

SPUR-PMU (Samvardhan)

No. 1138

In Coming Date 31/01/17

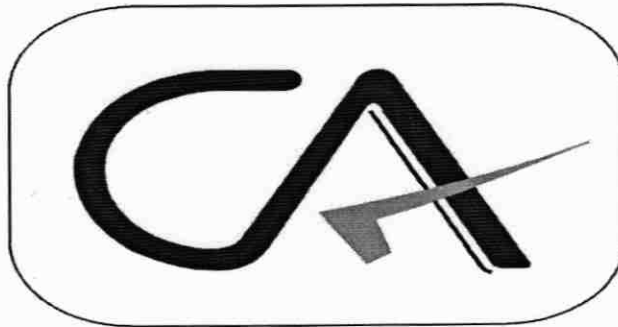
URBAN DEVELOPMENT AND HOUSING DEPARTMENT

Govt. of Bihar

Internal Audit Report

Of Nagar Parishad Buxar

For the period from 01-04-15 to 31-03-2016



Internal Audit Conducted by

M/S R.N. Singh & Co. Chartered Accountants

208, Hem Plaza, Fraser road

Patna-800001

Contact No.: -0612-2202876, 9431019501

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From: 01-08-2016 to 12-08-2016

Report issued on: 16-08-2016

Compliance Report for the scope of work as per the Contract with Internal Auditor

Name of Auditor: R N Singh & Co.			Name of ULB:- Nagar parishad Buxar
Sl. No.	Relevant Clause of Scope of Work of the Contract		Compliance (Mention the para no & Page no of audit report)
	Clause No.	Description	
1	4.1	Internal Audit should undertake risk-based review and evaluation of the internal control as discussed in Bihar Internal Control Manual. Internal Audit should devote particular attention to any aspects of the internal control environment affected by significant changes to the ULBs's risk environment.	Complied in para no (e) of Part B of Detailed Audit Report (Lack of internal control measures) at Page no 26.
2	4.2 & 4.3	<p>a) Internal 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. In its report there must be a separate section for non-compliance of rules/directives of UD&HD, GoB;</p> <p>b) 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</p> <p><input type="checkbox"/> Rule 22: All moneys to be brought to account</p> <p><input type="checkbox"/> Rule: 27: Collections to be deposited into Bank on the same day</p> <p><input type="checkbox"/> Rule 69: Grant Related Compliance</p> <p><input type="checkbox"/> Rule 120-121: Monthly Receipt & Payment Account and Trial Balance</p> <p><input type="checkbox"/> Rule 130: Audit to be completed & reported within 6 month</p>	<p>a) Complied in para no (c) of Part B of Detailed Audit Report (Non-Compliance of directives of UD& HD and Para(d) non-compliance of Act and rule) at Page no 25</p> <p>b) Complied in para no (d) of Part B of Detailed Audit Report (Non-compliance of Acts & Rules) at Page no 25.</p>
3	4.4 & 4.5	<p>a) Report and quantify all major Own revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairat etc;</p> <p>b) Check on audit trail of all collection of Taxes and Non-Taxes either through staff or outsourced agency and report of any lapses in controls, if any and advise recommendations to strengthen the prevailing processes;</p>	Complied in point 4(d),(f) & (h) at pg 4-5 and para no (a) & (b) of Part A of detailed audit report under Para (a) and (b) at Page no 13 to 18 .



Name of Auditor: R N Singh & Co.			Name of ULB:- Nagar parishad Buxar
Sl. No.	Relevant Clause of Scope of Work of the Contract		Compliance (Mention the para no & Page no of audit report)
	Clause No.	Description	
4	4.6	Report in a separate chapter on implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment procedures to check any in-consistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actuals as per internal audits;	Complied in para no (c) of Part A of detailed Audit Report at Page no 18 - 24.
5	4.7	Vouch on all payments above Rs. 10,000 and report on adequacy and appropriateness of its documentation, approvals, compliance of procedures etc.	Complied in para no (b) of Part A of Detailed Audit Report at Page no 18 and para no e(ii) of Part B of Detailed Audit Report at Page no 25.
6	4.8	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 in para no (b) of Part A of Detailed Audit Report at Page no 18.
7	4.9	Internal auditor shall also report on presence or absence of a system of issuance of utilization 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 in para no (h) of Part B of Detailed Audit Report at Page no 28 & 29.
8	4.10	Internal Audit can also, provide recommendations to help the ULB management improve the ULB's internal control environment;	Complied in para no (a) to (k) of Part 4 of Executive Summary at Page no 4 & 5.
9	4.11	Internal Audit should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	Complied in para no (f), (j) & (k) of Part B of at Page no 26, 27, 29 & 30.



Executive Summary

1. Introduction:

- **Name of the Municipality: Buxar Nagar Parishad**
- **Period covered under current audit: 01-04-2015 to 31-03-2016.**
- **Name of Chief Municipal Officer for the period under audit: Sri Anil Kumar.**

2. Results and Findings:

➤ **Strengths observed during the audit engagement:**

No strength has been found in Buxar Nagar Parishad.

➤ **Weaknesses observed in the functioning of office, maintenance of records etc.: -**

- (a) We observed that Bank Reconciliation Statements are not being prepared by the Buxar Nagar Parishad.
- (b) We observed that the management is not maintaining general cash book properly, the difference found in the closing balance of general cash book and total addition of the entire subsidiary cash book.
- (c) We observed that cutting, overwriting found on many pages in the various cash book.
- (d) Actual expenditure has been increased by 59.50% than budgeted expenditure.
- (e) No correlation has been established between files and their respective register and also with bills, vouchers.
- (f) The documentation of procurement has not been done properly.
- (g) Buxar Nagar Parishad has adopted Single Entry Accounting System; this is not as per Accounting Manual.
- (h) Vouchers are not arranged and kept serially and no index no is mentioned.
- (i) Nagar Parishad is deducting TDS at unspecified rate i.e. 2.266%. However, the rate should be 1% for individual and 2% for other than individual.
- (j) TDS return & VAT return has not been filled for the financial year 2015-16.
- (k) ULB has no record of TDS deducted on salary for the financial year 2015-16.
- (l) Statutory Deduction such as TDS, VAT, Labor Cess, and Royalty has not been deposited on stipulated time by the ULB.



- (m) Computerized accounting system has not been implemented by the ULB as yet.
- (n) ULB is not in practice to prepare monthly receipt and payment account.
- (o) ULB is not in practice to deposit the collection in Bank account on the same day.
- (p) Various registers, books of records etc. are not being prepared by the ULB. Such as, Demand Register, Collection Register, Statutory Register with regards TDS, VAT, and Royalty, Vehicle and Generator log book, Assessment register of property tax, Bid register, Record & Revision of taxes and rent, scheme completion register, Rent register of shop, Survey register/files of hoardings, Monthly receipt & payment.
- (q) ULB is not in practice to charge service tax on rent received from shop.
- (r) The ULB is not in practice to prepare summary of Daily collection.
- (s) The collection of holding tax is very poor, only **21.29 %** of total demand has been collected in the financial year 2015-16.
- (t) We found that ULB has not taken development fee for approving the building map for construction of building.
- (u) We observed that there are 52 towers have been installed in Nagar Parishad but they could not take registration and renewal on timely basis.
- (v) Advance adjustment process is very poor in ULB; we observed that advance given in 2007-08 has not been adjusted till 2015-16.
- (w) It is found that collection of holding tax & miscellaneous receipts of Rs.428262.26 has not been deposited to the municipal accounts by tax collector. Details have been given in detailed audit report.
- (x) We observed that ULB has not prepared Budget for 2015-16 on time as required under Bihar Municipal Act, 2007.
- (y) We observed that in the financial year 2015-16, in eight accounts there is no transaction has been done in the whole financial year that means Rs. 4432610.26 is idle fund in the account; there is no utilization of these funds. Details have been given in the detailed audit report.
- (z) We observed that ULB is not in practice to prepare grant register in BMAR Form 28.



