

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

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

**Group 1**

**NAGAR PARISHAD**  
**DEHRI-DALMIANAGAR**

**BY**

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

**Chartered Accountants**

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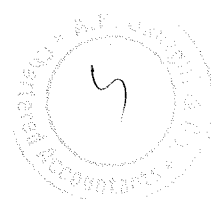
**A. P. SANZGIRI & CO.**

**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 Dehri-Dalmianagar</b>
<b>Reporting Entity</b>	<b>A P SANZGIRI &amp; Co., Chartered Accountants</b>
<b>Reporting for</b>	<b>Nagar Parishad Dehri- Dalmianagar</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>12.04.2021</b>



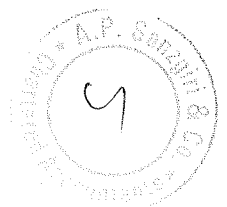
## Abbreviation and Acronyms

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



## Table of Contents

Sl. No.	Particulars	Page No.
1.	Covering Letter	4
2.	Executive Summary	5 - 8
3.	Detailed Audit Report	
	A. Introduction	9
	B. Administration	9
	C. Review of Outstanding Audit Para's	9 - 10
	D. Finance	11-17
	E. Audit Observations	18-74
4.	Annexure-1	76
5.	Annexure-2	77-78
6.	Discussion Note	79-91



**A. P. SANZGIRI & Co.**  
**CHARTERED ACCOUNTANTS**

Date:12-04-2021

To

**The Secretary**

Urban Development & Housing Department,  
Patna-Bihar

**Sub:** Submission of Internal Audit Report of Nagar Parishad Dehri Dalmianagar 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:101134**

**FRN: 116293W**

**UDIN: 21101134AAAAJV6289**

**Date:16-09-2021**

**Address:** Plot No. 21, House No. 167, Anand Nagar Lane, Behind Vakola Police Station, Santacruz (East) ,  
Mumbai 400055. INDIA, Phone: +91-22-6689 9900, Fax: +91-22-6689 9910 E-mail: [apsanzgiriandco@gmail.com](mailto:apsanzgiriandco@gmail.com)

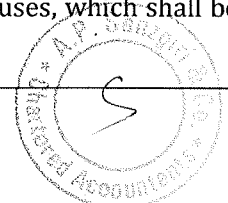
## EXECUTIVE SUMMARY

### 1. INTRODUCTION:

<b>Name of the Municipality</b>	-	Nagar Parishad Dehri- Dalmianagar
<b>Period covered under Current Audit</b>	-	01 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020
<b>Name of Mayor</b>	-	Smt. Vishakha Singh
<b>Name of Executive Officer</b>	-	ShriSushil Kumar

### 2. OBSERVATIONS AND FINDINGS:

<b>Strengths</b>	<ol style="list-style-type: none"><li>1. In the existing system as prevailing in the ULB, 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. 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 corporation has not been complied.</li><li>2. There is a vast difference between estimated budget and actual.</li><li>3. Fixed assets register is not maintained by ULB</li><li>4. Compliance report of AG audit is not prepared by the ULB and also report is not provided to us for inspection. Based on which, we are unable to comment whether the recoverable amount from the personal concerned has been recovered or not.</li><li>5. In most of the cases, shops established or running under the jurisdiction of ULB are running without trade licence as per the concerned officer.</li><li>6. In some of the cases, statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.</li><li>7. In most of the cases the amount of TDS is not deducted as per rules.</li><li>8. Certain Statutory Registers and Books are not maintained.</li><li>9. <b>Non Levy of Taxes:</b><ul style="list-style-type: none"><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></ul></li></ol>



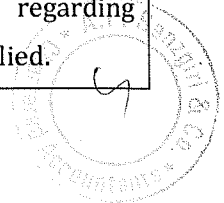
	<ul style="list-style-type: none"> <li>• User Charges for provision of water-supply, drainage and sewerage</li> <li>• User Charges for Solid Waste Management</li> <li>• User Charges for Parking Facility</li> <li>• User Charges for Garbage Clearance</li> <li>• Development Charges.</li> </ul> <p>10. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 1 to 91 days.</p> <p>11. ULB is 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.</p> <p>12. 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>13. Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.</p> <p>14. Non Compliance of Rule 130 of BMAR in some of the cases.</p> <p>15. ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.</p> <p>16. ULB not depositing TDS on time due to this ULB may suffer notice of demand of "Interest and Penalty" under income tax act, 1961.</p> <p>17. BRS of all accounts are not prepared.</p>
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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
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 council has not been complied.	Internal Audit wing should be created by employing the Municipal Internal Auditor on the Board.
There is a vast difference between estimated budget and actual.	Estimation should be based on the past experience and after considering the fact that how the condition might change in future though the provision of Section 82 of the Act regarding preparation of budget need to be complied.



Fixed assets register is not maintained by ULB	Fixed assets register should be maintained and updated properly with the assistance of DEAS team.
Compliance report of AG audit is not prepared by the ULB and also report is not provided to us for inspection. Based on which, we are unable to comment whether the recoverable amount from the personal concerned has been recovered or not.	Compliance report should be prepared as soon as the report is received by ULB and steps to be taken for recovery of the amount for financial irregularities.
In most of the cases, shops established or running under the jurisdiction of ULB have not made payment for trade licence as per the concerned officer.	ULB should maintained proper register for registered shops and authorize them with Trade licence for proper collection and recovery of charges.
In some of the cases, statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.	As ULB is not proper in statutory compliances, that cause financial implication on ULB in mode of interest and penalty. So, ULB should ensure statutory compliance on time.
In most of the cases the amount of TDS is not deducted as per rules.	The rate of TDS under Statutory deductions required to be deducted on the basis of 4th letter of PAN of contractor.
Certain Statutory Registers and Books are not maintained.	Statutory register and books of accounts should be maintained as per guidelines and BMAR.
<b>Non Levy of Taxes:</b> <ul style="list-style-type: none"> <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 Parking Facility</li> <li>• User Charges for Garbage Clearance</li> <li>• Development Charges.</li> </ul>	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. ULB should take steps to implement required taxes to boost their revenue



During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 1 to 91 days.	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made.
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.	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.
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	Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis.
Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.	As per BMAM-ULB are required to maintain fund wise receipts & payments. As per BMAM, following funds should be maintained by ULB. 1. Municipal General Fund 2. Basic service for urban poor 3. Water supply & sewerage fund 4. Solid Waste Management Fund 5. Road Development & Maintenance 6. Enterprise Fund
Non Compliance of Rule 130 of BMAR in some of the cases.	ULB should ensure compliance related to Rule 130 of BMAR on regular basis.
ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.	ULB should prepare financial statements for each year and get it approved from municipal account committee. As per BMAR, audited financial statements are required to submit to auditor for audit.

**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**.

**6. ACKNOWLEDGEMENT**

During the course of the audit, sufficient cooperation from management was provided.

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

*Satish Gupta*  
**CA Satish Gupta**  
**Partner**



**Membership No. : 101134**  
**FRN : 116293W**  
**UDIN- 21101134 AAAA-JV6289**  
**Date - 16-09-2021**

**DETAILED AUDIT REPORT**

**1. INTRODUCTION:**

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

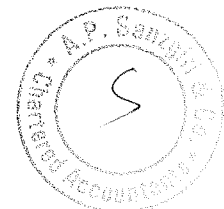
**2. ADMINISTRATION:**

Sl. No.	Particulars	Details
1	The present body of the ULB has taken charge on	30 <sup>th</sup> June, 2017
2	<b>The incumbency in the key administrative and executive positions was as under:</b>	
2.1	Name of Mayor:	Smt. Vishakha Singh
2.1.1	Period of Service:	From: June, 2017 To: Till date
2.2	Name of Executive Officer:	Shri Sushil Kumar
2.2.1	Period of Service:	17.01.2019- Continue

**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. 2015-16	17	17	0	NIL	NIL	17	Not Prepared (Refer Discussion Note)
2	Internal audit paras F.Y 2017-18 & 2018-19							Not complied (Refer discussion note)



3.2. DETAILS OF TOTAL NO OF AUDIT PARAS:

Period of AG audit report : 2015-16

Compliance report date & Number : Not provided

Audit Para Number	Heading of the audit para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
1.	Vat & SD not deducted	1358475	-	-	NO
2.	Non deposit of cash by cashier	3314908	-	-	NO
3.	Tower Tax	7364440	-	-	NO
4.	Non Deduction of VAT	62274	-	-	No
5	Rental income- non collection	167928	-	-	NO
6	Tin ticket/advertisement	429550	-	-	NO
7	Payment not Traced	1293200	-	-	NO
8	Solar Light	6744975	-	-	No
9.	UC Not submitted (KAY)	362000	-	-	No
10	UC Not submitted (SSP)	3443800	-	-	No
11	Rental Income	3000040	-	-	No
12	Holding tax outstanding	1230293	-	-	No
13	Daily worker payment	6583700	-	-	No
14	Demand and collection not presented		-	-	No
15	Assets register not maintained		-	-	NO
16	Unused grant (1.32% of grant expensed)		-	-	No
17	Grant Register		-	-	No



**4. FINANCE**

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

Year	Year- 2017-18	Year- 2018-19	2019-20 (Actual)
Final/Revised Budget Data	1,15,82,28,614.00	1,43,29,77,236.00	5,93,28,16,204.00
Actual Expenditure Data	109,894,531.00	372,026,011.00	269,898,969.00
Savings(+)/Excess(-)	<b>1,04,83,34,083.00</b>	<b>1,06,09,51,225.00</b>	<b>5,66,29,17,235.00</b>

**Auditor's Comment:**

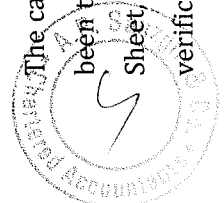
The cash book prepared by ULB in such way that we could not bifurcated or separated data as required in above mentioned format .The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. Financial Statement i.e. Audited Balance 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	2018-19 (Actual)	2017-18 (Actual)	2019-20 (Actual)	Cumulative for the current period
Opening balance	6,95,000	482,475,110.00	398,985,069.00	550,792,430.00	550,792,430.00
Receipts	5,93,43,50,823	440,343,331.00	193,384,572.00	210,635,099.00	210,635,099.00
<b>Total</b>	<b>5,93,50,45,823</b>	<b>922,818,441.00</b>	<b>592,369,641.00</b>	<b>761,427,529.00</b>	<b>761,427,529.00</b>
Net expenditure	5,93,28,16,204	372,026,011.00	109,894,531.00	269,898,969.00	269,898,969.00
<b>Closing balance</b>	<b>22,29,619</b>	<b>550,792,430.00</b>	<b>482,475,110.00</b>	<b>491,528,560.00</b>	<b>491,528,560.00</b>

