

**INTERNAL AUDIT REPORT
OF
NAGAR PANCHAYAT
DALSINGHSARAI (SAMASTIPUR)**

For the period from 01.04.2015 to 31.03.2016

Internal Audit Conducted by:
M/S RAJEEV R MISHRA & CO.
CHARTERED ACCOUNTANTS



BALBHADARPUR, LAHERIASARAI TOWER

DARBHANGA (BIHAR)-846001

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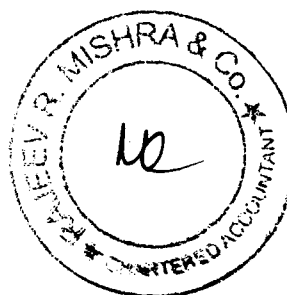
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NAGAR PANCHAYAT – DALSINGHSARAI (SAMASTIPUR)

INTERNAL AUDIT REPORT OF F.Y.2015-16

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Internal Audit Report of Financial year 2015- 2016

Section A: Audit Procedure

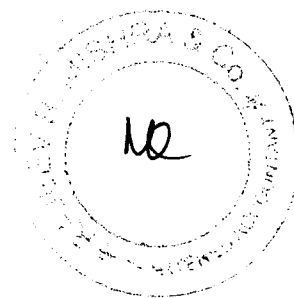
This internal audit report (Hereinafter referred to as "report") has been issued as a part of our engagement for internal audit for the Period ended on 1st April 2015 to 31st March 2016. The ULB (Nagar Panchayat, Dalsinghsarai) is a wing of Urban Development and Housing Department, Government of Bihar and we have carried out the Internal Audit as per the appointment letter issued by the management of Support Programme for Urban Reforms in Bihar (SPUR) , Patna Vide the Notice to Proceed (NTP) Number : **SPUR-PMU/194/IA-140 ULBs & SLMA/G-11/RRM/2016/132/31 Dated 5th April 2016.**

We have conducted our audit in accordance with the Standards on Internal Auditing (SIA) issued by the Institute of Chartered Accountants of India. These Standards require that we plan and perform the internal audit in such manner so that to cover all the scope, coverage and resources including planning with respect to time and resources to be used. An internal audit includes examining every aspect of the organisation as per the Terms of Reference and to the extent as provided in the scope of Internal Audit. Besides, this being an internal audit, it also covers the extensive scope as specified by the management of the Organisation in the engagement letter.

The Salient Points of the scope covered by our internal audit are as follows:

1. Evaluation of internal controls as discussed in Bihar internal control manual.
2. Compliance of Bihar Municipal Act related Rules and Regulations.
3. Compliance of Bihar Municipal Accounting Manual, BMAR- 2014 and Bihar Municipal Budget Manual.
4. Reporting on All Major own Revenue Losses.
5. Survey Report on at least 20 high Value Property in the Town.
6. Vouching of All Payments above Rs. 10,000/-.
7. Report on Procurement made through Tender For value Above Rs. 15,000/-.
8. Appraisal of the effectiveness of overall accounting system.

Moreover, our scope of examination also covered the requirements of the specific points as spelled out by the management of UD&HD. The result and recommendations of our internal audit are set out in scope of audit and where ever required, in annexure forming integral part of our report.



We have conducted the Internal Audit with the objective:-

- ❖ That The Assets of the ULB are be properly protected and accounted form.
- ❖ That current Transaction is promptly and completely recorded.
- ❖ That Inefficient or fraudulent operations are revealed.

We started with an overview of activities through a study on various documents generated by the ULB. We then identified Evaluated and tested adequacy, effectiveness and efficiency of internal controls including standard policies and procedure laid down by the management for each of the areas included in the scope of work.

Testing of internal control was carried out by the checking a sample of translations for the period covered under the audit.

Our Observations resulting from the audit test performed on a sample of transactions along with suggested recommendation for addressing these observations are set out under Part (A), Part (B) and Part (C) of the audit report.

During the audit, we reviewed the following Registers and Documents.

- ❖ Accountant cash Book
- ❖ Subsidiary Cash Book
- ❖ Bank Book
- ❖ DCR
- ❖ Vouchers along with supporting documents.
- ❖ Others related records and registers.

