progress as per discussion with account officer. As explained contractual work had been assigned to the Agency and the same has been initiated by the respective agency, its related record has made available to us and are appropriate. As per the records (work order, NTP and other letter submitted by agency) it is authenticated that it is under process.

**Name of Agency:** Tibrewal Chand & Co.

**Period** : 2012 to 2020

**Email ID** : aurangabad.ulb@gmail.com

**Tally S.ID** :776803581

**Status**

<b>Year</b>	<b>Grant Register</b>	<b>Cash book</b>	<b>PTR</b>	<b>FAR</b>
2012-13	Completed	Completed	Under Process	Under Process
2013-14	Under Process	Completed	Under Process	Under Process
2014-15	Under Process	Completed	Under Process	Under Process
2015-16	Under Process	Completed	Under Process	Under Process
2018-19	Completed	Completed	Under Process	Under Process
2019-20	Up to 14.10.2019	Up to 14.10.2019	Under Process	Under Process



**VII. STATUS OF MEETING OF MUNICIPAL ACCOUNTS COMMITTEE:** The committee has been formed but no meeting held yet.

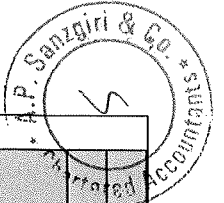
**5. AUDIT OBSERVATION:**

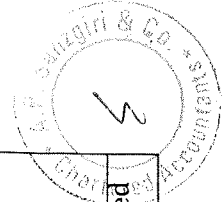
**PART-A: ALL AUDIT OBJECTIONS/IRREGULARITIES WHICH HAS MONETARY IMPLICATIONS**

**(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	<b>Objective</b>	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	<b>Criteria</b>	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	<b>Condition</b>	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. <b>In case of Nagar Parishad Aurangabad</b> , The following mentioned tax/charges are not implemented that leads to loss of revenue to corporation:																																				
		<table border="1"> <thead> <tr> <th>S.No</th> <th>Particulars</th> <th>Implemented by ULB or Not</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Property tax on lands and buildings.</td> <td>YES</td> </tr> <tr> <td>2</td> <td>Surcharge on transfer of lands and buildings</td> <td>NO</td> </tr> <tr> <td>3</td> <td>Fire tax.</td> <td>NO</td> </tr> <tr> <td>4</td> <td>Tax on advertisements, other than advertisements published in newspapers</td> <td>YES</td> </tr> <tr> <td>5</td> <td>Surcharge on electricity consumption within the municipal area</td> <td>NO</td> </tr> <tr> <td>6</td> <td>Tax on congregations.</td> <td>NO</td> </tr> <tr> <td>7</td> <td>Tax on pilgrims and tourists.</td> <td>NO</td> </tr> <tr> <td>8</td> <td>Tax on profession.</td> <td>NO</td> </tr> <tr> <td>9</td> <td>Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles.</td> <td>NO</td> </tr> <tr> <td>10</td> <td>User Charges for provision of water-supply, drainage and sewerage</td> <td>NO</td> </tr> <tr> <td>11</td> <td>User Charges for Solid Waste Management</td> <td>NO</td> </tr> </tbody> </table>	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	YES	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
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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,	YES
		16	Collection of Fees for issue of birth and death certificates.	YES
		17	Collection of Development Charges	No
4	<b>Consequences/Effect</b>	No levy of taxes will be resulted in to revenue loss to ULB.		
5	<b>Cause</b>	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	<b>Corrective Action/ Recommendation</b>	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	<b>Management Comments</b>	Kindly refer discussion note attached with the report.		

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

SN	Head	Comments
1	<b>Objective</b>	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	<b>Criteria</b>	We have checked respective books in order to carry the audit and some cases were checked on random basis.
3	<b>Condition</b>	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 1 to 10 days. Details of such cases are given in Annexure-1.
4	<b>Consequences/Effect</b>	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.

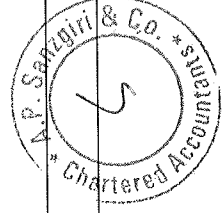
**Note: There is difference between the amounts of property tax collected through online and records of same in books of ULB. Following are the summary of difference.**

Month	As per Book	As per Online	Difference
April'19	7,70,513	9,07,013	-1,36,500
May'19	1076652	10,60,155	16,497
June'19	5,33,883	7,12,496	-1,78,613

**Reply of Concern Person: There is a lots of problem in site e.g. in some cases property tax amount comes higher than actual, as results dispute arises and property holder did not deposited the same amounts. Hence this difference arise.**

**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 is not charging and collecting notice fees.
3	Consequences/Effect	It is non-compliance of Bihar Municipal Act, 2007 which resulted in loss of revenue to the ULB.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/ Recommendation	Notice fees should be collected as per applicable provisions and rules.
7	Management Comments	Kindly refer discussion note attached with the report.



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

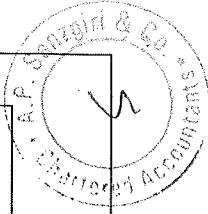
No Record in this respect has been provided by ULB Nagar Parishad Aurangabad from where outstanding Income and the Taxes can be derived .  
(Refer Discussion Note)

**(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 audit of Parishad, we have noticed that Parishad is in practice to make proper payments with all supporting's and proper tax calculation. Although there is one payment has been made to Taraquee NGO which is amount to <b>Rs. 54,54,709/- on dated 16/07/2019</b>, for which we have demanded payment voucher and other related documents, but no such documents has been provided after number of reminders. Hence, we could not make comment on the same.</p> <p>2. Following Irregularity in Payment found under "SKILL INDIA"</p>

S.No	Name of Party	Amount of Payment	Remarks
1	Comptech Training and Technologies Pvt. Ltd.	1,65,396	Following are discrepancies notice while auditing payment made to Comptech Training and Technologies Pvt Ltd 1. As per agreement clause with Comptech there should be 'Performance Review'. Performance Review judge by giving score and score is calculated in three stages. <b>Documents of Performance Review and calculation score has not been found in file of Comptech.</b>
2	Comptech Training and Technologies Pvt. Ltd.	3,13,608	2. As per agreement clause minimum attendance of student should be 80%, <b>however in most of the cases it is below 80%.</b>
3	Comptech Training and Technologies Pvt. Ltd.	4,14,421	
4	Comptech Training and Technologies Pvt. Ltd.	2,04,060	
5	Comptech Training and Technologies Pvt. Ltd.	3,12,892	The above clauses did not fulfil by Comptech than to payment have been made.



3. We have checked following payment:

Date	Name of Party	Scheme/ Bill /Voucher No	Amount of Payment	Remarks
07.01.2020	PRAVEEN KUMAR SINGH	MMNGY 21/2019-20	576808.00	
07.01.2020	TROS CONSULTANCY SERVICES PVT LTD	CONSULTANCY CHARGE	64236.00	
09.01.2020	JAI PRAKASH SINGH	MMNGY 07/2019-20	700134.00	
11.02.2020	KALPANA SINGH	MMNGY 31/2018-19	730766.00	
11.02.2020	RAVISHANKAR KUMAR SINGH	14TH FIN 24/2018-19	614830.00	
11.02.2020	GOPAL YADAV	14TH FIN 09/2019-20	385060.00	
26.03.2020	UDAY NARAYAN	ROAD & DRAIN	543396.00	
12.03.2020	SUDHIR KUMAR PARMAR	05TH FIN 25/2018-19	191871.00	
01.10.2019	Shweta Gupta	Construction of road/drain	7,69,759	
01.10.2019	Vikrant Kumar	Construction of Drain	5,79,542	
24.10.2019	Sana Aluminium and Glass House	Aluminium door & Window work	41,389	
30.10.2019	Vishal kr. Singh	Construction of road/drain	8,13,818	
20.11.2019	Vikrant Kumar	Construction of Drain	2,13,622	

No irregularity found



26.11.2019	AmanPrakash	Construction of road/drain	8,70,192
16.12.2019	Santosh Singh Kr.	Rent- Scorpio	20,100

**4. Penalty levied by Electricity Department: A summary of Penalty levied in the bill are as under**

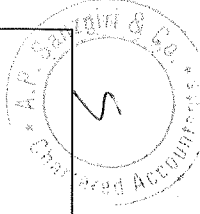
Name of Utility	Bill Amount	Due date for Payment	Actual date for payment	Penalty/Late Fees Charged
SBPDCL	51,32,803.00	Feb'2020	Not paid.	11,62,118.00
SBPDCL	2,84,49,874.11	23.02.2019	Not paid.	83,34,504.37
SBPDCL	51,32,803.00	September'19	Not paid.	11,62,118.00

4	<b>Consequences/Effect</b>	Irregularities in payment lead to excess payment, wrong deductions, non-compliance with agreement and statutory compliances.
5	<b>Cause</b>	In respect of Penalty levied by SBPDCL , the concern person replied that due non availability fund as well as dispute between SBPDCL and ULB regarding "Dues" the same issues arise
6	<b>Corrective Action</b>	Management can implement standard checklist for each payment so that irregularities in payments can be avoided.
7	<b>Management Comments</b>	<b>Kindly Refer Discussion Note for above said observation.</b>

**(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	<b>Objective</b>	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	<b>Criteria</b>	Survey was done for 20 High value properties.
3	<b>Condition</b>	We have checked twenty high value assessed property and found variances . Details of such cases are given in <b>Annexure-2</b>



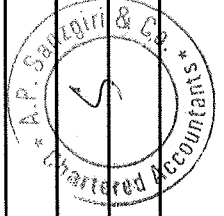
4	<b>Consequences/Effect</b>	Irregularities in this area may cause short recovery of revenue receipt and it will result in loss to the ULB.
5	<b>Cause</b>	There are some cases found in which variance arise due to assessment of area of property on lower side.
6	<b>Corrective Action</b>	Management need to carry survey of properties on regular interval.
7	<b>Management Comments</b>	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:**

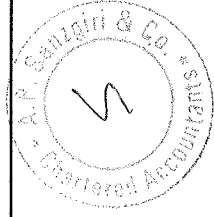
**a) NON MAINTENANCE OF BOOKS OF ACCOUNTS, SUBSIDIARY REGISTERS:**

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

S.N	Name of Register	Maintained/ Maintained	Not	Last date of Updation
1	Cash Book-Cashier	Not Updated		31/12/2019
2	Cash Book-Accountant	Not Updated		31/12/2019
3	Collection Register	Not Updated		31/12/2019
4	Cheque issue Register	Not Updated		31/12/2019
5	Register of Advance	Not Updated		31/12/2019
6	Register of Permanent Advance	Not Maintained		-
7	Deposit received register	Not Updated		31/12/2019
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	-
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:**

**➤ COMPLIANCE REGARDING TENDER ISSUED BY THE ULBS:**

Tender Issue Date & Number	Mode of Tender (Quotation/Open Tender/Selective Tender/Limited Tender)	Is Minimum Party applied for tender	Is comparative chart attached in tender file.	Is EMD/PG/Security submitted by participants as per requirement of tender	Whether security deposit and money in tender/agreement process have been deposited in the bank immediately.	Similarly refunds of these security deposit and money have been made on time.	Is work order issued to selected party on time?	Is Financial Bid of all participants attached
NIT-03 dated 15.11.2019	E-Tender	YES	YES	YES	YES	Not matured	YES	YES
NIT-04 dated 15.11.2019	E-Tender	YES	YES	YES	YES	Not matured	YES	YES

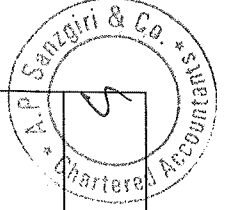
**➤ DETAILS OF LOG BOOK MAINTAINED**

Nagar Parishad Aurangabad has given all its Vehicle on hire to taraqqee NGO, this NGO perform services for cleaning within Aurangabad municipality. Because of right to operation has been transfer to taraqqee NGO, Nagar Parishad Aurangabad did not maintained Log book in respect of vehicle and other machinery given on hire. (Refer Discussion Note)

S.N	Name of Vehicle	Whether vehicle log book is maintained or not	Whether log book is properly updated or not	Whether vehicle is insured or not	Whether Rate of Diesel/Petrol properly mention in log book
01	JCB New	Not maintained	Not updated	Not insured & registered	Not mentioned
02	Tractor	Not maintained	Not updated	Not insured & registered	Not mentioned
03	Water Tanker	Not maintained	Not updated	Not insured & registered	Not mentioned
04	Magic	Not maintained	Not updated	Not insured & registered	Not mentioned

