

# **INTERNAL AUDIT REPORT**

**OF ULB**

**(Mokama Nagar Parishad)**

**FOR THE PERIOD**

**01/04/2020 TO 31/03/2021  
(Annual)**

**CONDUCTED BY**

**M/s R. N. Singh & Co.  
208 Hem Plaza Fraser Road  
Near Dak Bungalow Chowraha  
Patna – 800001**

**From 12-04-2022 to 04-05-2022**

**Report Issued on 05<sup>th</sup> May 2022**

# 1. Executive Summary

## 1. INTRODUCTION

Name of the Municipality	Mokama Nagar Parishad
Period covered under current audit	Annual 2020-21
Name of the Chairman of the ULB for the period under Audit.	Mr. Krishna Balav Kumar
Name of Chief Municipal Officer for the period under Audit.	Mr. Ashutosh Kumar

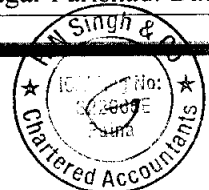
## 2. Results and Findings

### a. Strengths observed during the audit engagement:

1. Separate file of the parties to whom payments are made are properly maintained.
2. Office infrastructure is sufficient for operation.
3. Response from officer & Staff were satisfactory.
4. Mokama Nagar Parishad has properly maintained the General Cash book which is the consolidated cash book of all the schemes

### b. Weaknesses observed in the functioning of office maintenance of records etc. during the audit engagement:

1. Cash Book has not been authorized by the executive Officer on daily basis.
2. Tower tax has not been collected since the installation of some towers even though number of tower is 23 as on 31-03-2021. Thus total outstanding tax amount is Rs. 2854100/-For registration fee, renewal fee & fine.
3. Amount Collected from own sources revenue has not been deposited into bank by the ULB on the same date/next to the same date as required.
4. Mokama Nagar Parishad is not in practice to prepare fixed asset register.
5. Mokama Nagar Parishad is not in practice to charge depreciation on fixed asset.
6. The amount of tax collected by the Tax collector is required to be handed over to the cashier next day of the collection. The same process is not followed. Tax collector hands over the collected cash to the cashier after a time gap of 15 to 30 days. Details are given in detailed audit report.
7. Advertisement Tax has not been levied by the Mokama Nagar Parishad. There has not been any system developed for the levy of advertisement tax.
8. Opening & Closing of Main/Consolidated Cashbook has not been done on day to day basis which is not as per Bihar Municipal Accounting Manual. It should be closed on daily basis.
9. During verification of property tax related documents, we have found so many property holders that are not paying property tax from a long time. ULB should take necessary action for recovery of the same.
10. During verification we have observed in maximum cases that GST deducted by the ULB was not deposited before due dates.
11. Procurement register is not maintained by the Mokama Nagar Parishad.
12. MOKAMA Nagar Parishad is not in practice to prepare the Bank Reconciliation Statement of different schemes.
13. Double entry accounting system has not been implemented by the MOKAMA Nagar Parishad. Data of



tally is also not provided.

14. File movement register is not maintained by Mokama Nagar Parishad.

15. Municipal Accounts Committee has not been constituted by the MOKAMA Nagar Parishad.

16. Bank Passbooks are not provided by the ULB.

### 3. Opinion:

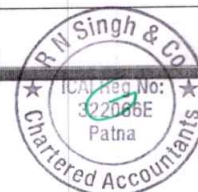
As per Our Opinion the following improvements are required.

- For maintenance of Required Registers.
- Separation of work in area of internal revenue collection demand generation and assessment of properties.
- In Human Recourses Management such training and rotation of employees.
- For maintenance of accounts
- For balancing of demand and collection of internal revenues.
- It requires to pay all the statutory liabilities like TDS Royalty and GST on timely basis.
- Monthly review of delegated works.
- Compliance of Statutory Requirements.
- Recovery of back dues.
- Finding new areas for revenue generation
- For compliance of FM manual in respect of depositing of collected amounts.

### 4. Audit Recommendations:

The Recommendation of Audit Team on the Observed weakness

SL No.	We Recommend the followings
1.	Compiling the observation which is observed during the course of CAG Audit and prepare a Compliance Report as quickly as possible.
2.	Mokama Nagar Parishad must have to maintain fixed asset register that will help in: <ul style="list-style-type: none"><li>• Track and identify the asset.</li><li>• Security of the asset specifically to prevent theft.</li><li>• Calculate depreciation annually.</li><li>• Track gross book value and net value of asset.</li><li>• Assists in conducting audit of assets and asset verification.</li><li>• Help in estimating the repairs and maintenance cost.</li><li>• Assists in estimating the future capital investment in fixed assets.</li><li>• Comply with statutory requirements.</li></ul>
3.	Recording of Cash book on daily basis.
4.	Recording and maintenance of Consolidated Cash Book.
5.	Complete the back logs of double entry with the help of Tibrewal Chand & Co.
6.	Constitution of Municipal Accounts Committee in the next financial year.
7.	Preparing the demand register and serve notices to the property holders to deposit the holding and other taxes which is levied but not deposited till the date.
8.	Segregation of the process related to calculation recovery & updation of demand register.
9.	Assess the measurement all properties within the jurisdiction of ULB.
10.	Follow the procedure which is prescribe in terms of depositing the tax & other charges collected.



11.	Prepare demand register in respect of Tower Tax Rent on Municipal Properties Trade License etc.
12.	Serve notices to collect the dues of Tower taxes.
13.	Impose Advertisement tax as per guideline prescribed.
14.	Maintenance of the registers which is required for strengthen the internal control system.
15.	Prepare monthly receipt and payment account Journals Ledgers & Trial Balance.
16.	Prepare financial statements.
17.	Compliance of all Statutory Requirements.
18.	Timely fill the GST as well as TDS returns.

#### 5. Comments from Management:

As per discussion with management they have ensured that they are looking into the matter and proper action will be taken for all the irregularities coming out from audit.

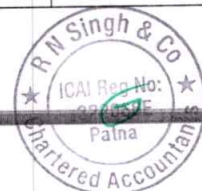
Detailed discussions on this are given in *Discussion Note* as attached below.

#### 6. Acknowledgement:

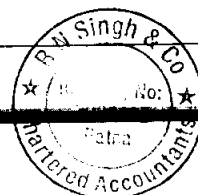
We thank all the officials for his support during the period of our audit.

#### 7. Management Discussion with Risk Assessment: -

Sr. No.	Observations (sort the observations from high risk to low)	Risk Rating	Design Gap	System Gap	Operational Gap	Management (CMO)Comments
1.	Cash Book has not been authorized by the executive Officer on daily basis.	Medium	Yes	Yes	Yes	Managements Comments has been mentioned in the discussion note as attached with the report.
2.	Tower tax has not been collected since the installation of some towers even though number of tower is 23 as on 31-03-2021. Thus total outstanding tax amount is <b>Rs. 2854100/-</b> For registration fee, renewal fee & fine.	High	Yes	Yes	Yes	
3.	Amount Collected from own sources revenue has not been deposited into bank by the ULB on the same date/next to the same date as required.	High	Yes	Yes	Yes	



4.	Mokama Nagar Parishad is not in practice to prepare fixed asset register.	Medium	Yes	Yes	Yes
5.	Mokama Nagar Parishad is not in practice to charge depreciation on fixed asset.	Medium	Yes	Yes	Yes
6.	The amount of tax collected by the Tax collector is required to be handed over to the cashier next day of the collection. The same process is not followed. Tax collector hands over the collected cash to the cashier after a time gap of 15 to 30 days.	High	Yes	Yes	Yes
7.	Advertisement Tax has not been levied by the Mokama Nagar Parishad. There has not been any system developed for the levy of advertisement tax.	Medium	Yes	Yes	Yes
8.	Opening & Closing of Main/Consolidated Cashbook has not been done on day to day basis which is not as per Bihar Municipal Accounting Manual. It should be closed on daily basis.	Medium	Yes	Yes	Yes
9.	During verification of property tax related documents, we have found so many property holders that are not paying property tax from a long time. ULB should take necessary action for recovery of the same.	Medium	Yes	Yes	Yes
10.	During verification we have observed in some cases that GST deducted by the ULB was not deposited before due dates.	High	Yes	Yes	Yes
11.	Procurement register is not maintained by the Mokama Nagar Parishad.	Medium	No	Yes	Yes



12.	MOKAMA Nagar Parishad is not in practice to prepare the Bank Reconciliation Statement of different schemes.	High	Yes	Yes	No
13.	Double entry accounting system has not been implemented by the MOKAMA Nagar Parishad. Data of tally is also not provided.	Medium	No	Yes	Yes
14.	File movement register is not maintained by Mokama Nagar Parishad.	Medium	Yes	Yes	Yes
15.	Municipal Accounts Committee has not been constituted by the MOKAMA Nagar Parishad.	Medium	Yes	Yes	Yes
16.	Bank Passbooks are not provided by the ULB.	Medium	Yes	Yes	Yes

**For, R.N SINGH & CO.**  
Chartered Accountant

ICAI Reg.No:322066E



CA Chanakya Shree  
Partner

M. No: 079322

UDIN: 22079322AQJKPP9350

Date: 30-08-2022



<sup>SD</sup>  
**Municipal Commissioner/  
Executive Officer**

Nagar Parishad Mokama

Date:

Place: Mokama

## 2. Auditee Profile

### 1. Introduction

The Internal Audit of (Mokama Nagar Parishad) covering the Period from 1<sup>st</sup> January 2020 to 31<sup>st</sup> March 2021 was conducted by following person under the guidance of TL CA Ashok Kumar Pandey and MAE CA Birendra Kumar Singh

(1) Mr. Ritwik Anand

### 2. Administration

The present body of the ULB has taken charge on 11-02-2019. The incumbency in the key administrative and executive positions was as under:

**Sri. Krishna Balav Kumar** Chairman from 21/06/ 2017 to till date.

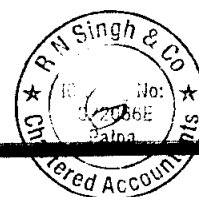
**Sri. Ashutosh Kumar** Executive Officer from 11/02/2019 to till date.