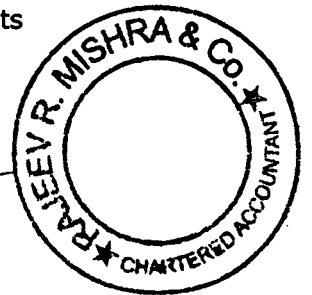
Place:- Darbhanga

Date:-

For
Rajeev R Mishra & Co.
Chartered Accountants

Mritunjay Kumar

CA Mritunjay Kumar
M.No.- 535789
Contact No- 9835156869

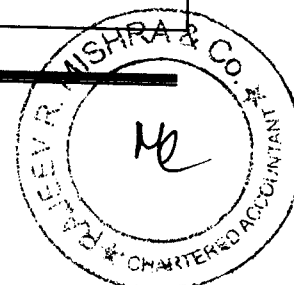


Executive Summary**1. Introduction**

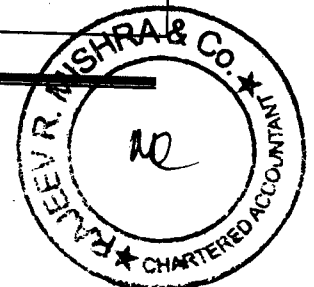
Name of the Municipality	NAGAR PANCHAYAT DALSINGHSARAI(SAMASTIPUR)
Period Covered under Current Audit	01.04.2015 to 31.03.2016
Name of the Executive Officer of the ULB	MR. NEELABH KRISHNA
Name of Chairman of the ULB	MR. SUSHIL KUMAR SUREKA
Name of Vice-Chairman of the ULB	MR. SURENDRA PASWAN

2. Results and Findings

Strength observed during the audit engagement	<ol style="list-style-type: none"> 1. General Cash Book has been prepared. 2. Subsidiary Cash Books have been written. 3. Annual Budget has been prepared. 4. Demand collection register have been prepared. 5. Bank Book for PL account and Other Bank Account have been prepared.
Weakness observed in the functioning of office, maintenance of records etc. observed during the audit engagement.	<ol style="list-style-type: none"> 1. Opportunity loss due to Wrong Investment:- We observed that the Concerned Authority has awarded work to Kiran Publicity for Hoarding Installation in order to generate Revenue via Advertisement. In this Context , our observations are as below: <ol style="list-style-type: none"> A. Normally we observed that in other Nagar Nigam/ Parisad/ Panchyat the Concerned Authority is providing space for Hoarding Installation to Advertising Agency and charge rent without any investment. However Dalsingsarai Nagar Panchyat Authority has issued work order for Hoarding Installation at their own Cost. B. Authority has ordered installation of hoardings at their own cost i.e they paid for installation of hoarding. Generally the ULBs are never involved in outdoor advertisement business. They only provide space and collect rents from the space according to the area of the space provided. C. The above works are not related to Public welfare. Main goal should be to generate revenue for local authority. D. The generation of Revenue from such Hoarding are too much low or negligible in comparisons to depreciation charged on Hoarding, rent on vacant space and Interest earned on Invested fund.



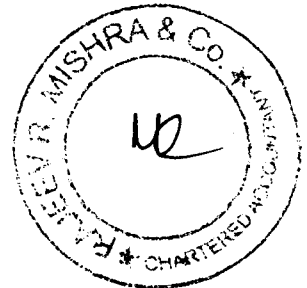
	<p>2. We observe under collection of tower tax. There are 9 Mobile Towers operating under the ULB, out of these only 4 mobiles towers of different companies are paying tower rent. Total Collection during the year has been Rs. 32000/- only.</p> <p>3. Bank Reconciliation Statements are not prepared.</p> <p>4. There is lack of internal control on deduction and deposit of various taxes such as VAT, Royalty, and Income Tax. These are collected from time to time but their payments are not made on due date which is not proper. We observe that VAT Collected during the whole year are deposited in next year.</p> <p>5. Delay in Deposit of TDS attracts interest U/S 201 of Income Tax Act. (Annexure-A)</p> <p>6. Delay in Filing of the TDS Returns on Due Date (Annexure-B)</p> <p>7. TDS Certificates have not been downloaded from TRACES within stipulated time. It attracts fine of Rs. 100/- per day U/S 272A of Income Tax Act.</p> <p>8. We also found that outstanding Demand raised by Income Tax due to Default Filing of TDS Return is approx. Rs. 2,68,910.00 (Annexure-E)</p> <p>9. Form RT-VII related to sec. 41 of the Bihar VAT Act 2005 has not been filed. A copy of Form RT-VII has been attached under Annexure- F.</p> <p>10. Royalty and labour Cess has not Been Deposited till Date.</p> <p>11. ULB does not follow Double Entry Accounting System.</p> <p>12. As per BMA, 2007 financial statement such as Balance Sheet, Income and Expenditure Account and Receipt and Payments account are required to be prepared and get approved from the board on annual basis but we observe that these have not been prepared for any year till date.</p> <p>13. Fixed Assets Register is not maintained by the ULB.</p> <p>14. Total Collection of Holding and property tax during the current year has been Rs.18.41 Lakh only. During the audit we observe there is under collection of holding/property tax. Quantification of the arrears of holding/property tax could not be prepared because holding register is not maintained properly by the ULB. Even no updated survey report for the households situated under the ULB made available to us. But as explained by the EO the target in respect of the collection of holding/property tax has been achieved for the year 2015-16.</p> <p>15. Stock Registers for moveable and immovable items are not maintained properly by the ULB.</p>
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	<p>16. Payroll register and daily wages registers are not provided to us.</p> <p>17. The ULB does not maintain a separate PF register.</p> <p>18. There are lack of internal control with respect to collection of own resource revenue covered under sairat during the FY 2015-16. Tender/Bandobasti for parking and public toilet only has been executed in current year. However public notice has been given in the local news paper for the bandobasti/tender of other items covered under sairat but that could not be materialised.</p> <p>As explained to us, the tenders/bandobasti for the other items covered under Sairat could not be materialised due to shortage human resources/ work force.</p> <p>19. Amount Collected by the tax collector are not deposited on daily basis.</p> <p>20. Details of UCs are not provided to us.</p>
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3. Opinion.