3. Opinion:

The function of ULB is not satisfactory; it has lots of scope of improvement. The ULB is required to improve in all the field of its operation particularly in the following field:

- a. Preparation of Accounts, Ledger Books, Bank Reconciliation Statement, Various Registers and Records as per requirement.
- b. Monthly receipt & Payment account should be prepared by ULB.
- c. It requires to improve its Internal Control Procedures with regards to Demand, Collection of Revenue, and Deposit of Collected revenue in the Banks on scheduled time.
- d. Due to non-implementation of Double Entry Accounting System and following of Cash basis of Accounting, proper recognition of Income and expenses are not possible in accounts.
- e. Proper documentation should be done regarding vouchers and supporting.
- f. The actual expenditure should not exceed more than 10% as compare to budgeted expenditure.

4. Audit Recommendations:

- a. ULB must prepare bank reconciliation statement on monthly basis.
- b. ULB should adopt double entry accounting system, Double-entry accounting allows accounting departments to prepare financial statements easily. Double entry accounting system present accurate report of accounts on the income statement, balance sheet, cash flow statement and other financial statements and reports. It provides checks and balances, which prevent fraudulent activity and reduces errors. Double-entry accounting system prevents fraud in a greater way than single-entry accounting because it makes it difficult to manipulate accounts. You can easily detect account manipulation by examining the journal entries and comparing them to previous journal entries for the same or similar transactions.
- c. Nagar Parishad should keep proper documentation regarding payment of bill, index number must be provided on all the vouchers.
- d. ULB should levy and collect service tax as per applicable rate from shops given on rent.



- e. ULB shall make survey and assessment of Property / Holdings so that proper and correct tax can be levied and collected.
- f. ULB must collect property tax, mobile tower tax, advertisement tax, shop rent etc. on timely manner which are under its Jurisdiction.
- g. ULB must file return and deposit TDS, VAT and other statutory dues on timely basis.
- h. ULB should adopt computerized accounting system. It provides automatic ledger entries, accuracy and speed of automatic calculation, automatic production of trial balance from ledger entries, potential to create customized reports and provide additional analysis.
- i. ULB should prepare receipts and payment account on monthly basis, due to which it becomes very easy to find out that how much fund has been received by the ULB and whether its utilization has been made properly or not.
- j. ULB must maintain all the Books of Account, Register, Records etc. as prescribed in Bihar Municipal Accounts Act, Manual and Rules.
- k. ULB shall deposit all collections from own source of revenue in to the bank account on the same date on which it has been received.

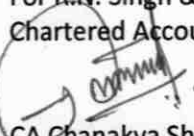
5. Comments from Management:

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 as soon as possible.

6. Acknowledgement:

We have not received satisfactory co-operation and support from the officials and Staffs of the ULB. During audit, files and documents was not provided on timely basis. We expect for better results from next.

For R.N. Singh & Co.
Chartered Accountants


CA Chanakya Shree
Partner
Mem No:079332
FRN:322066E



Detailed Audit Report

1. Introduction:

The internal audit of Buxar Nagar Parishad covering the period from 01st April 2015 to 31st March 2016 was conducted by following persons under guidance of C.A. Chanakya Shree.

1. Sikandar Yadav

2. Administration:

The present body of the ULB has taken charge on 9th June 2012. The incumbency in the key administration and executive was as under:

Smt. Shakuntala Devi, Chairperson, from 13th August 2015 to till date.

Shri Anil Kumar Executive Officer from 24th February 2014 to till date.

3. Review of Outstanding Paras:

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. & date of compliance report
1	AG Audit for the 2014-2016	Audit report not provided						
2	Internal Audit, 2014-2015	32	32	06	0	0	32	NA

Detailed compliance chart of Internal Audit of 2014-15

Sl. no.	Observation	Status	Compliance report
1	We observed that Bank Reconciliation Statements are not being prepared by the Buxar Nagar Parishad.	Persisting the year 2014-15.	No action taken by Buxar Nagar Parishad.
2	Buxar Nagar Parishad has adopted Single Entry Accounting System; this is not as per Accounting Manual.	Persisting the year 2014-15.	No action taken by Buxar Nagar Parishad.
3	Vouchers are not arranged and kept serially and no index no is mentioned	Persisting the year 2014-15.	No action taken by Buxar Nagar Parishad.



4	Nagar Parishad is deducting TDS at unspecified rate i.e. 2.266%. However; the rate should be 1% for individual and 2% for other than individual.	Persisting the year 2014-15.	No action taken by Buxar Nagar Parishad.
5	TDS return& VAT return has not been filled for the financial year 2014-15.	Persisting the year 2014-15.	No action taken by Buxar Nagar Parishad.
6	ULB has no record of TDS deducted on salary for the financial year 2014-15.	Persisting the year 2014-15.	No action taken by Buxar Nagar Parishad.

7	Statutory Deduction such as TDS, VAT, Labor Cess, and Royalty has not been deposited on stipulated time by the ULB.	Persisting the year 2014-15.	No action taken by Buxar Nagar Parishad.
8	Labor Cess has not been deducted by ULB from Contractors.	Persisting the year 2014-15.	No action taken by Buxar Nagar Parishad.
9	Computerized accounting system has not been implemented by the ULB as yet.	Persisting the year 2014-15.	No action taken by Buxar Nagar Parishad.
10	ULB is not in practice to prepare monthly receipt and payment account	Persisting the year 2014-15.	No action taken by Buxar Nagar Parishad.
11	ULB is not in practice to deposit the collection in Bank account on the same day.	Persisting the year 2014-15.	No action taken by Buxar Nagar Parishad.
12	Various registers, books of records etc are not being prepared by the ULB. Such as, Demand Register, Collection Register, Statutory Register with regards TDS, VAT, and Royalty, Vehicle and Generator log book, Assessment register of property tax, Bid register, Record & Revision of taxes and rent, Rent register of shop, Survey register/files of hoardings, Monthly receipt & payment.	Persisting the year 2014-15.	No action taken by Buxar Nagar Parishad.
13	ULB is not in practice to charge service tax on rent received from shop.	Persisting the year 2014-15.	No action taken by Buxar Nagar Parishad.
14	The ULB is not in practice to prepare summary of Daily collection.	Persisting the year 2014-15.	No action taken by Buxar Nagar Parishad.
15	The collection of holding tax is very poor, only	Persisting the year	No action taken by Buxar



	14.5% of total demand has been collected in the financial year 2014-15.	2014-15.	Nagar Parishad.
16	We observed that there are 52 towers have been installed in Nagar Parishad but they could not take registration and renewal on timely basis.	Persisting the year 2014-15.	No action taken by Buxar Nagar Parishad.
17	Advance adjustment process is very poor in ULB, we observed that advance given in 2007-08 has not been adjusted till 2014-15.	Persisting the year 2014-15.	No action taken by Buxar Nagar Parishad.
18	There is no improvement in collection of assigned revenue. Assigned revenue has decreased from Rs.20,61,006.00 in the year 2013-2014 to Rs. 12,13,685.28.00 in the Year 2014-2015.	Persisting the year 2014-15.	No action taken by Buxar Nagar Parishad.
19	Budget has not been prepared as per Bihar budget manual.	Persisting the year 2014-15.	No action taken by Buxar Nagar Parishad.
20	Assessment of property tax has not been done by the ULB.	Persisting the year 2014-15.	No action taken by Buxar Nagar Parishad.