### 3. Review of outstanding audit paras:

Status of Audit Observations is as under:

Sl. No.	Particulars of Audit and date of report	Total no. of audit Paras	Total no. of audit Paras where necessary improvement/ corrective measure is required	Total no. of audit Paras where recovery of cash is proposed	Total no. of audit Paras where recovery has been made	Total amount of Recovery	Total no. of outstanding para where no action has been taken	No. and Date of Compliance Report
1	AG Audit for the period 2013-14, 2014-15 & 2015-16	19	17	2	0	0	19	No compliance report provided to us for verification
2	Internal Audit Report dt 29.06.2016	9	9	0	0	0	9	No compliance report provided to us for verification
3	Internal Report for the period 2015-16	10	10	0	0	0	10	No compliance report provided to us for Verification

Further Compliance of Internal Audit Observation has not been provided to us however as per our observation the observation is still sustained.



#### 4. Finance

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

Year	2018-19	2019-20	2020-21
Final/Revised Budget	1164605000	1217208492	1108633142
Actual Expenditure	155299256	153142828	234216378
Savings(+)/ Excess(-)	1009305744	1064065664	874416764

##### II. Volume of transactions:-

Period	Budgeted(2020-2021)	Previous Year (For one Year) 2019-20	Current Year(for one year)2020-2021
Opening balance	368951197	422258794.67	408393961.31
Receipts	1108633142	139277994.64	380068420.00
Total	1477584339	561536789.31	788462381.31
Net expenditure	1108633142	153142828.00	234216378.00
Closing balance	368951197	408393961.31	554246003.31

##### III. Bank Reconciliation: -

We have observed that Mokama Nagar Parishad is not in practice to maintain subsidiary cash book for treasury scheme. However, bank reconciliation statement has not been prepared by the ULB for this quarter. Moreover, Passbooks are also not provided by the ULB, as per mentioned in Discussion Note.

##### Details of Closing Balance : -

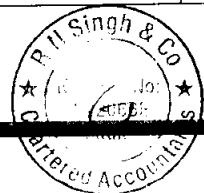
Sl. No.	Name of Scheme	Bank Name	Balance as per cash book As on 31-03-2021	Balance as per pass book As on 31-03-2021	Difference	BRS prepared/ not prepared
1.	Treasury P&L	Treasury	323331318	323331318	0.00	Not Prepared



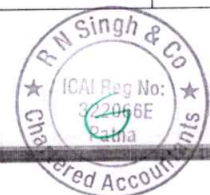
2.	13/14 <sup>th</sup> finance	BOB/12724	1484.13	1484.13	0.00	Not Prepared
3.	BRGF	CANARA/28 230	458251	458251	0.00	Not Prepared
4.	IHSDP HOUSING	PNB (243244 )	21029428	21029428	0.00	Not Prepared
5.	IHSDP HOUSING	BOB(12721)	1175386	1175386	0.00	Not Prepared
6.	IHSDP HOUSING	UNION BANK(3246 )	1958115	1958115	0.00	Not Prepared
7.	IHSDP INFRASTRU C TURE	BOB(13974)	76676949	76676949	0.00	Not Prepared
8.	IHSDP INFRASTRU C TURE	HDFC Bank	20017260	20017260	0.00	Not Prepared
9.	KABIR ANTHESHTI	BOB(12722)	3430519	3430519	0.00	Not Prepared
10.	SBM	BOB(12723)	828863	828863	0.00	Not Prepared
11.	HFA	ALLAHAB AD BANK	89768212	89768212	0.00	Not Prepared
12.	BRGF	AXIS Bank	4200000	4200000	0.00	Not Prepared
13.	Day-Nulm	PNB Bank	8343111	8343111	0.00	Not Prepared
14.	Municipal Funds & others	BOB Bank	3027107	3027107	0.00	Not Prepared
<b>Total</b>			<b>554246003.13</b>	<b>554246003.13</b>		

**IV. Revenue & Capital Receipts Information: -**

Sl. No.	Details	2018-19		2019-2020		2020-2022	
		2018-19 (Annual)	2017-18 (Annual)	2019-20 (Annual)	2018-19 (Annual)	2020-21 (Annual)	2019-20 (Annual)
<b>Total Receipts (A+B)</b>		<b>225753277.00</b>	<b>131972562.00</b>	<b>139277994.64</b>	<b>225753277.00</b>	<b>380068420.00</b>	<b>139277994.64</b>
<b>A</b>	<b>Revenue Receipts (1+2+3)</b>	<b>79016941.00</b>	<b>57693879.00</b>	<b>19667863.64</b>	<b>79016941.00</b>	<b>11545578.00</b>	<b>19667863.64</b>



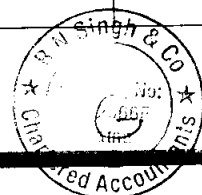
1	<b>Own Revenue Receipts (a+b)</b>	<b>9493284.00</b>	<b>13932629.00</b>	<b>6242191.64</b>	<b>9493284.00</b>	<b>8167702.00</b>	<b>6242191.64</b>
a)	<b>Tax Revenue(levied and collected by municipal body)</b>	<b>4665357.00</b>	<b>13488872.00</b>	<b>5365622.28</b>	<b>4665357.00</b>	<b>5843407.00</b>	<b>5365622.28</b>
i)	Property tax	4605357	11297785	5357622.28	4605357	5843407	5357622.28
ii)	Other tax (levied and collected by municipal body)	60000	2191087	8000	60000	0	8000
b)	<b>Non-tax revenue (levied and collected by municipal body)</b>	<b>4827927.00</b>	<b>443757.00</b>	<b>876569.36</b>	<b>4827927.00</b>	<b>2324295.00</b>	<b>876569.36</b>
i)	Fees & fines	47322	0	858849.36	47322	128162	858849.36
ii)	User Charges	24320	395757	17720	24320	1619123	17720
iii)	Other non-tax revenue (levied and collected by municipal body)	4756285	48000	0	4756285	577010	0
2	<b>Other Revenue Receipts</b>	<b>5913116.00</b>	<b>6879434.00</b>	<b>6040853.00</b>	<b>5913116.00</b>	<b>1965876.00</b>	<b>6040853.00</b>
a)	Income from interest/investments	5913116	6879434	6040853	5913116	1965876	6040853
b)	Other Revenue income		0	0		0	0
3	<b>Transfers/ Grants/ Assigned Revenues</b>	<b>63610541.00</b>	<b>36881816.00</b>	<b>7384819.00</b>	<b>63610541.00</b>	<b>1412000.00</b>	<b>7384819.00</b>
a)	State Assigned Revenue	6278977	32372864	7384819	6278977	1412000	7384819
b)	State Finance Commission (SFC) Grants/ Devolution	55522162	0	0	55522162	0	0
c)	Octroi compensation	0	0	0	0	0	0
d)	Other State Govt. Transfer	1809402	4508952	0	1809402	0	0
e)	Central Finance Commission (CFC) Grant	0	0	0	0	0	0
f)	Other Central Govt. Transfer	0	0	0	0	0	0
g)	Others	0	0	0	0	0	0
B	<b>Capital Receipts</b>	<b>146736336.00</b>	<b>74278683.00</b>	<b>119610131.00</b>	<b>146736336.00</b>	<b>368522842.00</b>	<b>119610131.00</b>
1	Sale of Municipal Land	0	0	0	0	0	0
2	Loans (from State	0	0	0	0	0	0



	Govt. or Banks etc.)						
3	State Capital Account Grant (under State Schemes etc.)	32069672	44477171	69643544	32069672	7309615	69643544
4	Central Capital Account Grant (under Central Schemes etc.)	114666664	29801512	49966587	114666664	361213227	49966587
5	Other Capital Receipts	0	0	0	0	0	0

### V. Revenue and Capital Expenditure Information: -

Sl. No.	Details	2018-19		2019-2020		2020-2022	
		2018-19 (Annual)	2017-18 (Annual)	2019-20 (Annual)	2018-19 (Annual)	2020-21 (Annual)	2019-20 (Annual)
	<b>Total Expenditure (1+2)</b>	<b>155,299,256.00</b>	<b>225,184,771.00</b>	<b>153,142,828.00</b>	<b>155,299,256.00</b>	<b>234,216,378.00</b>	<b>153,142,828.00</b>
1	<b>Revenue Expenditure</b>	<b>58,175,715.00</b>	<b>39,163,112.00</b>	<b>41,018,325.00</b>	<b>58,175,715.00</b>	<b>63,300,882.00</b>	<b>41,018,325.00</b>
1.1	<b>Administrative Expenses, Establishment and Salaries</b> (All Departments- Regular and Contractual Staff)	55288939	33311328	26764119	55288939	38334929	26764119
1.2	<b>Operation and Maintenance (O&amp;M)</b>	1571807	3068848	5253713	1571807	13852221	5253713
1.3	<b>Loan repayment</b> (Interest payments)	0	0	0	0	0	0
1.4	<b>Others</b> (any other revenue expenditure which is not salaries, O&M or Interest Payment)	1314969	2782936	9000493	1314969	11113732	9000493
2	<b>Capital Expenditure</b>	<b>97,123,541.00</b>	<b>186,021,659.00</b>	<b>112,124,503.00</b>	<b>97,123,541.00</b>	<b>170,915,496.00</b>	<b>112,124,503.00</b>
2.1	<b>All developmental works under Central/State specific schemes</b>	96453294	186021659	112124503	96453294	170915496	112124503



2.2	<b>Loan Repayments</b> (Principal Amount)	0	0	0	0	0	0
2.3	<b>Other Capital expenditure</b>	670247	0	0	670247	0	0

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

Accounts of Nagar Parishad Mokama have not been maintained on the basis of Double Entry Accounting System. The consultant for DEAS are working but no data is being provided by them for the particular period further as per previous internal audit report the accounts has not been prepared by them. The DEAS team Tibrewal Chand & Co has started their work from.31.01.2019.

- Year wise Status of DEAS are as follows;

FY 2014-15: Completed.  
FY 2015-16: Completed.  
FY 2016-17: Completed.  
FY 2017-18: Completed.  
FY 2018-19: Completed.  
FY 2019-20: Completed.  
FY 2020-21: In Process

- Interval of accounting entry passed in tally: No data provided
- Opening Balance Sheet: Not Prepared.
- Annual Financial Statement: Not Prepared.
- Tally License Id : [mokamaNagarparishad@gmail.com](mailto:mokamaNagarparishad@gmail.com)
- Tally Serial No.: 746646975
- Installed in: Mokama Nagar Parishad System

#### VII. Status of Municipal Accounts Committee; if meeting is held

As per section 98 of Bihar Municipal Act 2007 it is necessary for the Municipality to constitute a Municipal Accounts Committee at its first meeting in each year or as soon as may be at any subsequent meeting thereto but no Municipal Accounts Committee has been constituted by the Mokama Nagar Parishad till the date of our audit.