Overall opinion of the audit team about the functioning of the municipality	<p>Strength:-</p> <ol style="list-style-type: none"> 1. Book of accounts are verified by EO on regular interval. 2. Budgets have been prepared and Approved by the Board every year. <p>Weakness:-</p> <ol style="list-style-type: none"> 1. No Financial Statements such B/S, I&E A/c and R&P A/C have been prepared by the ULB since its inception. 2. Most of the Books of Accounts as prescribed by BMAR are not maintained. 3. ULB does not follow DEAS. 4. Fee and charges for the different categories covered under Sairat have not been collected at all. 5. There are serious lapses in deduction and deposit of statutory dues, such as VAT, Royalty, TDS, and Labour Cess Etc
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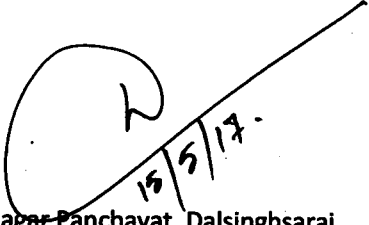


4. Audit Recommendations:-

The Recommendation of audit team on the observed weakness.	Recommendation:-
	<ol style="list-style-type: none"> 1. Financial Statement for every year such as B/S, I & E A/C, R&P A/C should be prepared. 2. Fixed Assets Register Should be prepared. 3. Stock Register should be prepared. 4. Statutory compliances of matters related to VAT, TDS, Royalty and Labour Cess should be complied with. 5. BRS Should be prepared on Monthly Basis. 6. NP Should follow DEAS as soon as possible and should maintained books of accounts and register as prescribed by BMAR. 7. Serially number vouchers should be maintained.

5. Comment from management:-

The audit report has been discussed with us; we will try our best to remove the irregularities pointed out in the audit report.


 For Nagar Panchayat, Dalsinghsarai
 (Executive Officer.)

Acknowledgement:-

We thank Mr. NEELABH KRISHNA (Executive Officer), for his support during the period of our audit. We are also thankful to accountant and other support staff of the Nagar Panchayat for their co-operation extended to us during the period of audit.

Place:- Darbhanga

Date:-

for,
M/S Rajeev R Mishra & CO.
Chartered Accountants

Mritunjay Kumar

CA MRITUNJAY KUMAR
(Partner)
M.NO:- 535789



Detail Audit Report:-**1. Introduction:**

The Internal audit of **NAGAR PANCHAYAT DALSINGHSARAI (SAMASTIPUR)** covering the period from **1st April 2015** to **31st March 2016** was conducted by following persons under guidance of CA. **Rajeev Ranjan** :-

- i) CA Mritunjay Kumar
- ii) Dilip Kumar Karn

2. Administration:

The present body of the ULB has taken charge in **2012**. The incumbency in the key administrative and executive positions was as under:

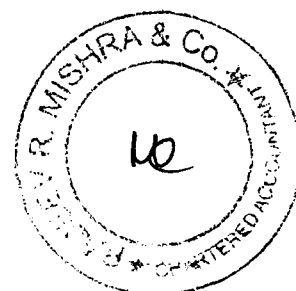
Mr. Sushil Kumar Surekha, Chairman, From **2012** to **Till Date** and **Mr. Neelabh Krishna, Executive officer**, From **18-10-2013** to **Till Date**.

3. Review of outstanding audit paras: Status of Audit Observations is as under:

S.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 purposed	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
No any Correction / Implementation against audit paras of Internal Audit Report of F.Y-2014-15.								

4. Finance:**i). Budgetary Provisions and Expenditure for the last Three Years**

Year	2013-14	2014-15	2015-16
Final/ Revised Budget	11,72,64,869.00	8,55,00,385.00	12,06,76,546.00
Actual Expenditure	1,23,30,940.00	1,61,96,409.80	3,61,90,664.08
Saving(+)/ Excess(-)	10,49,33,929.00	6,93,03,975.20	8,44,85,881.92



II). Volume of Transaction:

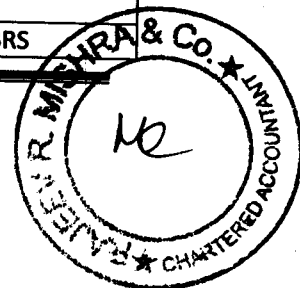
Period	Budgeted (2015-16)	Previous Year (for one Year) 2014-15	Corresponding period of previous year	Current Period 2015-16	Cumulative for the Current Period
Opening Balance	NA	4,28,99,276.11	4,28,99,276.11	5,28,65,628.31	5,28,65,628.31
Receipts	12,08,85,068.00	2,61,62,762.00	2,61,62,762.00	8,37,77,786.00	8,37,77,786.00
Total	12,08,85,068.00	6,90,62,038.11	6,90,62,038.11	13,66,43,414.31	13,66,43,414.31
Net Expenditure	12,06,76,546.00	1,61,96,409.80	1,61,96,409.80	3,61,90,664.08	3,61,90,664.08
Closing Balance	2,08,522.00	5,28,65,628.31	5,28,65,628.31	10,04,52,750.23	10,04,52,750.23