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

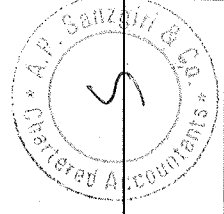
S.N	Directions Issued by UDHD	Particulars of Circulars/Orders/Notices	Complied or Not
1	Patrank Number : 1888 Dated : 03.04.2019	Regarding Compliances of Provision of Employees Provident Fund Act, 1952;	Not Complied
2	Gyapank Number : 2120 Dated : 24.04.2019	Shortage of Drinking water within municipality area - Kind of steps taken by ULB to prevent this shortage.	Complied



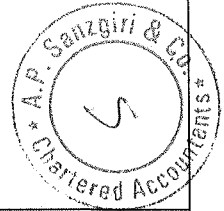
3	Gyapank Number : 2412 Dated :14.05.2019	Regarding Deposit of PF amount	Not Complied
4	Gyapank Number : 1353 Dated :28.05.2019	Direction regarding processing and disposal of "Solid waste management"	Complied
5	Patrank Number : 2960 Dated : 13.06.2019	Regarding Repair and Maintenance of Handpump	Complied
6	Gyapank Number : 1551 Dated :24.06.2019	HFA	Complied
7	Gyapank Number : 1497 Dated :30.10.2019	Survey of "use of Ply ash and Bricks" and compliance of direction given in this regard . And availability of copy for compliance of direction for decision taken in the Meeting held in this behalf as on 26.09.2018.	Complied

**(d) NON-COMPLIANCE OF ACT & RULES:**

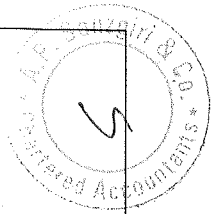
S.N	Requirement	Criteria	Auditors Comment	Management Comments
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made	BMAR Rule No.-22	Refer point: Part-A (a) (2) As per verification of receipt book it is noted that there was average delay of 1 to 8 days in collection and deposit of tax into bank	(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, 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	BMAR Rule No.- 27	Yes, Collection register was in the personal custody of the bill collector and	



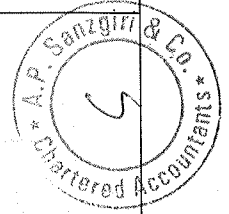
	particulars in It shall be written up from the original receipts issued at the time of collection.		the particulars in It shall be written up from the original receipts issued at the time of collection.	
4	Whether bill collector get its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated staff of the Municipality	BMAR Rule No.- 27	The ULB has maintained properly collection register as well as the receipt books in respect of issue & deposit.	
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)As per verification of receipt book it is noted that there was average delay of 1 to 8 days in collection and deposit of tax into bank	<i>(Refer Discussion Note)</i>
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 Proper Grant Register is maintained by ULB.	<i>(Refer Discussion Note)</i>
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	BMAR Rule No.- 69	<b>Refer point: Part-B (6)</b> UC is prepared with the help of IA.	<i>(Refer Discussion Note)</i>



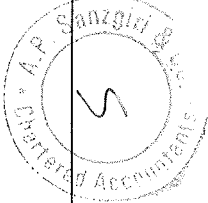
	Chief Municipal Officer that the conditions attached to the grant are complied with without exception.				
8	Whether The grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.- 69	No irregularities in this regard was observed.		
9	Whether the Utilization Certificate was signed by Chief Municipal Officer for verification of the financial outlays and physical progress reported on BMAR Form No 29.	BMAR Rule No.- 69	<b>Refer PART-B (h)</b> UC is prepared with the help of IA.	<b>(Refer Discussion Note)</b>	
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	Yes, Municipality has returned unutilized grant for more than three years from date of receipt to the source 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 preparing a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month	<b>(Refer Discussion Note)</b>	
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 preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	<b>(Refer Discussion Note)</b>	
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	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	<b>(Refer Discussion Note)</b>	

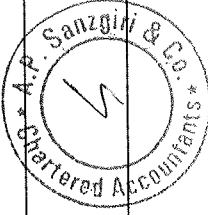


	following each quarter		quarter at the end of month following each quarter.	
<p>The Chief Municipal Officer shall, Within three months after the end of each financial year be prepared financial statements for the preceding year in respect of the accounts of the Municipality. <b>The Financial Statements shall comprise of</b></p> <p>a. Receipts and Payments Account for the year (BMAR Form No.71)</p> <p>b. Income &amp; Expenditure Statement for the year (BMAR Form No.73)</p> <p>c. Balance Sheet as on 31st March of the year (BMAR Form No.74)</p> <p>d. Significant accounting policies adopted by the Municipality in presentation of the financial statements.</p> <p>e. Notes to Accounts, which shall disclose Contingent liabilities, and such other information as, may be useful in understanding the financial statements clearly.</p> <p>f. Comparative amounts shall be entered on the financial statements for the preceding financial year except. In the case of the first year to which those rules apply</p>	<p>BMAR Rule No.- 122</p>	<p>BMAR Rule No. - 122 was not followed by ULB during the F.Y. 2019-20.</p>	<p>(Refer Discussion Note)</p>	

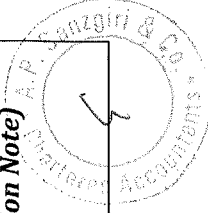


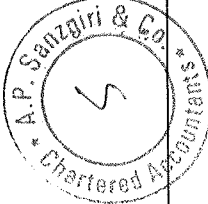
15	Whether the municipality is regular in depositing statutory dues including tax deducted at source, GST, TDS on GST, service tax, VAT, works contract tax, cess payable to the government etc. and If not, the nature and cause of such delay and the amount not deposited: (BMAR Rule No.-130)	BMAR Rule No.-130	<b>Refer PART-B (6)</b> We observed that ULB was not regular in compliance of statutory dues.	<i>(Refer Discussion Note)</i>
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	<b>Refer PART-B (8)</b> We cannot comment on employees related to statutory compliance, as related records was not made available for audit.	<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	Not stated sufficient details.	
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, 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. The ULB has made such deductions properly accounted but not accounted on time.	
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 details regarding creation of special fund and their use was made available to comment thereon.	<i>(Refer Discussion Note)</i>

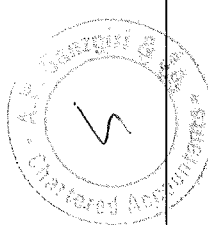


20	Whether the ULB is maintaining proper records showing full particulars, including quantitate details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable Intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;	BMAR Rule No.-130	ULB was not maintaining fixed assets register. Further no fixed assets physically verified report was made available to comment upon.	<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	No details regarding lease hold property was made available to comment upon.	<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, ULB followed adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets.	
23	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality's accounts; If so, the details thereof;	BMAR Rule No.-130	We have not observed such type of transaction during 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	<b>Refer Point-04 (III)</b> No, ULB is not preparing bank reconciliation for all bank accounts maintained.	<i>(Refer Discussion Note)</i>
25	Whether the year-end and reconciliation procedures prescribed have been carried out as	BMAR Rule No.-130	No Reconciliation has been carried out by ULB in respect of bank A/c	

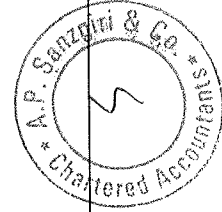
	per the rules;				
26	Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget. whether made originally or subsequently and are in all cases such as are authorized by Act;	BMAR Rule No.-130	Yes.		
27	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis;	BMAR Rule No.-130	<b>Refer-PART-A (a)(4)</b> Yes, ULB has properly assessed and accounted revenue. But collection and recovery of taxes was in slow pace that's why there was arrear of taxes in ULB, which leads to loss of revenue to 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	<b>Refer-PART-A (a)(2)</b> Yes, all sum due to and received by the ULB have been brought to account within the prescribed time limits and in all cases such as are authorized by Act. Except; In case of deposit of daily tax collection, which is deposited on average 1-8 days after collection.		
29	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order;	BMAR Rule No.-130	Yes, the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction 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	BMAR Rule No.-130	<b>Refer-PART-B (a)</b> No, Some required books of accounts as per BMAM/BMAR has not been		<b>(Refer Discussion Note)</b>

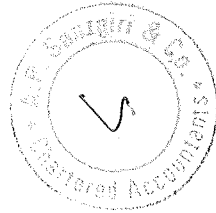


	of those books. (Rule-130 of BMAR-2014)		maintained.	
31	Whether physical verification has been conducted by the ULB at reasonable intervals In respect of stores;	BMAR Rule No.-130	No store verification report was made available during the reporting period to comment upon.	<b>(Refer Discussion Note)</b>
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.	<b>(Refer Discussion Note)</b>
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	<b>(Refer Discussion Note)</b>
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	<b>(Refer Discussion Note)</b>
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,	BMAR Rule No.-130	ULB not follow the practice of giving loan and advances to its parties.	

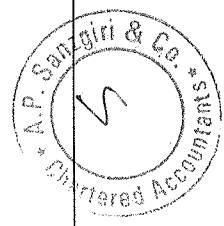
	whether reasonable steps have been taken by the municipality for recovery of the principal and interest?				
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.-130	ULB did not follow practice of giving advance to employees.		<i>(Refer Discussion Note)</i>
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 details was provided		
38	<b>Municipal Fund:</b> 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.		<i>(Refer Discussion Note)</i>
39	<b>Payment not to be made out of Municipal Fund unless covered by budget grant:</b> 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.		
40	<b>Procedure when money not covered by budget grant is paid.</b> Whether the case is put up with Empowered Standing Committee, in case any payment made out of Municipal Fund that is not covered by	BMA,2007: Chapter X	No details was provided		

	budget grant.				
41	<p><b>Investment of surplus money.</b> Whether municipality has invested surplus fund as per the requirement of the chapter-X of BMA-2007. Auditor will report on the fixed deposit and other funds should be in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period. Check whether comparative interest rate is invited from parties before investing surplus funds:</p>	BMA,2007: Chapter X	As per ULB, No investment was done by ULB.		
42	<p><b>Preparation of budget estimate of Municipality.</b> Whether The budget estimate stated the rates at which various taxes, surcharges, cesses and fees shall be levied by the Municipality in the year next following.</p>	BMA,2007: Chapter XI	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	<p><b>Maintenance of accounts.</b> Whether the Commissioner/ Chief Municipal Officer prepared and maintained accounts of receipts and expenditure of the Municipality in such form, and in such manner, as may be prescribed,</p>	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.		(Refer Discussion Note)



44	<p><b>Financial Statement.</b> Whether The Chief Municipal Officer shall, within four months of the close of a year, cause to prepare a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality,</p>	BMA,2007: Chapter XII	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.	
45	<p><b>Submission of financial statement and balance sheet to auditor.</b> 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 <b>this behalf by the State Government.</b></p>	BMA,2007: Chapter XII	No, Financial Statements were not provided for audit by ULB.	<i>(Refer Discussion Note)</i>
46	<p><b>As per section 127, 128, 129 &amp; 131 of chapter XV Bihar Municipal Act,2007 various tax are applicable on ULBs</b> 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</p>	BMA,2007: Chapter XV	<b>Refer-PART-A (a) (1)</b> for status of taxes not collecting by ULB.	