**Auditor's Comment:**

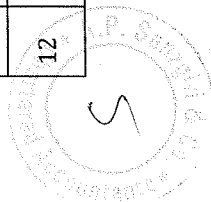
The cash book prepared by ULB in such way that we could not bifurcated or separated data as required in above mentioned format .The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. Financial Statement i.e. Audited Balance 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 THE REPORTING DATE-31.03.2020**

S.N	Name of Bank	Bank A/C No.	Purpose of Bank of Account	Balance as per Cash Book	Balance as per Bank Statement	Differences	Reconciled (Yes/No)
1	SBI	11352484466		515,980.00	316,322.46	199,657.54	No
2	Bank of Baroda	35570100002201	MMNY	16,091,208.00	16,236,849.00	-145,641.00	No
3	Bank of Baroda	35570100004849	AMRUT	3,113,967.90	3,113,967.90	0.00	Yes
4	Bank of Baroda	35570100002203	13/14 <sup>TH</sup>	18,224.00	18,224.00	0.00	Yes
5	Madhya Bihar Gramin Bank	734901000045159	NULM	3,729.00	3,762.00	-33.00	No
6	PNB	2170000100057887	GBY	3,038,933.00	3,038,933.00	0.00	Yes
7	Madhya Bihar Gramin Bank	734901000077130	KAY	12,304.00	12,340.20	-36.20	No
8	PNB	2170000100057896	11TH FC	2,916.00	2,917.00	-1.00	No
9	Bank of Baroda	35570100005034	HFA	1,015,364.00	1,015,364.00	0.00	Yes
10	Bank of Baroda	35570100003820	KAY	131,124.00	131,124.00	0.00	Yes
11	Bank of Baroda	35570100002200	SAP	120,646.95	121,633.95	-987.00	NO
12	Canara Bank	6337101001214	NULM	5,109,900.79	5,109,849.79	51.00	No



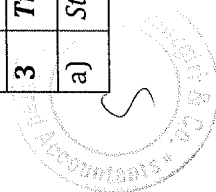
13	ICICI	243901000392	SBM	2,832,177.00	2,856,619.00	-24,442.00	No
14	Bank of Baroda	35570100004297	SBM	656,802.00	662,177.00	-5,375.00	No
15	Bank of Baroda	35570100002202	MF	5,641,199.90	5,667,839.90	-26,640.00	No
16	Canara Bank	2315101019539	BRGF	4,940,673.00	4,940,673.00	0.00	Yes

**Note: Treasury bank details not provided by ULB**



IV. REVENUE & CAPITAL RECEIPTS INFORMATION:

S. N. Details	INCOME 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 Receipts (A+B)</b>	193,384,572.00	21,74,07,58	440,343,331.00	193,384,572.00	210,635,099.00	440,343,331.00
<b>A Revenue Receipts (1+2+3)</b>	124,000,375.00	15,81,69,001	204,940,330.00	124,000,377.00	97,896,601.01	204,940,330.00
1 Own Revenue Receipts (a+b)	49,736,026.00	1,72,65,751	58,004,241.00	49,736,026.00	17,161,330.00	58,004,241.00
a) Tax Revenue(Collected by ULB)	47,848,709.00	1,53,30,548	55,846,269.00	47,848,709.00	14,578,306.00	55,846,269.00
i) Property tax	8,940,016.00	1,13,61,384	11,447,717.00	8,940,016.00	13,068,113.99	11,447,717.00
ii) Other tax (Collected ULB)	38,908,693.00	39,69,164	44,398,552.00	38,908,693.00	1,510,192.01	44,398,552.00
b) Non-tax revenue ( Collected by ULB)	1,887,317.00	19,35,203	2,157,972.00	1,887,317.00	2,583,024.00	2,157,972.00
i) Fees & fines	966,637.00	7,83,453	1,299,831.00	966,637.00	1,426,624.00	1,299,831.00
ii) User Charges	12,500.00	30,000	12,500.00	12,500.00	352,500.01	12,500.00
iii) Other non-tax revenue (Collected by ULB)	908,180.00	11,21,750	845,641.00	908,180.00	803,900.01	845,641.00
<b>2 Other Revenue Receipts</b>	4,391,411.00	47,14,093	3,161,132.00	4,391,411.00	4,245,840.00	3,161,132.00
a) Income from interest/investments	4,375,561.00	46,85,589	3,148,752.00	4,375,561.00	4,245,840.00	3,148,752.00
b) Other Revenue income	15,850.00	28,504	12,380.00	15,850.00	-	12,380.00
<b>3 Transfers/Grants/Assigned Revenues</b>	69,872,940.00	13,61,89,157	143,774,957.00	69,872,940.00	76,489,431.01	143,774,957.00
a) State Assigned Revenue	69,872,940.00	-	143,774,957.00	69,872,940.00	56,908,136.67	143,774,957.00



b)	State Finance Commission Grants	-	-	-	-	-	-	-
c)	Octroi compensation	-	-	-	-	-	-	-
d)	Other State Government Transfers	-	-	-	-	-	-	-
e)	Central Finance Commission Grant	-	-	-	-	-	-	-
f)	Other Central Government Transfers	-	-	-	-	-	-	-
g)	Others	-	-	-	-	-	-	-
<b>B</b>	<b>Capital Receipts</b>	69,384,195.00	5,92,38,057	235,403,001.00	69,384,195.00	112,738,498.00	235,403,001.00	
1	Sale of Municipal Land	-	-	-	-	-	-	-
2	Loans (from State Govt. Or Banks)	-	-	-	-	-	-	-
3	State Capital Account Grant	44,837,175.00	1,41,27,926	6,763,000.00	44,837,175.00	65,324,763.99	6,763,000.00	
4	Central Capital Account Grant	24,547,020.00	4,51,10,131	228,640,001.00	24,547,020.00	38,427,791.00	228,640,001.00	
5	Other Capital Receipts	-	-	-	-	8,985,943.00	-	-

**Auditor's 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.

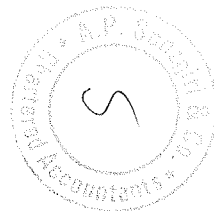
**Kindly refer discussion note.**



**V. REVENUE AND CAPITAL EXPENDITURE INFORMATION.**

S.N	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>	109,894,531.00	10,87,25,792	372,026,011.00	109,894,531.00	269,898,969.00	372,026,011.00
1	<b>Revenue Expenditure</b>	60,784,481.00	6,59,58,442	83,544,639.00	60,784,481.00	69,694,722.00	83,544,639.00
1.1	<i>Administrative Expenses, Establishment and Salaries (All Departments- Regular and contract)</i>	27,780,512.00	1,98,01,374	30,611,368.00	27,780,512.00	31,343,941.00	30,611,368.00
1.2	<i>Operation and Maintenance</i>	9,263,088.00	1,40,38,062	8,164,076.00	9,263,088.00	33,832,756.00	8,164,076.00
1.3	<i>Loan repayment (Interest payments)</i>	-	-	-	-	-	-
1.4	<i>Others(any other revenue expenditure )</i>	23,740,881.00	3,21,19,006	44,769,195.00	23,740,881.00	4,518,025.00	44,769,195.00
2	<b>Capital Expenditure</b>	49,110,050.00	4,27,67,350	288,481,372.00	49,110,050.00	20,02,04,247	288,481,372.00
2.1	<i>All developmental works under Central/ State schemes</i>	34,676,160.00	3,35,58,929	72,958,397.00	34,676,160.00	18,86,87,127	72,958,397.00
2.2	<i>Loan Repayments(Principal Amount)</i>	-	-	-	-	0.00	-
2.3	<i>Other Capital expenditure</i>	14,433,890.00	92,08,421	215,522,975.00	14,433,890.00	1,15,17,120	215,522,975.00

**Auditor's 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**

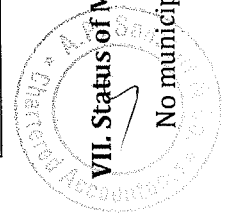
**Name: Tibrewal Chand & Co.**

**Period: 2012-2020**

**Licence No.:7668011582**

**Status: Following are the status:**

Year	Cash Book		Grant Register	PTR	FAR
	Receipt	Payment			
2012-13	Completed	completed	Not completed	Under process	Under process
2013-14	Completed	Completed	Not completed	Under process	Under process
2014-15	completed	Not completed	Not completed	Under process	Under process
2015-16	Completed	Completed	Not completed	Under process	Under process
2016-17	Completed	Incomplete	Not completed	Under process	Under process
2017-18	Completed	Incomplete	Not completed	Under process	Under process
2018-19	Completed	Completed	Completed	Under process	Under process
2019-20	Up to March'2020	Up to March'2020	Up to sep'19	Under process	Under process



**VII. Status of Meeting of Municipal Accounts Committee**

**No municipal accounts committee has been formed. (Refer Discussion Note).**

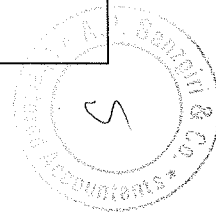
**5. AUDIT OBSERVATION:**

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

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

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

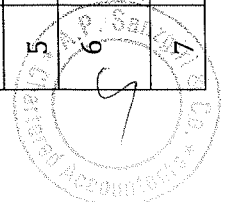
S.N.	Head	Comments																																				
1	<b>Objective</b>	The main objective of audit of taxes is to check whether all taxes which are covered under Bihar Municipal Act, 2007, is levied and collected by the ULB. Further to check whether taxes are levied and collected according to applicable 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 Dehri- DalmianagarParishad</b> , The following mentioned tax/charges are not implemented that leads to loss of revenue to corporation:																																				
		<table border="1"> <thead> <tr> <th>S.N</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>YES</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>NO</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>YES</td> </tr> <tr> <td>11</td> <td>User Charges for Solid Waste Management</td> <td>NO</td> </tr> </tbody> </table>	S.N	Particulars	Implemented by ULB or Not	1	Property tax on lands and buildings.	YES	2	Surcharge on transfer of lands and buildings	YES	3	Fire tax.	NO	4	Tax on advertisements, other than advertisements published in newspapers	NO	5	Surcharge on electricity consumption within the municipal area	NO	6	Tax on congregations.	NO	7	Tax on pilgrims and tourists.	NO	8	Tax on profession.	NO	9	Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles.	NO	10	User Charges for provision of water-supply, drainage and sewerage	YES	11	User Charges for Solid Waste Management	NO
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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>	<b>Kindly refer discussion note attached with the report.</b>		

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

S.N.	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 91 days. Details of such cases are given in <b>Annexure-1</b> .
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	<b>Cause</b>	It is explained by concern person that due to non-availability of human resources the same issues arises.
6	<b>Corrective Action/ Recommendation</b>	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	<b>Management Comments</b>	<b>Kindly refer discussion note attached with the report.</b>



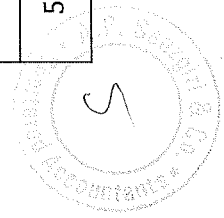
**OBSERVATION-3: NON COLLECTION OF NOTICE FEE**

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

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

**1. RECOVERY OF OUTSTANDING PROPERTY TAX**

S.N.	Head	Comments
1	<b>Objective</b>	ULB is authorized to collect holding tax from households situated in the municipal area and Property tax have major role in the internal revenue of ULB.
2	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	No data has been provided from where we can extract outstanding amount of property tax as on 31.03.2020.
3	<b>Consequences/Effect</b>	It leads in shortage of fund for ULB and loss of revenue.
5	<b>Cause</b>	No proper explanation in this regard given by ULB.