III). Bank Reconciliation:-

Despite my several request the concerned authority has no shown any interest to prepare BRS on monthly Basis. For better internal control our Books of account and evade any possible fraud presentation of BRS monthly Basis for each account is necessary for your ready reference. We are annexed the actual detail of all Bank Account:

S.No	Name of Bank	Name of Scheme	Account No.	Balance as on 31.03.2016	Name of Scheme	Reconciliation Position
1.	Bank of Baroda	BRGF	2905010008425	28,30,123.00	BRGF	No BRS
2.	Punjab National Bank	Various	64040000086511	1,23,057.30	Various	No BRS
3.	Punjab National Bank	Various	6404000100058514	24,80,166.90	Various	No BRS
4.	State Bank of India	Various	11429257997	1,028.15	Various	No BRS
5.	State Bank of India	Various	11459224008	11,36,206.97	Various	No BRS
6.	State Bank of India	Various	11459231004	60,42,679.79	Various	No BRS
7.	State Bank of India	Various	32072163816	6,06,789.00	Various	No BRS
8.	State Bank of India (ADB)	Various	11781519593	5,09,181.47	Various	No BRS
9.	State Bank of India (ADB)	Various	11781531939	39,05,088.49	Various	No BRS
10.	SBI Treasury (P/L Account)	Various	P/L Account	3,44,26,144.24	Various	No BRS
11.	Post Office Account	PF	221232	5,49,613.00	PF	No BRS
12.	Post Office Account	PF	234689	15,050.00	PF	No BRS
13.	Post Office Account	PF	234690	50.00	PF	No BRS
14.	Post Office	PF	234691	10,550.00	PF	No BRS

M/S RAJEEV R MISHRA & CO. (CHARTERED ACCOUNTANTS)

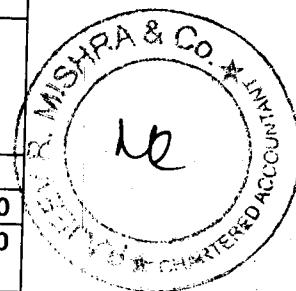


	Account					
15.	Post Office Account	PF	234692	25,500.00	PF	No BRS
16.	Post Office Account	PF	234693	40,500.00	PF	No BRS
17.	Post Office Account	PF	234694	1,550.00	PF	No BRS
18.	Post Office Account	PF	234695	36,000.00	PF	No BRS
19.	Post Office Account	PF	234696	27,050.00	PF	No BRS
20.	Post Office Account	PF	234697	48,050.00	PF	No BRS
21.	Post Office Account	PF	234698	9,050.00	PF	No BRS
22.	Post Office Account	PF	234699	13,550.00	PF	No BRS
23.	Post Office Account	PF	234700	6,050.00	PF	No BRS
24.	Post Office Account	PF	234701	21,050.00	PF	No BRS
25.	Post Office Account	PF	234702	1,550.00	PF	No BRS
			TOTAL	5,28,65,628.31		

Monthly Bank Reconciliation Statements have not been prepared by NP.

IV). Revenue Receipt:

Period	Budgeted (2015-16)	Previous year (one Year) 2014-15	Corresponding Period of previous Year	Current Period 2015-16	Cumulative for the Current period
a) Own Resources					
Holding / Property tax		7,77,628.00	7,77,628.00	18,47,232.00	18,47,232.00
Other Internal Revenue		7,62,296.00	7,62,296.00	10,96,428.00	10,96,428.00
Total		15,39,924.00	15,39,924.00	29,43,660.00	29,43,660.00
b) Administrative Grant					
c) Specific Grant (Scheme Wise)					
12 th Finance					
13 th Finance		24,04,594.00	24,04,594.00	69,66,138.00	69,66,138.00
Professional Tax		4,85,979.00	4,85,979.00	6,01,616.00	6,01,616.00



M/S RAJEEV R MISHRA & CO. (CHARTERED ACCOUNTANTS)