			<p>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.</p>
47	<p>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,</p>	<p>BMA,2007: Chapter XIX</p>	<p><b>Refer-PART-A(a)(3)</b> No, ULB is not issuing notice fees to defaulter and collecting notice fees.</p>
48	<p>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.</p>	<p>BMA,2007: Chapter XXXVII</p>	<p>Yes, ULB is collecting trade license fee from different types of Trader, who are trading in Concerned Municipal area. Although many of them even are not registered as per concerned officer.</p>



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

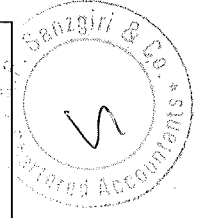
- Stock Register is not updated properly. It should be maintained on real time basis.
- In respect of budget, realistic approach is not adopted by the ULB in preparation of budget as the huge differences arises in actual v budget. .
- Appropriate staff is not appointed at appropriate places.
- No MIS was prepared for tracking of payments.
- Required books of accounts as per BMAM was not maintained.
- Statutory compliance reconciliation was not maintained

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

➤ DETAILS OF DELAY IN DEPOSIT OF TDS ARE MENTIONED BELOW:

Month	TDS Deducted	Due Date	Date of Deposit	Interest
June'19	28,210.00	07-06-2019	03.06.2019	-
July'19	3,80,584.00	07-08-2019	14.08.2019	5708.76
August'19	1,00,311.00	07-09-2019	07.09.2019	-
September'19	2,90,480.00	07-10-2019	09.10.2019	4357.2
October'19	2,86,478.00	07-11-2019	04.11.2019	-
November'19	1,91,988.00	07-12-2019	03.12.2019	-
December'19	84,622.00	07-01-2020	04.01.2020	-
January-2020	1,69,950.00	07-02-2020	Not Deposited on due date	
February- 2020	2,82,732.00	07-03-2020		
March-2020	2,14,019.00	07-04-2020		

➤ DETAILS OF DELAY IN DEPOSIT OF VAT ARE MENTIONED BELOW: Not applicable



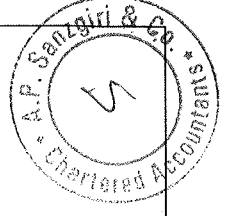
➤ DETAILS OF DEPOSIT OF ROYALTY ARE MENTIONED BELOW:

Month	Royalty Deducted	Date of deposit
July'19	4,58,896.00	
August'19	1,98,721.00	
September'19	4,42,824.00	
October'19	3,20,098.00	
November'19	2,01,999.00	Not deposited
December'19	62,310.00	
January-2020	3,78,159.00	
February- 2020	7,29,427.00	
March-2020	7,51,590.00	

Note: During audit of Parishad, we have noticed that no amount of royalty has been deducted during financial year 2019-2020 – Quarter 1.

➤ DETAILS OF DEPOSIT OF LABOUR CESS ARE MENTIONED BELOW:

Month	Labour Cess Deducted	Date of deposit
July'19	2,50,420.00	
August'19	1,14,282.00	
September'19	2,53,396.00	
October'19	2,19,078.00	
November'19	1,49,739.00	Not deposited
December'19	44,025.00	



January-2020	1,64,080.00
February- 2020	2,65,009.00
March-2020	1,58,651.00

Note: During audit of Parishad, we have noticed that no amount of labour cess has been deducted during financial year 2019-2020 – Quarter 1.

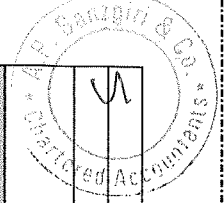
➤ **DETAILS OF DEPOSIT OF TDS ON GST ARE MENTIONED BELOW:**

Month	Date of deposit
June'19	03.06.2019
July'19	07.08.2019
August'19	-
September'19	01.10.2019
October'19	04.11.2019
November'19	03.12.2019
December'19	04.01.2020
January-2020	Deposited
February- 2020	
March-2020	

➤ **Details of TDS returns filed are mentioned below:** During the audit we have observed that no TDS returns has been filled during financial year 2019-2020.

**(g) DEFICIENCY IN PAYROLL SYSTEM:**

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



4	Salary register contains all elements of salary	Yes, Maintained in quitance register
5	Maintenance of Salary Deduction register	Yes, Maintained in quitance register
6	Whether deduction of PF/ESI made from contract employee	Not Deducted
7	Whether biometric devices and payroll software is implemented in ULB. If Yes, then is it integrated with accounting software	Not Implemented

➤ **DETAILS OF DELAY OF DEPOSIT OF EPF:**

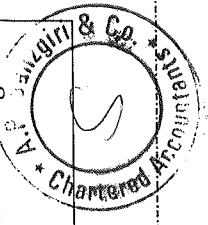
**Permanent Employee:** As per PF Act, deposit of EPF of Employees should be made 15th of the following month. However management replied details are not available and it will be provided later. PF not deposited.

Month of Deduction	Amount Deduction	Due date of deposit	Amount Deposit	Actual Date of deposit	Delay in days
April - 19	75,895.00	15.05.2019	Not Deposited	Not Deposited	259
May - 19	75,553.00	15.06.2019	Not Deposited	Not Deposited	228
Jun - 19	75,287.00	15.07.2019	Not Deposited	Not Deposited	198
July - 19	28,473.00	15.08.2019	28,473.00	05.09.2019	21
Aug - 19	27,554.00	15.09.2019	27,554.00	05.09.2019	-
Sep - 19	28,459.00	15.10.2019	28,459.00	01.10.2019	-
Oct'19	28,459	15.11.2019	28,459	15.11.2019	
Nov'19	26,738	15.12.2019	26,738	12.12.2019	
Dec'19	8,904	15.01.2020	8,904	13.01.2020	

**Contractual Employee:** As per PF Act, deposit of EPF of Employees should be made 15th of the following month. However management replied details are not available and it will be provided later. PF not deposited.

**(h) Utilisation of Grant and report on Utilisation Certificates**

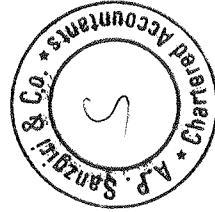
SN	Head	Details
1	STATUS OF UTILIZATION CERTIFICATE:	UC is prepared with the help of Auditor in coming future. (Refer Discussion Note)
2	STATUS OF USE OF GRANT AS PER DEFAULT ALLOCATION	Specifically grant allocation details has not been maintained, however it is maintained in grant register. (Refer Discussion Note)



i.] PHYSICAL VERIFICATION OF INVENTORY/STORES- Refer point 31-40 PART-B (d). ULB did not follow the practice of physical verification of stock.  
(Refer Discussion Note)

i.] 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. (Refer Discussion Note)

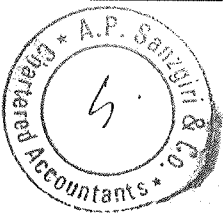
(k) Any other matters as may be prescribed in due course: As all relevant matters has been covered in above mentioned points.



**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(4)
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 :	Complied Refer-PART-B(d)
	<b>Rule 22:</b> All moneys to be brought to account	
	<b>Rule 27:</b> Collections to be deposited into Bank on the same day	
	<b>Rule 69:</b> Grant Related Compliance	
	<b>Rule 120-121:</b> Monthly Receipt & Payment Account and Trial Balance	
	<b>Rule 130:</b> Audit to be completed & reported within 6 month	
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, Sairatetc;	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	Complied Refer-PART-B(h)

	Utilisation Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	
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 the loss and Prepare a statement of loss.	Complied Refer-PART-A(a)
N	Auditor will report on that all kind of tax deductions i.e. Commercial tax, Income tax, provident fund etc. Should be deducted from the payments as applicable, deposited properly and also should be properly recorded in appropriate ledgers.	Complied Refer-PART-B(f)
O	Internal Auditor will ensure that all the C&AG audit & Internal audit Paras has been complied by the ULBs, if not complied the Internal Auditor shall help the ULBs staffs to prepare the compliance report.	Complied Point-03 of Detailed Audit Report



**4. DETAIL AUDIT OBSERVATIONS (F.Y. 2019-20)**

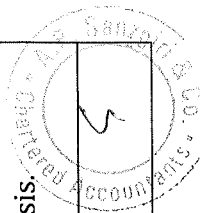
**RISK ASSESSMENT**

Name of the ULB: NAGAR PARISHAD AURANGABAD

SN	Observations	Risk Rating	Design Gap	System Gap	Operating Gap	Management Comment	Auditor Recommendations
<b>DEMAND GENERATION</b>							
1	Loss of Revenue due to under assessment/ wrong generation of demand	NA	NA	NA	NA	Management replied that due to on going spurt of COVID-19 Pandemic currently it is not possible to conduct audit of property tax because one of staff , in whose custody related document available is found POSITIVE.	NA
2	Collusion with citizen regarding assessment	NA	NO	NO	NO		
3	Non-updating various register like hand book, DCB register, Assessment register, etc.	M	NO	NO	YES	Instructions given to the staff for updation of books of accounts on time.	Books of accounts should be updated on real time basis and ULB management should check it on regular interval.
4	Others	NA	NA	NA	NA		

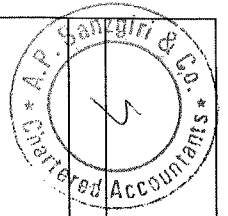
**RECEIPT AND BANKING**

1	Error in collections, loss of receipts and perpetrated frauds	H	NO	NO	YES	It will be rectify very soon in near future	It is recommended that ➤ Collection must be in timely manner ; ➤ Amount collected must be deposited without making any delay; ➤ And Regular check by competent authority to mitigate any type of fraud in this regard.
2	Non-updating various register like hand book, DCB register, cash book, etc.	M	NO	YES	NO	We have shortage of skilled employees and due to this we are facing problem like this.	The various register like DCB, hand book Cash Book etc. should be maintained on real time basis.
3	Collusion with the citizen and the ULBs staff to make wrong	NA	NO	NO	NO		

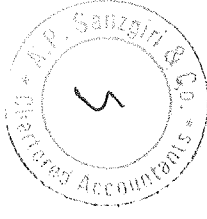




2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication/ Procedural Error	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with Employee	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Perpetrated Fraud (Like Payment more than one time on same bill)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Non-updating various register likes store register, issue register, bill register with payment fig., advance register, etc.	M	NA	YES	NA	NA	NA	NA	NA	NA	It will be maintained.	It is recommended to maintain the same and it should be cross checked on regular interval by competent authority to mitigate fraud.	NA
7	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>GRANT AND LOANS AND UTILIZATION THEREOF</b>													
1	Not utilization of grant or grant un-spent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Not furnishing of UC	H			YES						It will be submitted.	UC must be furnished on time as per specified guidelines and format.	NA
3	Non fulfillment of condition part thereto	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Perpetrated fraud (Like payment more than one time same contractor)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Non-updating various register like grant register, work register, bill register with payment fig., advance register etc.	H			YES						Will be updated very soon by deploying skilled staff.	Grant register, work register, bill register with payment fig, advance Register etc. must maintain.	NA
6	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>FIXED DEPOSIT AND INVESTMENT</b>													
1	Not deposited at appropriate time (loss of revenue)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of investment certificate	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Non fulfillment of condition part thereto	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with bank officials to invest at lower rate	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Deposit into Current account	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Non-updating various register like investment register, Bank book, cashbook, etc.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



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



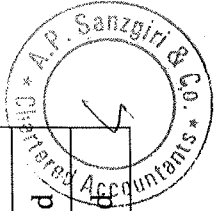
**LIST OF IMPORTANT REGISTERS**

Nagar Parishad Aurangabad

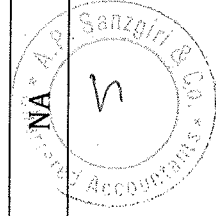
HIGH

SUBMITTED

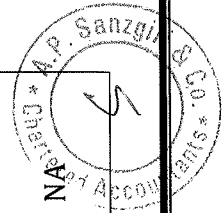
1	NAME OF THE ULB	Particulars	Audit Observation	Associates Risk	Management Comment	Status (Resolved or not)
2	RISK RATING:		Maintained	NA	NA	NA
3	CAG OBSERVATIONS STATUS		Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved
3		Journal	Not Maintained	HIGH	Will be maintained from upcoming year.	
4		Register Journal/Magazines/Newspapers for	Not Maintained	HIGH	Will be maintained from upcoming year.	
5		Register for Temporary Advances	Not Maintained	HIGH	Will be maintained from upcoming year.	
6		Register of Money Orders/Bank Draft Received	Maintained	NA	NA	NA
7		Cheque Issue Register	Maintained	NA	NA	NA
8		Register of Remittances made into bank	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved
9		Bank Passbook	Maintained	NA	NA	NA
10		Register of Bank drafts dispatched	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved
11		Bill Register	Maintained	NA	NA	NA
12		Establishment Register	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved
13		Stock Register	Not Maintained	NA	NA	NA
14		Capital Goods/ Consumable articles, non-consumable articles	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved
15		Statutory Deduction Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved
16		Fixed Assets Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved
17		Grant Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved