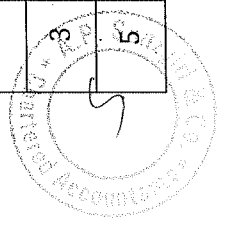
6	<b>Corrective Action/ Recommendation</b>	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	<b>Management Comments</b>	<b>Kindly refer discussion note attached with the report.</b>

## 2. RECOVERY OF ADVERTISEMENT TAX

S.N.	Head	Comments
1	<b>Objective</b>	ULB authorized to charge advertisement tax/fee in municipal are as per act/rule.
2	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	No data has been provided from where we can extract outstanding amount of advertisement tax as on 31.03.2020.
3	<b>Consequences/Effect</b>	Delay in collection or outstanding dues results in revenue loss to ULB.
5	<b>Cause</b>	No proper explanation in this regard given by ULB.
6	<b>Corrective Action/ Recommendation</b>	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	<b>Management Comments</b>	<b>Kindly refer discussion note attached with the report.</b>

## 3. RENT INCOME

S.N.	Head	Comments
1	<b>Objective</b>	ULB authorized to charge rent from municipal properties.
2	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	During checking it is noted that Rental Income of Rs. 30.31Lacs was outstanding as on 31.03.2020.
3	<b>Consequences/Effect</b>	It leads in shortage of fund for ULB and loss of revenue.
5	<b>Cause</b>	No proper explanation in this regard given by ULB.



6	<b>Corrective Recommendation</b>	Data should be updated on real time basis when due or accrued.
7	<b>Management Comments</b>	Kindly refer discussion note attached with the report.

#### 4. MOBILE TOWER TAX

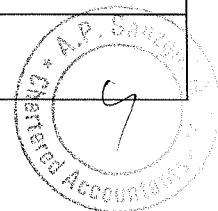
S.N.	Head	Comments
1	<b>Objective</b>	ULB is authorized to collect tax from telecom companies for mobile towers installed in the municipal area.
2	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	No data has been provided from where we can extract outstanding amount of Mobile Tower Tax as on 31.03.2020.
3	<b>Consequences/Effect</b>	Delay in collection of revenue leads in loss to ULB.
5	<b>Cause</b>	No proper explanation in this regard given by ULB.
6	<b>Corrective Recommendation</b>	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	<b>Management Comments</b>	Kindly refer discussion note attached with the report.



**(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:

S.N	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. We have checked following payment during audit period:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Name of Party</th> <th>Scheme/ Voucher No</th> <th>Bill</th> <th>Amount Payment</th> <th>of</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>23.01.2020</td> <td>Dhananjay Singh</td> <td>Contractor</td> <td></td> <td>9,77,625.00</td> <td></td> <td rowspan="13">No irregularity observed</td> </tr> <tr> <td>23.01.2020</td> <td>Vinod Kumar Rai</td> <td>Contractor</td> <td></td> <td>8,89,935.00</td> <td></td> </tr> <tr> <td>23.01.2020</td> <td>Suman Devi</td> <td>Contractor</td> <td></td> <td>6,27,038.00</td> <td></td> </tr> <tr> <td>23.01.2020</td> <td>Surendra Singh</td> <td>Contractor</td> <td></td> <td>7,87,839.00</td> <td></td> </tr> <tr> <td>20.02.2020</td> <td>Sushil Kumar Singh</td> <td>Contractor</td> <td></td> <td>5,08,586.00</td> <td></td> </tr> <tr> <td>20.02.2020</td> <td>RijwanulHaque</td> <td>Contractor</td> <td></td> <td>7,41,258.00</td> <td></td> </tr> <tr> <td>20.02.2020</td> <td>Mahendra Prasad</td> <td>Contractor</td> <td></td> <td>16,14,388.00</td> <td></td> </tr> <tr> <td>20.02.2020</td> <td>Ujjwal Gupta</td> <td>Contractor</td> <td></td> <td>6,22,620.00</td> <td></td> </tr> <tr> <td>20.02.2020</td> <td>Arvind Kumar bharti</td> <td>Contractor</td> <td></td> <td>4,82,460.00</td> <td></td> </tr> <tr> <td>12.03.2020</td> <td>OM Prakshsingh</td> <td>Contractor</td> <td></td> <td>8,98,884.00</td> <td></td> </tr> <tr> <td>20.11.2019</td> <td>Hindustan Paints</td> <td></td> <td></td> <td>198279.00</td> <td></td> </tr> </tbody> </table>	Date	Name of Party	Scheme/ Voucher No	Bill	Amount Payment	of	Remarks	23.01.2020	Dhananjay Singh	Contractor		9,77,625.00		No irregularity observed	23.01.2020	Vinod Kumar Rai	Contractor		8,89,935.00		23.01.2020	Suman Devi	Contractor		6,27,038.00		23.01.2020	Surendra Singh	Contractor		7,87,839.00		20.02.2020	Sushil Kumar Singh	Contractor		5,08,586.00		20.02.2020	RijwanulHaque	Contractor		7,41,258.00		20.02.2020	Mahendra Prasad	Contractor		16,14,388.00		20.02.2020	Ujjwal Gupta	Contractor		6,22,620.00		20.02.2020	Arvind Kumar bharti	Contractor		4,82,460.00		12.03.2020	OM Prakshsingh	Contractor		8,98,884.00		20.11.2019	Hindustan Paints			198279.00	
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7	<b>Management Comments</b>	<b>Kindly Refer Discussion Note</b>
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**(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:

S.N.	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 variance for one property. Details of such case is 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/Recommendation</b>	Management need to carry survey of properties on regular interval.
7	<b>Management Comments</b>	<b>Kindly Refer Discussion Note.</b>

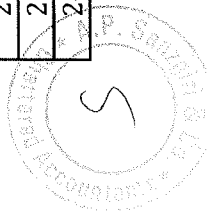


**PART-B: ALL AUDIT OBJECTIONS/IRREGULARITIES WHICH HAS MONETARY IMPLICATION, BUT SIGNIFICANT VIOLATION OF ACT, RULES & DIRECTIVES OF UD & HD, MENTION THE REFERENCE TO ACT & RULES WHEREIN REMEDIAL MEASURE IS REQUIRED:**

**(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 Maintained	Last date of Update
1	Cash Book-Cashier	Not Maintained	-	-
2	Cash Book-Accountant	Maintained	-	31.03.2020
3	Collection Register	Maintained	-	31.03.2020
4	Cheque issue Register	Maintained	-	31.03.2020
5	Register of Advance	Not Maintained	-	-
6	Register of Permanent Advance	Not Maintained	-	-
7	Deposit received register	Not Maintained	-	-
8	Summary statement of deposit adjusted	Not Maintained	-	-
9	Demand Register	Not maintained	-	-
10	Summary Statement of Bills Raised	Not maintained	-	-
11	Register of Notice Fees, Warrant Fees, Other Fees	Not maintained	-	-
12	Summary Statement of Notice Fees, Warrant Fees, Other Fees	Not maintained	-	-
13	Register of Refunds, Remissions and Write off	Not maintained	-	-
14	Summary statement of Refunds and Remissions	Not maintained	-	-
15	Summary Statement of Write-offs	Not maintained	-	-
16	Statement of outstanding Liability for Expenses	Not maintained	-	-
17	Document Control Register/Stock Account Receipts/Cheque Book	Maintained	-	31.03.2020
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	Maintained in DCR	-	31.03.2020
21	Summary Statement of Refunds	Not maintained	-	-
22	Summary Statement of Write off	Not maintained	-	-
19	Summary Statement of Demand Raised on assessment	Not Maintained	-	-
20	Summary Statement of Head wise Collection of Other Income	Maintained in DCR	-	31.03.2020
21	Summary Statement of Refunds	Not maintained	-	-
22	Summary Statement of Write off	Not maintained	-	-
23	Grant Register	Maintained	-	31.03.2019
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		Maintained	31.03.2020
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	-

**Note: Grant Register has not been properly maintained.**

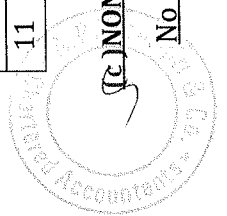
**(b) IRREGULARITY IN PROCUREMENT PROCESS:**

1. COMPLIANCE REGARDING TENDER ISSUED BY THE ULBS: No data has been provided in this respect:
2. DETAILS OF LOG BOOK MAINTAINED:

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
1	TIPPER	NO	NO	NO	NO
2	TEMPO - 03	YES	YES	NO	NO
3	TEMPO - 05	YES	YES	NO	NO
4	TRACTOR - 03	YES	NO	NO	NO
5	TEMPO - 04	YES	NO	NO	NO
6	TRACTOR - 02	YES	NO	NO	NO
7	TRACTOR - 01	YES	NO	NO	NO
8	TEMPO - 06	YES	YES	NO	NO
9	BR24N7538	YES	YES	NO	NO
10	BR24X2457	YES	YES	NO	NO
11	JCB	YES	NO	NO	NO

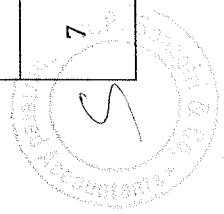
**(C) NON-COMPLIANCE OF DIRECTIVES BY UD&HD, GOB:**

No directions issued during audit period by UD&HD, GoB.