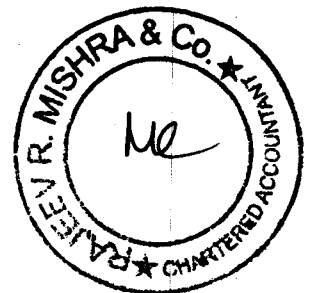
4 th State Finance		97,20,830.00	97,20,830.00		
BRGF		4,37,684.00	4,37,684.00	6,14,257.00	6,14,257.00
E- Governance		4,80,000.00	4,80,000.00	1,80,000.00	1,80,000.00
Nala Construction		45,98,200.00	45,98,200.00		
PF Contribution		66,643.00	66,643.00	58,570.00	58,570.00
SSP Fund		53,00,900.00	53,00,900.00	55,17,300.00	55,17,300.00
WC Allaowance		2,01,600.00	2,01,600.00	1,37,932.00	1,37,932.00
Interest From Bank		9,26,408.00	9,26,408.00	8,59,422.00	8,59,422.00
IHHL		-	-	22,30,000.00	22,30,000.00
Kabir Anthesty		-	-	1,15,000.00	1,15,000.00
Census Fund		-	-	1,22,250.00	1,22,250.00
Development Fund		-	-	4,28,84,150.00	4,28,84,150.00
Water Resources		-	-	89,20,245.00	89,20,245.00
Cleaning Fund		-	-	25,37,400.00	25,37,400.00
5 th Finance		-	-	90,96,156.00	90,96,156.00
Total		2,46,22,838.00	2,46,22,838.00	8,08,40,436.00	8,08,40,436.00
G.Total		2,61,62,762.00	2,61,62,762.00	8,37,84,096.00	8,37,84,096.00

V) Status of Implementation of DEAS:

Despite my request in last previous year report the concerned authority has not shown to implement Double entry Accounting System instead of cash based accounting system which is only show detail of total collection & Expenses.

VI) Status of Municipal Account Committee; if meeting is held

As per section 98 of BMA 2007 it is necessary for the ULB to constitute an MAC at its first meeting in each year or as soon as may be at any subsequent meeting. But till Date the ULB has not constituted MAC.



PART - A**5. Audit Observations:**

All audit objections/irregularities which have monetary implication, particularly in the following area:

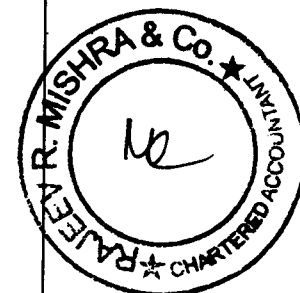
<p>a) Leakage of own source revenue either due to wrong assessment or non- levy of property tax, mobile tower tax, rent on municipal properties, advertisement tax fees etc.</p>	<p>During the current year total collection of property tax has been Rs. 18,47,232/- which is more than twice of last year collection. We could not quantify the leakage in property tax because information related to total number of house hold on which holding tax is due has not been provided to us.</p> <p>Out of 9 mobile towers operating in the area of the ULB but collection of Rs. 32000/- only has been received for 4 mobile towers.</p> <p>Total dues of Tower tax up to 31st march, 2016 is Rs 6.80 Lakh except interest for delay payment and charges for additional antenna.</p> <p>Rent from Municipal properties has not collected in the current year.</p> <p>Different fees and charges collected under Sairat through tender/bandobasti for parking and public toilet only has been executed in current year. However public notice has been given in the local news paper for the bandobasti/tender of other items covered under sairat but that could not be materialised.</p>
<p>b) Excess payment against bill, lack of prudence in payment against vouchers inefficiency in controls resulting loss to ULBs.</p>	<p>We did not find any excess payment against any bill.</p>
<p>c) Report on finding of field survey of Property Tax of minimum 20 high value properties</p>	<p>Field Survey report of high values properties situated in the area of the ULB is not provided to us.</p>



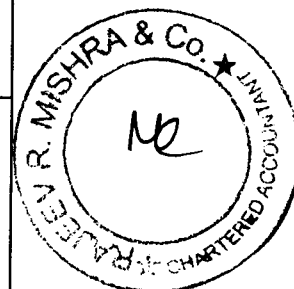
PART- "B"

All audit objections/ irregularities which have no monetary implication, but significant violation of Act, Rules & directives of UD & HD. Mention the reference Act & Rules wherein remedial measures is required. In this regard our report is as under –