### 3. Summary Audit Observations

#### Part – A (Monetary Implication):

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

- a. Leakage of own source revenue (tax and non-tax) either due to wrong assessment or non-levy of property tax mobile tower tax rent on municipal properties advertisement tax Trade License User Charges and fee etc.

#### (i) Mobile Tower Collection:

**Audit Objective** – As per Point No. – 5 of TOR

**Criteria** – Tower Tax is taxes on Communication Tower & related structure as defined in BIHAR COMMUNICATION TOWERS AND RELATED STRUCTURES RULES 2012. As per the rule all operators are required to register with their concerned ULBs and pay registration fee & renewal charges on annual basis for communication tower erected within municipal area. Currently the registration fee for Nagar Parishad Rs.40000/- per tower and annual renewal fee is Rs.10000/- per annum per tower

**Condition** –As per details provided to us there are total 23(Twenty three) Mobile Towers registered with this ULB up to 31.03.2021 and Rs.**2854100/-** has not been collected till the date of audit from these tower operators as Tower Tax.

**Consequence Effect/ Impact** - Due to non-collection of Tower Tax with in prescribe time line ULB incurred interest loss and also the due to non0collection of taxes public interest has also been suffered.

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

**Corrective Action / Recommendation** – As per our opinion management should review the collections on monthly and take appropriate actions against irregularity.

SL.No	Name of Company	Date of Installation	Dues	Renewal	Fine 1.5%	Total	Amount Collected	Amount Due
1	Airtel	17.08.2007	125000	10000	150	135150	18000	117150



2	Airtel	17.08.2007	125000	10000	150	135150	18000	117150
3	Airtel	03.09.2007	125000	10000	150	135150	18000	117150
4	Airtel	20.04.2006	140000	10000	150	150150	18000	132150
5	Airtel	31.10.2005	145000	10000	150	155150	18000	137150
6	Airtel	17.08.2007	125000	10000	150	135150	18000	117150
7	Tata Teleservice	2005	150000	10000	150	160150	0	160150
8	Tata Teleservice	2005	150000	10000	150	160150	0	160150
9	Tata Teleservice	11.02.2006	145000	10000	150	155150	0	155150
10	Idea	10.09.2007	238850	10000	150	249000	0	249000
11	Idea	08.09.2007	238850	10000	150	249000	0	249000
12	Idea	2007	254200	10000	150	264350	0	264350
13	Aircel	11.09.2007	125000	10000	150	135150	0	135150
14	Aircel	16.08.2007	125000	10000	150	135150	0	135150
15	Aircel	2007	130000	10000	150	140150	0	140150
16	Reliance Jio Info	21.02.2013	105100	10000	150	115250	75000	40250
17	Reliance Jio Info	26.11.2013	94700	10000	150	104850	25000	79850
18	Reliance Jio Info	28.10.2013	94700	10000	150	104850	53000	51850
19	Reliance Jio Info	28.10.2013	94700	10000	150	104850	105000	0
20	Reliance Jio Info	2013	105100	10000	150	115250	75000	40250
21	Reliance Jio Info	02.08.2013	105100	10000	150	115250	75000	40250
22	Reliance Jio Info	2013	105100	10000	150	115250	15000	100250
23	Reliance Jio Info	22.02.2014	105100	10000	150	115250	0	115250
<b>Total</b>			<b>3151500</b>	<b>230000</b>	<b>3450</b>	<b>3384950</b>	<b>531000</b>	<b>2854100</b>

(ii) **Advertisement Tax:**

**Audit Objective** – As per Point No. – 5 of TOR

**Criteria**– Non – levied of advertisement tax by the ULB.



**Consequence / Effect / Impact** - Due to non-levied of collection of advertisement tax there is a revenue loss to ULB.

**Cause**- This happens due to lack of awareness of imposition of advertisement tax of concerned person of the ULB.

**Corrective Action / Recommendation** - There should be proper monitoring and further steps are required to be taken for collection of advertisement tax by concerned ULB.

(iii) **Holding & Property Tax Deposit – Irregularity:**

**Audit Objective** – As per Point No. – 5 of TOR

**Criteria** – As per Rules 22(1) of Bihar Municipal Accounting Rules 2014 Tax Collected has to be deposited on same day or latest before noon on the following working day.

**Condition** - During verification of property tax collection receipt and tax deposit receipt we have found that no notice is being served to the ULB to the property holders for their back dues. We also observed that no field level holding tax collector is working in the ULB. We also further observed that the person who is working as Tax Inspector have control on overall process such as responsibility for calculation recovery & updating of register for demand.

**Consequence / Effect / Impact**-Due to non-deposit of Tax on due time ULBs is suffering from Revenue Loss in the form of Bank Interest which could have been earned on these Receipts. Further this is a lapse on Internal Control due to non-submission of Counterfoil and record updation of assesses due.

**Cause** – This happens due to non-follow up and monitoring of activities of Tax Collector by the concerned officer on regular interval.

**Corrective Action / Recommendation**- There should be day to day monitoring on Collection of Taxes by Tax Inspector/Collectors and deposit of collection into Bank either on same day or latest before noon on the following working day.

(iv) **Holding & Property Tax Collection**

**- Irregularity Audit Objective** – As per

Point No. – 5 of TOR

**Criteria** – As per Rules 22(1) of Bihar Municipal Accounting Rules 2014 Tax Collected must be deposited on same day or latest before noon on the following



working day.

**Condition**– We has observed that the collection of property tax (Holding Tax) is very poor.

**Consequence / Effect / Impact**- Due to non-deposit of Tax on due time ULBs is suffering from Revenue Loss in the form of Bank Interest which could have been earned on these Receipts. Further this is a lapse on Internal Control due to non-submission of Counterfoil and record updation of assesses due.

**Cause** – This happens due to non0follow up and monitoring of activities of Tax Collector by the concerned officer on regular interval.

**Corrective Action / Recommendation**– There should be day to day monitoring on Collection of Taxes by Tax Inspector/Collectors and deposit of collection into Bank either on same day or latest before noon on the following working day.

(v) **Market/Shop Rent Collection:** –

**Audit Objective:** – As per Point No. – 5 of TOR

**Criteria**– Non-Collection of Market/Shop Rent and imposition of late fine by the concerned ULB.

**Condition**– ULB has no any own shop in their Nagar Parishad.

**Consequence / Effect / Impact**- ULB has no any own shop in their Nagar Parishad.

**Cause**– ULB has no any own shop in their Nagar Parishad.

**Corrective Action / Recommendation**– ULB has no any own shop in their Nagar Parishad.

**b. Excess payments against bill lack of prudence in payment against vouchers inefficiency in control resulting loss to ULB'S;**

No observation found in this regard.

Some of the cases checked during the period of audit are as follows:-

Sl. No.	Date	Voucher No.	Party Name	Amount
1	29-04-2020	21	Anisha Enterp. (For supply og Kingsfog Fogging Chemical)	236250
2	29-04-2020	23	Swastik Agro (O/C supply of Larvol Chemical)	1143750
3	29-04-2020	24	Unnat Krishi Khad Bhandar (O/C supply of 6 pices of Chemical spray)	21000
4	16-07-2020	75	Paid To Arpit Kumar (O/C construction RCC drain and PCC road from Moti saho to dilip	397372



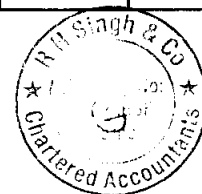
			ram in ward-11)	
5	17-07-2020	91	Kishore Shantanu ( O/C construction of RCC road in ward – 20)	454745
6	17-07-2020	92	Satendra Kumar ( Distribution of Mask)	47965

**c. Report on findings of field survey and calculation of property tax of minimum 20 high value properties;**

Sl. No	Owner Property Name	Ward No	Holdin g No.	Father's Name	Address	Housing/ Commercial	Carpet Area	Annual rental Value (ARV)	Correct / Incorrect Valuation
1	Bhartiya Khadya Nigam	1	342	-	Pashuram Shtwal Mokama	Commercial	272057 sq. Fit	326468.4	Correct
2	Najreth Hospital Mokama	5	277	-	Railway station road Mokama	Commercial	91493.98 sq. fit	192147	Correct
3	Siya Dulari	18	234	Salesh Kumar	Naya Tola Mokama	Commercial	5897.5 sq. fit	23884.84	Correct
4	Sharavan Kumar	18	351	Rudal Pd. Singh	Naya Tola Mokama	Residential+com mercial	(1530 + 952) sq. fit	10394.04	Correct
5	Shyam Kishore Singh	18	233	Ram Bilash Singh	Naya Tola Mokama	Commercial	6039 sq fit	24457.96	Correct
6	D.A.V College Comm.	19	386	-	Modan Tola Mokama	Commercial	4852 sq. fit	12641.44	Correct
7	Bhola Prasad Kedia	5	152	Vishwana th Kedia	Railway station road Mokama	Commercial	7749 sq fit	10343	Correct
8	Chandrasekhar Pd. Singh	8	186	Rajendra singh	Tatwa toli main road Mokama	Residential+com mercial	(2885.5 + 3004) sq fit	13851.24	Correct



9	Shankar pd. Singh	6	126	Sanjay Prasad Singh	Farshi Tola Mokama	Commercial	1126.12 sq fit	6081.12	Correct
10	Rakesh Nandan Pd Singh	6	136	Lt. Yadu Nandan Singh	Farshi Tola Mokama	commercial	1716.93 sq fit	11572.68	Correct
11	Lalan Kumar	3	45	Ram Ratan Sharma	Gurudev Tola Mokama	Commercial	115*6.6+115	6895.8	Correct
12	Manohar Prasad Singh	3	137	Lt. Ram Lakhan Singh	Kachra Mohalla Mokama	Commercial	60*55	5111.1	Correct
13	Rakesh Nandan	6	136	Lt. Yadu Nandan Singh	Station Baazar	Commercial	19*41+72*66	11572.68	Correct
14	Bhim pd Singh	14	54	Lt. Nand Lal Lakhotiya	Modan Tola Mokama	Commercial	52*11	2049.3	Correct
15	Jamuna devi	19	340	Jagat Singh	Ram Charan Tola Mokama	Commercial	426*265	21832.2	Correct



16	Chunnu Devi	6	127	Lt. Vijay Singh	Farshi Tola Mokama	Commercial	1126.12 sq fit	4560.84	Correct
17	Ramchandra Sah	20	91	Lt. Ram Chandra Singh	Dhaurani Tola Mokama	Residential	117*11+65	781.74	Correct
18	Jagdish Singh	4	113	Tilkeshwar Singh	Indra Nagar Mokama	Residential/commercial	70*50	2280	Correct
19	Ramshripd Singh	21	447	Maheswaripd.	Chinta Mani Chak Mokama	Residential	53*127	1239.52	Correct
20	Rameshw	21	394	Bhano	Chinta	Residential	60*63	1557	Correct

**NOTE:** - Property / holding tax are assessed by the ULB. On test check basis we have calculated the area and no variance found. However it is very difficult to do the Field survey due to resentment of property holders and sometimes it is very ugly.