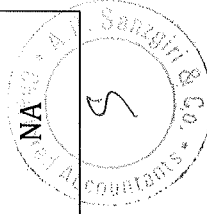
18	Scheme Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved
19	Monthly accounts of Receipts/ Payments	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved
20	Temporary Advances Register for Staff, Customers/ supplier/VEC and TA/DA Advance	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved
21	Dispatch Register	Maintained	NA	NA	NA
22	File Register	Maintained	NA	NA	NA
23	Any other (Name of the register)	NA	NA	NA	NA



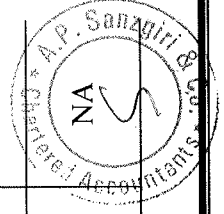
<b>CASH AND BANK</b>						
Nagar Parishad Aurangabad						
Name of the ULB						
RISK RATING:						
HIGH						
CAG OBSERVATIONS STATUS						
SUBMITTED						
PERIOD:						
F.Y. 2019-20						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Check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



7	Check whether no any fraud payment or payment to other person has been made,	No such case found payments selected for audit	NA	NA	NA	NA
8	Whether bank statement for all account have been promptly received from bank.	YES	NA	NA	NA	NA
9	Number of Bank accounts maintained	12 bank accounts are maintained.	NA	Medium	Will issue instructions to staff to collect monthly statements from bank	No
10	Original copy of cancelled receipt is attached with duplicate copy with "CANCELLED" marked on it.	Not Maintained	NA	High	It will be implemented now onwards	No
11	Liability for stale cheques account review is done and necessary reversal entries are passed	Done	NA	NA	NA	NA
12	Any other	NA	NA	NA	NA	NA

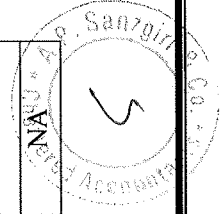


PUBLIC WORKS						
	Nagar Parishad Aurangabad					
	NAME OF THE ULB	Nagar Parishad Aurangabad				
	RISK RATING:	HIGH				
	CAG OBSERVATIONS STATUS	SUBMITTED				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether bill has been prepared as per actual measurement & page no. of the MB in which detailed measurement have been quoted has mentioned in first page of MB,	Yes, bill has been prepared on the basis of MB book.	NA	NA	NA	NA
2	Whether bill has been signed by proper in charge,	Yes	NA	NA	NA	NA
3	Whether the bill has been checked by the accountant with the MB (also compare the qty.), estimate, agreement, previous bill (in case of running agreement)	Yes	NA	NA	NA	NA
4	Verify whether any payment made for removing/dismantling materials which have scrap value must be indicated in the bill.	Yes	NA	NA	NA	NA
5	Whether measuring has done by the engineer concerned,	Measurement of work is done by J.E. of ULB.	NA	NA	NA	NA
6	Whether expenditure on construction of work was debited to WIP & verified with MB maintained	Manual books are maintained	NA	NA	NA	NA

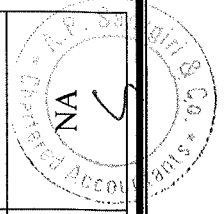




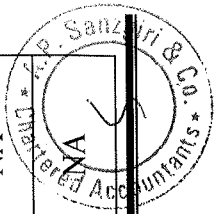
Cash Book						
	Nagar Parishad Aurangabad					
	HIGH					
	SUBMITTED					
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether Opening Balance & Closing Balance was worked out or not,	Yes	NA	NA	NA	NA
2	Whether posting of receipt & payment side of cash book are properly maintained & it was matched with proper evidence like Receipt Voucher, Cheque issue Register, Bank Statement, etc.,	Yes	NA	NA	NA	NA
3	Whether posting in on daily basis.	Audit is done after March, 2020 hence we cannot comment on it.	NA	NA	NA	NA
4	Whether there is any clerical error (casting or /and posting error, etc) or not	No such instances found	NA	NA	NA	NA
5	Whether any delay in deposit of amount of collection by cashier,	Yes Kindly refer Annexure-I Attached with report.	NA	HIGH	We will take steps for deposition of collection on very next day.	No
6	conduct physical verification of cash and report heavy cash balance if any	ULB did not physically verify Cash.	NA	LOW	We will put the matter before board and follow accordingly.	No
7	Any Other	NA	NA	NA	NA	NA



Collection						
Nagar Parishad Aurangabad						
NAME OF THE ULB						
RISK RATING:						
HIGH						
CAG OBSERVATIONS STATUS						
SUBMITTED						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether collection procedure are as per guidelines/direction of ULB,	No, Further collection is not deposited in to bank on same day.	Annex-1	High	We will follow the policy now onwards.	Not Resolved
2	Whether collections are made on the basis of Demand & Collection Register ,	No demand register produced before Auditor. Further as per information given by concern officer there is no demand register.	NA	High	We will consider the matter and solve accordingly.	Not Resolved
3	Whether collection are made in the same receipt Vouchers which has been issued/ authorized by ULB/ state government & it should be clearer mentioned of different head & not any alteration, & the carbon copy of receipt vouchers are properly vouched so that no any variation in posting the same.	In case of checking of property tax receipt, it is found that in some cases different heads are mentioned.	NA	Medium	We will look in to this matter.	No
4	Whether collections are bifurcated in different heads as required,	Collection are bifurcated in DCR, however Consolidated amount is mentioned in the cash book.	NA	Medium	We will look in to this matter.	No
5	Whether a separate bank account has been maintained for each circle, (for PMC only)	NA	NA	NA	NA	NA
6	Whether all collections are made in proper "Receipt Voucher Book" having same serial number which was actually issued to TC,	NA	NA	NA	NA	NA

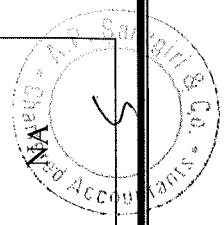


7	Whether all collections made during the day are account for & banked on next working day or there is any teaming & lading,	No audit carried out due to non availability of data.	NA	High	Management replied that due to ongoing spurt of COVID-19 Pandemic currently it is not possible to conduct audit of property tax because one of staff, in whose custody related document available is found POSITIVE.	No
8	Whether no any collection are directly expended without prior approval,	No such instances found during the audit.	NA	NA	NA	NA
9	Whether collections are made by all the holding fall under the same TC or Civics Centre	No such type of records is maintained at ULB Level.	NA	Medium	Due to shortage of human resources it is not possible in spite of this we will implement it from now.	No
10	Whether government share of collections (like Education Cess & Health Cess) are properly & timely deposited in its own account, (if applicable)	Education cess and Health cess are not deposited from Nagar Parishad side	-	High	The same is not deposited	NA
11	Whether there is any short/non collection or short deposit or not deposit	NA	NA	NA	NA.	No
12	Whether penalty (@2% P.M/ 1.5%) has been duly charged on late payment.		NA	NA	NA	NA
13	Whether daily collections are entered into hand book, collection register maintained by	Yes	NA	NA	NA	NA

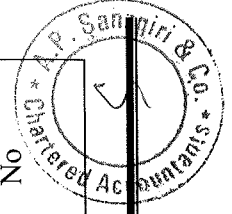


	TC & it should be properly entered in demand & collection register,								
14	Whether collection by way of cheque are properly banked & credited into account,	Yes	NA	NA	NA	NA	NA	NA	NA
15	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	Yes, in case of taxes remission/discount is given to households but there is no mechanism to trace that this refund or remission was given after duly sanction or without sanction.	NA	NA	NA	NA	NA	NA	NA
16	Whether any immediate steps has been taken or not for cheque dishonored received	No such cases found during audit	NA	NA	NA	NA	NA	NA	NA
17	Whether reversal of payment has been made for any dishonored cheque	No such cases found during audit	NA	NA	NA	NA	NA	NA	NA

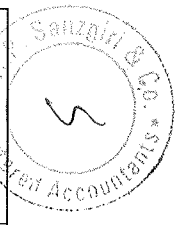
DEMAND									
Nagar Parishad Aurangabad									
NAME OF THE ULB									
RISK RATING:									
NAME OF TAX COLLECTOR									
Particulars									
S/N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)			
1	Ensure whether closing balance of previous year is accurately brought forward,	Yes, brought accurately from previous year to current year.	NA	NA	NA	NA			
2	Whether determination of demand is on manual or computerized way, & it would be as per updated rules, regulation, guidelines & other required details for proper calculation,	Manual cum computerized. As per requirement.	NA	NA	NA	NA			



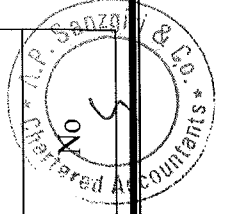
3	Whether data for calculation is correct & properly verified by appropriate authority/ Internal Auditor by way of physical survey,	It is found that for calculation of property tax, area of property or use of property, is on the basis of physical survey.	See Annexure-2	High	We will look in to this matter	Not Resolve
4	Whether revision of valuation of holding properly made after specified period	ULB not revised its valuation method after specified period. As a results of this ULB suffering revenue loss for not revising method of valuation.	NA	High	We will look in to this matter.	No
5	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	Yes, in case of taxes remission/discount is given to households but there is no mechanism to trace that this refund or remission was given after duly sanction or without section.	NA	NA	NA	NA
6	Ensure whether there is any clerical error in calculation,	We have checked some cases on random and such instances not found.	NA	NA	NA	NA
7	Whether demand register in prescribed format is maintained or not,	Not Maintained	NA	Medium	We will maintain it now onwards.	No
8	Whether persons involve in calculation/collection have knowledge of their responsibility.	Yes, but they do not have knowledge of BMAM and BMAR	NA	NA	We will conduct training for the same and trained them accordingly.	No
9	Whether there is proper distribution of responsibility for calculation, recovery & updating of register for demand, so that no single person have control on two or process at the same time,	These activities are done by one person at ULB.	NA	High	Due to lack of staff, it is not possible to allot this task to multiple members.	No



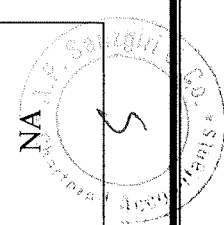
10	Whether there is any under/no assessment,	No such case observed	NA	NA	NA	NA
11	Whether there is appropriate measures(As Per section 155 & 158 of BMA, 2007) are adopted for recovery of Government/bid dues,	No such evidence of recovery of Gov. dues provided by ULB	NA	Medium	NA	No
12	Whether notice for demand has been made in prescribed format (As Per BMAR) & as per rules & regulations,	We found ULB is not in a regular practice to send notice of demand to concerned property holder to recover dues from them.	NA	High	NA	No
13	Whether penalty (@2% P.M/ 1.5%) has been charged on late payment,	We have checked transactions on random basis and it is found that penalty is charged.	NA	NA	NA	NA
14	Whether Demand, Collection & Balance Register has been prepared on daily basis for all receipts or not, & it would be authorized by proper authority or not,	Demand, Collection and Balance register is not maintained by the ULB.	NA	High	NA	No
15	Whether there are adequate safeguard on data has been operated or not,	Yes	NA	NA	NA	NA
16	Whether self assessment property tax return for payment of property tax has been filed by the assesses in the prescribed format,	We have checked transactions on random basis and it is found that SAF is implemented.	NA	NA	NA	NA
17	Whether there is any collusion with customer/holding w.r.t. assessment, payment, etc.	No such instances found	NA	NA	NA	NA