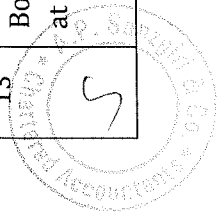


**(d) NON-COMPLIANCE OF ACT & RULES:**

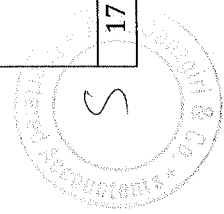
S.N	Requirement	Criteria	Auditors Comment	Management Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made	BMAR Rule No.-22	<b>Refer point: Part-A (a) (2)</b> As per verification of receipt book it is noted that there was average delay of 01 to 91 days in collection and deposit of tax into bank.	<b>(Refer Discussion Note)</b>
2	Whether every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	BMAR Rule No.- 27	Yes, Every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	
3	Whether the collection register was in the personal custody of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection.	BMAR Rule No.- 27	Yes, Collection register was in the personal custody of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection.	
4	Whether bill collector get its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated staff of the Municipality	BMAR Rule No.- 27	The ULB has not 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 dally before 4.30 PM and take the cashier's acknowledgment in the collection register.	BMAR Rule No.- 27	<b>Refer point: Part-A (A) (2)</b> As per verification of receipt book it is noted that there was average delay of 01 to 91 days in collection and deposit of tax into bank.	<b>(Refer Discussion Note)</b>
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	Grant register not updated , except for F.Y. 2018-19., Grant register should be maintained on time.	<b>(Refer Discussion Note)</b>
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	BMAR Rule No.- 69	UC is prepared with the help of IA.	



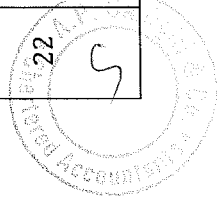
	particular proportion or manner. Usually such grants have requirements for submitting utilization certificates e.g. Finance Commission grant, SFC grant for specific purpose, namely, road repairs. It is the responsibility of the Chief Municipal Officer that the conditions attached to the grant are complied with without exception.				
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> ULB under process to prepare UC Details with the help of Auditor.	<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	See note-1at Bottom of this Table:	This amount outstanding due to tender offer below original amount for which grant approved. We will consider the matter in board meeting.	
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 following each quarter	BMAR Rule No.- 121	The ULB was not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter.	<b>(Refer Discussion Note)</b>	



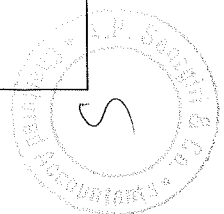
14	<p>The Chief Municipal Officer shall, Within three months after the end of each financial year be prepared financial statements for the preceding year in respect of the accounts of the Municipality. <b>The Financial Statements shall comprise of</b></p> <p>a. Receipts and Payments Account for the year (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>	BMAR Rule No.- 122	<p><b>BMAR Rule No. - 122</b> was not followed by ULB during the F.Y. 2019-20.</p>	<p><i>(Refer Discussion Note)</i></p>
15	<p>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)</p>	BMAR Rule No.-130	<p><b>Refer PART-B (f)</b> We observed that ULB was not regular in compliance of statutory dues.</p>	<p><i>(Refer Discussion Note)</i></p>
16	<p>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)</p>	BMAR Rule No.-130	<p><b>Refer PART-B (g)</b> Yes, ULB 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</p>	
17	<p>Whether all transactions (incomes, expenditures, assets</p>	BMAR Rule	<p>Up to FY 2011-12, proper records</p>	



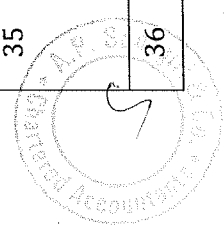
	and liabilities) are correctly classified and stated in sufficient detail;	No.-130	have been maintained after that no records have been maintained according to the requirement of the rules.	
18	Whether all grants sanctioned or received by the municipality during the year, have been accounted properly, 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 available hence we are unable to comment on it.	<b>(Refer Discussion Note)</b>
20	Whether the ULB is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;	BMAR Rule No.-130	ULB was not maintaining fixed assets register. Further ULB not in a practice to verify Assets on regular basis.	<b>(Refer Discussion Note)</b>
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	We observe while carrying audit of lease rent , it is neither collected regularly nor renewal every year in respect of DAV public school and bus stand market.	<b>(Refer Discussion Note)</b>
	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.	

22  


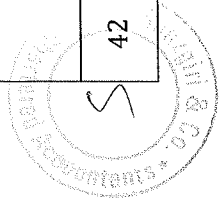
23	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality's accounts; If so, the details thereof;	BMAR Rule No.-130	We have not observed such type of transaction during audit.	
24	Whether the Bank Reconciliation statements have been properly prepared for all the bank accounts of the ULB and the remedial actions including all correcting entries have been taken on timely basis;	BMAR Rule No.-130	Yes ULB followed the same.	
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.-130	Yes, ULB followed the same procedure as per prescribed 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, the expenditure incurred in respect of provision made in Authorised budget already.	
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 accounted revenue properly. But collection and recovery of taxes was in slow pace that's why there was arrear of taxes in ULB. However details regarding arrear of taxes was not provided.	
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 sums due to and received by the ULB have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act. Except; In case of deposit of daily tax collection, that is deposited on average 01-91 days delay of collection.	<b>(Refer Discussion Note)</b>



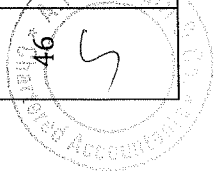
29	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order;	BMAR Rule No.-130	Yes, the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order	
30	Whether, proper books of account as required by the Act and Rules have been kept by the Municipality so far as It appears from examination of those books. (Rule-130 of BMAR-2014)	BMAR Rule No.-130	<b>Refer-PART-B (a)</b> No, Some required books of accounts as per BMAM/BMAR has not been maintained.	<b>(Refer Discussion Note)</b>
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.	Currently ULB did not follow the practice of valuation of Stock. <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		
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		
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, whether reasonable steps have been taken by the municipality for recovery of the principal and interest?	BMAR Rule No.-130	<b>Refer-PART-B (j)</b> As per information provided by concern officer No Such loan and advances has been provided.	<b>(Refer Discussion Note)</b>
36	Whether advances given to municipal employees and	BMAR Rule	<b>ULB did not provide loan to its</b>	



	interest thereon are being regularly recovered;	No.-130	<i>employees , hence question of interest does not arises.(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	On the basis of information and data provided to us , we did not found during the random checking of payment that is not cover from budget.	
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 budget grant.	BMA,2007: Chapter X	No such case observe during the period of Audit.	
41	<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:	BMA,2007: Chapter X	As per ULB, No investment was done by ULB.	We did not follow practice of investment.If it will approved in meeting, the same will be done.
42	<b>Preparation of budget estimate of Municipality.</b> Whether The budget estimate stated the rates at which	BMA,2007: Chapter XI	No, Estimation should be based on the past experience and after	



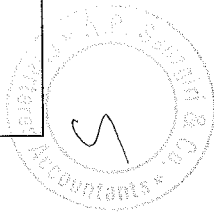
	various taxes, surcharges, cesses and fees shall be levied by the Municipality in the year next following.		considering the fact that how the condition might change in future though the provision of Section 82 of the Act regarding preparation of budget have been complied.	
43	<b>Maintenance of accounts.</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,	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.	<b>(Refer Discussion Note)</b>
44	<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,	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.	No financial statement have been prepared by ULB. <b>(Refer Discussion Note)</b>
45	<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>	BMA,2007: Chapter XII	No, Financial Statements were not provided to auditor by ULB.	<b>(Refer Discussion Note)</b>
46	<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	BMA,2007: Chapter XV	<b>Refer-PART-A (a) (1)</b> for status of taxes not collecting by ULB.	



	of any holding, etc. As per act Every person who erects, exhibited, fixes or retain upon or over any land, building ,wall, boarding, frame, post, kiosk, structure, vehicle, neon-sign or sky sign any advertisement, or display any advertisement to public view in any manner whatsoever (including any advertisement exhibited by means of cinematograph), visible from a public street a public place in any location in a municipal area including airport or a port or a railway station ,shall pay or every advertisement, which is so erected ,exhibited, fixed or retained or so displayed to public view, a tax calculated at such rate as may be determined regulations. it requires payment of certain fee for advertisement.			
47	As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007,) Municipality shall, by regulations, provide for issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore,	BMA,2007: Chapter XIX	<b>Refer-PART-A(a)(3)</b> No, ULB is not issuing notice fees to defaulter and collecting notice fees.	<b>(Refer Discussion Note)</b>
48	As per section 342 of Bihar Municipal Act, 2007 Trade license fee is to be collected from different types of Trader, who are trading in Concerned Municipal area.	BMA,2007: Chapter XXXVII	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.	

**Note: Following Grants remain in bank account for more than 3 years:**

Name	Bank a/c	Purpose	Amount	Since
Canara Bank	19539	BRGF	47,75,057.00	2017
MBGB	47856	GBY	64,077.00	2011
PNB	57887	GBY	29,86,305.00	2008



( e ) LACK OF INTERNAL CONTROL MEASURES: We have observed the following areas where internal control measures are required by ULBs-

- Tax should be collected & deposited on timely basis as per BMAR Rules-As every tax collector takes 01 day to deposit the same after collection.
- ULB should follow Books of Account, Trial Balance, FAR, FS, and other records as per BMAR Neither Trial Balance nor Financial Statement have been prepared by ULB.
- ULB should prepare & Maintain monthly BRS- Monthly Bank Reconciliation statement has not however year end reconciliation has been prepared.
- ULB should maintain register in respect of outstanding taxes.
- NO MIS was prepared for tracking of payments.