4. Finance:

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

Year	2013-14	2014-15	2015-16
Final/Revised Budget	76450007	147199224	58815000
Actual Expenditure	61705353.68	83995839	93810818
Savings (+)/Excess (-)	14744653.32	58379741	-34995818

II. Volume of transaction:

Period	Budgeted	Previous year (For one Year) (2014-15)	Corresponding period of previous year (2014-15)	Current period (2015-16)	Cumulative for the current period (2015-16)
Opening balance	133063621	133063621	133063621	131768668	131768668
Receipts	136265700	82700886	82700886	160080403	160080403
Total	136265700	215764507	215764507	291849071	291849071
Net expenditure	58815000	83995839	83995839	93810818	93810818
Closing balance	210514321	131768668	131768668	198038252	198038252

III. Bank reconciliation:

- We observed that ULBs has maintained different cash book for different scheme. But in this respect the closing balance of Cash book and pass book of some schemes are tallied and some are not tallied. Bank reconciliation statement has not been prepared by the ULB.

Details of closing balances have been provided below: -

Sl. No.	Head of fund	Balances as per Subsidiary Cash Book (as on 31-3-2016)	Balance as per bank pass book & treasury balances(as on 31-3-2016)	Differences	Bank Name And A/C No. with Balances
1	4th F.C.	6416028.66	6416055.66	27	Allahabad Bank, A/c No. (50104348903, Rs. 1143615, & 50104348925, Rs. 5272440.66)
2	5th F.C.	38194749	40109377	1914628	Allahabad Bank, A/c No. (50104348958, Rs.40109377)
4	B.R.G.F.	3643450	3689047.82	45597.82	PNB, A/c No. (3877000100115840, Rs.3689047.82)
5	Nehru Rojgar Yojana	624441.26	1029118.53	404677.27	SBI, A/c No. (11239406690, Rs. 1029118.53)



6	MP/MLA	627316	809367.45	182051.45	SBI, A/c No.(11239406703 Rs. 809367.45)
7	Pradhanmantryshaharygribiupsamankarykarm	152262	226769.1	74507.1	Allahabad Bank, A/c No.(20953675663, Rs206769.10)
8	S.J.S.R.Y.	1136248	1136247	-1	Allahabad Bank, A/c No.(50129175669 Rs.1136247.00)
9	PL A/C (Antricsanshadhan)	36793660.37	36127504	-666156.37	PL A/c Rs. 36127504.00
10	Rajay Yojna	48319683	49232483.02	912800.02	Axis Bank, A/c No.(913010034980075, Rs. 28835871.00) PNB, A/c No. (3877000100115840, Rs. 3547292.02)
Total		198038252	200906384	2868132	

- We observed that in the financial year 2015-16, in eight accounts there is no transaction have been done in the whole financial year that means Rs. 44,32,610.26 is idle fund in the account; there is no utilization of these funds. **Details have been provided as below: -**

Sl. No.	Name of Accounts/Fund	Closing Balance
1	Nehru Rojgar Yojana	624441.26
2	N.S.D.P.	1493736.00
3	MP/MLA	627316.00
4	B.P.L.	195502.00
5	BalikaSamridhi Yojana	76603.00
6	Secretary Super Market	126502.00
7	Pradhanmantryshaharygribiupsamankarykarm	152262.00
8	S.J.S.R.Y.	1136248.00
Total		4432610.26

- We observed that the closing balance of general cash book is not tallied with the addition of closing balance of its subsidiary cash book. The closing balance of general cash book is Rs. 19,64,75,653.6 and the summation of closing balance of its subsidiary cash book is Rs. 19,80,38,252.00, there is a difference of Rs-15,62,598.70. **Details are provided as below: -**

Sl. No.	Head of fund	Balance as per Subsidiary Cash Book (as on 31-03-2016)	Balance as per General cash Book (as on 31-03-2016)	Differences
1	4th F.C.	6416028.66	5113703	-1302325.66
2	5th F.C.	38194749	38194749	0



3	14th F.C.	16466499	17132655	666156
4	B.R.G.F.	3643450	3643450	0
5	Nehru Rojgar Yojana	624441.26	494371.26	-130070
6	Maching Grant	77080	77613	533
7	E-governance	202569	239369	36800
8	13th F.C.	21279790	21279902	112
9	N.S.D.P.	1493736	1493736	0
10	MP/MLA	627316	511051	-116265
11	KabirAntyosti Yojana	1979477	1979577	100
12	N.U.L.M.	14722244	14722345.33	101.33
13	Swachh Bharat Mission	5510412	5510412	0
14	B.P.L.	195502	195502	0
15	BalikaSamridhi Yojana	76603	76603	0
16	Secretary Super Market	126502	131863	5361
17	Pradhanmantryshaharygripiupsamankarykarm	152262	95129	-57133
18	S.J.S.R.Y.	1136248	1136248	0
19	PL A/C (AntricSanshadhan)	36793660.37	36127504	-666156.37
20	RajayYojna	48319683	48319871	188
Total		198038252.3	196475653.6	-1562598.7

IV. Revenue Receipts:

Period	Budgeted 2015-16	Previous year (For one year (2014-15))	Corresponding period of previous year (2014-15)	Current Period(2015- 16)	Cumulative for the current period (2015-16)
(a) Own source					
Property Tax	21799700	1213685.28	1213685.28	1864036.8	1864036.8
Assigned Revenue	10000000	716377	716377	322518	322518
Others (Fees & user charges)	700000	0	0	0	0
(b) Administrative grant	103766000				
MP/MLA		0	0	132178	132178
(c) Specific Grant (Scheme wise)					
BRGF		2763950	2763950	422450	422450



13th F.C		18505975	18505975	8284657	8284657
4th F.C		37548798	37548798	3708253	3708253
5 th F.C		0	0	38194749	38194749
14 th F.C		0	0	21841347	21841347
Nehru RojgarYojana		0	0	150303	150303
Maching Grant		0	0	449944	449944
E-governance		540000	540000	427209	427209
N.S.D. P		0	0	396657	396657
KabirAntyosty		0	0	1786292	1786292
N.U.L.M		3703000	3703000	7809915	7809915
Swachh Bharat Mission		0	0	5510412	5510412
B.P.L.		0	0	21901	21901
BalikaSamridhi Yojana		0	0	19920	19920
Secretary Super Market		0	0	31283	31283
PradhanmantryShaharyGribiUpsaman		0	0	51682	51682
S.J.S.R.		90791	90791	1050457	1050457
PL A/C (Antricsanshadhan)		14607799.7	14607799.7	33642538	33642538
Rajya Yojana		3010510	3010510	33961701	33961701
Total	136265700	82700886	82700886	160080403	160080403

V. Status of implementation of Double Entry Accounting System:

The ULB has not implemented the Double Entry Accounting System.

VI. Status of Municipal Accounts Committee; if meeting is held:

No Municipal account committee has been formed till date.