**d. Implementation of Self-Assessment System (SAS) of Property Tax in the ULB;**

Self-Assessment System (SAS) of Property Tax has not been appropriately implemented in Mokama Nagar Parishad but we observed that very few people are aware regarding this.

**Part-B (Non-Monetary Implication):**

**All Audit objections/irregularities which has no monetary implication but significant violation of Act Rules & directives of UD&HD. Mention the reference to Act & Rules wherein remedial measure is required.**

**a. Non –maintenance of books of accounts subsidiary registers:**

It has been noticed during the audit that the following Books of Accounts & Registers has not been maintained or not properly maintained (Status as mentioned).



Sl. No.	Particulars	Status
1.	Register for Journal/Magazine	Not Maintained
2.	Register for Temporary Advances	Not Maintained
3.	Register of Money Orders/Bank Draft Received	Not Maintained
4.	Register of Remittances made into bank	Not Maintained
5.	Register of Bank drafts	Not Maintained
6.	Bill Register	Not Maintained
7.	Stock Register	Not Maintained
8.	Capital Goods/Consumable articles non-consumable articles	Not Maintained
9.	Statutory Deduction Register	Not Maintained
10.	Fixed Assets Register	Not Maintained
11.	Grant Register	Not Maintained
12.	File Movement Register	Not Maintained
13.	Procurement Register	Not Maintained

**b. Irregularity in procurement process: -**

No procurements made by Mokama Nagar Parishad during 4th Quarter FY 2020-21. However, we observed that the procurement register is not maintained.

**c. Non-compliance of directives by UD & HD Government of Bihar: -**

Details of Directives issued by UD & HD have not been provided to us during the course of audit so we are unable to check compliance of the same.

**d. Non-compliance of Act & Rules: -**

As per section 127 of the Bihar Municipal Act the Municipality can levy the following taxes:

- Property tax on land and building.
- Surcharge on transfer of land and building.
- Tax on deficit in parking space in any non-residential building.
- Water tax
- Fire tax
- Tax on advertisement
- Surcharges on entertainment tax

We observed that only property tax has been collected during the year other taxes have not been levied till date.

**e. Lack of internal control measures: -**

1. During the course of our Audit we have observed various discrepancies in the Cash Book which are enumerated below: -

- Main Cash Book as well as Subsidiary Cash Book has not been closed/authorized by Executive Officer on daily basis.
- Cashbook is not maintained on day to day basis which is not proper as per Bihar Municipal Accounting Manual. It should be prepared & closed



on daily basis.

2. After analyzing operating control it was observed that there is shortage of Man Power in ULB. Consequently it is not functioning smoothly with respect to completion of works on time provide and review the service efficiently which is the main function of ULB preparation of books and records on time etc.
3. During verification of property tax collection receipt and tax deposit receipt we have found that property tax collected by the tax collector is not deposited to the ULB on the next date.
4. Further point wise deficiencies of internal control have been written in detailed audit report.

**f. Non-compliance of TDS/GST/Royalty/Labour Cess and other relevant statute**

However, we have checked the payments made to contractor during the FY\_2020-21 and observed that all the statutory deductions made during this period has been deposited to their concerned department within due date. Further the detail of some cases checked from file during the course of Audit are as followed.

- Quarterly Return of TDS & GST has been filed for 4th quarter of F.Y -2020-21.

Date of payment	Description	Amount paid	GST deducted
29-04-2020	Payment to Anisha Enterprises O/C supply of kings Fog Fogging Chemical	236250.00	47836.00

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

There is no system of Pay-Roll implemented at the ULB. So, we are unable to comment on the same. Moreover, no Register has been shown to us regarding records relating to statutory deduction like PF, ESIC, Income tax etc. during the period of internal audit. Also there is no system of issuing pay slip. Thus we are unable to comment on deficiency in pay-roll system. Further the details of some cases checked during the course of audit relating to the salary payment to various employees are as followed.

Sl. no.	Month of salary	Description	Amount
1	March	Payment of daily wages	891830.00
2	March to April	Salary Payment of staff	2673730.00
3	Feb to April	Payment of EO Salary	754710.00
4	July	Payment of salary of NP staff	1401058.00



5	July	Salary Payment Daily wages worker	1075165.00
6	August	Payment of City manager Salary	120000.00

**h. Utilizations of grant and report on missing Utilization certificates:**

As per details provided by Mokama Nagar Parishad no UC is pending for the submission to the concern department.

**I. Physical verification of inventory/stores: -**

Inventory/ Stores Register and Fixed Assets Register have not been maintained in concerned ULB and in the absence of above register; it is difficult to verify the same.

**J. Advances their adjustment & recovery: -**

No advanced and recovery register is maintained by the Mokama Nagar Parishad. Advances are given to the employees without any requisition form. Approval is given by the executive officer on the concerned file. After the submission of bills concerned advances are adjusted with the concerned files. ULB does not summery details of the amount of advances given to the Employees.

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

Fixed Assets Register have not been maintained in concerned ULB and in the absence of above register; it is difficult to verify the same. However fixed asset register is being prepared by DEAS team but it's not finalized till the date of audit.

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

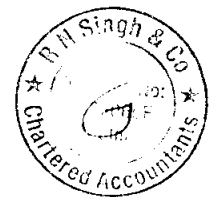
Some of the financial guidelines of schemes of MOHUA, UD & HD and GoB have not been complied by the ULB. Such cases have been discussed in detailed audit report.

**m. Any other matter as may be prescribed in due course: Nil**



**PART – C (Other)**

Sl. No.	Particular	Remarks/ Observation
a.	Status of adequacy and appropriateness of the documentation approvals compliance of procedures etc. of all payments on or above Rs.10000.	No Irregularities Found in this regard.
b.	Whether all 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.15000/-.	No irregularities have been found in the procurement process during this quarter. Further Procurement register has not been maintained.
c.	Verify instances of losses failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	We have verified such instances and found some irregularities which are discussed in detailed audit report.
d.	Whether tax deductions i.e. Commercial tax Income tax provident fund etc. has been deducted from the payments as applicable deposited properly and also should be properly recorded in appropriate ledgers.	<p>We observed that statutory compliance has not been accomplished by ULB regarding deduction deposit and return also.</p> <p>Details of major statutory irregularities are:</p> <ul style="list-style-type: none"> <li>• TDS have not been deposited appropriately.</li> <li>• Royalty &amp; Labor Cess has not been deposited appropriately.</li> <li>• GST liability has not been settled within due date specified.</li> </ul> <p>Penalty and Interest may be levied on ULB as per Statutory Laws.</p>
e.	Whether all the C&AG audit & Internal audit Paras has been complied by the ULBs	No AG & Internal audit has not been complied by the ULB. As Compliance report of the same has not been prepared by the ULB till the date of audit we are unable to check the exact status of compliance of the same.
f.	Any Other deficiencies noticed during the audit to improve internal control systems	It was observed that there is shortage of Man Power in ULB. Consequently it is not functioning smoothly with respect to completion of works on time provide and review the service efficiently which is the main function of ULB preparation of books and records on time etc.



#### 4. Detail Audit Observations

### RISKASSESSMENT

	Name of the ULB	NAGAR PARISHAD MOKAMA					
Sr. No.	Observations	Risk Rating	Design Gap	System gap	Operating Gap	Mgt. Comment	Auditor Recommendation

#### DEMAND GENERATION:

1.	Loss of Revenue due to under Assessment /wrong Generation Of demand.	HIGH	No	Yes	Yes	There is scarcity of manpower in the ULB; however we will comply in the near future.	Demand/Assessment register should be appropriately maintained ward wise with all required details with previous dues assessment year wise before preparation of BUDGET of ULB.
2.	Collusion with Citizen regarding Assessment.	MEDIUM	No	Yes	Yes	We are trying our best to comply the same in near future.	Management should hire Independent Person or Organization for assessment of properties.
3.	Non-Updating Various Register like hand book, DCB register, Assessment registered.	MEDIUM	No	No	Yes	It will be taken care in future.	Hand Book & DCB register are not up to date. Assessment Register has not been maintained.
4.	Others	-	-	-	-	-	-

#### RECEIPTS AND BANKING:

1.	Error in collections, loss of receipts and perpetrated frauds	HIGH	Yes	Yes	Yes	It will be taken care in future.	Management should ensure implementation of the system to serve notice to the property holders who are not depositing the holding tax. Further, management should ensure that the amount which is collected has to be deposited as per prescribed norms.
2.	Non-updating	MEDIUM	No	No	Yes	It will be	Hand Book & DCB



	various register like hand book, DCB register, cash book, etc.					taken care in future.	register are not up to date. It should be updated on daily basis.
3.	Collusion with the citizen and the ULBs staff to make wrong assessments of income	<b>HIGH</b>	No	No	No	There is scarcity of manpower in the ULB; however we will comply in the near future.	Management should segregate the work regarding collection, demand initiation, notice serving, balancing of demand and collection register, and assessment of properties.
4.	Others	-	-	-	-	-	-

### **REVENUE EXPENDITURE:**

1.	Error in over payment	<b>HIGH</b>	No	No	No	-	No Such cases found.
2.	Loss of supporting document	<b>HIGH</b>	No	No	No	-	No Such cases found.
3.	Loss of authentication	<b>HIGH</b>	No	No	No	-	No Such cases found.
4.	Perpetrated fraud (Like payment more than one time on same bill)	<b>HIGH</b>	No	No	No	-	No Such cases found.
5.	Non-updating various register like Bill register with payment fig., etc.	<b>MEDIUM</b>	No	No	No	-	No Such cases found.
6.	Others	-	-	-	-	-	-

### **ESTABLISHMENT EXPENDITURE:**

1.	Error in over payment	<b>HIGH</b>	No	No	No	-	No Such cases found.
2.	Loss of supporting document	<b>HIGH</b>	No	No	No	-	No Such cases found.
3.	Loss of authentication	<b>HIGH</b>	No	No	No	-	No Such cases found.
4.	Collusion with employee	<b>HIGH</b>	No	No	No	-	No Such cases found.
5.	Perpetrated fraud (Like payment more	<b>HIGH</b>	No	No	No	-	No Such cases found.