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

A. DETAILS OF DELAY IN DEPOSIT OF TDS ARE MENTIONED BELOW:

S.N	Name of Party	Invoice Value	Amount of deduction	Due date of deposit	Actual Date of deposit	Cheque/ Challan Number
1	Rima Kumari	5,95,303	5,953			
2	Ajay Kumar	6,07,756	6,078			
3	Chhotelal Singh	8,87,584	8,876			
4	Mohan Singh	5,35,124	5,351			
5	Sanjay Kumar Singh	7,79,750	7,798			
6	Dhanjay Kumar Singh	8,04,706	8,047			
7	Cbs Facilities Man Pvt.Ltd	16,32,000	26,112			
8	Ke & Hss	15,56,240	24,900			
9	Ravindra Kumar Singh	1,66,681	1,667	NA	NA	NA
10	Sarokumari	6,26,000	6,260			
11	Lalit Vijay Singh	10,98,796	10,988			
12	Cbs Facilities Man Pvt .Ltd	24,73,600	49,472			
13	Pradeep Kumar Singh	8,96,215	8,962			
14	Ke&Hss	15,05,240	31,125			
15	Chhotelal Ram	7,01,754	7,018			
16	Chhotelal Singh	6,56,432	6,564			
	<b>Total</b>	<b>1,55,23,181</b>	<b>2,15,171</b>			

B. DETAILS OF DELAY IN DEPOSIT OF VAT ARE MENTIONED BELOW: No liability during Financial Year 2019-20

C. DETAILS OF DEPOSIT OF ROYALTY ARE MENTIONED BELOW:

S.N	Name of Party	Invoice Value	Amount of Deduction	Date of Deposit	Cheque/ Challan Number
1	Dhanjay Singh	665506	13310		
2	Vidhayapati Singh	363017	7260		
3	Roma Kumari	138800	2776		
4	Pradeep Kumar Singh	505318	10106		
5	Mazhar Imam Ansari	314194	6284		
6	Santosh Kumar	797927	15958		
7	Smt. Seeema Devi	790902	15818		
8	Lal Bihari Ram	539838	10797	NA	NA
9	Manish Kumar Singh	592208	11844		
10	Rajnish Kumar Singh	1010530	20211		
11	Satish Kumar	873072	17461		
12	Pankaj Kumar	913216	18264		
13	Mahabir Singh	1179306	23586		
14	Siyaram Singh	969879	15398		
	<b>Total</b>	<b>9653713</b>	<b>189073</b>		



D. DETAILS OF DEPOSIT OF LABOUR CESS ARE MENTIONED BELOW:

S.N	Name of Party	Invoice Value	Amount of Deduction	Date of Deposit	Cheque/ Challan Number
1	Dhanjay Singh	665506	6655	NA	NA
2	Vidhayapati Singh	363017	3630		
3	Roma Kumari	138800	1388		
4	Pradeep Kumar Singh	505318	5053		
5	Mazhar Imam Ansari	314194	3142		
6	Santosh Kumar	797927	7979		
7	Smt. Seema Devi	790902	7909		
8	Lal Bihari Ram	539838	5398		
9	Manish Kumar Singh	592208	5922		
10	Rajnish Kumar Singh	1010530	10105		
11	Satish Kumar	873072	8731		
12	Pankaj Kumar	913216	9132		
13	Mahabir Singh	1179306	11793		
14	Siyaram Singh	969879	9699		
15	Alamgir Khan	895320	8953		
16	Roma Kumari	356181	3562		
17	Indu Kumari	1108798	11088		
18	Manorma Devi	762404	7624		
19	Avinash Kumar Singh	1279750	12798		
<b>Total</b>		<b>14056166</b>	<b>140561</b>		



**E. DETAILS OF DEPOSIT OF TDS ON GST ARE MENTIONED BELOW:**

S.N	Name of Party	Invoice Value	Amount of Deduction	Due Date of Deposit	Date of Deposit	Cheque/Challan Number
1	Dhanjay Singh	665506	13310	NA	NA	NA
2	Vidhayapati Singh	363017	7260			
3	Roma Kumari	138800	2776			
4	Pradeep Kumar Singh	505318	10106			
5	Mazhar Imam Ansari	314194	6284			
6	Santosh Kumar	797927	15958			
7	Smt. Seema Devi	790902	15818			
8	Lal Bihari Ram	539838	10796			
9	Manish Kumar Singh	592208	11844			
10	Rajnish Kumar Singh	1010530	20210			
11	Satish Kumar	873072	17462			
<b>Total</b>		<b>6591312</b>	<b>131824</b>			

**F. DETAILS OF TDS RETURNS FILLED ARE MENTIONED BELOW:**

S.N	Quarter	Due date of return	Actual date of return filed	Remark
1	Quarter-1	31.07.2019	Not file till date	See Note below
2	Quarter-2	31.10.2019	Not file till date	See Note below
3	Quarter-3	31.01.2020	Not file till date	See Note below
4	Quarter-4	31.07.2020	Not file till date	See Note below

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

S.N	Particulars	Comments
1	Status of maintenance of salary register for all employees (Permanent/Daily wages/	Up to date for the financial year 2019 - 20
2	Non availability of Salary payment voucher	No
3	Matching of voucher number with cash book	No
4	Salary register contains all elements of salary	Yes
5	Maintenance of Salary Deduction register	No
6	Whether deduction of PF/ESI made from contract employee	Yes
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:**

a. **Permanent Employee:** During audit of Council, we have observed that no amount of PF has been deposited to EPFO A/C during the financial year 2019-20 (Quarter- 4). (Refer discussion note)

**Contractual Employee:** During audit of Council, we have observed that following amount of PF has been deposited to EPFO A/C during the January and February of financial year 2019-20 (Quarter -4) while in march no PF deposited. (Refer discussion note)



Month of Deduction	Amount Deduction	Due date of deposit	Amount Deposit	Actual Date of deposit	Delay in days
July - 19	45350.00	15.08.2019	45350.00	03.02.2020	172
Aug - 19	53736.00	15.09.2019	53736.00	03.02.2020	141
Sep - 19	35669.00	15.10.2019	35669.00	03.02.2020	111
January - 2020	78,655	15.02.2020	78,655	25.08.2020	191
February - 2020	76,460	15.03.2020	76,460	25.08.2020	163
March- 2020	Not deducted	15.04.2020	N/A	N/A	-

**Note: Quarter 1 and quarter 3 PF amount has not been deposited .Kindly refer discussion note.**

**(h) UTILISATION OF GRANT AND REPORT ON MISSING UTILISATION CERTIFICATES**

SN	Head	Details
1	STATUS OF UTILIZATION CERTIFICATE:	Management has not prepared UC details, however we have discussed the matter with management to prepare with the help of Auditor. Some UC have been prepared and remaining are under process. <b>(Refer Discussion Note)</b>
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. <b>(Refer Discussion Note)</b>

**( i ) PHYSICAL VERIFICATION OF INVENTORY/STORES:** ULB did not follow the practice of physical Verification of stock. **(Refer Discussion Note)**

**( j ) ADVANCES, THEIR ADJUSTMENT & RECOVERY:** 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.

**III. PART-C**

S.N	Particulars	Complied or Not
A	Auditor should report in a separate section for non-compliance of rules/directives of UD&HD, GoB; Auditor should see the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD.	Complied Refer-PART-B(D)
B	Auditor should Report in a separate chapter on implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment procedures to check any 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	Complied Refer-PART-A(c)

	and Actuals as per internal audits;	
C	Auditor should report on compliance of Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR :	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 Utilisation Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	Complied Refer-PART-B(H)
I	Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	Complied Refer-Audit Recommendation
J	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies.	Complied Refer-PART-B(b)
K	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies	Complied Refer-PART-B(b)
L	Auditor will report on that the fixed deposit and other funds should be in nationalized	Complied Refer-PART-B(D)

	Banks/Approved financial institutions and should earn maximum interest at their gestation period.	
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 DEHRI DALMIANAGAR

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	H	NO	YES	YES	Due to lack of manpower some gap arose, However we are trying to minimize the gap every month.	We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval. The ULB has not proper mechanisms for supervision and monitoring of the Taxes due to which result in Revenue Loss.
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		

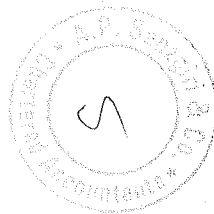
##### **RECEIPT AND BANKING**

1	Error in collections, loss of receipts and perpetrated frauds					It will be rectify very soon in near future	It is recommended that <ul style="list-style-type: none"> <li>➤ Collection must be in timely manner;</li> <li>➤ Amount collected must be deposited without making any delay;</li> <li>➤ And Regular check by competent authority to mitigate any type of fraud in this regard.</li> </ul>
2	Non-updating various register like hand book, DCB register, cash book, etc.	H	NO	NO	YES	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 assessments of income	NA	NO	NO	NO		
4	Others	NA	NA	NA	NA		

<b>REVENUE EXPENDITURE</b>										
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Perpetrated Fraud (Like Payment more than one time on same bill)	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Non-updating various register like bill register with payment figure etc.	M	NA	NA	NA	NA	YES	We have shortage of skilled employees and due to this we are facing problem like this.	Bill registers etc should be update on real time basis transaction.	NA
6	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>ESTABLISHMENT EXPENDITURE</b>										
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with Employee	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
5	Non-updating various register like billregister with payment figureetc.	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>CAPITAL EXPENDITURE</b>										
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with Contractor	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
6	Non-updating various register like work register, MB, bill register, Fixed Assets register, Service book/record, advance register, etc.	NA	NA	NA	NA	NA	NA	NA	NA	NA
7	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>PROCUREMENT AND INVENTORY</b>										
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication/ Procedural	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 Dehri Dalmianagar

HIGH

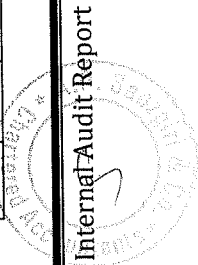
COMPLIANCE REPORT NOT SUBMITTED

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



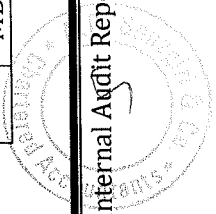
CASH AND BANK						
Nagar Parishad Dehri Dalmianagar						
Name of the ULB						
RISK RATING:						
HIGH						
CAG OBSERVATIONS STATUS						
COMPLIANCE REPORT NOT SUBMITTED						
PERIOD:						
F.Y. 2019-20						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (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	16 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

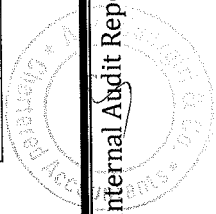


PUBLIC WORKS						
	Nagar Parishad Dehri Dalmianagar					
	HIGH					
	COMPLIANCE REPORT NOT SUBMITTED					
S/N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether bill has been prepared as per actual measurement & page no. of the MB in which 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 Dehri Dalmianagar						
HIGH						
COMPLIANCE REPORT NOT 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 September, 2019 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-1 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