5. Audit Observations:

I. Part - A

All Audit objections / irregularities which have monetary implications, particularly in following areas are provided here in below:

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.:

I. We observed that the collection of property tax (Holding tax) is very poor and the collected amount has not been deposited on timely basis in the respective account of government in the financial year 2015-16. *Following examples of late submission of revenue are as below: -*

Sl. No.	Bill No.	Types of Bill	Amount collected	Date of amount collected	Date of amount deposited
1	11401 to 11417	Holding	16970	11-9-15 to 12-9-15	15-01-16
2	11435 to 11451	Holding	24151	13-9-15 to 14-9-15	05-02-16
3	11452-11464	Holding	46760.88	14-9-15 to 16-9-15	05-02-16
4	11601 to 11615	Holding	30636	24-9-15 to 30-10-15	18-05-16
5	11632 to 11648	Holding	18755	7-10-15 to 8-10-15	18-05-16

II. There are 8837 holdings in the Nagar Parishad Buxar and in this respect holding taxes raised demand of Rs. 87, 54,108.77 including previous arrear, out of which only Rs. 18,64,036.80 has been received during the year 2015-16 and remaining amount of Rs. 68,90,071.97 is due. It means only 21.29 % has been received during this financial year. *Details have been provided as below: -*

Year	Arrear (previous Year)	Demand (Current Year)	Total	Amount Collected (during Current Yr.)	Arrear amount (at the end of current Year)
2015-16	7153744.55	1600364.22	8754108.77	1864036.8	6890071.97

II. It is found that collection of holding tax and Miscellaneous Receipts of Rs. 4, 28,262.26 has not been deposited to municipal account by tax collector. *Details are as below: -*

Sl. No.	Bill No.	Types of Bill	date of collection	Amount collected	Amount Deposited	Remarks
1	2808 to 09 And 2811 to 27	M.R.	7-4-15 to 9-9-15	46294	0	NarshinghChaubey
2	2828 to 50	M.R.	9-9-15 to 19-2-16	72794	0	NarshinghChaubey



3	2852 to 63	M.R.	19-2-16 to 10-3-16	75386	0	NarshinghChaubey
4	11649 to 11664	Holding	10-10-15 to 27-11-15	49016	0	NarshinghChaubey
5	11665 to 11680	Holding	27-11-15 21-12-15	24042	0	NarshinghChaubey
6	11681 to 11693	Holding	22-12-15 to 13-1-16	32386	0	NarshinghChaubey
7	11694 to 11700	Holding	27-1-16 to 28-1-16	33431	0	NarshinghChaubey
8	12401 to 12415	Holding	30-1-16 to 11-2-16	54709.66	0	NarshinghChaubey
9	12416 to 12449	Holding	23-2-16 to 31-3-16	40203.6	0	NarshinghChaubey
Total				428262.26	0	

The amount is required to be recovered from the concerned tax collector.

IV. We observed that in this financial year the total demand raised of holding taxes including previous arrear and late fee/penalty on *government building* is Rs. 1,29,13,497.00 and in this respect recovery has not been done in the financial year 2015-16, it means the total amount is due. The ULB should recover the amount as earliest. **Details of arrear are as below: -**

Sl.No.	Name of Holding	Demand	Collection	Arrear
1	Bihar RajyBidhut Board	375840	0	375840
2	Sarkit House	1761836	0	1761836
3	Ganga Brij	98150	0	98150
4	BadhNiyantran	2800471	0	2800471
5	Ganga PampNahar	1429230	0	1429230
6	Buxar High School	362687	0	362687
7	JilaParishhad,Baksar	517798	0	517798
8	Civil court	502988	0	502988
9	Bazar Samiti	2211798	0	2211798
10	Bihar RajayBhandarNigam	319800	0	319800
11	Vidiyo Block	303211	0	303211
12	ChikitsaPadadhikari,Anchal	24208	0	24208
13	KrishiPadadhikari	7644	0	7644
14	Anchaladhikari, Buxar	11466	0	11466
15	NibandhnKaryalay	28665	0	28665
16	Samagrayojna	40392	0	40392
17	LaguSichaiBibhag	12916	0	12916
18	MukhyaDakghar	474812	0	474812
19	Baksar Thana	164978	0	164978
20	NaharTahasil Officer	1720	0	1720
21	SitaramSangrahalay	758160	0	758160
22	AnumandalPadadhikari, Buxar	29613	0	29613



23	SichaiBibhag	231162	0	231162
25	AparSamahrta, Buxar	37660	0	37660
26	Sadar Hospital	222042	0	222042
27	Bhumihar Brahman High School	21600	0	21600
28	Kanya Madhya Vidyalaya	12800	0	12800
29	Samahrnalay	149850	0	149850
Total				12913497

V. As per rules, if any tower is installed in the area of municipality then they should give an application to the ULB and take no objection certificate and pay registration fee of Rs.40000.00 and renewal charges of Rs.10000.00 per year. If it does not take the registration, then they will have to pay 1.5% interest per month as penalty. But as per record provided to us total 52 Mobile transmission tower installed in the area of Nagar Parishad Buxar. In this respect, there is arrear amount of Rs.26,50,000.00 including registration & renewal fee. As per record provided to us installation date of many tower has not been mentioned in the tower register and hence amount of arrear& penalty cannot be calculated properly. So, here, we considered one year of installation where date of installation has not been mentioned. The ULB should recover the amount at the earliest.

Details of arrear amount are as below: -

Sl. No.	Name of land lord/tower	Installation Date/ Year	Registration charges	Annual charges	Total	Collecti on	Arrear
1	Barak pal, nai bazar, ward 5, Reliance	Not Mentioned	40000	10000	50000	0	50000
2	Ashok Upadhyay, Sohanpaty ward no. 33, Idea	12-04-08	40000	70000	110000	0	110000
3	TunnuChaudary, Dhonighat, Ward-03, Idea.	04-05-08	40000	70000	110000	0	110000
4	Shankar Singh, swetnagar, ward 12, Idea.	Not Mentioned	40000	10000	50000	0	50000
5	DurshncharVibhagkoirpur va, ward -12 B.S.N.L.	Not Mentioned	40000	10000	50000	0	50000
6	Shivnarayan ray, ward-33,	Not Mentioned	40000	10000	50000	0	50000
7	Bashistmuni Thakur, airtel	Not Mentioned	40000	10000	50000	40000	10000
8	Krishna Singh, sohanpatty, ward-33, Airtel	Not Mentioned	40000	10000	50000	0	50000
9	Md. Umar Anshary ,Idea	03-04-08	40000	70000	110000	0	110000
10	Shanti devi, naibazar, ward-2, TaTa	Not Mentioned	40000	10000	50000	0	50000
11	Shanti devi, naibazar, ward-2, Idea	Not Mentioned	40000	10000	50000	0	50000
12	KailashbhushanTiwary, Reliance	16-10-08	40000	70000	110000	0	110000