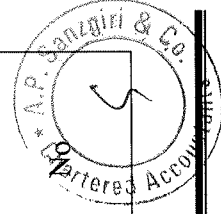
ESTABLISHMENT						
Nagar Parishad Aurangabad						
NAME OF THE ULB						
RISK RATING:						
HIGH						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether establishment expenditure is sanctioned by authorised person & it has been within sanctioned limit,	Yes, it has been authorized by appropriate person within limit.	NA	NA	NA	NA
2	Whether service log book has been maintained & up to date or not,	It is not produced before us during audit.	NA	NA	We did not maintained, however same will be maintained from upcoming time.	No
3	Audit whether apart from comparing the pay & allowance drawn by each employee in the pay bill with the corresponding entries in the pay column of the service book and checking the acquaints roll of employee who have been paid in cash,	Service book was not produced before us during audit hence we are not able to comment on it.	NA	NA	We did not maintain, however same will be maintained from upcoming time.	No
4	Whether each employee has unique identification number & it has been referred in all matter in relation to service book Whether payment made to employee has been verified with attendance register/logbook,	No such practice followed by ULB to assigned separate identity to each employee with unique number.	NA	Medium	We do not have any instructions for this matter.	No
5	Whether service book for calculation of payable has been authorized by the proper person,	Service book was not produced before us	NA	NA	We did not maintain, however	



		during audit hence we are not able to comment on it.			same will be maintained from upcoming year.	
6	Whether account department has prepared the advice & instructed the bank for the payment as per advice,	Yes	NA	NA	NA	NA
7	Whether undistributed amount of pay & allowance as shown in cash book matched with balance of undistributed salary balance,	No such case observed.	NA	NA	NA	NA
8	Whether undistributed amount of pay & allowance are not for more than 3 months as cash in hand,	No such instances found	NA	NA	NA	NA
9	Whether disbursement of pay & allowance are duly recorded in books & accepted by employee specifying separate head with date of receive (In case of arrear),	Yes	NA	NA	NA	NA
10	Whether the bill prepared according to sanctioned scale,	Yes	NA	NA	NA	NA
11	Whether no any payment is made to employee whose service retired in any Manner	No such instances found	NA	NA	NA	NA
12	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	No such instances found	NA	NA	NA	NA
13	Whether all statutory deduction or adjustment has been made before payment,	Yes	NA	NA	NA	NA
14	To check compliance of rules in regard to establishment matters viz., travel, daily allowance, leave, advances (House building and vehicle advance etc.) and settlement thereof.	Yes	NA	NA	NA	NA

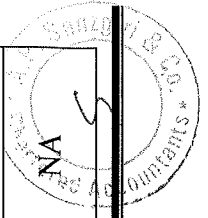


15	To check salary bills.	No Salary bill is prepared by the ULB.	NA	Medium	It will be implemented in future.	No
16	Position of outstanding advances paid to Employees	NA	NA	NA	NA	NA
17	To check deduction of provident fund and ESI has been made as per rules	Yes, it is deducted.	NA	NA	NA	NA
18	Whether PF slips are issued to the employees on yearly basis and to see whether all the statutory returns for PF are submitted to the concerned authorities.	Neither PF slip provided to its employees nor return submitted	NA	NA	NA	NA
19	To check whether salary bill is prepared in such a manner that it gives breakup of the amount of bill and all adjustments such as deduction of PF, TDS and other advances and loans etc.	No salary bill prepared by ULB; however a register containing of all details of deduction and their adjustment has been maintained.	NA	Low	Salary Bill will be prepared from now.	No
20	Check Retirement benefit to employee	No such instances found	NA	NA	NA	NA
21	Personnel Appointments and to see whether all records are updated from time to time.	Yes	NA	NA	NA	NA
22	Dismissal and Resignation/ Termination	No Such case found.	NA	NA	NA	NA
23	Temporary workers	Yes	NA	NA	NA	NA
24	Overtime	No Such case found	NA	NA	NA	NA
25	Attendance Register To check number of persons mentioned in the attendance register tally with the sanctioned strength of a unit.	Checked and found ok	NA	NA	NA	NA
25	Personnel Files	Not produced before us during audit	NA	NA	NA	NA
27	Training of employees(including development Levy)	No such practice at ULB	NA	Medium	Training for capacity building of employees will be implemented.	NA



28	Leave Register – To check whether a leave register is maintained as per types of leave as medical Leave/CL/EL/maternity/paternity leave.	Only Attendance register is maintained	NA	Medium	Registers of medical Leave/CL/EL/maternity/paternity leave will be maintained.	No
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<b>GRANT</b>						
	<b>NAME OF THE ULB</b>	<b>Nagar Parishad Aurangabad</b>				
	<b>RISK RATING:</b>	<b>HIGH</b>				
<b>S.N</b>	<b>Particulars</b>	<b>Audit Observation</b>	<b>Amt. Involved</b>	<b>Associates Risk</b>	<b>Management Comment</b>	<b>Status (Resolved /Not)</b>
1	Maintenance/Updating registers regarding detail of funds received and expenditure.	Grant register Not maintained by ULB.		High	We will maintain it very soon.	Not resolve.
2	Any diversion/re-appropriation of funds not covered under the provision of BMA, 2007 should be pointed out for remedial action.	No such case found	NA	NA	NA	NA
3	To check whether utilization certificate is for actual utilization of funds received	No such UC submitted during this audit period.	NA	HIGH	We are working on it and will be submit after completion of it.	No
4	It should also be checked that utilization certificate is issued as per prescribed time frame given in the Manual and issue of UCs is not delayed	No such UC submitted during this audit period.	NA	HIGH	We are working on it and will be submit after completion of it.	No
5	Internal Auditor should also check whether expenditure incurred on each activity does not exceed	We have checked and found no expenditures	NA	NA	NA	NA

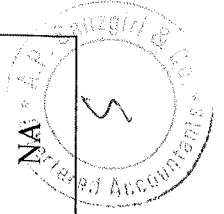


	the budget.	exceeds to its budgets.				
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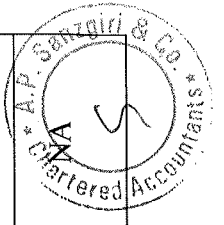


PAYMENT OF BILLS OF CONTRACTORS						
NAME OF THE ULB		Nagar Parishad Aurangabad				
RISK RATING:		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Original bill duly signed by contractors is submitted.	We have checked this on random basis and it is found ok.	NA	NA	NA	NA
2	Contractor has put his initials in all cuttings and corrections in the bill.		NA	NA	NA	NA
3	All Supporting documents are attached with the bills.		NA	NA	NA	NA
4	The rates, security deposit and deductions are as per terms and conditions specified in the agreement		NA	NA	NA	NA
5	The variations in quantities and completion period etc. have been authorized by the competent authority		NA	NA	NA	NA
6	Job completion certificate has been processed by the dealing assistant.		NA	NA	NA	NA
7	Bills passed for payment are as per rules & T & C of Tender.		NA	NA	NA	NA
8	All terms and conditions of the contract are fulfilled before passing the bills.		NA	NA	NA	NA
9	Every final bill is checked in detail with measurement books.		NA	NA	NA	NA
10	Cash/Bank Vouchers to be checked for authorization etc.		NA	NA	NA	NA
11	Overall review of the books of accounts.		NA	NA	NA	NA
12	Position of outstanding advances paid to suppliers/ contractors.		NA	NA	NA	NA

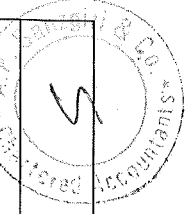
Internal Audit Report



RECEIPT VOUCHER						
NAME OF THE ULB		Nagar Parishad Aurangabad				
RISK RATING:		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether "Receipt Vouchers" are in the prescribed format & having machined serial number & there is no any manuscript form,	Yes	NA	NA	NA	NA
2	➤ Check;		NA	NA	NA	NA
3	○ What is the date of printing,	Dates written manually	NA	NA	NA	NA
4	○ What quantity of serial number was printed out,	Not produced	NA	NA	NA	NA
5	○ What is the date of dispatched, quantity of receipt vouchers & their serial number;	Not produced	NA	NA	NA	NA
6	○ Log book/ Register maintained at printing press regarding printing of "Receipt Vouchers".	Not Maintained	NA	High	We will look this matter and follow and implement accordingly.	Not Resolve
7	Verify that "Receipt Vouchers" received & their storing, having same quantity & serial numbered which was actually dispatched & proper recording of the same along with issue,	No such records was maintained	NA	High	We will maintain it very soon	Not Resolve
8	Verify Log book/ Register maintained at every collection centre & cash counter with regard to receipt & return quantity & serial number,	Yes	NA	NA	NA	NA
9	Verify the log book/ Register of 'Receipt Vouchers' & cross verified the allotments to TC(Log Book) with their date of issue, serial number, name of TC &	Yes	NA	NA	NA	NA

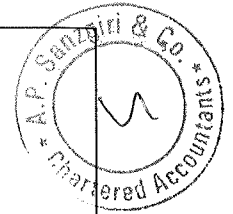


	their circle								
10	Check whether TC have same "Receipt Voucher" which was actually issued by store & it must be authorized by the appropriate authority.	Yes	NA	NA	NA	NA	NA	NA	NA
11	Check that there should be proper recording at each stage (where authority has been changed) of log book/ register for issue/receipt of "Receipt Vouchers".	Yes, the same has been maintained.	NA	NA	NA	NA	NA	NA	NA
12	Confirm that all unused "Receipt Vouchers" are under the custody of authorized person,	Yes, under the custody of store keeper.	NA	NA	NA	NA	NA	NA	NA
13	Verify that any cancelled vouchers have in both original & carbon copy,	Yes.	NA	NA	NA	NA	NA	NA	NA
14	Verify whether reversible carbon has been used during receipt.	Yes	NA	NA	NA	NA	NA	NA	NA
<b>Other Revenue</b>									
1	Advertisement Tax	No such record provided by ULB	NA	High	There is no demand register for it.	No			
2	Tower Tax	No such record provided by ULB	NA	High	There is no demand register for it..	No			
3	Professional Tax	NA	NA	NA	NA	NA			
4	Assigned Revenue (As details annexed)	NA	NA	NA	NA	NA			
5	Rental Charges (As details annexed)	No such record provided by ULB	NA	High	There is no demand register for it..	No			
6	Fee & uses Charges (As details annexed)	NA	NA	NA	NA	NA			
7	Other Revenue Items	No such record provided by ULB			There is no demand				

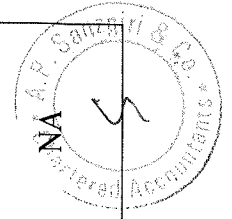


		NA	High	register for it.	No
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REVENUE EXPENSES							
Nagar Parishad Aurangabad							
Medium							
S.N	NAME OF THE ULB	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1		Whether payment is on the basis of sanction/work order letter & incurred by authorized person,	Yes.	NA	NA	NA	NA
2		Whether payment is made through prescribed voucher (As per BMAM),	No, ULB make payment on the basis of bill raised by contractor or supplier.	NA		We will follow the prescribed procedure from next time.	No
3		Whether payment is made without any undue delay or whether any cheque issued are promptly issued to the respective person,	No delay observed during audit period.	NA	NA	NA	NA
4		Whether there is bifurcation of responsibility towards person making payment & person preparing MB, receipt of goods, maintenance of Payment file, etc.,	Yes, the hierarchy is maintained toward contracts work assigned.	NA	NA	NA	NA
5		Whether updation of accounts/books are on proper & timely basis,	No	NA	Medium	Due to lack of human resources the same issues has been arise.	No

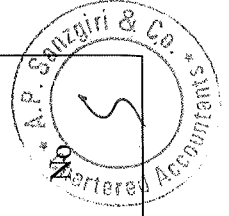


6	Whether authorized person verify & sign the document involve,	Yes	NA	NA	NA	NA	NA
7	Whether data base for the same has been properly maintained & safeguard measures are taken,	Yes	NA	NA	NA	NA	NA
8	Whether exact amount (no any over payment) are paid and verified by supporting document, & no any collusion with party,	No such type of case observed .	NA	NA	NA	NA	NA
9	Whether register for settlement of service bill has been maintained and up to date,	No such type of case observed	NA	NA	NA	NA	NA
10	Whether payment made to the same to whom it might be payable and no any second claim in this regard,	Yes	NA	NA	NA	NA	NA
11	Whether payment has been made after deducting statutory dues or advances,	Yes	NA	NA	NA	NA	NA
12	Whether the expenditure are made with a period & amount as sanctioned,	Yes	NA	NA	NA	NA	NA
13	Whether there is undue rush of expenditure at the end of financial year,	No such type of case observed	NA	NA	NA	NA	NA
14	Whether payment has to be made after confirmation from store,	No such type of practice followed.	NA	Medium	Will follow in future.	No	
15	Whether payment for repairs, etc, has to be made on the basis of logbook maintained,	No such type of practice followed.	NA	Medium	We have make payment on the basis of bill raised by service provider	No	
16	Whether payment are as per defined approval level sanctioned u/s 75 of BMA,2007,	No such case observed during Audit period.	NA	NA	NA	NA	NA
17	Confirm whether goods/assets received/accepted on or before 31 <sup>st</sup> March, where the bill is received after that date have been accounted for (either on the basis	No	NA	NA	NA	NA	NA