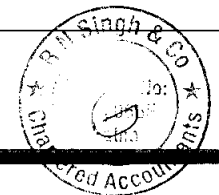
	than one time to same or ghost employee)						
6.	Non-updating various register like salary register, PF register, Service book/record, advance register, etc.	HIGH	Yes	Yes	Yes	It will be taken care in future.	These registers are not updated on daily basis. Registers should be maintained as quickly as possible.
7.	Others	-	-	-	-	-	-

**CAPITAL EXPENDITURE:**

1.	Error in over payment	HIGH	No	No	No	-	No Such cases found.
2.	Loss of supporting document	HIGH	No	No	No	-	No Such cases found.
3.	Loss of authentication	HIGH	No	No	No	-	No Such cases found.
4.	Collusion with contractor	HIGH	No	No	No	-	No Such cases found.
5.	Perpetrated fraud (Like payment more than one time to same contractor).	HIGH	No	No	No	-	No Such cases found.
6.	Non-updating various register like work register, MB, bill register, Fixed Assets register, Service book/record, advance register, etc.	MEDIUM	Yes	Yes	Yes	It will be taken care in future.	These registers are not updated on timely basis. It should be updated on real time basis.
7.	Others	-	-	-	-	-	-

**PROCUREMENT AND INVENTORY:**

1.	Error in over payment	HIGH	No	No	No	-	No Such cases found.
2.	Loss of supporting document	HIGH	No	No	No	-	No Such cases found.
3.	Loss of authentication/Procedural error	HIGH	No	No	No	-	No Such cases found.
4.	Collusion with contractor	HIGH	No	No	No	-	No Such cases found.
5.	Perpetrated fraud	HIGH	No	No	No	-	No Such cases found.



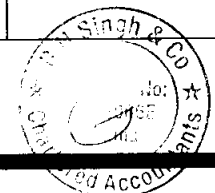
	(Like payment more than one time to same contractor)						
6.	Non-updating various register like store register, issue register, bill register with payment fig., advance register, etc.	MEDIUM	Yes	Yes	Yes	It will be taken care in future.	These registers are not maintained. Only payment files are maintained. Registers should be maintained as quickly as possible.
7.	Others	-	-	-	-	-	-

**GRANT AND LOANS AND UTILISATION THEREOF:**

1.	Non utilization of grant or grant unspent.	MEDIUM	No	No	No	-	No Such cases found.
2.	Not furnishing of UC	HIGH	No	No	Yes	-	No Such cases found.
3.	Non fulfillment of condition part thereto	MEDIUM	No	No	No	-	-
4.	Perpetrated fraud (Like payment more than one time same contractor)	HIGH	No	No	No	-	-
5.	Non-updating various register like grant register, work register, bill register with payment fig., advance register, etc.	MEDIUM	Yes	Yes	Yes	It will be taken care in future.	Only Contractor files are maintained. Registers should be maintained as quickly as possible.
6.	Others	-	-	-	-	-	-

**FIXED DEPOSITS AND INVESTMENTS:**

1.	Not deposited at appropriate time (loss of revenue)	HIGH	Yes	Yes	Yes	It will be taken care in future.	No tradition of Fixed Deposit & Investments in NAGAR PARISHAD MOKAMA. Management should invest or open swipe account to get more interest income.
2.	Loss of Investment certificate	HIGH	No	No	No	-	-
3.	Non fulfillment of condition part	MEDIUM	No	No	No	-	-



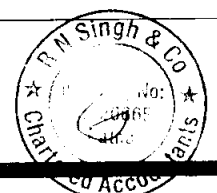
	thereto						
4.	Collusion with bank officials to invest at lower rate	HIGH	No	No	No	-	-
5.	Deposit into Current account	MEDIUM	No	No	No	-	-
6.	Non-updating various register like investment register, Bank book, cash book, etc.	MEDIUM	Yes	Yes	Yes	It will be taken care in future.	Investment Register, Bank Book has not been maintained/up to date by the ULB. It should be maintained on daily basis.
7.	Others	-	-	-	-	-	-

**LOANS AND ADVANCES:**

1.	Unauthorized release of advance	HIGH	No	No	No	-	No Such cases found.
2.	Release of advance beyond authority	HIGH	No	No	No	-	No Such cases found.
3.	Non-adjustment of loan or advance during the year	MEDIUM	No	No	No	-	No Such cases found.
4.	Collusion with employee/party to release advance/loan beyond authority	HIGH	No	No	No	-	No Such cases found.
5.	Advance/loan not account for	HIGH	No	No	No	-	No Such cases found.
6.	Non-updating various register like Loan & advance, Bank book, cash book, etc.	MEDIUM	Yes	Yes	Yes	It will be taken care in future.	Loans & Advances Register has not been maintained by the ULB. It should be maintained on daily basis.
7.	Others	-	-	-	-	-	-

**List of Important Registers**

Name of the ULB	NAGAR PARISHAD MOKAMA
RISK RATING:	MEDIUM
CAG OBSERVATIONS STATUS	AVAILABLE



**PERIOD: 01/04/2020 to 31/03/2021**

Sl. No.	Particulars	Audit Observation	Associates Risk	MGT. Comment	Status (Resolved/ or not)
1.	Cash Book	General Cash Book & Subsidiary Cash Book has been maintained by the ULB but entry made in cash book was not on real time basis.	Due to non-updation of cash book on real time basis there may be chance of making back dated entry. This may leads to fraud & defalcation.	There is scarcity of manpower in the ULB; however we will comply in the near future.	Not Resolved
2.	Ledger	No data has been provided by ULB	-	It is in Process	Not Resolved
3.	Journal	Journal Register has not been maintained.	Due to this amount receivable & payable is not ascertainable. Advances have been accounted as income & expenditure.	It will be taken care in future.	Not Resolved
4.	Register for Journal/ Magazines/Newspapers	Not-Maintained	This may leads to misplacement of Journal, Magazines & Newspapers.	It will be taken care in future.	Not Resolved
5.	Register for Temporary Advances	Not-Maintained	It may leads to fraud & Defalcation.	It will be taken care in future.	Not Resolved
6.	Register of Money Orders /Bank Draft Received	Not Maintained	It may leads to dishonor of DD received or misplace of DD.	It will be maintained from next financial year.	Not Resolved
7.	Cheque Issue Register	Maintained	-	-	-
8.	Register of Remittances made into bank	Not Maintained	It may also lead to dual payment and further create difficulty to prepare BRS.	It will be maintained from next financial year or as earlier possible.	Not Resolved
9.	Bank Passbook	Maintained	-	-	-



10.	<b>Register of Bank drafts Dispatched</b>	Not-Maintained	It may leads to dishonor of DD received and further create difficulty to prepare BRS.	It will be maintained from next financial year.	Not Resolved
11.	<b>Bill Register</b>	Not-Maintained separately, bills are attached in their respective files only.	It may leads to fraud & Defalcation.	It will be taken care in future.	Not Resolved
12.	<b>Establishment Register</b>	Maintained	-	-	-
13.	<b>Stock Register</b>	Not-Maintained	It may leads to mis-utilisation of Stock items.	It will be taken care in future.	Not Resolved
14.	<b>Capital Goods/Consumable articles, non-consumable articles and</b>	Not-Maintained	It may leads to misplacement of Capital Goods/Consumable articles & non-consumable article.	It will be taken care in future.	Not Resolved
15.	<b>Statutory Deduction Register</b>	Not-Maintained in register only prepared in excel sheet head wise but not authorized.	It may lead to statutory irregularities. Delay in deposit of deducted amount further leads to interest @ 1.5% per month. Further, filling of return may be affected.	It will be taken care in future.	Not Resolved
16.	<b>Fixed Assets Register</b>	Maintained	-	-	-
17.	<b>Grant Register</b>	Not-Maintained	It may lead to delay in preparation and submission of UC. It may also affect the utilization of fund.	It will be taken care in future.	Not Resolved
18.	<b>Scheme Register</b>	Maintained	-	-	-
19.	<b>Monthly accounts of Receipts/Payments</b>	Maintained	-	-	-



20.	Temporary Advances Register for Staff, Customers/supplier/VEC and TA/DA Advance	Not-Maintained	It may leads to fraud & Defalcation.	It will be taken care in future.	Not Resolved
21.	Dispatch Register	Maintained	-	-	-
22.	File Register	Not-Maintained	It may leads to misplacement of files.	It will be taken care in future.	Not Resolved
23.	Any other (Name of the register)	-	-	-	-

## Cash and Bank

Name of the ULB		NAGAR PARISHAD MOKAMA				
RISK RATING:		MEDIUM				
CAG OBSERVATIONS STATUS		AVAILABLE				
		<b>PERIOD: 01/04/2020to 31/03/2021</b>				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved/ or not)
1.	Check whether there is no any undue delay in presentation of cheque /DD received, to bank,	No Such cases Found.	-	-	-	-
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.	Draft/Receipt dishonored registers are maintained.	-	It may lead to dual payment and further create difficulty to prepare BRS.	It will be taken care in future.	Not Resolved
3.	Whether banking transactions (Receipts & Payments) are matched with cashbook, Cheque issue register, collection register, etc., Verify the	Matched.	-	-	-	-

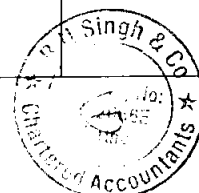


	same with Bank statement & BRS,					
4.	Whether cheque issue register are Matched with	Matched	-	-	-	-
5.	Whether proper steps has been taken for dishonored cheque, it was realized in cash or not,	No such cases found.	-	-	-	-
6.	Whether Bank Reconciliation has been made for each account, verify the status of BRS, (attached BRS as annexure)	Prepared.	-	-	-	-
7.	Check whether no any fraud payment or payment to other person has been made,	No such cases found.	-	-	-	-
8.	Whether bank statement for all account have been promptly received from bank.	Yes	-	-	-	-
9.	Number of Bank account maintained	15	-	-	-	-
10.	Original copy of cancelled receipt is attached with duplicate copy with "CANCELLED" marked on it.	No such cases found.	-	-	-	-
11.	Liability for stale cheques account review is done and necessary reversal entries are passed	No such cases found.	-	-	-	-
12.	Any other	-	-	-	-	-