13	Bindu Pathak, Airtel	Not Mentioned	40000	10000	50000	0	50000
14	RajgrihSukla,Airtel	Not Mentioned	40000	10000	50000	40000	10000
15	Abhimanyu Singh, TATA	Not Mentioned	40000	10000	50000	0	50000
16	Anurag Singh,Civil line,ward-18,TATA	Not Mentioned	40000	10000	50000	0	50000
17	anuragSingh,Civil line,ward-18,B.S.N.L.	Not Mentioned	40000	10000	50000	0	50000
18	Shailkumaridevi, chhotki sarimpur,ward-15,TATA	Not Mentioned	40000	10000	50000	0	50000
19	Vidyadevi,viswamitra coloni,ward-3,TATA	Not Mentioned	40000	10000	50000	0	50000
20	Rakesh singh,Reliance.	Not Mentioned	40000	10000	50000	0	50000
21	shwetadevi, teacher colony, ward-2,idea	Not Mentioned	40000	10000	50000	50000	0
22	RamshankarSingh,TATA	Not Mentioned	40000	10000	50000	0	50000
23	Ganesh Prashad, TATA	Not Mentioned	40000	10000	50000	0	50000
24	Vijendra Prashad,p.p.road,ward-13.reliance	05-01-09	40000	70000	110000	0	110000
25	Vijay Kr. Mansinghika.ward-11,idea	31-01-10	40000	50000	90000	0	90000
26	VishambharSingh,Idea	10-04-08	40000	70000	110000	0	110000
27	vishambharSingh,Vodafone	Not Mentioned	40000	10000	50000	0	50000
28	Vijay dubey, Idea	20-03-08	40000	80000	120000	0	120000
29	Usha devi,airtel	Not Mentioned	40000	10000	50000	40000	10000
30	Gopal Prasad jayswal,puranachauk ward-25,Airtel	Not Mentioned	40000	10000	50000	40000	10000
31	Sarswati Devi, Reliance Jio	Not Mentioned	40000	10000	50000	40000	10000
32	Mankeshwar Pandey	Not Mentioned	40000	10000	50000	40000	10000
33	Hari Mohan Singh,Nai Bazar, ward-5,Reliance.	Not Mentioned	40000	10000	50000	40000	10000
34	RajkeshariDevi,shivpuri, ward-16,Reliance jio	Not Mentioned	40000	10000	50000	40000	10000
35	RamakantPandey,Teacher Colony, Ward-2,B.S.N.L.	Not Mentioned	40000	10000	50000	0	50000
36	Gajendra Pratap, Dhobighat, ward-3, Reliance.	Not Mentioned	40000	10000	50000	0	50000
37	Radha Mohan Singh,Nai bazar,ward-5,TATA.	Not Mentioned	40000	10000	50000	0	50000
38	Chaurasialaus, station road,ward-10,----	Not Mentioned	40000	10000	50000	0	50000
39	J.P.Singh,Mosaphirganj,ward no.-10,B.S.N.L	Not Mentioned	40000	10000	50000	0	50000
40	Chitaranjan Lal, Sohan	Not Mentioned	40000	10000	50000	0	50000



	Patty, ward-20, Airtel.						
41	Chitaranjan Lal, Sohan Patty, ward-20, Reliance Jio.	Not Mentioned	40000	10000	50000	0	50000
42	Shivnarayanray,sohan patty, ward-21, TATA indicom	Not Mentioned	40000	10000	50000	0	50000
43	Parkbhiu, Purana Chauk, ward-25, Airtel.	Not Mentioned	40000	10000	50000	0	50000
44	Parkbhiu, Purana Chauk, ward-25, B.S.N.L.	Not Mentioned	40000	10000	50000	0	50000
45	Panchmukhi Hanuman mandir,chhabil par,ward-27,Idea.	Not Mentioned	40000	10000	50000	0	50000
46	Geetamandal,Koir[urva, ward-28,Airtel.	Not Mentioned	40000	10000	50000	0	50000
47	Ashok Upadhyay, Sohanpaty ward no. 31, Idea	Not Mentioned	40000	10000	50000	0	50000
48	Madan Ray,Chinimil,ward-34,TATA	Not Mentioned	40000	10000	50000	0	50000
49	Madan Ray,Chinimil,ward-34,ETV	Not Mentioned	40000	10000	50000	0	50000
50	Raj grihSukla, station roda,ward-10,Airtel	Not Mentioned	40000	10000	50000	0	50000
51	Chaurasialaus, station road,ward-10,----	Not Mentioned	40000	10000	50000	0	50000
52	Ravindra Nath, chritra van, buxar, Telenor	05-09-09	40000	70000	110000	110000	0
Total							2650000

VI. We observed that 289 shops have been given on rent by Nagar Parishad Buxar and raised demand of 30, 77,651.00 including previous arrear, out of which only Rs. 3,22,518.00 has been received during the year 2015-16 and remaining amount of Rs. 27,55,133.00 is due. It means only 10.48% has been received. **The due amount is required to be recovered at the earliest.**

Details of shops are provided here under: -

Sl.No.	Name and Location of shop	No. of shop	Demand	Collection	Arrear
1	Vishwamitra Market	16	304290	62640	241650
2	Kiosk Shop	23	102530	29280	73250
3	Jyoti Prakash Market	32	205056	107168	97888
4	South of Jyoti Prakash Market	8	112712	4608	108104
5	New Bus stand	20	77200	6840	70360
6	RamrekhaGhat road	73	881566	0	881566
7	Near Refer shauchalay	8	39060	0	39060



8	Near ShulabhShauchalya	9	47520	0	47520
9	In front of High school Gate	3	21870	0	21870
10	Sauchalyake sate purav	2	90240	0	90240
11	Prashasnik Bhawan Ke niche	4	97845	0	97845
12	Temporary-Gumti	6	12717	0	12717
13	Temporary-KrakatSed	13	91290	0	91290
14	Near KamaldahPokhar	14	157920	54570	103350
15	Near Polish Chauki	17	62812	5248	57564
16	In old Bus stand	24	614557	0	614557
17	Near Consumer- forum	17	158466	52164	106302
Total		289	3077651	322518	2755133

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

i. On verification of procurement, bills and vouchers as prescribed in TOR. We found that during the financial year 2015-16, in Chaturth Vit, amount received for purchase of Tablet for officer, in this respect we found that tablet has been purchased but no bill vouchers have been produced for our verification. The amount was entered in cash book on 02.02.2016, Of Rs. 81,600/- by cheque no. 000795. The voucher has also not been produced in the financial year 2015-16. Neither procurement registers are being prepared nor the process of e tendering and e-auction has been started.

c. Report on findings of field survey of property tax of minimum 20 high value properties:

Field Survey Report								
ULB Buxar for the Year 2015-2016								
Sl. No.	Holding No.	Ward No.	Name of Tax Payer	Area	Categories	Rate	Holding Tax	Remarks
1	1076	11	Mrs. Rina Singh	2040/1428	2	12	428	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.



2	1285	18	Mr. Anirudh Singh	1360/952	3	6	142	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.
3	1287	18	Mr. Umashankar Singh	584 Parti	3	6	105	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.
4	956	3	Mr. Umashankar Singh	1071	3	6	161	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.
5	954	3	Mr. Jamuna Rawat	324	3	6	49	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.
6	1287	3	Mr. Vadri Lal	7001	3	6	74	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey



								was done is provided to us.
7	1081	10	Mr. ShyamJee Dubey	1700/1190	3	6	179	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.
8	1080	34	Mrs. Shanti Devi	1360/200	3	6	184	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.
9	688	31	Mrs. Rajkumari Devi	1362/952	3	6	143	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.
10	963	2	Mrs. Rajkumari Devi	1190/833	3	6	143	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.



11	1079	34	Mr. Bhuvneshwar Narayan Singh	1360/952	3	6	296	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.
12	962	1	Mr. SavitrySrivastva	350/245	3	6	143	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.
13	550	22	Mr. Krishna Prasad	350/245	3	6	37	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.
14	442	20	Mr. NivashUpadhyay	2900/2330	3	6	696	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.
15	994	1	Mr. Shyam Narayan Pathak	959/671	3	6	101	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey



								was done is provided to us.
16	1290	16	Mrs. Manko Devi	2040/1428	3	6	214	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.
17	1284	16	Mr. MahendraChaudey	1215/850	3	6	128	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.
18	959	3	Mrs. Kanti Devi	1394/711	3	6	213	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.
19	957	3	Mr. Kabindra Nath Pandey	1050/840	3	6	126	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.



20	603	4	Mr. shivakbalTiwary	311/121	2	1236	202	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.
21	602	4	Mrs..Sarswati Devi	121/371	2	12,36	368	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.
22	604	3	Mrs. VidyaTiwary	576/403	3	6	60	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.
23	571	28	Mrs. Kamala Devi	1224/857	3	6	129	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.
24	1293	23	Mrs. Anita devi	680/476	3	6	71	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey



								was done is provided to us.
25	865	9	Mrs. Kaushlya Devi	967/676	3	6	101	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.
26	967	3	Mrs. Sita Devi	680/476	3	6	71	We are unable to comment on this as neither we have been accompanied nor the proper procedures and process with which the field survey was done is provided to us.