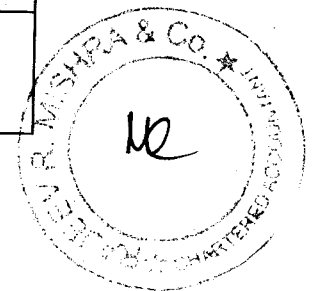
<p>a) Non- maintenance of books of accounts , subsidiary registers</p>	<p>Following primary Books of accounts are required to be maintained :</p> <ol style="list-style-type: none">1) Cash Book (Form Gen-IA)2) Bank Book (Form Gen-IB)3) Collection Register GEN-114) Subsidiary Ledgers (Gen-3) <p>In addition to above following other General Registers and forms are required to be maintained but the same are not being maintained.</p> <ol style="list-style-type: none">1. Memorandum of Collection GEN-122. Summary of Daily Collection GEN-133. Register of Bills for Payment GEN-144. Deposit Register GEN-195. Summary Statement of Deposits Adjusted GEN-206. Summary Statement of Bills Raised GEN-237. Register of Refunds, Remissions and Write-offs GEN-268. Statement of Outstanding Liability for Expenses GEN-299. Documents Control Register/Stock Account of Receipt/Cheque Book GEN-3010. Register of Immovable Property GEN-3111. Register of Movable Property GEN-3212. Register of Land GEN-3313. Asset Replacement Register GEN-3614. Register of Public Lighting System GEN-37
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b) Irregularity in procurement process	Detail in Annexure "D"
c) Non-compliance of directives by UD & HD , GOB	<p>We observed several non compliances of directives of UD & HD, GOB such as :</p> <ul style="list-style-type: none"> • non deposit of various taxes required to be deposited • Non maintenance of prescribed books of accounts • Non maintenance of prescribed DEAS
d) Non-compliance of Acts and Rules	<p>As per sec. 127 of the BMA, the municipality can levy the following taxes:</p> <ul style="list-style-type: none"> • Property tax on lands and buildings. • surcharge on transfer of lands and buildings • water tax • fire tax • tax on advertisements, other than advertisements published in newspapers • surcharge on entertainment tax • surcharge on electricity consumption within the municipal area • tax on congregations • tax on pilgrims and tourists • Tax on profession • toll tax – <ul style="list-style-type: none"> a. on roads, bridges, ferries and navigable channel and b. on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles <p>But the ULB has collected only holding taxes, Property tax, and other taxes cover under sairat.</p>
e) Lack of internal Control measures	<p>Lack of internal control has been observed in statutory compliances of the directive given by the UD & HD, such as :</p> <ul style="list-style-type: none"> • Taxes/ utilities charges collected by tax collector are not deposited on daily basis. • Under collection of Tower tax as total 9 mobile towers of different



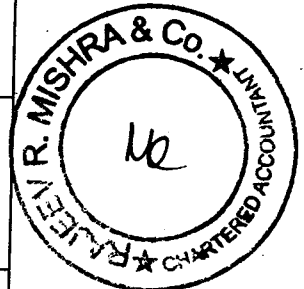
	<p>companies are operating in the area of the ULB from which only Rs. 32,000/- has been collected during the year.</p> <ul style="list-style-type: none"> Separate Register for Moveable and Immoveable property has not been maintained properly.
f) Non-compliance of TDS, VAT and other relevant Statute	<ul style="list-style-type: none"> Taxes such as VAT, TDS, Royalty etc are collected from time to time but its payments were not made on due date. Detail in respect of TDS and VAT has been covered in Annexure A, B & C.
g) Deficiency in Pay-roll System	<p>The pay-roll system does not contain leave details of employees. PF contribution and pension fund contribution of employees are deducted from the employee's salary. The ULB contribute @10% towards employees PF and Pension Fund. PF account has not been opened with PF department. All the deductions towards PF and pension fund from employee's salary and ULB's contribution have been deposited in the individual account opened in the post office in the name of each employee.</p>
h) Utilization of Grant and report on utilisation certificates	<p>As discussed with the management UCs of grant has been sent to department as and when demanded by the department and no UCs for the year 2015-16 are pending.</p>
i) Physical verification of inventories and stores	<p>Store Register has not been prepared and physical verification of inventory/stores has not been done.</p>
j) Physical verification of fixed assets	<p>Fixed Assets Register has not been prepared hence physical verification of fixed assets has also not been done.</p>
k) Non compilation of Financial Statement	<p>The Financial Statements of the ULB have not been compiled for any year since the inception of the ULB.</p>



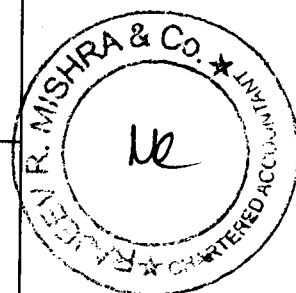
PART – "C"

General Observations:

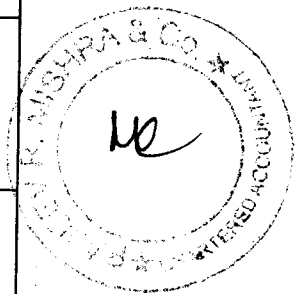
<ul style="list-style-type: none"> Whether the postings for the entries in the books of original entry have been correctly made in the respective ledger accounts. 	No, only entries related to cash/bank/PL A/C are correctly made in the subsidiary cash/bank ledgers. Other Ledger accounts have not been prepared by the NP.
<ul style="list-style-type: none"> Whether all the books of accounts and supplementary registers that are prescribed in the Accounts Manual / other applicable regulations have been properly maintained by the ULB; 	No, except Subsidiary Cash Book no other books of accounts have been maintained.
<ul style="list-style-type: none"> Whether the Quarterly Financial Statements have been compiled on the basis of the actual entries in the books of accounts; 	No, quarterly Financial Statements have not been prepared by the N.P.
<ul style="list-style-type: none"> Whether the period-end and reconciliation procedures prescribed have been carried out. 	No, period-end reconciliation procedures as prescribed have not been carried out.
<ul style="list-style-type: none"> Whether the Bank Reconciliation statements have been prepared and are appropriate. 	No, Bank Reconciliation Statements have not been prepared by the N.P.
<ul style="list-style-type: none"> Whether all grants from Government have been accounted at gross value with proper entries to various accounts 	Yes, but all transactions are not correctly classified with sufficient details.
<ul style="list-style-type: none"> Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated in sufficient detail; 	No all transactions have been classified as Receipts and Payment only. Income, Expenditure, assets and liabilities have not been recognized.
<ul style="list-style-type: none"> Whether all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB? Whether such deductions have been properly accounted; 	Yes, Grant received during the year has been properly accounted for and all deductions have been properly accounted for.
<ul style="list-style-type: none"> Whether any Special Funds have been created as per the provision of any statute and whether the Special Funds have been utilized for the purposes for which they have been created; 	No, Special fund has not been created by the ULB.
<ul style="list-style-type: none"> In respect of contracts that are in existence during the year, whether there are any deviations from the sanctioned plans and the estimates 	We did not notice any major deviation.