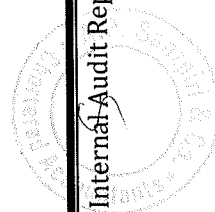
Collection						
Nagar Parishad Dehri Dalmianagar						
HIGH						
COMPLIANCE REPORT NOT SUBMITTED						
CAG OBSERVATIONS STATUS						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether collection procedure are as per guidelines/direction 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,	We have checked receipts vouchers books on random basis and it is found ok.	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, There is gap between collection and deposit of money in to bank. Kindly also refer Annexure-1 attached with this report	NA	High	We will follow Bihar Municipal Act now onwards.	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	Yes, property tax is not collected from all households	NA	Medium	We will look in to this.	No
12	Whether penalty (@2% P.M/ 1.5%) has been duly charged on late payment.	We have checked transactions on random basis and it is found that penalty is charged.	NA	NA	NA	NA
13	Whether daily collections are entered into hand book, collection register maintained by TC & it should be properly entered in demand & collection register,	Yes	NA	NA	NA	NA
14	Whether collection by way of cheque are properly banked & credited into account,	Yes	NA	NA	NA	NA
15	Whether any refund/remission granted are admissible under the law and that have	Yes, in case of taxes remission/discount is given to	NA	NA	NA	NA

	been duly sanctioned,	households but there is no mechanism to trace that this refund or remission was given after duly sanction or without sanction.				
16	Whether any immediate steps has been taken or not for cheque dishonored received	No such cases found during audit	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

<b>DEMAND</b>						
	<b>NAME OF THE ULB</b>	<b>Nagar Parishad Dehri Dalmianagar</b>				
	<b>RISK RATING:</b>	<b>HIGH</b>				
	<b>NAME OF TAX COLLECTOR</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	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.	NA	NA	NA	NA



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 & updation 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	We look in to this matter and resolve the same very soon.	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	We look in to this matter and will be send notice to concern person for the same.	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	Due to lack of staff, it is difficult to maintain on daily basis.	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

<b>ESTABLISHMENT</b>						
<b>Nagar Parishad Dehri Dalmianagar</b>						
<b>NAME OF THE ULB</b>						
<b>RISK RATING:</b>						
HIGH						
<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	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	NA	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	NA	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	NA	No
5	Whether service book for calculation of payable has been authorized by the proper person,	Service book was not produced before us during audit hence we are not able to comment on it.	NA	NA	NA	No
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 date with date of receive (In case of arrear).	Yes	NA	NA	NA	NA	NA
10	Whether the bill prepared according to sanctioned scale,	Yes	NA	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	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	NA
13	Whether all statutory deduction or adjustment has been made before payment,	Yes	NA	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	NA
15	To check salary bills.	No Salary bill is prepared by the ULB.	NA	Medium	It will be implemented in future.	No	NA
16	Position of outstanding advances paid to Employees	NA	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	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	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	NA	Low	Salary Bill will be prepared from now.	No	NA

		adjustment has been maintained.					
20	Check Retirement benefit to employee	No such instances found	NA	NA	NA	NA	NA
21	Personnel Appointments and to see whether all records are updated from time to time.	Yes	NA	NA	NA	NA	NA
22	Dismissal and Resignation/ Termination	No Such case found.	NA	NA	NA	NA	NA
23	Temporary workers	Yes	NA	NA	NA	NA	NA
24	Overtime	No Such case found	NA	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	NA
25	Personnel Files	Not produced before us during audit	NA	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.	No	
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	

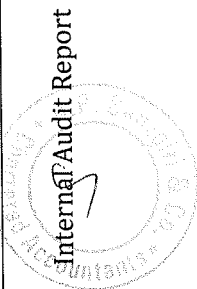
<b>GRANT</b>	
<b>NAME OF THE ULB</b>	Nagar Parishad Dehri Dalmianagar
<b>RISK RATING:</b>	HIGH



S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Maintenance/Update registers regarding detail of funds received and expenditure.	Grant register Not maintained by ULB.		High	We will maintained	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 the budget.	We have checked and found no expenditures exceeds to its budgets.	NA	NA	NA	NA

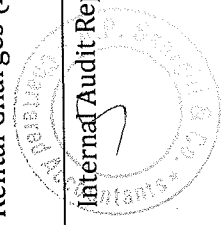


PAYMENT OF BILLS OF CONTRACTORS						
Nagar Parishad Dehri Dalmianagar						
HIGH						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Original bill duly signed by contractors is submitted.		NA	NA	NA	NA
2	Contractor has put his initials in 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.	We have checked this on random basis and it is found ok.	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



RECEIPT VOUCHER						
NAME OF THE ULB		Nagar Parishad Dehri Dalmianagar				
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 maintained	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

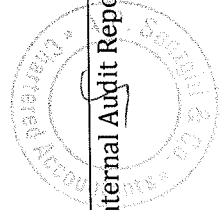
	their circle								
10	Check whether TC have same "Receipt Voucher" which was actually issued by store & it must be authorized by the appropriate authority,	Yes	NA	NA	NA	NA	NA	NA	NA
11	Check that there should be proper recording at each stage (where authority has been changed) of log book/ register 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	High	We will implement necessary step for recovery very soon.	No		
2	Tower Tax	No such record provided by ULB	NA	High	High	We will implement necessary step for recovery very soon.	No		
3	Professional Tax	NA	NA	NA	NA	NA	NA	NA	NA
4	Assigned Revenue (As details annexed)	NA	NA	NA	NA	NA	NA	NA	NA
5	Rental Charges (As details annexed)	ULB has huge outstanding balance to recover and recovery procedure followed is	29.49 Lakh	High	High	We will implement necessary step for	No		



		slow.				recovery very soon.	
6	Fee & uses Charges (As details annexed)	NA	NA	NA	NA	NA	NA
7	Other Revenue Items	No such record provided by ULB	NA	High	We will implement necessary step for recovery very soon.	No	

REVENUE EXPENSES							
Nagar Parishad Dehri Dalmianagar							
Medium							
S.N	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
7	Whether data base for the same has been properly maintained & safeguard measures are taken,	Yes	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
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
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
11	Whether payment has been made after deducting statutory dues or advances,	Yes	NA	NA	NA	NA
12	Whether the expenditure are made with a period & amount as sanctioned,	Yes	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
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
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 of purchase order, tender rate or as per bill),	No	NA	NA	NA	NA
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
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
20	Whether entry of any event during service has been made in service book by authorized person.	No	NA	NA	NA	NA

STATUTORY REQUIREMENT						
	NAME OF THE ULB	Nagar Parishad Dehri Dalmianagar				
	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

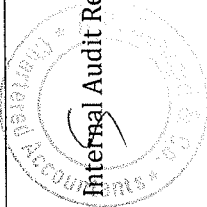
**TENDER DETAILS**

Nagar Parishad Dehri Dalmianagar						
NAME OF THE ULB						
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



Internal Audit Report

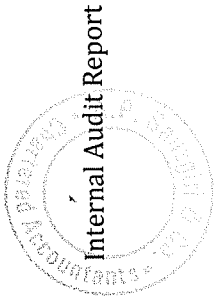
5	Indent for purchase indicates the details of quantity required, last purchase rate, period for which stores are needed and name of consignee.	Yes	NA	NA	NA	NA	NA
6	Approval of mode of procurement	Yes	NA	NA	NA	NA	NA
7	The tender documents are prepared properly and description of items to be procured, quantity and estimated value should be indicated.	Yes	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	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	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	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	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	NA
13	To check whether articles were received/work was completed in time as per delivery schedule.	Yes	NA	NA	NA	NA	NA
14	The stores/goods are properly recorded in the Stock Registers /Asset Register.	Yes	NA	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	NA



Internal Audit Report

<b>VEHICLE LOG BOOK</b>						
<b>NAME OF THE ULB</b>		<b>Nagar Parishad Dehri Dalmanagar</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	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.	Yes	NA	NA	NA	NA

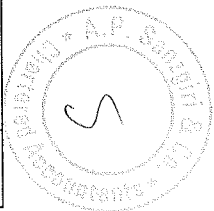




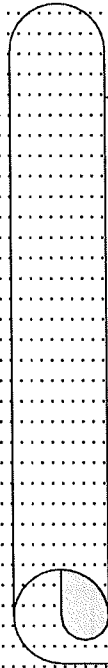
<b>FIXED ASSETS</b>							
<b>Nagar Parishad Dehri Dalmianagar</b>							
<b>HIGH</b>							
<b>S.N</b>	<b>NAME OF THE ULB</b>	<b>Particulars</b>	<b>Audit Observation</b>	<b>Amt. Involved</b>	<b>Associates Risk</b>	<b>Management Comment</b>	<b>Status (Resolved /Not)</b>
1		Status on Maintenance of Fixed 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						
	Nagar Parishad Dehri Dalmianagar					
	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**



**Implication/ Risk**

HIGH

**Recommendation**

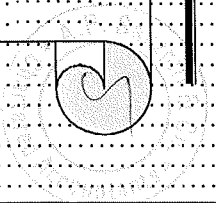
Deducted amount of TDS is not deposited on timely basis as prescribed in Law.

**Management Comments**

We will deposit on prescribed due date from next time.