Field survey of property and assessment has not been done by the ULB Buxar during the financial year 2015-16. So, we are unable to report on field survey of property tax of minimum 20 high value properties.

III. Part – B

All Audit objections/regularities which has no monetary implications, but significant violations 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: -**

We observed that following registers which are given below has not been maintained by the ULBs.

- (1). Statutory Register.
- (2). Demand and collection register of all taxes/user charges/fees & fines.
- (3). Assessment register of property tax.
- (4). Bid register.



- (5). Vehicle & Generator log book.
- (6). Records and revision of taxes and rent.
- (7). Rent register of shop.
- (8). Survey registers/files of Hoardings.
- (9). Monthly receipt and payment account is not being prepared by the ULB.
- (10) Assets wise income register.
- (11) Scheme completion/delay register.

b. Irregularity in procurement process: -

- The documentation of procurement has not been done properly.

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

There is no observation found in this regard. There is no variation found in estimated project cost and actual project cost.

d. Non-compliance of Act & Rules.

- i. We observed that laptop has been purchased in the financial year 2014-15, but no bill/vouchers have been produced in this regard in the financial year 2015-16.
- ii. The ULB is not preparing the Accounts and Financial Statement as per Section 86 & 88 of the Bihar Municipal Act, 2007. As required under section 88 of the said Act, the ULB is required to prepare within four months from the close of the year, Financial Statement Containing an Income & Expenditure Accounts and a Receipt and Payment Account for the previous year w.r.t. the accounts of the ULB.
- iii. The ULB is not preparing Fund Wise Receipts & Payments under BMAR Form No 71 within 20th day of the subsequent months as per Rule 120 of the Bihar Municipal Accounts Rule 2014.
- iv. The ULB is not preparing following Financial Statement of the Preceding years as required under Rule 122 of the Bihar Municipal Accounts Rule, 2014:

- a. Receipt & Payment Accounts for the Year (BMAR Form No 71).
- b. Income & Expenditure Account for the Year (BMAR Form No 73).
- c. Balance Sheet as on 31st March of the Year (BMAR Form No 74).



e. Lack of internal control measures:

- i. Segregation of the duty has not been followed at the Nagar Parishad level in this respect we found one person is capable to do the all things from beginning to the end, so in this respect it may be cause to many defaulting activities may be occurred in respect of the holding taxes.
- ii. While verifying the vouchers of Rs. 10,000/- and more, we observed that vouchers are not kept in chronological order and no index number has been mentioned on vouchers.
- iii. As per the provision of building bye law rule 4 any construction, restructuring and modification etc. by any person in the area of municipality required that before starting work make an application with development fee to municipality to take permission. In this respect municipality, has not taken development fee from 17 applicants@1500 per building map permission fee during 2015-16 of Rs.25, 500.00.
- iv. As per Bihar Municipal Act, 2007 difference between Budgeted and actual expenditure should not be more than 10%. But in this respect, we found that in the financial year 2015-16 the total budgeted expenditure is Rs 5, 88, 15,000.00, and in this respect total actual expenditure is Rs 9, 38, 10,818.00. Hence, variation between actual and budgeted expenditure is 59.50%.
- v. As per section 82 to 85 of Bihar Municipal Act, 2007 every municipality should have prepared budget before 15th February and place it to empowered standing committee for recommendation & before send it to the state government before 15th day of march and state government return it before 31st day march to municipality. In this respect, we found that municipality has prepared budget & sent for recommendation as on 21.03.2015.
- vi. The ULB is not preparing Budgets as per the Rules framed under Bihar Municipal Accounts Rule 2014. It is also not following the Rule 132 regarding Public Participation in preparation of Budget. Moreover, as required under provisions of Rule 139, mid -year review of Budget is not being made leading to huge deviations from Budget.

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

- i. TDS has been deducted @ of 2.266% in all the bills, however the rate of TDS is 1% for individual and 2% for other than individual, if PAN card is not provided then the rate will be 20%.
- ii. Non-filing or late filling of the TDS return or TDS statement shall invite two penal consequences:
 1. Fee for late filling under section 234 E, Rs 200 per day shall be imposed.
 2. Penalty for late filling or non-filing of the TDS under section 271 H which provides that deducted shall pay penalty of minimum Rs 10,000 to Rs 1, 00,000 for non-filing of TDS on timely, within one year from the specified date which he was supposed to file the return. We observed that Nagar Parishad has not filled TDS return, so in this case above penal and late fine shall be attracted.



- iii. There is no transparency in the case of date of TDS deduction and the date of deposit. In this respect we found that Nagar Parishad is not in practice to deposit TDS amount on due date i.e. 7th of the next month.
- iv. We observed that Income Tax, VAT, Labourcess and Royalty has been deducted in financial year 2014-15 & 2015-16 on different schemes, but this amount has not been deposited in the related account till the date of audit. **Details are as under:-**

Sl. No.	Name of Fund	Scheme No.	TDS	VAT	Royalty	Date of deduction
1	Ashambandh Nidhi	07/15-16	18729	8265	8840	11-01-16
2	Ashambandh Nidhi	6/15-16	12014	5302	2695	03-11-15
3	AntrikSanshadhan	25/15-16	15624	6895	10016	05-11-15
4	AntrikSanshadhan	34/13-14	5449	2405	982	23-11-15
5	AntrikSanshadhan	21-/15-16	4524	1996	2296	03-11-15
6	AntrikSanshadhan	29/15-16	4181	1845	0	05-01-16
7	AntrikSanshadhan	30/15-16	765	338	0	05-01-16
8	AntrikSanshadhan	28/15-16	2848	1257	0	05-01-16
9	AntrikSanshadhan	15/15-16	1448	639	500	03-02-16
10	AntrikSanshadhan	32/15-16	2133	941	829	14-03-16
11	B.R.G.F.	6/13-14	5486	0	3209	25-11-15
12	14 th F.C.	16/15-16	15513	6846	9195	04-02-16
13	14 th F.C.	19/15-16	15287	6746	3328	14-03-16
14	14 th F.C.	01/15-16	4356	1922	1167	14-03-16
15	14 th F.C.	17/15-16	18734	8267	4991	17-03-16
16	14 th F.C.	14/15-16	15301	6752	3328	17-03-16
17	14 th F.C.	15-15-16	15301	6752	3328	14-03-16
18	13th F.C.	3/15-16	17955	7924	0	03-11-15
19	13th F.C.	1/2015-16	4987	2201	0	09-02-16
20	13th F.C.	14/15-16	8896	3926	2468	14-03-16
21	13th F.C.	25/15-16	12680	5596	2816	14-03-16
22	13th F.C.	13/15-16	4857	2144	1331	17-03-16
23	4th F.C.	14/15-16	11990	5291	7572	07-11-15
24	5th F.C.	29/14-15	10605	4680	5939	08-01-16
25	6th F.C.	11/15-16	8006	3533	2078	09-02-16
Total			237669	102463	76908	

- v. As per Value Added Taxes, due date for deposit of VAT amount to the government account is within fifteen days from the end of the month in which VAT has been deducted. However, we found that VAT has been deducted by Nagar Parishad from different contractor for construction of the project but Nagar Parishad is not in practice to deposit the VAT amount on scheduled time as specified in Bihar Commercial Taxes under VAT.



- vi. We observed that in the financial year 2015-16 TDS has been deducted on salary by ULB but the same has not been deposited by ULB to the income tax department in the same financial year.