## Public Works

	<b>Name of the ULB</b>	<b>NAGAR PARISHAD MOKAMA</b>				
	<b>RISK RATING:</b>	<b>MEDIUM</b>				
	<b>CAGOBSERVATIONS STATUS</b>	<b>AVAILABLE</b>				
		<b>PERIOD: 01/04/2020to 31/03/2021</b>				
Sl. No.	Particulars	Audit Observation	Amount involved	Associates Risk	MGT. Comment	Status (Resolved/ or not)
1.	Whether bill has been prepared as per actual measurement & page no. of the MB in which detailed measurements have been quoted has mentioned in first page of MB,	Yes	-	-	-	-
2.	Whether bill has been signed by proper in charge,	Yes	-	-	-	-
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	-	-	-	-
4.	Verify whether any payment made for removing/ dismantling material which have scrap value must be indicated in the bill,	No such cases found.	-	-	-	-
5.	Whether measuring has done by the engineer concerned,	Yes	-	-	-	-
6.	Whether expenditure on construction of work was debited to WIP & verified with MB maintained,	Yes	-	-	-	-
7.	Whether master roll (machine numbered & authorized) has been maintained for details of store, specifying:	Not Maintained	-	It may leads to fraud & Defalcation.	It will be prepared in future.	Not Resolved



	Date of Issue,	No	-	-	-	Not Resolved
	Name of sub ordinate,	No	-	-	-	Not Resolved
	Name of work,	No	-	-	-	Not Resolved
	Number of labour,	No	-	-	-	Not Resolved
	Period of engagement,	No	-	-	-	Not Resolved
	Details of payment (date, Amount, Cheque no, etc.)	No	-	-	-	Not Resolved
8.	Whether the same has been periodically verified.	No	-	-	-	Not Resolved
9.	Whether payment areas per defined approval level sanctioned u/s 75 of BMA, 2007,	Yes	-	-	-	-

## Cash Book

Name of the ULB		NAGAR PARISHAD MOKAMA				
RISK RATING:		MEDIUM				
CAG OBSERVATIONS STATUS		AVAILABLE				
		<b>PERIOD: 01/04/2020 to 31/03/2021</b>				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Whether Opening Balance & Closing Balance was worked out or not,	-	-	-	-	
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.,	Posting of receipt & payment side of cash book are properly maintained but we are unable to match with Receipt Vouchers Register as it is not being maintained	-	It may lead to dual recording of receipts & payment and further create difficulty to prepare BRS.	It will be taken care in future.	Not Resolved



		by the ULB.				
3.	Whether posting in on daily basis,	No	-	Some entries may be forgotten.	It will be taken care in future.	Not Resolved
4.	Whether there is any clerical error (casting or/and posting error, etc.)or not,	Yes	-	It may leads to over & under stating of income, expenditure, opening and closing balance.	It will be taken care in future.	Not Resolved
5.	Whether any delay in deposit of amount of collection by cashier,	In most of the cases any amount collected is deposited about a week delay.	-	It leads to interest revenue loss to the ULB.	It will be taken care in future.	Not Resolved
6.	conduct physical verification of cash and report heavy cash balance if any	No discrepancies found in this regard.	Not Resolved	Not Resolved	Not Resolved	Not Resolved
7.	Any Other	No	-	-	-	-

## Collection

Name of the ULB		NAGAR PARISHAD MOKAMA				
RISK RATING:		MEDIUM				
Name of Tax Collector		Suresh Dash				
		PERIOD: 01/04/2020 to 31/03/2021				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)



1.	Whether collection procedure are as per guidelines/direction of ULB,	Yes	-	-	-	-
2.	Whether collections are made on the basis of Demand & Collection Register,	Demand & Collection register has not been maintained properly.	-	It may leads revenue loss to the ULB.	It will be maintained properly in future.	Not Resolved
3.	Whether collection are made in the same receipt Vouchers which has been issued/authorized by ULB/state government & it should be clear 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,	Yes	-	-	-	-
4.	Whether collections are bifurcated in different heads as required,	Yes	-	-	-	-
5.	Whether a separate bank account has been maintained for each circle,(for PMC only)	-	-	-	-	-
6.	Whether all collections are made in proper "Receipt Voucher Book" having same serial number which was actually issued to TC,	Yes	-	-	-	-
7.	Whether all collections made during the day are account for & bank do next working day or there is any teaming & lading,	In most of the cases any amount collected is deposited about a week delay	-	It leads to interest revenue loss to the ULB.	It will be taken care in future.	Not Resolved



8.	Whether no any collection are directly expended without prior approval,	No such cases found.	-	-	-	-
9.	Whether collections are made by all the holding fall under the same TC or Civics Centre,	No, Collections were not made by all the holding.	-	It will affect municipality fund.	It will be taken care in future.	Not Resolved
10.	Whether government share of collections (like Education cess & health cess) are properly & timely deposited in its own account, (if applicable)	No Such cases found.	-	-	-	-
11.	Whether there is any short/non collection or short deposit or not deposit,	No Such cases found.	-	-	-	-
12.	Whether penalty (@2% P.M/1.5%) has been duly charged on late payment,	Yes	-	-	-	-
13.	Whether daily collections are entered in to hand book, collection register maintained by TC & it should be properly entered in demand & collection register,	Daily Collection register has Not been Maintained.	-	It leads to interest revenue loss to the ULB	It will be taken care in future.	Not Resolved
14.	Whether collection by way of cheque are properly banked & credited into account,	Yes	-	-	-	-
15.	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	No Such cases found.	-	-	-	-
16.	Whether any immediate steps has been taken or not for cheque	No Such cases found.	-	-	-	-



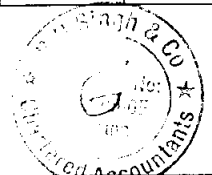
	dishonored received,					
17.	Whether reversal of payment has been made for any dishonored cheque.	No Such cases found.	-	-	-	-

## Demand

	Name of the ULB	NAGAR PARISHAD MOKAMA				
	RISK RATING:	MEDIUM				
	Name of Tax Collector	Suresh Dash				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Ensure whether closing balance of previous year is accurately brought forward,	Opening and closing balance has not been quantified due to non-maintenance of Demand Register.	-	It may leads revenue loss to the ULB.	It will be taken care in future.	Not Resolved
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,	ULB is not being in practice to raise the demand. No proper details are recorded in the manual register.	-	It may leads revenue loss to the ULB.	It will be taken care in future.	Not Resolved
3.	Whether data for calculation is correct & properly verified by appropriate authority/Internal Auditor by way of physical survey,	No verification is being conducted by appropriate authority however we have done physical survey of 20 high value	-	-	-	-



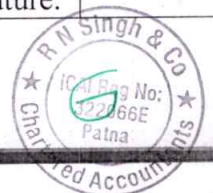
		properties and no variance found.				
4.	Whether revision of valuation of holding properly made after specified period	No, revision of valuation of holding is being not made after specified period.	-	It may leads to revenue losses.	It will be taken care in future.	Not Resolved
5.	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	No Such cases found.	-	-	-	-
6.	Ensure whether there is any clerical error in calculation,	No Such cases found.	-	-	-	-
7.	Whether demand register in prescribed format is maintained or not,	Demand Register Not Maintained	-	It may leads revenue loss to the ULB.	It will be taken care in future.	Not Resolved
8.	Whether persons involve in calculation/collection have knowledge of their responsibility,	Yes	-	-	-	-
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,	Due to lack of Manpower all these work has been controlled single handedly.	-	It may leads to fraud & Defalcation.	Need more skilled employees.	Not Resolved
10.	Whether there is any under/no assessment,	No	-	-	-	-
11.	Whether there is appropriate measures (As Per section 155 & 158 of BMA, 2007) are adopted for recovery of Government/bid dues,	Appropriate measures have not been taken for recovery of Government Dues.	-	It may leads to revenue losses.	It will be taken care in future.	Not Resolved
12.	Whether notice for demand has been made in prescribed format (As Per BMAR) & as per rules & regulations,	No notices of demand are being served.	-	It may leads to revenue losses.	It will be taken care in future.	Not Resolved



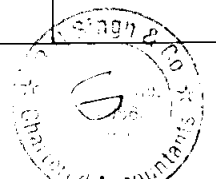
13.	Whether penalty(@2% P.M/ 1.5%) has been charged on late payment,	Yes	-	-	-	-
14.	Whether Demand, Collection & Balance Register has been prepared on daily basis for all receipts or not, & it would be authorized by proper authority or not,	Not Maintained in prescribed format & also not updated.	-	It may leads to revenue losses.	It will be taken care in future.	Not Resolved
15.	Whether there are adequate safe guard on data has been operated or not,	No	-	-	-	-
16.	Whether self-assessment property tax return for payment of property tax has been filed by the assesses in the prescribed format,	Yes	-	-	-	-
17.	Whether there is any collusion with customer/holding w.r.t. ,assessment, payment, etc.	No Such cases found.	-	-	-	-
18.	Any Other	No	-	-	-	-

## Establishment

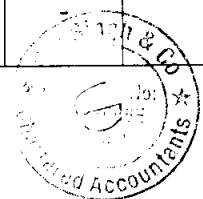
	Name of the ULB	NAGAR PARISHAD MOKAMA				
	RISK RATING:	MEDIUM				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associate s Risk	MGT. Com ment	Status (Resolved /or not)
1.	Whether establishment expenditure is sanction by authorized person & it has been with in sanctioned limit,	Yes	-	-	-	-
2.	Whether service log book has been Maintained & up to date or not,	Not Maintained	-	It may leads to over/less payments.	It will be taken care in future.	Not Resolved
3.	Audit whether a part 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 not prepared.	-	It may leads to over/less payments.	It will be taken care in future.	Not Resolved



	service book and checking the acquaint stroll of employee who have been paid in cash,					
4.	Whether each employee has unique identification number & it has been referred in all matter in relation to service book Whether payment made to employee has been verified with attendance register/logbook,	Yes	-	-	-	-
5.	Whether service book for calculation of payable has been authorized by the proper person,	Service Book not maintained.	-	It may leads to over/less payments.	It will be taken care in future.	Not Resolved
6.	Whether account depart has prepared the advice & instructed the bank for the payment as per advice,	Yes	-	-	-	-
7.	Whether undistributed amount of pay & allowance as shown in cash book matched with balance of undistributed salary balance,	Undistributed salary amount not maintained in cashbook.	-	It may leads to over/less payments.	It will be taken care in future.	Not Resolved
8.	Whether undistributed amount of pay & allowance are not more than 3 months as cash in hand,	No Such cases found.	-	-	-	-
9.	Whether disbursement of pay & allowance are duly recorded in books & accepted by employee specifying separate head with date of receive (In case of arrear),	No Such cases found.	-	-	-	-
10.	Whether the bill prepared according to sanctioned scale,	Yes	-	-	-	-
11.	Whether no any payment is made to Employee whose service retired in any manner,	No Such cases found.	-	-	-	-
12.	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	Pay-In-Slip not prepared.	-	It becomes difficult to trace last payment. It may	It will be taken care in future.	Not Resolved