without the sanction of the competent authority;	
<ul style="list-style-type: none"> Whether the ULB is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account; 	No, record of fixed assets has not been maintained by the ULB. Physical verification of fixed assets has not been done during the financial year under audit.
<ul style="list-style-type: none"> Whether in case of leasehold property given by the ULB, lease rentals are collected regularly by the ULB and that the lease agreements are renewed after their expiry; 	As explained to us no property of the ULB has been given on lease.
<ul style="list-style-type: none"> Whether physical verification has been conducted by the ULB at reasonable intervals in respect of stores; 	No, physical verification of stores has not been conducted by the ULB at reasonable intervals.
<ul style="list-style-type: none"> Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate? If not, the inadequacies in such procedures should be reported; 	No, ULB has not maintained store register properly.
<ul style="list-style-type: none"> Whether any material discrepancies have been noticed on physical verification of stores as compared to book records, and if so, whether the same has been properly dealt with in the books of account; 	No, due to insufficient information physical verification has not been done.
<ul style="list-style-type: none"> Whether proper procedures are in place to identify any unserviceable or damaged stores and whether provision for the loss in this respect, if any, has been made in the accounts; 	No, there is no procedures are in place to identify any unserviceable or damaged stores
<ul style="list-style-type: none"> Whether the valuation of stores is in accordance with the accounting principles laid down in the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of such deviation, if material, should be reported; 	No, valuation of stores has not been done in accordance with the accounting principles laid down in the rules.
<ul style="list-style-type: none"> Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the interest and if not, whether reasonable steps have been taken by the municipality for recovery 	There has not been any case of loans and advances other than advance to staff for expenditure.



of the principal and interest?	
<ul style="list-style-type: none"> Whether advances given to municipal employees and interest thereon are being regularly recovered; 	Advances given to Municipal employees have been regularly recovered by principal amount only, interest has not been levied thereon.
<ul style="list-style-type: none"> Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets? 	Yes, internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets has been complied with.
<ul style="list-style-type: none"> Whether applicable procurement rules and procedures are being followed and if so, significant deviations should be identified and reported. 	Detail in Annexure "D"
<ul style="list-style-type: none"> Whether the municipality is regular in depositing statutory dues including tax deducted at source, service tax, VAT, works contract tax, cess payable to the government etc., and if not, the nature and cause of such delay and the amount not deposited; 	No, the municipality has not deposited its statutory dues like TDS and VAT on due date. Other dues like Royalty and Labour Cess has not been deposited.
<ul style="list-style-type: none"> Whether the municipality is regular in remittance of pension and leave encashment contributions or any other amounts which the municipality is liable to remit towards the retirement dues of its employees, including employees on deputation; 	The Municipality has not contributed towards employees retirement benefits. All deductions towards PF and pension fund has been deducted from the employee's salary and deposited in separate account opening in the post office.
<ul style="list-style-type: none"> Whether any personal expenses have been charged to the municipality's accounts; if so, the details thereof; 	We did not notice any such expenses.
<ul style="list-style-type: none"> Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget, whether made originally or subsequently and are in all cases such as are authorized by law; 	Yes, on our test check we observed that all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget.
<ul style="list-style-type: none"> Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis; 	No, all revenues from own sources have not been properly assessed, accounted for and collected.
<ul style="list-style-type: none"> Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as are authorized by law; 	No, tax collected by the tax collector are not deposited on daily basis.
<ul style="list-style-type: none"> Whether in respect of all bills for charges on account of all works and other expenditure, proper certificates have been furnished in support of them and that no deviation has been made for the sanctioned plans and the 	Yes, on our test check we observed that all bills for charges on account of all works and other expenditure, proper certificates have been furnished in support of them and that no deviation has been made for the sanctioned plans and the estimates



estimates without the sanction of the competent authority;	without the sanction of the competent authority.
<ul style="list-style-type: none">Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order;	Yes, on our test check we observed that amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order
<ul style="list-style-type: none">Whether bio-metric devices and payroll software are used at the ULB. If not whether there is satisfactory system of pay-roll accounting; otherwise mention the key deficiencies of the system;	No, bio-metric devices and payroll software are not used in the premises of the ULB. Pay roll system of the municipality is deficient as it does not contain lare records, details of deductions made etc.
<ul style="list-style-type: none">Whether the grievance redresses mechanism for the ULB is sufficient;	We did not find any grievance redresses cell functioning at the ULB.