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

STATUTORY REQUIREMENT							
	NAME OF THE ULB	Nagar Parishad Aurangabad					
	RISK RATING:	HIGH					
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)	
1	Whether deduction of TDS on payment has been made as per law,	Yes	NA	NA	NA	NA	
2	Whether TDS deducted are timely deposited into bank with same amount,	No. Deducted amount of TDS is not deposited on timely basis as prescribed in Law.	NA	High	Ok, we will deposit on timely basis from next time.	No	
3	Whether regulatory requirement for submission of Return has been followed,	No. Return for TDS, GST and PF has not submit on or before due date.	NA	High	Ok, we will comply.	No	

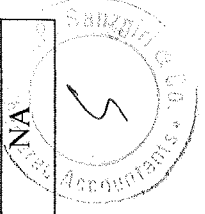


4	Whether any deduction is made in any act, must be deposited as per their respective act,	Yes, deposited but not on timely basis.	NA	High	Ok, we will comply.	No
5	Verify whether in case of "through rate" contract, there is no any payment for material, etc by the ULB	Yes no deviation found	NA	NA	NA	NA
6	Any demand is outstanding from regulatory authority for non compliance	No notice of demand found in ULB.	NA	NA	NA	NA

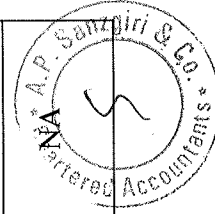
**TENDER DETAILS**

Nagar Parishad Aurangabad						
RISK RATING: HIGH						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	To check whether the provisions contained in Tender Advertisement for procurement were followed in award of contracts.	Yes, there is no deviation found	NA	NA	NA	NA
2	To check that the time/date of receipt and opening of tenders was properly incorporated in the tender documents.	Yes	NA	NA	NA	NA
3	The important guidelines relating to earnest money, delivery schedule, payment terms, performance warranty/ guarantee, inspection, arbitration, liquidated damages/penalty for delayed supplies, purchase on risk and cost were incorporated in the tender documents for safeguarding the interest of corporation.	Yes	NA	NA	NA	NA
4	The purchase proposal was approved by the competent authority as per delegation of powers	Yes	NA	NA	NA	NA
5	Indent for purchase indicates the details of quantity required, last purchase rate, period for which stores are needed and name of consignee.	Yes	NA	NA	NA	NA
6	Approval of mode of procurement	Yes	NA	NA	NA	NA

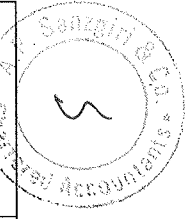
Internal Audit Report



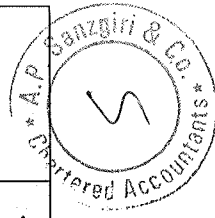
7	The tender documents are prepared properly and description of items to be procured, quantity and estimated value should be indicated.	NA	NA	NA	NA	NA
8	To check whether the direction were followed for notification/advertising and opening of bids at notified date, time and place in the presence of bidders.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



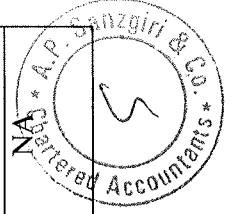
VEHICLE LOG BOOK						
Nagar Parishad Aurangabad						
NAME OF THE ULB						
RISK RATING:						
HIGH						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether logbook has maintained or not & up to date with proper details like journeys, work undertaken, covering root, visited place, kilometer, etc.	Log book is not properly maintained and updated.	NA	High	We have given instruction to follow.	No
2	Whether logbook of journey is maintained in detail & signed by the officials using them,	No	NA	High	We have given instruction to follow.	No
3	Whether it should be used for official purpose, otherwise charges are recoverable.	Yes	NA	NA	NA	NA
4	Whether details of fuel for the same has been maintained in log book,	No	NA	High	We have given instruction to follow.	No
5	Whether full details of repairs has been maintained & it have been through authorized center	No	NA	High	We have given instruction to follow.	No
6	Whether authorized person have proper check over log book.	No	NA	NA	NA	NA



FIXED ASSETS						
NAME OF THE ULB		Nagar Parishad Aurangabad				
RISK RATING:		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Status on Maintenance of Fixed Assets Register	Not Maintained	NA	High	We will maintain from now.	No
2	Budget availability is confirmed before acquisition		NA	High	Will follow and maintain from now.	No
3	Fixed assets are recognized at cost of acquisition and if so, check whether the cost components are incidental to its acquisition		NA	High	Will follow and maintain from now.	No
4	all fixed assets are acquired only after obtaining approval of the concerned authority	Neither Fixed assets register nor Asset Replacement Register maintained for current reporting period. Physical verification of fixed assets is also not done.	NA	High	Will follow and maintain from now.	No
5	Physical verification of fixed assets is done and discrepancies are reconciled with Fixed Asset Register.		NA	High	Physical verification of Fixed Assets will be done.	No
6	Depreciation is provided on each class of fixed assets at the prescribed rates		NA	High	Will follow from now..	No
7	Asset Replacement Register is properly maintained asset class- wise		NA	High	Will follow and maintain from now.	No



Others						
NAME OF THE ULB		Nagar Parishad Aurangabad				
RISK RATING:		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
<b>Register of Mutation</b>						
1	All permanent changes made in the assessment of buildings and lands have been recorded in this register with reference to the monthly lists, Register of Revision Petitions, Register of Appeal Petitions, and Register of Writes-off	Yes , ULB charges for all such thing mentioned.	NA	NA	NA	NA
2	Demands of current year and previous year have been reconciled with reference to the above details	No such documents or files provided by ULB.	NA	High	We will provide during audit of next quarter.	No
<b>Register of Suits</b>						
1	All suits filed by the municipality for recovery of any sum due are entered	NA	NA	NA	NA	NA
2	All suits filed against the municipality are entered	NA	NA	NA	NA	NA
3	Sanction from the Council obtained for filing / defending the suit	NA	NA	NA	NA	NA
4	All details like the Assessment Number, amount involved, Name of Court and Suit Number etc. are clearly entered	NA	NA	NA	NA	NA
5	Execution Petitions are filed for recovery of sums, in cases the suits are disposed in favor of municipality	NA	NA	NA	NA	NA



H INADEQUATE MONITORING OF TAX DEDUCTED AT SOURCE AND AS DEPOSITED

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**Implication/ Risk**

HIGH

**Recommendation**

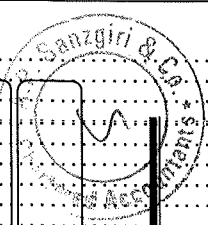
Deducted amount of TDS is not deposited on timely basis as prescribed in Law.

**Management Comments**

We will deposit on prescribed due date from next time.

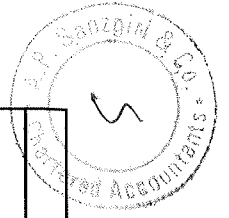
Person Responsible:

Timeless:

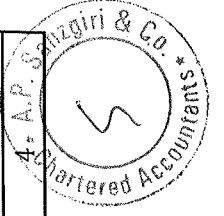


**ANNEXURE – 1: DETAILS OF DELAY IN DEPOSIT OF PROPERTY/ HOLDING TAXES**  
**ULB- AURANGABAD**  
**INTERNAL AUDIT REPORT - 2019-20**

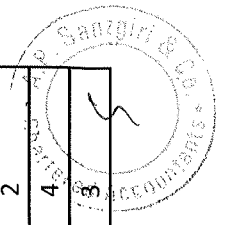
S.N	Serial Number		Amount of Tax	Date of Collection as per Receipts Booked	Amount Deposited with Cashier	Delay in deposit with cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To						
1	Online (153)		124886	01.04.19 to 15.04.19	1,24,886	Jan-20	25.04.2019	5
2	Online (54)		71,715	16.04.19 to 18.04.19	71,715	01-Aug	25.04.2019	1
3	Online (66)		63,042	20.04.19 to 24.04.19	63,042	01-Sep	29.04.2019	-
4	Online (103)		73,036	25.04.19 to 30.04.19	73,036	01-Sep	04.05.2019	-
5	Online (44)		49,673	02.05.19 to 04.05.19	49,673	01-Jun	08.05.2019	-
6	Online (29)		27,754	06.05.19 to 07.05.19	27,754	01-Mar	10.05.2019	1
7	Online (1)		2151	07.05.2019	2151	01-Feb	10.05.2019	1
8	Cheque-online		89117	08.05.2019	89117		10.05.2019	2
9	Online (21)		18551	08.05.19 to 09.05.19	18551	01-May	14.05.2019	1
10	Online (40)		23,959	10.05.19 to 15.05.19	23,959	01-Jul	21.05.2019	4
11	Online (14)		30,962	16.05.2019	30,962	4	21.05.2019	1
12	Online (10)		1,08,404	17.05.2019	81,104	4	22.05.2019	1
13	Cheque-online		1,11,862	17.05.2019	1,11,862	5	22.05.2019	-
14	Online (32)		24,443	20.05.19 to 22.05.19	24,443	01-Mar	28.05.2019	4
15	Online (34)		30,690	23.05.19 to 27.05.19	30,690	01-May	29.05.2019	-
16	Online (18)		22,583	28.05.19 to 30.05.19	22,583	01-Feb	31.05.2019	-
17	Online (10)		7,239	30.05.19 to 31.05.19	7,239	01-Mar	03.06.2019	-
18	3844	3847	29,729	April'19 to 1st June'19	29,729	Jan-65	03.06.2019	-
19	Online (26)		21,041	03.06.19 to 06.06.19	21,041	01-Apr	10.06.2019	2



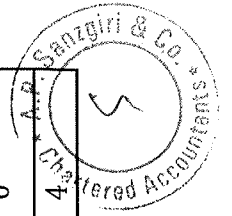
20	Online ( 27)	37,795	07.06.19 to 08.06.19	37,795	01-Apr	12.06.2019	-
21	Online ( 25)	20,827	10.06.19 to 14.06.19	20,827	01-Aug	20.06.2019	2
22	Online ( 28)	33,507	15.06.19 to 19.06.19	33,507	01-Jun	24.06.2019	3
23	Online ( 11)	70,456	20.06.19 to 21.06.19	70,456	01-Apr	25.06.2019	-
24	Online ( 25)	24,068	21.06.19 to 26.06.19	24,068	01-Aug	04.07.2019	6
25	Online ( 18)	19,344	26.06.19 to 27.06.19	19,344	01-Jun	06.07.2019	2
26	Online ( 32)	37,605	29.06.2019	37,605	01-Jul	06.07.2019	-
27	3848   3851	3,123	June'19	3,851	-	Not deposited till date	-
28	Online ( 16)	40,067	01.04.19 to 03.04.19	40,067	Jan-20	25.04.2019	3
29	Online ( 64)	57,144	03.04.19 to 09.04.19	57,144	Jan-15	25.04.2019	3
30	Online ( 64)	1,09,646	15.04.19 to 16.04.19	1,09,646	01-Aug	25.04.2019	1
31	Online ( 32)	19,090	16.04.19 to 21.04.19	19,090	Jan-13	29.04.2019	-
32	Online(48)	27,190	22.04.19 to 25.04.19	27,190	01-Oct	03.05.2019	1
33	Cheque-online	34,562	30.04.2019	34,562	-	29.04.2019	-
34	Cheque-online	47,104	08.06.19	47,104	-	10.06.2019	1
35	Cheque-online	6623	03.06.19	6623	20	29.06.2019	5
36	Online ( 16)	38,815	30.04.2019	38,815	4	04.05.2019	-
37	Online ( 32)	28,240	24.04.19 to 30.04.19	28,240	01-Dec	08.05.2019	2
38	Online(16)	17,945	02.05.2019	17,945	7	10.05.2019	1
39	Online (16)	11,592	03.05.19 to 06.05.19	11,592	01-Jul	14.05.2019	3
40	Online (16)	36,798	10.05.2019	36,798	5	15.05.2019	-
41	Online ( 16)	10,737	10.05.2019	10,737	10	21.05.2019	1
42	Online (16)	16,767	14.05.2019	16,767	7	22.05.2019	1
43	Online (32)	17,121	20.05.19 to 21.05.19	17,121	01-Mar	28.05.2019	4
44	Online (12)	85,283	21.05.2019	85,283	3	28.05.2019	4
45	Online ( 10)	33,414	24.05.2019	33,414	1	29.05.2019	4