Person Responsible:

Timeless:

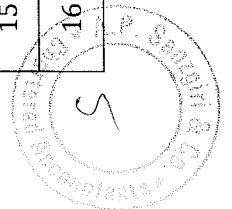


**ANNEXURE-1: DELAY IN DEPOSIT OF PROPERTY TAX**

**ULB- DEHRI DALMIANAGAR**

**INTERNAL AUDIT REPORT- F.Y. 2019-20**

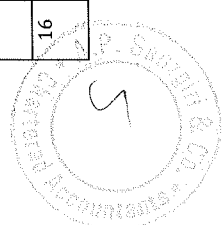
Sl. No.	Serial Number		Amount of Tax	Date of Collection as per Receipts Booked	Amount Deposited into	Delay in deposit with cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To						
1	9	(Property holder)	59,500	16.11.2019 to 04.01.2020	59,500		06.01.2020	1-20
2	6	(Property holder)	36,150	07.01.2020 to 20.01.2020	36,150		23.01.2020	1-16
3	7	(Property holder)	51,535	22.01.2020 to 25.01.2020	51,540		28.01.2020	1-6
4	11	(Property holder)	68,232	22.01.2020 to 08.02.2020	68,232		11.02.2020	1-11
5	3	(Property holder)	36,905	10.02.2020 to 13.02.2020	36,905		13.02.2020	1-3
6	11	(Property holder)	25,544	06.01.2020 to 10.02.2020	25,544		28.02.2020	1-51
10	11	(Property holder)	40,210	12.03.2020 to 20.03.2020	40,210		22.06.2020	1-71
11	2	(Property holder)	11,480	12.02.2020 to 13.02.2020	11,480		14.02.2020	1-3
12	24	(Property holder)	2,02,829	31.12.2019 to 29.01.2020	2,02,829		03.02.2020	1-32
13	16	(Property holder)	60,860	31.01.2020 to 13.02.2020	60,860		13.02.2020	1-13
14			71,778		71,778		28.02.2020	1-28
15	4113 to 4123		25,544	06.01.2020 to 10.02.2020	25,544		28.02.2020	1-51
16	4124 to 4131		40,210	12.03.2020 to 20.03.2020	40,210		22.06.2020	1-91



DEHRI NAGAR PARISHAD

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

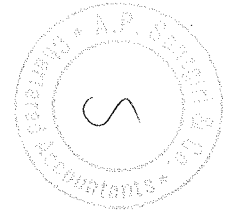
S.N.	Holding Name	W.N.	H.N.	Type of Use		Area			Tax Amount			Remark
				As per tax Collector	As per Auditor	As per Tax Collector	As per Auditor	Difference	As per Tax Collector	As per Auditor	Difference	
1	Hotel Sone Bridge	28		PMR	PMR	25039	25039	0	119879.00	119879.00	0	No Difference
2	Dhanuka Public School	38		PMR	PMR	88486	88486	0	109066.00	109066.00	0	No Difference
3	Pathik Lodge	17		PMR	PMR	8370	8370	0	39841.00	39841.00	0	No Difference
4	Bhawani Hotel	17		PMR	PMR	4840	4840	0	23183.00	23183.00	0	No Difference
5	Budha Vihar	13		PMR	PMR							-
6	Laxmi International Hotel	13		PMR	PMR							-
7	Rajni Singh Hospital	15		PMR	PMR	4091	4091	0	19596.00	19596.00	0	No Difference
8	Rudraksh Hotel	14		PMR	PMR							-
9	SBI Complex	30		PMR	PMR	27000	27000	0	129330.00	129330.00	0	No Difference
10	Bank of India	30		PMR	PMR	11070						
11	Surya Banket Hall	20		PMR	PMR	15703	19584	3881	76318.00	95179.00	18862.00	Short collection
12	Dr. Sunil Bose	22		PMR	PMR							
13	Bazar India	22		PMR	PMR	19500	19500	0	61155.00	61155.00	0	No Difference
14	City Mart	34		PMR	PMR	49779	49779	0	68042.00	68042.00	0	No Difference
15	Hotel Umang	22		PMR	PMR	20100	20100	0	96279.00	96279.00	0	No Difference
16	Dr. Darbari Singh	10		PMR	PMR							



**DEHRI NAGAR PARISHAD**

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

17	Ashirwad Loadge	29		PMR	PMR	4755	4755	0	22601	22601	0	
18	Mayur Hotel	15		PMR	PMR	10605	10605	0	50797.00	50797.00	0	No Difference
19	Sidharth Hotel	15		PMR	PMR	7600	7600	0	36404.00	36404.00	0	No Difference
20	Jagjivan College			PMR	PMR	(219105+16 566)	(219105+165 66)	0	97446.00	97446.00	0	No Difference



Dehri NagarParishad

Discussion note

2019-20(Qtr-1)

Letter No.

Date: 30.08.2019

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-1)

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

S.N	Audit observation	Management comment
1	No Municipal Accounts Committee constituted.	No Municipal Accounts committee has been constituted , however we will discuss matter with board and constituted accordingly.
2	Non preparation of AG compliance Report & Internal Audit Compliance Report.	We are under process, once it is completed it will be delivered very soon.
3	Non-Levy of taxes in IAR I. PART-A (a)1	Some of taxes is collected by other department of GOB. like professional tax; and there are many taxes in this para are not collected by ULB due to not providing services in this respect like fire tax, water tax Otherwise discussed in meeting of board and implement as soon as possible.
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	Currently not collecting but it is considered and will be collected as soon as possible.
6	Not preparation of Payment voucher	Payment released on the basis of invoice/MB etc along with order pass by relevant Authority. It is consider as payment voucher.
7	Non-maintenance of Books of	Due to lack of qualified staff we could not

  
**Executive Officer**  
Nagar Parishad, Dehri-Balmanagar

	Accounts para ii-PART B (a)	maintain books of accounts.
8	Non-implementation of biometric devices and payroll software.	It is under process.
9	TDS not Deposited on due date.	It will be deposited on or before due date.
10	Royalty not deposited	It will be deposited from now.
11	Labour cess not Deposited	It will be deposited from now.
12	Non preparation of salary voucher	We did not follow such system.
13	TDS Quarterly Return not Filed.	It will be filed very soon.
14	Permanent Employee -PF Amount not deposited.	It will be deposited from now.
15	Contractual employee - PF not deposited.	Due to Lack of staff and implementation of CFMS, delay occurred,. It will be deposited on or before due date from now.
16	Non-preparation of complete UC.	UC is prepared with the help of Internal Auditor.
17	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.
18	Vehicles are not insured.	It is under process.
19	Advances &their adjustment.	ULB does not provide any loan and advances to its staff.
20	Non preparation of Receipt and Payment A/C ,Trial balance, Income and expenditure A/C and balance sheet (Financial Statement)	It will be prepared after DEAS implemented by Tibrewal Chand & Co.
21	Non completion of survey for trade license.	It will be done very soon.
22	Non-preparation of Rent collections and demand registers as per rule.	It will be prepared.
23	Data/information regarding outstanding balances of property taxes, Mobile tower tax, Advertisement, and other incomes have not been provided.	Detailed record has not maintained at ULB. Management is planning for maintaining detailed data.
24	BRS Issues relating to non- production of Bank statement and non Updation of PLA related records. Non Preparation of BRS on time .	Bank Statement will be provided on time from now. PLA related data will be updated as well as BRS will be prepared on time.

  
**Executive Officer**  
 Nagar Parishad, Dehri-Daeranaga

25	Non maintenance of fixed assets register.	It will be maintained.
26	Non- maintenance of procurements register	It will be maintained.
27	Non-updating various register like store register, issue register, bill register with payment fig., etc.	It will be maintained.
28	Lots of register not maintained like Register of Remittances made into bank, Statutory Deduction Register, Scheme Register, etc	It will be maintained shortly.
29	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.
30	Non deduction of TDS mentioned in Part-A (B) of IAR	We will deduct and deposit the same.
31	Cash book is not updated on regular basis.	Due to lack of human resources the same has not been updated on timely basis; however we will update from now.
32	ULB did not mention repair and maintenance particular & rate of Diesel/Petrol in log book.	We will maintain it.
33	Depreciation is not charged to Fixed Assets.	ULB did not follow Double Entry Accounting System, hence depreciation is not accounted in our book.
34	Survey Report on 20 high value property.	We will provide the tax officials for the same in near future.

Signature of Executive Officer

**Executive Officer**  
Nagar Parishad, Dehr, 200001



DehriDalmiaNagarParishad

Discussion note

2019-20(Qtr-2)

Letter No.

Date: 10.06.2020

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, DehriDalmiaNagar Parishad, discussed with internal auditor and confirm the following:

S.N	Audit observation	Management comment
1	No Municipal Accounts Committee constituted.	No Municipal Accounts committee has been constituted , however we will discuss matter with board and constituted accordingly.
2	Non preparation of AG compliance Report & Internal Audit Compliance Report.	We are under process, once it is completed it will be delivered very soon.
3	Non-Levy of taxes in IAR I. PART-A (a)1	Some of taxes is collected by other department of GOB. like professional tax; and there are many taxes in this para are not collected by ULB due to not providing services in this respect like fire tax, water tax Otherwise discussed in meeting of board and implement as soon as possible.
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	Currently not collecting but it is considered and will be collected as soon as possible.
6	Not preparation of Payment voucher	Payment released on the basis of invoice/MB etc along with order pass by relevant Authority. It is consider as payment voucher.
7	Non-maintenance of Books of Accounts para ii-PART B (a)	Due to lack of qualified staff we could not maintain books of accounts.
8	Non-implementation of biometric	It is under process.


  
**Executive Officer**  
Nagar Parishad, Dehri-Dalmanagar

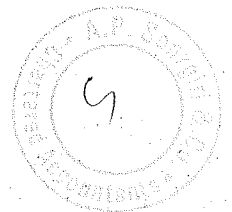


	devices and payroll software.	
9	TDS not Deposited on due date.	It will be deposited on or before due date.
10	Royalty not deposited	It will be deposited from now.
11	Labourcess not Deposited	It will be deposited from now.
12	Non preparation of salary voucher	We did not follow such system.
13	TDS Quarterly Return not Filed.	It will be filed very soon.
14	Permanent Employee -PF Amount not deposited.	It will be deposited from now.
15	Contractual Employee- PF late deposited.	Due to Lack of staff and implementation of CFMS, delay occurred,. It will be deposited on or before due date from now.
16	Non-preparation of complete UC.	UC is prepared with the help of Internal Auditor.
17	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.
18	Vehicles are not insured.	It is under process.
19	Advances &their adjustment.	ULB does not provide any loan and advances to its staff.
20	Non preparation of Receipt and Payment A/C ,Trial balance, Income and expenditure A/C and balance sheet (Financial Statement)	It will be preparedafter DEAS implemented by Tibrewal Chand &Co.
21	Non completion of survey for trade license.	It will be done very soon.
22	Non-preparation of Rent collections and demand registers as per rule.	It will be prepared.
23	Data/information regarding outstanding balances of property taxes, Mobile tower tax, Advertisement, and other incomes have not been provided.	Detailed record has not maintained at ULB. Management is planning for maintaining detailed data.
24	BRS Issues relating to non- production of Bank statement and non Updation of PLA related records. Non Preparation of BRS on time .	Bank Statement will be provided on time from now. PLA related data will be updated as well as BRS will be prepared on time.
25	Non maintenance of fixed assets register.	It will be maintained.
26	Non- maintenance of	It will be maintained.

  
**Executive Officer**  
 Nagar Parishad, Dehri-Dalmianagar

	procurements register	
27	Non-updating various register like store register, issue register, bill register with payment fig., etc.	It will be maintained.
28	Lots of register not maintained like Register of Remittances made into bank, Statutory Deduction Register, Scheme Register, etc	It will be maintained shortly.
29	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.
30	Non deduction of TDS mentioned in Part-A (B) of IAR	We will deduct and deposit the same.
31	Cash book is not updated on regular basis.	Due to lack of human resources the same has not been updated on timely basis; however we will update from now.
32	ULB did not mention repair and maintenance particular & rate of Diesel/Petrol in log book.	We will maintain it.
33	Depreciation is not charged to Fixed Assets.	ULB did not follow Double Entry Accounting System, hence depreciation is not accounted in our book.
34	Survey Report on 20 high value property.	We will provide the tax officials for the same in near future.