Details of TDS deducted on salary are as below:-

Sl No	Name	Date of Deduction	Amount of TDS	Date of Deposit
1	Yashwant singh Head clerk	17-03-2016	1325	TDS has not been deposited during this financial year
2	Gul mohammad Assistant	17-03-2016	5743	
3	Manraj singh Tax daroga	17-03-2016	1455	
4	Manjur Ahmad Ward jamadar	17-03-2016	1555	
Total			10078	

g. Deficiency in pay-roll system.

The pay-roll system is not satisfactory. No records, details and register are being prepared with respect to various deductions like TDS, EPF, and ESIC etc. There should also be proper attendance registers with respect to the Daily Wages / Contractual Employees.

h. Utilization of grant and report on missing Utilization Certificates.

Details of UCs which has not been submitted till 31-03-2016 are as below: -

Sl.N o.	Financial year	Letter No.	Date	Head/Subject	Total Allotment (In Lakhs)	UC Submitted	Balance Amount (In Lakhs)	Remarks
2	2010-11	1838	30-03-11	13th Finance	32.09	0.09	32	Uc Not Submitted
3	2011-12	52	19-03-12	4th state finance	160.2	156.21	3.99	Uc Not Submitted
4	2011-12	53	19-03-12	4th state finance	50		50	Uc Not Submitted
5	2012-13	26	20-09-12	Allowance of Mayor/Dymayor/c hairmain& Visit in municipality et.	1.48		1.48	Uc Not Submitted
6	2012-13	117	29-03-13	13 th finance	24.99		24.99	Uc Not Submitted
7	2013-14	1	05-04-13	13 th finance	4.86		4.86	Uc Not Submitted
8	2013-14	12	19-07-13	13 th finance	51.01		51.01	Uc Not Submitted



9	2013-14	72	25-02-14	13 th finance	48.93		48.93	Uc Not Submitted
10	2013-14	71	18-02-14	Civic Amenities	100		100	Uc Not Submitted
11	2014-15	98	09-01-15	e-Governance	2		2	Uc Not Submitted
12	2014-15	114	14-02-15	e-Governance	5.4		5.4	Uc Not Submitted
13	2014-15	113	14-02-15	Civic Amenities Building	10		10	Uc Not Submitted
14	2014-15	27	12-08-14	13th Finance	51.5		51.5	Uc Not Submitted
15	2014-15	9	04-06-14	Salary with Allowance	7.67		7.67	Uc Not Submitted
16	2014-15	133	25-03-15	4th state finance (2nd Instalment)	187.75		187.75	Uc Not Submitted
17	2014-15	129	20-03-15	4th state Finance (1st Instalment)	187.75		187.75	Uc Not Submitted
					925.63	156.3	769.33	

i. Physical verification of inventory/stores.

Physical verification of the stock has not been done by Nagar Parishad at periodic basis.

j. Advances, their adjustment & recovery.

During the inspection of the advance register, we found that advances are given to the lots of employees of the Nagar Parishad. However, no advance adjustment has been made till 31-03-2016. Total amount of advances is Rs. 1, 82, 76,796.07. It is persisting since 2007-2008. In this respect details have been provided as below:-



DETAILS PENDING ADVANCE SINCE 2007-08

BUXAR NAGAR PARISHAD				
PENDING TILL 31-03-2016				
Sl No	NAME	DESIGNATION	ADVANCE AMOUNT	STATUS
1	SHRI MAHADEV RAY	EX OVERSEAR	4592	PENDING
2	S.D.O. NAJIR ARIGATION		1359.95	PENDING
3	ABDUL HAI ANSARI	CONTRACTOR	2700	PENDING
4	SHRE UMANKAR PRASAD		1000	PENDING
5	S.D.O. BUXAR CIVIL		12300	PENDING
6	SHRI MANIK CHAND	EX LOW CLERK	1500	PENDING
7	SHRI GANESH PRASAD	S/S	4663286.87	PENDING
8	SEET SULABH INTERNATIONAL		970000	PENDING
9	SHRI UDAY NARAYAN SINGH	EX E.O.	4000	PENDING
10	SHRI RAMESH CHANDRA HELLA	EX E.O.	16474.25	PENDING
11	SHRI GULL MOHAMMAD	CLERK	987287	PENDING
12	EXECUTIVE ENGINEER ROOD DIVISION BUXAR		1141000	PENDING
13	SHRI SANTOSH KUMAR SINGH	CONTRACTOR	3000	PENDING
14	EXECUTIVE ENGINEER BUILDING BUXAR		300000	PENDING
15	DISTRICT FOREST OFFICER ARROH		15000	PENDING
16	ISHERAT HUSSAIN KHAN	CLERK	1395514	PENDING
17	SURESH INDUSTRIAL BUXAR		3500	PENDING
18	SHRI MANRAJ SINGH	T/D	44074	PENDING
19	SHRI AMBIKA CHOUDHARY	EX.T. D	6000	PENDING
20	SHRI RAM AWADHESH SAHU	EX J.E.	455983	PENDING
21	SHRI SATYENDRA KUMAR PANDEY	EX J.E.	510000	PENDING
22	EXECUTIVE ENGINEER P.H.E.D. BUXAR		8000	PENDING
23	SHRINATH TIWARI	DEPUTED J.E.	490000	PENDING
24	SHRI SANTOSH KUMAR SINGH	CLERK	2570524	PENDING
25	SHRI RAM SHUBHAG CHOUBEY	A.T.D.	726120	PENDING
26	SHRI ANUPAM KUMAR SINGH	W/Z	697435	PENDING
27	SHRI NARSINGH CHOUBEY	A.T.D.	526461	PENDING
28	SHRI SANTOSH KUMAR		956912	PENDING



	KESHRI			
29	SHRI YASHWANT SINGH	H/C	1610629	PENDING
30	PEOPLE SURVEY PRIVATE LIMITED		50000	PENDING
31	SHRI SATRUDHAN SINGH	T/D	102144	PENDING
TOTAL: -			1,82,76,796.00	

k. Any other matter as may be prescribed in due course.

As per Finance Act, 1994 all service will be taxes unless they are covered by any of the entries in the negative list or otherwise exempted. Accordingly, as per clause (44) of section 65B of the act it has also been stated that service includes a declared service and renting of immovable property is the part of declared service. It is found that the Nagar Parishad Buxar has not been charged service tax on service provided by way of shop on rent during financial year 2015-16 on shop rent @14.5% rent amount collected of Rs.3,22,518.00. Therefore, service tax is Rs. 46,765.11 has not been collected.

IV. Part C

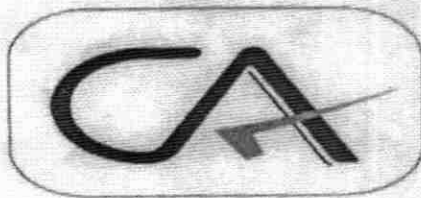
General Observations: -

There is lots of scope for improvement with respect to maintenance of Records and Registers. The important and basic records like Advance register, grant 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:079332
FRN: 322066E





M/S R.N. Singh & Co.