46	Online (16)	45,524	25.05.2019	45,524	6	31.05.2019	-
47	Online (24)	53,759	27.05.19 to 29.05.19	53,759	01-Mar	03.06.2019	2
48	Online (14)	26,658	31.05.2019	26,658	3	03.06.2019	-
49	Online (16)	28,405	31.05.19 to 03.06.19	28,405	01-Jun	10.06.2019	4
50	Online (16)	35,549	03.06.19 to 06.06.19	35,549	01-Jul	12.06.2019	2
51	Online (16)	12,082	04.06.19 to 06.06.19	12,082	01-Aug	14.06.2019	1
52	Online (30)	27,292	06.06.19 to 08.06.19	27,292	01-Jul	20.06.2019	6
53	Online (16)	32,295	12.06.19 to 14.06.19	32,295	01-Jun	20.06.2019	2
54	Online (16)	35,684	14.06.19 to 17.06.19	35,684	01-Sep	25.06.2019	1
55	Online (16)	14,521	18.06.2019	14,521	01-Jul	25.06.2019	-
56	Online (16)	21,610	19.06.19 to 21.06.19	21,610	01-Jun	04.07.2019	8
57	Online (32)	42,868	20.06.19 to 24.06.19	42,868	01-Jun	04.07.2019	6
58	Online (16)	19,790	25.06.2019	19,790	01-Oct	06.07.2019	2
59	Online (16)	21,456	25.06.19 to 26.06.19	21,456	01-Nov	06.07.2019	-
60	Online (29)	26,569	26.06.19 to 29.06.19	26,569	01-Nov	11.07.2019	2
61	28	28,682	01.07.2019 to 04.07.2019	28,682.00	01-Nov	12.07.2019	0
62	16	26,214	04.07.2019 to 10.07.2019	26,214.00	01-Jul	12.07.2019	0
63	29	30,344	10.07.2019 to 15.07.2019	30,344.00	01-May	18.07.2019	2
64	9	13,134	16.07.19 to 17.07.19	13,134.00	1	18.07.2019	1
65	16	15,831	17.07.19 to 19.07.19	15,831.00	01-Apr	24.07.2019	2
66	8	8,060	01.08.2019	8,060.00	1	05.08.2019	3
67	4	10,538	09.08.19 to 10.08.19	10,538.00	1	14.08.2019	4
68	6	15,791	10.08.19 to 14.08.19	15,791.00	01-Apr	19.08.2019	5
69	8	29,501	17.08.19 to 19.08.19	29,501.00	01-Mar	22.08.2019	2
70	7	10,620	22.08.2019	10,620.00	0	26.08.2019	4
71	3	18,097	02.09.2019	18,097.00	1	06.09.2019	3



72	7	10,675	11.09.19 to 13.09.19	10,675.00	01-Mar	16.09.2019	3
73	8	14,428	25.09.19 to 26.09.19	14,428.00	01-Feb	01.10.2019	4
74	32	34,507	04.07.19 to 06.07.19	34,507.00	01-Jun	11.07.2019	1
75	25	34,615	08.07.19 to 11.07.19	34,615.00	01-Jul	18.07.2019	3
76	7	5,833	17.07.2019	5,833.00	1	24.07.2019	6
77	14	16,962	09.08.19 to 14.08.19	16,962.00	01-Oct	19.08.2019	0
78	24	23,232	16.08.19 to 21.08.19	23,232.00	01-Aug	26.08.2019	2
79	20	17,750	02.09.19 to 09.09.19	17,750.00	01-Jul	11.09.2019	2
80	16	26,408	26.09.19 to 28.09.19	26,408.00	01-Apr	01.10.2019	1
81	10	10347	04.10.19 to 10.10.19	10347	11.10.2019	11.10.2019	0
82	4	6784	17.10.2019	6784	18.10.2019	22.10.2019	4
83	6	11204	25.10.19 to 31.10.19	11204	05.11.2019	07.11.2019	2
84	8	11252	05.11.19 to 07.11.19	11252	08.11.2019	13.11.2019	3
85	9	29773	11.11.2019	29773	14.11.2019	16.11.2019	2
86	9	10835	15.11.19 to 16.11.19	10835	18.11.2019	21.11.2019	3
87	11	56935	25.11.19 to 26.11.19	56935	27.11.2019	27.11.2019	-
88	20	19596	08.11.19 to 11.11.19	19596	13.11.2019	14.11.2019	1
89	14	27930	13.11.19 to 16.11.19	27930	19.11.2019	21.11.2019	2
90	13	32349	26.11.19 to 28.11.19	32349	02.12.2019	03.12.2019	1
91	10	26189	13.12.19 to 21.12.19	26189	24.12.2019	24.12.2019	0
92	11	34513	02.12.19 to	34513	03.12.2019	07.12.2019	4



93	10	13474	03.12.19 to 04.12.19	13474	04.12.2019	07.12.2019			3
94	10	23244	06.12.19 to 11.12.19	23244	11.12.2019	13.12.2019			2
95	5	17871	11.12.2019	17871	12.12.2019	13.12.2019			1



**ANNEX-2 REPORT ON FINDINGS OF FIELD SURVEY OF PROPERTY TAX OF MINIMUM 20 HIGH VALUE PROPERTIES:  
ULB- AURANGABAD**

**INTERNAL AUDIT REPORT- 2019-20**

S.N.	Holding Name	W.N	Holding No.	Type of Use		Area (Sq. Ft.)			Tax Amount			Remarks
				As per Tax Collector	As per Auditor	As per Tax Collector	As per Auditor	Diff.	As per Tax Collector	As per Auditor	Diff.	
1	Lalita Mauhar	3	456	See Note -1								-
2	Raj Kumar	2	525									-
3	Urmila Devi	5	459	Commercial	Commercial	17120	17120	-	85686	85686	-	-
4	Ravindra Singh	5	379	Commercial	Commercial	10000	22400	12400	40891	91596	50704	-
5	Murli Manohar Singh	5	385									-
6	Prameshwar Prasad	5	413	Commercial	Commercial	2760	4754	1994	13786	23746	9960	-
7	Mina Devi	5	411	Commercial	Commercial	2760	4754	1994	13786	23746	9960	-
8	Aman Ananad	5	414	Commercial	Commercial	2760	4752	1992	13786	23736	9950	-
9	Anita Devi	5	430	Commercial	Commercial	12381	20116	7735	49474	85354	35880	-
10	Bikash Kumar Singh	5	478	Comm. cum Residential	Comm. cum Residential	13904	21360	7456	22885	35157	12272	-
11	Anil Kumar Singha	5		Comm. cum Residential	Comm. cum Residential	15684	15684	-	24844	24844	-	-
12	Haribansh, Nandu, Krishna	8	13/261	Commercial	Commercial	12197	12197	-	14594	14594	-	-
13	Laxmi Prasad	9	181/397						37769			-
14	Gupteshwar Prasad	9	180/398						29011			-
15	J.K. Hotel	11	75/A	Commercial	Commercial	16000	16000	-	63936	63936	-	-
16	Sobha Rani	12	3/506						13689			-
17	Vashuki Nath	12	14/488						18986			-
18	Vashant Kumar Singha	12	111						29984			-
19	Bina Devi	12	112	Commercial	Commercial	20313	30672	10359	81171	122565	41395	-
20	Ankit Prasad	12	181						31259			-



**Note-1:** After list of 20 High value Property provided by concerned Tax Collector, we have conducted Physical survey for same. However some property holder strictly deny to take measurement of their property , as a results of this we are unable to provide the report in respect of that property.

# Aurangabad Nagar Parishad

## Discussion Note

Date: 24.12.2019

Aurangabad Nagar Parishad

with

AP Sangziri & Co.

(Chartered Accountants)

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

S.N.	Auditor observation	Management comment
1	AG Compliance Report has not been prepared:	AG Report for the period of 2016-17 has not been received by Aurangabad Nagar Parishad after receiving of it, we will comply the same;
2	Non Preparation of Bank Reconciliation Statement in respect of Bank A/c ( Refer Internal Audit Report For Q-1 F.Y. 19-20):	It is under process and will be reconciled very soon;
3	Non maintenance of Advance Register:	ULB did not follow practice of giving advance;
4	Municipal Accounts committee has not been established:	"Municipal Accounts Committee" has been formed as on 20.08.2019 but no meeting held till date ;
5	Non Collection of Notice fee;	Currently not collecting, but it will be consider and collected accordingly to BMA, 2007;
6	Non levy of Taxes in IAR Para " I Part-A a) (1);	Not imposed by Aurangabad Nagar Parishad;
7	Late deposit of property Tax;	Every day small amount collected by tax collector. We deposit after accumulation of some days which is consider by Nagar Parishad.
8	Non Preparation of Payment Voucher	Invoice of Party shall be treated as " Payment Voucher"
9	Non Maintenance of "Grant Register"	It will be maintained 2019-20;
10	Late deposit of statutory deduction of TDS;	Due to Lack of Staff/ Employees the same problem arise;
12	Non preparation of Complete UC details ;	It is under process and will be submit in coming next month;
13	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;
14	Non maintenance of log book:	All running vehicle has been given on hire to " Taraqusee NGO & MD Aslam Deva Construction", a cleaning contractor, appointed by ULB to keep city clean, and ULB collect hire charges in that respect. Hence log book has not maintained due to right to operate has been transfer.
15	Electricity DPS:	Due to Non Availability of Fund the due amount has not been paid. Further there is dispute regarding holding tax, which is due on




*Handwritten signature and text in Marathi script, likely indicating approval or verification.*

## Aurangabad Nagar Parishad

		electricity department, and this amount has not been adjusted towards electricity due.
16	Irregularities in Payment - Refer to PART-A (b) (3) of IAR for above said period:	It will be complied;
17	Non maintenance of book refer to Para : II-PART B (a) ;	It is under process;
18	Difference in Holding Tax Amount as per Physical Measurement: ➤ Auditor found difference in area; as per self assessment form and actual measurement of property area there is difference for some cases selected on sample basis	
19	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.
20	Directives/ Circulars/ Notifications issued to ULB during Q-1 of F.Y. 2019-20	The same has been complied;
21	Non creation of Special Fund and Fund Mentioned in Chapter ix of BMA, 2007	ULB has not created such mentioned fund in the Act;
22	Non Maintenance Fixed Assets register	It is under process with the help of Agency appointed to implement " Double Entry Accounting System";
23	ULB Unable to Find out "Amount of Outstanding Taxes" Refer to PART-A (a) (4)	ULB not maintajned such books of accounts from where outstanding income can be calculated;
24	Bank Reconciliation on Monthly Basis	It is prepared from current F.Y. 2019-20;
25	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;
26	Non implementation of Biometric Devices and Payroll Software	It is under process
27	Cheque Issue Register	It will be maintained;
28	Maintenance of grant record with bifurcation like amount for Salary, water management, nail gali solid waste management and so on ;	It Will be provided.

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

  
 THE CHIEF ACCOUNTANT  
 AURANGABAD NAGAR PARISHAD



**Aurangabad NagarParishad**

Discussion note

2019-20(Qtr-2)

Letter No.

Date: 20.06.2020

To

AP Sangziri & Co.

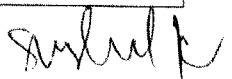
(Chartered Accountants)

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

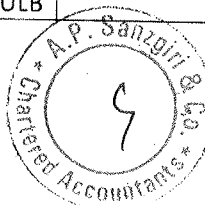
We, Aurangabad Nagar Parishad, discussed with internal auditor and confirm the following:

S.N	Audit observation	Management comment
1	Status of Municipal Accounts Committee .	The same has been constituted .
2	Non preparation of AG compliance Report.	Report is prepared and will be submitted soon.
3	Non-Levy of taxes in IAR I. PART-A (a)1	Taxes like profession tax, water tax etc. is not levied by ULB. Taxes levied by ULB like property tax, Hording tax trade license etc. is collected on time.
4	Late deposit of property tax	Property taxes deposited late due to lack of staff and over load work.
5	Non collection of Notice fee	This is currently not in practice, will be considered soon.
6	Not preparation of Payment voucher	Practice is being followed now.
7	Non furnishing of Tender details	The same has been submitted.
8	Non-implementation of biometric devices and payroll software.	It is under process, will be implemented in phases.
9	Royalty not deposited	Practice is being followed now.
10	Labourcess not Deposited	Practice is being followed now.
11	TDS Quarterly Return not Filed.	Practice is being followed now.
12	Contractual employee— PFAmount has not been deposited. Permanent Employee—PF has been late deposited.	Practice is being followed now.
13	Differences arisen on levy holding tax refer to Annexure-2 "Report on Survey of 20 High Value".	We will look in to this matter and implement accordingly.
14	Nagar Parishad does not follow the system/ practice for "Valuation of stock"	We do not have any directivities/guidelines/instruction issue by department for valuation of stock.
15	Vehicles are not insured.	Completed.