  
 Signature of Executive Officer  
**Executive Officer**  
**Nagar Parishad, Dehr-Dalmianagar**



DehriDalmianagarNagarParishad

Discussion note

2019-20(Qtr-3)

Letter No.

Date: 10.06.2020

To

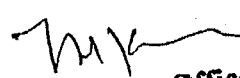
AP Sangziri & Co.

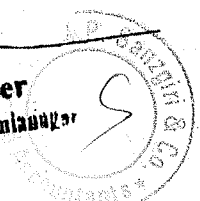
(Chartered Accountants)

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



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

S.N	Audit observation	Management comment
1	No Municipal Accounts Committee constituted.	No Municipal Accounts committee has been constituted , however we will discuss matter with board and constituted accordingly.
2	Non preparation of AG compliance Report & Internal Audit Compliance Report.	We are under process, once it is completed it will be delivered very soon.
3	Non-Levy of taxes in IAR I. PART-A (a)1	Some of taxes is collected by other department of GOB. like professional tax; and there are many taxes in this para are not collected by ULB due to not providing services in this respect like fire tax, water tax Otherwise discussed in meeting of board and implement as soon as possible.
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	Currently not collecting but it is considered and will be collected as soon as possible.
6	Not preparation of Payment voucher	Payment released on the basis of invoice/MB etc along with order pass by relevant Authority. It is consider as payment voucher.
7	Non-maintenance of Books of Accounts para ii-PART B (a)	Due to lack of qualified staff we could not maintain books of accounts.
8	Non-implementation of biometric	It is under process.


  
**Executive Officer**  
Nagar Parishad, Dehri-Dalmianagar

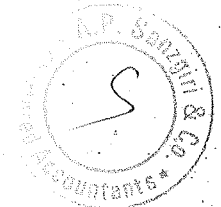


	devices and payroll software.	
9	TDS late Deposited on due date.	It will be deposited on or before due date.
10	Royalty not deposited	It will be deposited from now.
11	Labourcess not Deposited	It will be deposited from now.
12	Non preparation of salary voucher	We did not follow such system.
13	TDS Quarterly Return not Filed.	It will be filed very soon.
14	Permanent Employee -PF Amount not deposited.	It will be deposited from now.
15	Contractual Employee- PF not deposited.	Due to Lack of staff and implementation of CFMS, it is not deposited. It will be deposited on or before due date from now.
16	Non-preparation of complete UC.	UC is prepared with the help of Internal Auditor.
17	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.
18	Vehicles are not insured.	It is under process.
19	Advances &their adjustment.	ULB does not provide any loan and advances to its staff.
20	Non preparation of Receipt and Payment A/C ,Trial balance, Income and expenditure A/C and balance sheet (Financial Statement)	It will be preparedafter DEAS implemented by Tibrewal Chand &Co.
21	Non completion of survey for trade license.	It will be done very soon.
22	Non-preparation of Rent collections and demand registers as per rule.	It will be prepared.
23	Data/information regarding outstanding balances of property taxes, Mobile tower tax, Advertisement, and other incomes have not been provided.	Detailed record has not maintained at ULB. Management is planning for maintaining detailed data.
24	BRS Issues relating to non- production of Bank statement and non Updation of PLA related records. Non Preparation of BRS on time .	Bank Statement will be provided on time from now. PLA related data will be updated as well as BRS will be prepared on time.
25	Non maintenance of fixed assets register.	It will be maintained.
26	Non- maintenance of	It will be maintained.

  
**Executive Officer**  
 Nagar Parishad, Dehri-Daluziaunaga  


	procurements register	
27	Non-updating various register like store register, issue register, bill register with payment fig., etc.	It will be maintained.
28	Lots of register not maintained like Register of Remittances made into bank, Statutory Deduction Register, Scheme Register, etc	It will be maintained shortly.
29	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.
30	Non deduction of TDS mentioned in Part-A (B) of IAR	We will deduct and deposit the same.
31	Cash book is not updated on regular basis.	Due to lack of human resources the same has not been updated on timely basis; however we will update from now.
32	ULB did not mention repair and maintenance particular & rate of Diesel/Petrol in log book.	We will maintain it.
33	Depreciation is not charged to Fixed Assets.	ULB did not follow Double Entry Accounting System, hence depreciation is not accounted in our book.

  
 Signature of Executive Officer  
**Executive Officer**  
 Nagar Parishad, Dehri-Dulainagar



Dehri NagarParishad

Discussion note

2019-20(Qtr-4)

Letter No.

Date: 26.08.2020

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

S.N	Audit observation	Management comment
1	No Municipal Accounts Committee constituted.	No Municipal Accounts committee has been constituted.
2	Non preparation of AG compliance Report.	We are under process, once it is completed it will be delivered very soon.
3	Non-Levy of taxes in IAR I. PART-A (a)1	Some of taxes is collected by other department of GOB. like professional tax; and there are many taxes in this para are not collected by ULB due to not providing services in this respect like fire tax, water tax Otherwise discussed in meeting of board and implement as soon as possible.
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	Currently not collecting but it is considered and will be collected as soon as possible.
6	Not preparation of Payment voucher	Due to lack of revenue staff the same has not been collecting, but It will be prepared as soon as possible.
7	Non-maintenance of Books of Accounts para ii-PART B (a)	Due to lack of qualified staff we could not maintain books of accounts.
8	Non-implementation of biometric devices and payroll software.	It is under process.
9	TDS not Deposited on or before due date.	It will be deposited on due date.

  
Executive Officer  
Nagar Parishad, Dehri-Dahlanagar



10	Royalty not deposited	It will be deposited from now.
11	Labourcess not Deposited	It will be deposited from now.
12	TDS on GST not Deposited	It will be deposited from now.
13	TDS Quarterly Return not Filed.	It will be complied from now.
14	Permanent Employee -PF Amountnot deposited.	It will be deposited from now.
15	Contractual employee - PF deposited after due date.	Due to Lack of staff and implementation of CFMS, delay occurred,. It will be deposited on or before due date from now.
16	Non-preparation of complete UC.	We are under process in preparation of UC with the help of Internal Auditor.
17	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.
18	Vehicles are not insured.	It is under process.
19	Advances &their adjustment.	ULB does not provide any loan and advances to its staff.
20	Non preparation of Receipt and Payment A/C ,Trial balance, Income and expenditure A/C and balance sheet (Financial Statement)	It will be preparedafter DEAS implemented by Tibrewal Chand &Co.
21	Non completion of survey for trade license.	It will be done very soon.
22	Non-preparation of Rent collections and demand registers as per rule.	It will be prepared.
23	Data/information regarding outstanding balances of property taxes, Mobile tower tax, Advertisement, and other incomes have not been provided.	ULB – dehridalmanagr does not have any such record.
24	Difference in PL account and some other.	It will be reconciled very soon.
25	Non maintenance of fixed assets register.	It will be maintained.
26	Non- maintenance of procurements register	It will be maintained.
27	Non-updating various register like store register, issue register, bill register with payment fig., etc.	It will be maintained.


  
**Executive Officer**  
 Nagar Parishad, Dehri-Datmianagar  

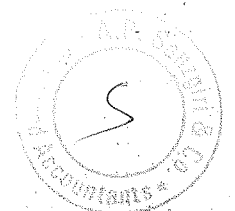

28	Non submission of TDS return	It will filed very soon.
29	Lots of register not maintained like Register of Remittances made into bank, Statutory Deduction Register, Scheme Register, etc	It will be maintained shortly.
30	Whether expenditure on construction of work was debited to WIP & verified with MB maintained.	ULB did not follow practice to debit WIP for expenditure incurred on Construction.
31	Amount collected is not deposited on same day. Further collection procedure is slow as compare to target fixed by ULB. Hence guidelines in respect of collection is not completely followed by ULB.	It will be followed as per Bihar Municipal Act.
32	ULB is not submitted UC in timely manner.	Due to shortage of human resources, the same has been delayed. It will be submitted.
33	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.	ULB follow the practice to made payment on the basis of bill of service provider/MB passed by JE and after passing order for the same.
34	Books of accounts are not timely updated like cash book, daily collection book etc.	Due to lack of human resources the same has not been updated on timely basis, however we will update from now.
35	log book is not properly maintained neither Km mentioned nor repair & maintenance in maximum cases.	In most of cases Drivers are not so eligible to maintained in such as required by internal control regulation. However we are try to maintain from now after providing training to them.
36	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.	We will deposit the same on or before due date from now.
37	The record for said purpose	In some cases driver are not even able to

  
**Executive Officer**  
 Nagar Parishad, Dehri-Dalmianagar



	isunavailable, so we are unable to comment upon it.	write the details of journey; however we will provide training for same and will rectify very soon.
38	Tender issues	There is no tender issued for given said period.
39	Depreciation is not charged to Fixed Assets.	ULB not follow Double Entry Accounting System, hence depreciation is not accounted in our book.
40	Non creation of special fund	No such direction received in this regard.
41	Non deduction of TDS mentioned in Part-A (B) of IAR	We will deduct and deposit the same.
42	Non deduction of TDS ( refer to Part-A (B) of IAR	It will be deducted from now.
43	Non preparation of Bank reconciliation statement.	We are currently working on this with the help of DEAS Team.
44	Non preparation of salary voucher	We did not follow such system.

  
 Signature of Executive Officer  
**Executive Officer**  
 Nagar Parishad, Dehri-Dalainagar



**DEHRI NAGAR PARISHAD**  
**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	384.28	-	384.28	-	-	NIL	NIL	Transfer to PL
3	5th finance	56/13.08.19	642.01	-	642.01	-	-	NIL	NIL	Transfer to PL
4	Subsidiary grant	147/16.12.2019	7.00	-	7.00	-	-	NIL	NIL	Transfer to PL
5	5th finance	54/13.08.2019	664.48	-	664.48	-	-	NIL	NIL	Transfer to PL
6	City manager	78/13.09.2019	2.40	-	2.40	-	-	NIL	NIL	Transfer to PL
7	14th Finance	38/11.07.2019	384.28	-	384.28	-	-	NIL	NIL	Transfer to PL