Chartered Accountants,
208, Hem Plaza, Fraser Road,
Patna -800001

Discussion Note

Internal audit of Nagar Parishad Buxar

Date: 17-08-2016

Period of audit: 01-04-2015 to 31-03-2016

Sl. No.	Auditor Observations	Management Comments
1	There are 8837 holdings in the Nagar Parishad Buxar and in this respect holding taxes raised demand of Rs. 8754108.77 including previous arrear out of which only Rs. 1864036.80 has been received during the year 2015-16 and remaining amount of Rs. 6890071.97 is due. It means only 21.29 % has been received during this financial year.	सरकारी भवनों से होलिंग टैक्स की वसूली नहीं होने के कारण मात्र 21.29 % होलिंग टैक्स की वसूली वित्तीय वर्ष 2015-16 में हुई, होलिंग टैक्स जमा करने हेतु संबंधित कार्यालय प्रधान को नोटिश निर्गत किया गया है। पुनः स्मारित किया जा रहा है।
2	It is found that collection of holding tax and Miscellaneous Receipts of Rs. 428262.26 has not deposited to municipal account by tax collector.	संबंधित कर्मियों से शीघ्र ही राशि जमा करा ली जायेगी।
3	We observed that 289 shops have been given on rent by Nagar Parishad Buxar and raised demand of 3077651.00 including previous arrear out of which only Rs. 322518.00 has been received during the year 2015-16 and remaining amount of Rs. 2755133.00 is due. It means only 10.48% has been received.	संबंधित दुकानदार को किराया जमा करने हेतु नोटिश जारी किया गया है। शीघ्र ही राशि जमा करा ली जायेगी।
4	As per Finance Act, 1994 all service will be taxes unless they are covered by any of the entries in the negative list or otherwise exempted. Accordingly as per clause (44) of section 65B of the act it has also been stated that service includes a declared service and renting of immovable property is the part of declared service. It is found that the Nagar Parishad Buxar has not been charged service tax on service provided by way of shop on rent during financial year 2015-16 on shop rent @14.5% rent amount collected of Rs.322 518.00. Therefore service tax is 46765.11 has not been collected.	सेवाकर की वसूली हेतु संबंधित कर्मियों को निर्देशित किया जा चुका है। इस वित्तीय वर्ष में वसूली की जायेगी।



	building of Rs. 12913497.00 and no money has been received in this respect for the period 2015-16.	किया जा रहा है।
6	As per rules Bihar governments if any tower is installed in the area of municipality then they should give an application to municipal and take no objection certificate and pay registration fee of Rs.40000.00 and renewal charges of Rs.10000.00 per year if it does not take then they will have to pay 1.5% interest per month as penalty. But as per record provided to us total 52 Mobile transmission tower installed in the area of Nagar Parishad Buxar in this respect arrear amount of Rs.2650000.00 including registration & renewal fee. The installation date of many tower not mentioned in the register so we are unable to calculate the correct amount in this respect we consider one year.	मोबाईल टॉवर कंपनियों को पूर्व में निबंधन शुल्क एवं नवीकरण शुल्क जमा करने हेतु समाचार पत्र के माध्यम से सूचना दी गयी थी, लगभग पाँच लाख रु० की वसूली हुई है। पुनः सूचना निर्गत कर निबंधन शुल्क एवं नवीकरण शुल्क की वसूली की कार्यवाई की जायेगी।
7	We observed that a lot of advances has been given to staff which is not adjusted till the date of audit of Rs.18276796.07.	संबंधित कर्मियों के विरुद्ध निलाम पत्र वाद करने हेतु जिला निलाम पत्र पदाधिकारी को अधियाचना भेजी गयी थी, किन्तु त्रुटि निराकरण हेतु वापस कर दिया गया है शीघ्र ही त्रुटि निराकरण कर जिला निलाम पत्र पदाधिकारी को भेजी जायेगी।
8	TDS has been deducted @2.266% on all bills, however the rate of TDS as per section 194c of Income Tax Act, 1961 is 1% for individual and 2% for other than individual, if PAN card is not provided then the rate will be 20%	भविष्य में आयकर नियमावली के प्रावधानों का पालन किया जायेगा।
9	There is no transparency in the case of date of TDS deduction and date of deposit. In this respect we found that Nagar Parishad is not in practice to deposit TDS amount on due date i.e. 7 th of the next month.	कर्मियों के कमी के कारण समय पर संबंधित राशि जमा नहीं किया जा सका। समय पर संबंधित विभाग में राशि जमा करवाने की कार्यवाई भविष्य में की जायेगी।
10	We observed that TDS, VAT & Royalty has been deducted on different schemes in the financial year 2014-15 & 2015-16 of Rs.417040.00 but this amount has not been deposited in the related account till the date of audit.	कर्मियों के कमी के कारण समय पर संबंधित राशि जमा नहीं किया जा सका। समय पर संबंधित विभाग में राशि जमा करवाने की कार्यवाई भविष्य में की जायेगी।
11	We observed that the total collections from own sources of revenue through holding & miscellaneous receipts is not deposited on the same day to ULB account it has deposited after a long time i.e. after 1 to 3 month. In this respect collection from own sources of revenue should deposited to ULB account on the same date on which it has been received.	इसका अनुपालन किया जायेगा।
12	As per Bihar municipal Act, 2007, Municipality should prepare receipts & payment account, Income & Expenditure account and Balance sheet within four month of the end of year in the BMAR Form No. 71, 73 & 74. But ULB is not in practice to prepare Receipts &	कर्मियों के कमी के कारण अनुपालन नहीं हो रहा है, अनुपालन कराने की कार्यवाई की जायेगी।



	Payments, Income & Expenditure Account and Balance Sheet within 4 month of end of the year.	
13	As per section 82 to 85 of Bihar Municipal Act, 2007 every municipality should prepared budget before 15 th February and place it to empowered standing committee for recommendation & modification if any, thereon before 15 th March and send to UD&HD or Director of Local Bodies and returned it to municipality by UD & HD before 31 st March with or without modification. In this respect we found that municipality has prepared budget & sent for recommendation is 21.03.2015.	अगले वित्तीय वर्ष के बजट में इसका अनुपालन किया जाएगा।
14	As per Bihar Municipal Act, 2007 read with BMAR, the difference between Budget and actual income and expenditure should not be varied more than 10%. But in this respect we found that variation between actual and budgeted income is 17.48% and actual & budgeted expenditure is 59.5%.	अगले वित्तीय वर्ष के बजट बनाने में इन बिन्दुओं का अनुपालन किया जाएगा।
15	As per the provision of building bye law rule 4 any construction, restructuring and modification etc. by any person in the area of municipality required that before starting work make an application with development fee to municipality for getting approval of starting the work. In this respect municipality has not taken development fee from 17 applicant @1500 each of Rs.25500.00 during the year 2015-16.	इसका अनुपालन भविष्य में की जायेगी।
16	We observed that in the financial year 2015-16 in eight accounts there is no transaction has been done in the whole financial year that means Rs. 44,32,610.26 is idle fund in the account; there is no utilization of these funds.	इसके लिए विभाग से शीर्ष उपलब्ध कराने हेतु पत्राचार किया गया है। शीर्ष उपलब्ध होते ही उक्त राशि को संबंधित शीर्ष में जमा कर दिया जायेगा।
17	We observed that municipality has not in practice to prepare grant register in BMAR Form 28.	इसका अनुपालन भविष्य में किया जाएगा।
18	We observed that ULB is not in practice to prepare scheme opening, completion & delay register of different scheme executed during financial 2015-16	इसका अनुपालन भविष्य में किया जाएगा।
19	We observed that as per section 98 of Bihar Municipal Act, 2007, The municipality have required to constitute municipal account committee. But in this respect no municipal account committee have been constituted till date.	इसकी गठन की प्रक्रिया जल्द ही पूर्ण कर ली जायेगी।
20	We observed that ULB has not in practice to prepare Reconciliation statement of cash book balances after the end of month. We observed that balances of the many subsidiary cash book have not been tallied with the balances as per bank pass book and its general cash book balances.	सभी बैंक खातों का बैंक समाधान विवरणी प्राप्त कर शीघ्र ही मिलान कर ली जायेगी।
21	We observed that no double entry accounting system has been implemented at the ULB level.	प्रक्रियाधीन है।