  
नगर कार्यपालक पदाधिकारी  
नगर परिषद औरंगाबाद (बिहार)

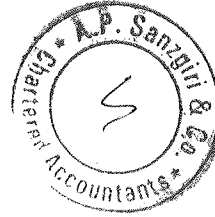
16	Advances & their adjustment.	ULB does not provide any loan and advances to its staff.
17	Non preparation of Receipt and Payment A/C, Trial balance, Income and expenditure A/C and balance sheet (Financial Statement)	It will be prepared by Tibrewal Chand & company after implementation of Double Entry Accounting System.
18	Non completion of survey for trade license.	It will be done very soon.
19	Non-preparation of Rent collections and demand registers as per rule.	It will be prepared.
20	Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Mobile Tower Tax and Other Tax .	Complied.
21	BRS Issues related to PLA .	The Mismatch is due to system error in CFMS.
22	Non maintenance of fixed assets register.	It will be maintained.
23	Non- maintenance of procurements register	Complied.
24	Non creation of Special Funds	No such directives issued for same.
25	Lots of register not maintained like, Register of Remittances made into bank, Statutory Deduction Register, Scheme Register, etc	Complied now.
26	Whether expenditure on construction of work was debited to WIP & verified with MB maintained.	ULB did not follow practice to debit WIP for expenditure incurred on Construction.
27	Non production of remittance of pension and leave encashment contributions towards retired employees.	It is submitted soon.
28	ULB did not maintain said register on real time basis of transaction.	Complied now.
29	ULB is not submitted UC in timely manner.	Complied now.
30	ULB did not prepare payment voucher as per BMAR , however payment made on the basis of bill raised by contractor followed by order passed in form of letter.	Practice is being followed now.
31	Books of accounts are not timely updated like cash book, daily collection book store register, issue register, bill register with payment fig., etc.	Due to lack of human resources the same has not been updated on timely basis, however we will update from now.
32	Amount of electricity DPS mentioned in Part-A(B) IAR	We will communicate for the same to SBPDCL that it has been levied.
33	ULB did not deposit TDS amount on or before due date as prescribed under Income Tax Act, 1961. There is huge delay in deposit of same. As a result of this ULB	Practice is being followed now.



*Sudhakar*  
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	suffer huge losses in form of interest on delay payment of TDS and Penalty for same.	
34	ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer for some vehicle.	This is now followed.
35	Details of Repairs and Maintenance havenot been mentioned in log book.	We will Comply the same.
36	Depreciation is not charged to Fixed Assets.	ULB are under the process to prepare fixed Assets Register with the help of DEAS Team. This will be followed soon.
37	Compliances of internal audit paras and AG compliance report.	It will be complied on regular basis on time.

  
 Signature of Executive Officer  
 नगर कार्यपालिका वडा कार्यालय  
 नगर कार्यपालिका वडा कार्यालय (वि.सं. १७७१२)



**Aurangabad NagarParishad**

Discussion note

2019-20(Qtr-3)

Letter No.

Date: 20.06.2020

To

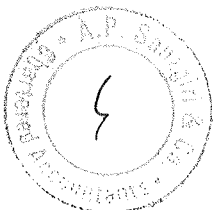
AP Sangziri & Co.

(Chartered Accountants)

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

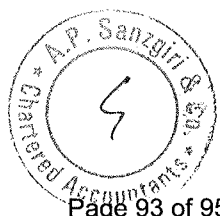
We, Aurangabad Nagar Parishad, discussed with internal auditor and confirm the following:

S.N	Audit observation	Management comment
1	Status of Municipal Accounts Committee .	The same has been constituted .
2	Non preparation of AG compliance Report.	Report is prepared and will be submitted soon.
3	Non-Levy of taxes in IAR I. PART-A (a)1	Taxes like profession tax, water tax etc. is not levied by ULB. Taxes levied by ULB like property tax, Hording tax trade license etc. is collected on time.
4	Late deposit of property tax	Property taxes deposited late due to lack of staff and over load work.
5	Non collection of Notice fee	This is currently not in practice, will be considered soon.
6	Not preparation of Payment voucher	Practice is being followed now.
7	Non furnishing of Tender details	The same has been submitted.
8	Non-implementation of biometric devices and payroll software.	It is under process, will be implemented in phases.
9	Royalty not deposited	Practice is being followed now.
10	Labourcess not Deposited	Practice is being followed now.
11	TDS Quarterly Return not Filed.	Practice is being followed now.
12	Contractual employee– PFAmount has not been deposited. Permanent Employee—PF has been late deposited.	Practice is being followed now.
13	Differences arisen on levy holding tax refer to Annexure-2 "Report on Survey of 20 High Value".	We will look in to this matter and implement accordingly.
14	Nagar Parishad does not follow the system/ practice for " Valuation of stock"	We do not have any directivities/guidelines/instruction issue by department for valuation of stock.
15	Vehicles are not insured.	Completed.



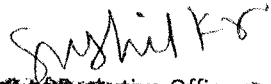
*Sangziri*  
जनक कायपालक पदाधिकार  
नगर परिषद और गावसद (बिहार)

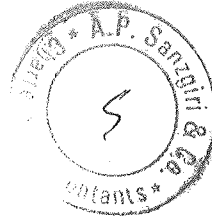
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27	Non production of remittance of pension and leave encashment contributions towards retired employees.	It is submitted soon.
28	ULB did not maintain said register on real time basis of transaction.	Complied now.
29	ULB is not submitted UC in timely manner.	Complied now.
30	ULB did not prepare payment voucher as per BMAR , however payment made on the basis of bill raised by contractor followed by order passed in form of letter.	Practice is being followed now.
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33	ULB did not deposit TDS amount on or before due date as prescribed under Income Tax Act,1961. There is huge delay in deposit of same. As a result of this ULB	Practice is being followed now.



*Suzhul K*  
 ... ..  
 ... ..

	suffer huge losses in form of interest on delay payment of TDS and Penalty for same.	
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37	Compliances of internal audit paras and AG compliance report.	It will be complied on regular basis on time.

  
 Signature of Executive Officer  
 नगर परिषद और जालंधर (डिस्ट्रिक्ट)



## Aurangabad NagarParishad

Discussion note

2019-20(Qtr-4)

Letter No.

Date: 20.06.2020

To

AP Sangziri & Co.

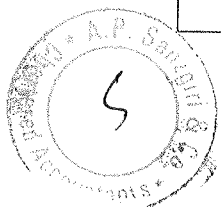
(Chartered Accountants)

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

We, Aurangabad Nagar Parishad, discussed with internal auditor and confirm the following:

S.N	Audit observation	Management comment
1	Status of Municipal Accounts Committee .	The same has been constituted .
2	Non preparation of AG compliance Report.	Report is prepared and will be submitted soon.
3	Non-L Levy of taxes in IAR I. PART-A (a)1	Taxes like profession tax, water tax etc. is not levied by ULB. Taxes levied by ULB like property tax, Hording tax trade license etc. is collected on time.
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12	Contractual employee- PF Amount has not been deposited. Permanent Employee-PF has been late deposited.	Practice is being followed now.
13	Differences arisen on levy holding tax refer to Annexure-2 "Report on Survey of 20 High Value".	We will look in to this matter and implement accordingly.
14	Nagar Parishad does not follow the system/ practice for " Valuation of stock"	We do not have any directivities/guidelines/instruction issue by department for valuation of stock.
15	Vehicles are not insured.	Completed.
16	Advances & their adjustment.	ULB does not provide any loan and advances to its staff.
17	Non preparation of Receipt and Payment A/C, Trial balance, Income and	It will be prepared by Tibrewal Chand & company after implementation of Double Entry Accounting

	expenditure A/C and balance sheet (Financial Statement)	System.
18	Non completion of survey for trade license.	It will be done very soon.
19	Non-preparation of Rent collections and demand registers as per rule.	It will be prepared.
20	Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Mobile Tower Tax and Other Tax .	Complied.
21	BRS Issues related to PLA .	The Mismatch is due to system error in CFMS.
22	Non maintenance of fixed assets register.	It will be maintained.
23	Non- maintenance of procurements register	Complied.
24	Non creation of Special Funds	No such directives issued for same.
25	Lots of register not maintained like, Register of Remittances made into bank, Statutory Deduction Register, Scheme Register, etc	Complied now.
26	Whether expenditure on construction of work was debited to WIP & verified with MB maintained.	ULB did not follow practice to debit WIP for expenditure incurred on Construction.
27	Non production of remittance of pension and leave encashment contributions towards retired employees.	It is submitted soon.
28	ULB did not maintain said register on real time basis of transaction.	Complied now.
29	ULB is not submitted UC in timely manner.	Complied now.
30	ULB did not prepare payment voucher as per BMAR , however payment made on the basis of bill raised by contractor followed by order passed in form of letter.	Practice is being followed now.
31	Books of accounts are not timely updated like cash book, daily collection book store register, issue register, bill register with payment fig., etc.	Due to lack of human resources the same has not been updated on timely basis, however we will update from now.
32	Amount of electricity DPS mentioned in Part-A(B) IAR	We will communicate for the same to SBPDCL that it has been levied.
33	ULB did not deposit TDS amount on or before due date as prescribed under Income Tax Act, 1961. There is huge delay in deposit of same. As a result of this ULB suffer huge losses in form of interest on delay payment of TDS and Penalty for same.	Practice is being followed now.
34	ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer for some vehicle.	This is now followed.
35	Details of Repairs and Maintenance havenot been mentioned in log book.	We will Comply the same.

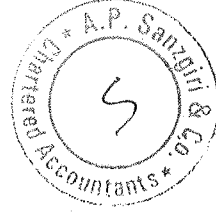


*Sankar*  
 మంత్రి కార్యాలయం, వరంగల్  
 తేదీ: 20/05/2018

36	Depreciation is not charged to Fixed Assets.	ULB are under the process to prepare fixed Assets Register with the help of DEAS Team. This will be followed soon.
37	Compliances of internal audit paras and AG compliance report.	It will be complied on regular basis on time.
38	Compliance of directives issued by UD & HD.	No directives issued during Q-4 of F.Y. 2019-20.

*Sushil K.S.*

Signature of Executive Officer  
 अखिल भारतीय माल विभागाध्यक्ष  
 अखिल भारतीय माल विभाग, दिल्ली



**AURANGABAD MUNICIPAL COUNCIL**  
**STATUS OF UTILIZATION CERTIFICATION FOR FY 2019-20**

S.No	Head	Approval order and date	Sanctioned Amount	Expenses Incurred	Balance Amount	UC Submitted against Expenses	UC Pending Against Expenses	% of UC Submitted against expenses	% of UC Pending against expenses	Letter Number & Date of Submission of UC
1	Honorarium of city manager	26/20.06.2019	1.20	-	1.20	-	-	NIL	NIL	Transfer to PL
2	14th finance	127/27.11.19	295.15	-	295.15	-	-	NIL	NIL	Transfer to PL
3	5th finance	56/13.08.19	493.35	-	493.35	-	-	NIL	NIL	Transfer to PL
4	5th finance	54/13.08.2019	510.62	-	510.62	-	-	NIL	NIL	Transfer to PL
5	Chairman / Deputy Chairman Councillor Allowance	81/20.09.2019	7.74	-	7.74	-	-	NIL	NIL	Transfer to PL
6	City manager	78/13.09.2019	2.40	-	2.40	-	-	NIL	NIL	Transfer to PL
7	Executive officer salary	83/20.09.2019	6.00	-	6.00	-	-	NIL	NIL	Transfer to PL
8	Salary payment	42/12.07.19	2.19	-	2.19	-	-	NIL	NIL	Transfer to PL
9	Vocational item	52/09.08.19	47.12	-	47.12	-	-	NIL	NIL	Transfer to PL
10	14th Finance	38/11.07.2019	295.15	-	295.15	-	-	NIL	NIL	Transfer to PL