				leads to over/less payments.		
13.	<b>Whether all statutory deduction or adjustment has been made before payment,</b>	Only Provident Fund has been deducted. TDS not deducted.	-	It may leads to levy statutory penalty/interest.	It will be taken care in future.	Not Resolved
14.	<b>To check compliance of rules in regard to establishment matters viz., travel, daily allowance, leave, advances (House building and vehicle advance etc.) and settlement there -of.</b>	No Such cases found.	-	-	-	-
15.	<b>To check salary bills.</b>	Salary Bills not prepared.	-	It may leads to over/less payments.	It will be taken care in future.	Not Resolved
16.	<b>Position of outstanding advances paid to employees</b>	No Such cases found.	-	-	-	-
17.	<b>To check deduction of provident fund and ESI has been made as per rules</b>	Yes	-	-	-	-
18.	<b>Whether PF slips are issued to the employees on yearly basis and to see whether all statutory returns for PF are submitted to the concerned authorities.</b>	Yes	-	-	-	-
19.	<b>To check whether salary bill is prepared in such a manner that it gives break-up of the amount of bill and all adjustments such as deduction of PF, TDS and other advances and loans etc.</b>	Not prepared.	-	It may leads to over/less payments.	It will be taken care in future.	Not Resolved
20.	<b>Check Retirement benefit to employee</b>	No Such cases found.	-	-	-	-
21.	<b>Personnel Appointments and to see whether all records are updated from time to time.</b>	No Such cases found.	-	-	-	-
22.	<b>Dismissal and Resignation/Termination</b>	No Such cases found.	-	-	-	-
23.	<b>Temporary workers</b>	No Such cases found.	-	-	-	-



24.	Overtime	No Such cases found.	-	-	-	-
25.	Attendance Register To check number of persons mentioned in the attendance register tally with the sanctioned strength of aunit.	Yes	-	-	-	-
26.	Personnel Files	Yes	-	-	-	-
27.	Training of employees(including Skill development Levy)	No Such cases found.	-	-	-	-
28.	Leave Register-To check whether a leave register is maintained as per types of leave as medical Leave/CL/EL/maternity/paterni ty leave.	Not Maintained	-	It may leads to over/less payments.	It will be taken care in future.	Not Resolved

## Grant

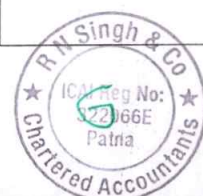
Name of the ULB		NAGAR PARISHAD MOKAMA				
RISK RATING:		MEDIUM				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Maintenance/Updation register regarding details of funds received and expenditure.	Yes	-	-	-	-
2.	Any diversion/re-appropriation of funds not covered under the provision of BMA, 2007 should be pointed out for remedial action.	No Such cases found.	-	-	-	-
3.	To check whether utilization certificate is for actual utilization of funds received .	Yes	-	-	-	-
4.	It should also be checked that utilization certificate is issued as per prescribed time frame	We have found some cases where UCs is not	-	It may leads to mis-utilization	With the guidance of internal auditor, we	In Process



	given in the Manual and issue of UCs is not delayed.	prepared on time. However we have guided to prepare it.		of fund.	have started preparing UC's. It will be submitted to department very soon.	
5.	Internal Auditor should also check whether expenditure incurred on each activity does not exceed the budget.	No Such cases found.	-	-	-	-

## Payment of bills of contractors

	Name of the ULB	NAGAR PARISHAD MOKAMA				
	RISK RATING:	MEDIUM				
Sl. No.	Particulars	Audit Observation	Amount involved	Associates Risk	MGT. Comment	Status (Resolved/ or not)
1.	Original bill duly signed by contractors is submitted.	Yes	-	-	-	-
2.	Contractor has put his initials in all cuttings and corrections in the bill.	No Such cases found.	-	-	-	-
3.	All Supporting documents are Attached with the bills.	Yes	-	-	-	-
4.	The rates, security deposit, and deductions are as per terms and conditions specified in the agreement	Yes	-	-	-	-
5.	The variations in quantities and completion period etc. have been authorized by the competent authority	Yes	-	-	-	-
6.	Job completion certificate has been processed by the dealing assistant.	Yes	-	-	-	-
7.	Bills passed for payment are as per Rules & T& C of Tender.	Yes	-	-	-	-



8.	All terms and conditions of the Contractors fulfilled before passing the bills.	Yes	-	-	-	-
9.	Every final bill is checked in detail with measurement books.	Yes	-	-	-	-
10.	Cash/ Bank Vouchers to be checked for authorization etc.	Yes	-	-	-	-
11.	Overall review of the books of accounts.	Yes	-	-	-	-
12.	Position of outstanding advances paid to suppliers/contractors.	No Such cases found.	-	-	-	-

## Receipt Voucher

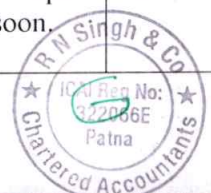
Name of the ULB		NAGAR PARISHAD MOKAMA				
RISK RATING:		MEDIUM				
		PERIOD: 01/04/2020to 31/03/2021				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Whether "Receipt Vouchers" are in the prescribed format & having machined serial number & there is no any manuscript form,	Yes	-	-	-	-
2.	Check;		-	-	-	-
3.	What is the date of printing,	Checked	-	-	-	-
4.	What quantity of serial number was printed out,	Checked	-	-	-	-
5.	What is the date of dispatched ,quantity of receipt vouchers &their serial number;	Checked	-	-	-	-
6.	Log book/ Register maintained at printing press regarding printing of "Receipt Vouchers".	Checked	-	-	-	-



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,	Yes	-	-	-	-
8.	Verify Log book/Register maintained at every collection center & cash counter with regard to receipt & return quantity & serial number,	Yes	-	-	-	-
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 & their circle	Yes	-	-	-	-
10.	Check whether TC have same "Receipt Voucher" which was Actually issued by store & it must be authorized by the appropriate authority,	Yes	-	-	-	-
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",	No Such cases found.	-	-	-	-
12.	Confirm that all unused "Receipt Vouchers" are under the Custody of authorized person,	Yes	-	-	-	-
13.	Verify that any cancelled vouchers have in both original & Carbon copy,	Yes	-	-	-	-
14.	Verify whether reversible carbon has been used during receipt.	Yes	-	-	-	-

### Other Revenue:

1.	Advertisement Tax	No System Developed for collection of advertisement	-	It will affect municipal fund.	System will be developed very soon.	Not Resolved
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			tax.				
2.	<b>Tower Tax</b>		Some amount is pending to be collected as Tower Tax in this financial year and no steps have been taken for recovery of dues.	<b>297495 0</b>	It will affect municipal fund.	Notice will be send to concerned tower operator.	In Process
3.	<b>Professional Tax</b>		No professional tax collected.	-	-	-	-
4.	<b>Assigned Revenue(As details annexed)</b>		No Such cases found.	-	-	-	-
5.	<b>Rental Charges(As details annexed)</b>		No any municipal properties given on rent during this period.	-	It will affect municipal fund.	System will be developed very soon.	Not Resolved
6.	<b>Fee&amp; uses Charges(As details annexed)</b>		Collected.	-	-	-	-
7.	<b>Other Revenue Items</b>		-	-	-	-	-

## Revenue Expenses

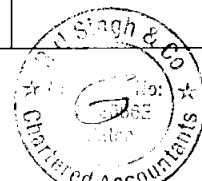
	<b>Name of the ULB</b>	<b>NAGAR PARISHAD MOKAMA</b>				
	<b>RISK RATING:</b>	<b>MEDIUM</b>				
		<b>PERIOD: 01/04/2020 to 31/03/2021</b>				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Whether payment is on the basis of Sanction / work order letter & incurred by authorized person.	Yes	-	-	-	-
2.	Whether payment is made through prescribed format.	Yes	-	-	-	-



3.	Whether payment is made without any undue delay or whether any cheque issued are promptly issued to the respective person.	Yes	-	-	-	-
4.	Whether there is bifurcation of responsibility towards person making payment & person preparing MB, receipt of goods , maintenance of payment file, etc.	Yes	-	-	-	-
5.	Whether updation of accounts/books are on proper & timely basis,	Yes	-	-	-	-
6.	Whether authorized person verify & sign the document involve,	Yes	-	-	-	-
7.	Whether data base for the same has been properly maintained & safeguard measures are taken,	No database has been maintained by the ULB.	-	Important information may be lost or stolen.	We will take necessary step to implement the DBMS is near future.	Not Resolved.
8.	Whether exact amount (no any over payment) are paid and verified by supporting document, & no any collusion with party,	Yes	-	-	-	-
9.	Whether register for settlement of service bill has been maintained and up to date,	Yes	-	-	-	-
10.	Whether payment made to the same to whom it might be payable and no any	Yes	-	-	-	-



	second claim in this regard,					
11.	Whether payment has been made	Yes	-	-	-	-
12.	Whether the expenditure are made with a period & amount as sanctioned,	Yes	-	-	-	-
13.	Whether there is undue rush of expenditure at the end of financial year,	No	-	-	-	-
14.	Whether payment has to be made after confirmation from store,	Yes	-	-	-	-
15.	Whether payment for repairs, etc., has to be made on the basis of logbook maintained,	No Such cases found.	-	-	-	-
16.	Whether payment are as per defined approval level sanctioned u/s 75 of BMA, 2007,	Yes	-	-	-	-
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 Such cases found.	-	-	-	-
18.	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	No Such cases found.	-	-	-	-
19.	Whether all statutory deduction or	yes	-	-	-	-



	adjustment has been made before payment,					
20.	Whether entry of any event during service has been made in service book by authorized person,	Yes	-	-	-	-

## Statutory Requirement

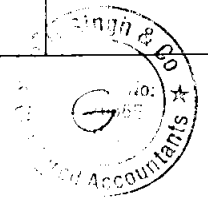
	Name of the ULB	NAGAR PARISHAD MOKAMA				
	RISK RATING:	MEDIUM				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Whether deduction of TDS on payment has been made as per law,	Yes	-	-	-	-
2.	Whether TDS deducted are timely deposited into bank with same amount,	Not deposited on time and also statutory liability register has not been maintained.	Unable to quantify.	There may be levied statutory interest/penalty	It will be taken care in future.	Not Resolved.
3.	Whether regulatory requirement for submission of Return has been followed,	No return is being filled.	Unable to quantify.	There may be levied statutory interest/penalty	It will be taken care in future.	Not Resolved.
4.	Whether any deduction is made in any act, must be deposited as per their respective act,	Yes but deposited late.	Unable to quantify.	There may be levied statutory interest/penalty	It will be taken care in future.	Not Resolved.
5.	Verify whether in case of "through rate" contract, there is no any payment for material, etc. by the ULB	No Such cases found.	-	-	-	-



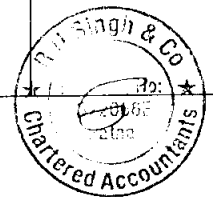
6.	Any demand is outstanding from regulatory authority for non-compliance.	No Such cases found.	-	-	-	-
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## Tender Details (Work Order Wise )

Name of the ULB		NAGAR PARISHAD MOKAMA				
RISK RATING:		MEDIUM				
Work order No.		01/2018-19 UDHD/NPM				
		PERIOD: 01/04/2020 to 31/03/2021				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	To check whether the provisions contained in Tender Advertisement for procurement were followed in award of contracts.	Yes	-	-	-	-
2.	To check that the time/date of receipt and opening of tenders was properly incorporated in the tender documents.	Yes	-	-	-	-
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	-	-	-	-



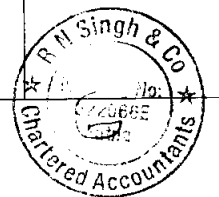
4.	The purchase proposal was approved by the competent authority. as per delegation of powers	Yes	-	-	-	-
5.	Indent for purchase indicates the details of quantity required, last purchase rate, period for which stores are needed and name of consignee.	Not in prescribed format.	-	There may be chances of fraud & defalcation.	It will be taken care in future.	Not Resolved.
6.	Approval of mode of procurement	Yes	-	-	-	-
7.	The tender documents are prepared properly and description of items to be procured, quantity and estimated value should be indicated.	Yes	-	-	-	-
8.	To check whether the direction was followed for notification /advertising and opening of bids at notified date, time and place in the presence of bidders.	Yes	-	-	-	-
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.)	Yes	-	-	-	-
10.	To check whether bids were evaluated in terms of the provisions of the bid documents and the evaluation report was available.	Yes	-	-	-	-
11.	To check whether contract was awarded to the lowest evaluated responsive bidders who fulfilled qualification	Yes	-	-	-	-



	requirements, specified in the tender's documents.					
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.	Yes	-	-	-	-
13.	To check whether articles were received/work was completed in time as per delivery schedule.	Yes	-	-	-	-
14.	The stores/goods are properly recorded in the Stock Registers /Asset Register.	Stock/Asset Register has not been maintained to record the same.	-	There may be chances of misplacement goods/stores.	It will be taken care in future.	Not resolved.
15.	Whether any complaint was received regarding procurement and payment and existence of mechanism for redressal of Complaints	Yes	-	-	-	-

## Vehicle Log Book

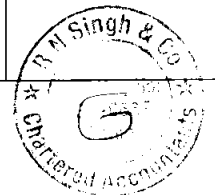
	<b>Name of the ULB</b>	<b>NAGAR PARISHAD MOKAMA</b>				
	<b>RISK RATING:</b>	<b>MEDIUM</b>				
		<b>PERIOD: 01/04/2020 to 31/03/2021</b>				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Whether logbook has maintained or not & up to date with proper details like journeys, work undertaken, covering route, visited	Yes	-	-	-	-



	place, kilometer, etc.,					
2.	Whether logbook of journey is maintained in detail & signed by the officials using them,	Yes	-	-	-	-
3.	Whether it should be used for official purpose, otherwise charges are recoverable,	Used only for official purpose.	-	-	-	-
4.	Whether details of fuel for the same has been maintained in log book,	Yes	-	-	-	-
5.	Whether full details of repairs have been maintained & it have been through authorized center,	Yes	-	-	-	-
6.	Whether authorized person have proper check over logbook.	Yes	-	-	-	-

## Fixed Assets

	Name of the ULB	NAGAR PARISHAD MOKAMA				
	RISK RATING:	MEDIUM				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Status on Maintenance of Fixed Assets Register	Not Maintained	-	It may leads to misplacement of assets.	Being Prepared by DEAS Team.	Not Resolved
2.	Budget availability is confirmed before acquisition	Yes	-	-	-	-
3.	Fixed assets are recognized at cost of acquisition and if so, check whether the cost components are incidental to its	Appropriate details are not mentioned in the fixed Assets register	-	-	Being Prepared by DEAS Team.	Not Resolved



	acquisition					
4.	all fixed assets are acquired only after obtaining approval of the concerned authority	Yes	-	-	-	-
5.	Physical verification of fixed assets is done and discrepancies are reconciled with Fixed Asset Register.	Done	-	-	-	-
6.	Depreciation is provided on each class of fixed assets at the prescribed rates	No Depreciation is provided.	-	It leads to over valuation of fixed assets.	Levied once fixed asset register maintained.	Not Resolved
7.	Asset Replacement Register is properly maintained asset class- wise	No such cases found.	-	-	-	-

### Others

	<b>Name of the ULB</b>	<b>NAGAR PARISHAD MOKAMA</b>				
	<b>RISK RATING:</b>	<b>MEDIUM</b>				
Sl. No.	Particulars	Audit Observation	Amount involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
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.	No assessment has been done from the date of imposition of holding tax.	-	It may lead to revenue loss.	It will be taken care in future.	Not Resolve
2.	Demands of current year and previous year have been	No reconciliation is being made	-	It may lead to revenue loss.	It will be taken care in future.	Not Resolve

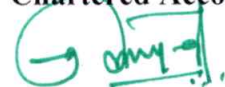


	reconciled with reference to the above details	due to demand register has not been prepared.				
<b>Register of Suits</b>						
1.	All suits filed by the municipality for recovery of any sum due are entered.	Register of Suits filed by ULB has been maintained by the ULB.	-	-	-	-
2.	All suits filed against the municipality are entered	-	-	-	-	-
3.	Sanction from the Council obtained for filing/defending the suit	-	-	-	-	-
4.	All details like the Assessment Number, amount involved, Name of Court and Suit Number etc. are clearly entered	No Such cases found	-	-	-	-
5.	Execution Petitions are filed for recovery of sums, in cases the suits are disposed in favor of municipality.	No Such cases found	-	-	-	-

**General Observations: -**

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

For R.N. Singh & Co.  
Chartered Accountants



CA Chanakya Shree  
Partner

Mem No: 079322

FRN: 322066E



**Annual Discussion Note Mokama Nagar Parishad for the FY 2020-21**

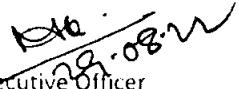
S.No.	Observations (sort the observations from high risk to low)	Risk Rating	System Gap	Operational Gap	Management Comments
1.	Cash book has not been authorized by Executive officer on daily basis.	High	Yes	Yes	It is not mandatory in nature, in near future it will be taken care of.
2.	Tower tax has not been collected since the installation of some towers even though number of tower is 23 as on 31-03-2021. Thus total outstanding tax amount is <b>Rs. 2854100/-</b> For registration fee, renewal fee & fine.	High	Yes	Yes	Reminders have been sent to operators.
3.	Amount Collected from own sources revenue has not been deposited into bank by the ULB on the same date/next to the same date as required.	High	Yes	No	It will be taken care in near future.
4.	Mokama Nagar Parishad is not in practice to prepare fixed asset register.	High	Yes	Yes	It is done by DEAS team.
5.	Mokama Nagar Parishad is not in practice to charge depreciation on fixed asset.	High	Yes	Yes	It is done by DEAS team.
6.	The amount of tax collected by the Tax collector is required to be handed over to the cashier next day of the collection. The same process is not followed. Tax collector hands over the collected cash to the cashier	Medium	No	No	It will be taken care in near future.



	after a time gap of 15 to 30 days. Details are given in detailed audit report.					
7.	Advertisement Tax has not been levied by the Mokama Nagar Parishad. There has not been any system developed for the levy of advertisement tax.	Medium	No	No	No	It doesn't come under the scope of this ULB.
8.	Opening & Closing of Main/Consolidated Cashbook has not been done on day to day basis which is not as per Bihar Municipal Accounting Manual. It should be closed on daily basis.	Medium	Yes	Yes	No	It will be taken care .
9.	During verification of property tax related documents, we have found so many property holders that are not paying property tax from a long time. ULB should take necessary action for recovery of the same.	Medium	No	Yes	No	Reminders has been sent to defaulters , necessary actions are taken care of.
10.	Procurement register is not maintained by the Mokama Nagar Parishad.	Medium	No	Yes	Yes	It will be maintained.
11.	Mokama Nagar Parishad is not in practice to prepare the Bank Reconciliation Statement of different schemes.	Medium	Yes	No	Yes	It is maintained by DEAS team.
12.	DEAS status is not in auditable position for the FY20-21.	Medium	Yes	No	Yes	We will provide details in FY21-22.

13.	File movement register is not maintained by Mokama Nagar Parishad.	Medium	Yes	No	Yes	It will be maintained in coming year.
14.	Municipal Accounts Committee has not been constituted by the Mokama Nagar Parishad.	Medium	Yes	Yes	No	It will be constituted as soon as possible.
15.	Bank Passbooks related to Various Schemes are not provided	Medium	No	Yes	No	It has been provided.
16.	Bank reconciliation statement has not been prepared by the ULB. Moreover, Passbooks are also not provided by the ULB.	Medium	Yes	No	No	BRS is maintained by DEAS team.
17.	CAG Compliance and Internal Audit compliance report was not provided by ULB .	Medium	Yes	No	Yes	It will be provided in next Financial Year.
18.	Details of directives of UD & HD were not provided for the FY 20-21.	Medium	Yes	No	Yes	It will be provided.
19.	Various register were not maintained by the ULB , such as :- Register for Journal/Magazine, Register for Temporary Advances, Register of Money Orders/Bank Draft Received, Register of Remittances made into bank, Register of Bank drafts, bill register, stock register, capital goods/consumables articles and non-consumables articles, statutory deduction register, fixed assets register, grant register, file movement register, procurement register, pay-roll register, PF register , advance register	Medium	Yes	Yes	No	It will be maintained.

20.	Details of Defaulter of Property Tax is not provided to us for the FY 20-21.	Medium	No	Yes	It will be provided in next FY.
21.	Details of Utilization of various fund is not provided to us , hence we are not able to help ULB in preparation of Utilization Certificate.	Medium	No	Yes	It will be provided in next FY.

  
 Executive Officer  
 Mokama Nagar Parishad  
 29/08/20  
 कार्यपालक पदधिकारी  
 नगर परिषद मोकामा