Place :

Date :

For Rajeev R Mishra & Co.

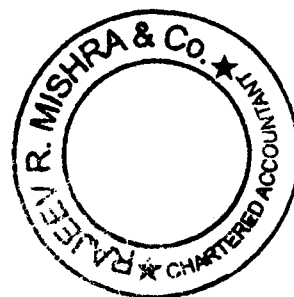
Chartered Accountants



(CA Mritunjay Kumar)

Partner

M. No: 535789



ANNEXURE-"A"

Detail of TDS Deduction and Deposit Detail:-

Particulars	Amount	Date of Deduction	Due Date	Date of Deposit	Remarks
TDS U/s 194c	6,868.00	15/05/2015	07/06/2015	21/07/2015	Attract 3% Interest on late deposit as per the software of the TRACES.
	9,327.00	21/05/2015	07/06/2015	21/07/2015	
	7,237.00	23/05/2015	07/06/2015	21/07/2015	
	9,654.00	21/05/2015	07/06/2015	21/07/2015	
	15,424.00	14/05/2015	07/06/2015	21/07/2015	
	25,935.00	18/06/2015	07/07/2015	21/07/2015	
	7,909.00	10/08/2015	07/09/2015	20/10/2015	
	1,740.00	12/08/2015	07/09/2015	20/10/2015	
	12,010.00	17/10/2015	07/11/2015	07/01/2016	
	12,742.00	17/10/2015	07/11/2015	07/01/2016	
	15,444.00	23/12/2015	07/01/2016	28/02/2016	
	9,648.00	23/12/2015	07/01/2016	29/02/2016	
	2,514.00	23/12/2015	07/01/2016	29/02/2016	
	11,208.00	04/01/2016	07/02/2016	29/02/2016	
	11,515.00	04/01/2016	07/02/2016	29/02/2016	
	15,760.00	04/01/2016	07/02/2016	29/02/2016	
	9,803.00	07/01/2016	07/02/2016	29/02/2016	
	6,297.00	09/01/2016	07/02/2016	29/02/2016	
	15,163.00	09/01/2016	07/02/2016	29/02/2016	
	4,765.00	09/01/2016	07/02/2016	29/02/2016	
	40,972.00	04/01/2016	07/02/2016	29/02/2016	
	10,696.00	05/03/2016	07/04/2016	03/09/2016	
	14,740.00	08/03/2016	07/04/2016	03/09/2016	
	13,926.00	17/03/2016	07/04/2016	03/09/2016	
	15,254.00	30/03/2016	07/04/2016	03/09/2016	
	11,248.00	22/01/2016	07/02/2016	03/09/2016	
	14,028.00	22/01/2016	07/02/2016	03/09/2016	
	4,420.00	05/03/2016	07/04/2016	03/09/2016	
	9,223.00	05/03/2016	07/04/2016	03/09/2016	
	7,568.00	30/03/2016	07/04/2016	03/09/2016	
	15,931.00	05/03/2016	07/04/2016	03/09/2016	
	26,555.00	17/03/2016	07/04/2016	03/09/2016	
	13,900.00	06/01/2016	07/02/2016	03/09/2016	
	13,900.00	06/01/2016	07/02/2016	03/09/2016	
	13,900.00	06/01/2016	07/02/2016	03/09/2016	
	12,485.00	16/01/2016	07/02/2016	06/08/2016	
	38.00	18/03/2016	07/02/2016	06/08/2016	
	26,151.00	21/03/2016	07/02/2016	06/08/2016	



ANNEXURE-B

Delay in Filing of TDS Return

Particulars	Due Date	Return Filing Date	Remarks
1 st Quarter	15/07/2015	23/09/2015	As per U/S 234E of Income Tax Act a sum of Rs. 200/- per day (failure continues till date)
2 nd Quarter	15/10/2015	30/10/2015	
3 rd Quarter	15/01/2016	22/11/2016	
4 th Quarter	15/05/2016	22/11/2016	

ANNEXURE – C

Detail of collection of VAT and its deposit:

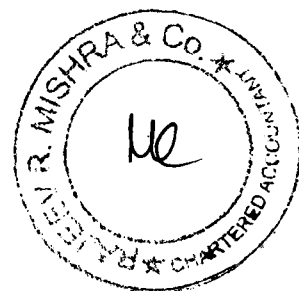
S.No.	Scheme	Amount	Date of Deduction	Date of Deposit
1	BRGF	34125	14.05.2015	03.10.2015
2	BRGF	50562	24.09.2015	03.10.2015
3	4 th Finance	15194	15.05.2015	03.10.2015
4	4 th Finance	20634	21.05.2015	03.10.2015
5	4 th Finance	16011	23.05.2015	03.10.2015
6	4 th Finance	17497	10.08.2015	03.10.2015
7	4 th Finance	3849	12.08.2015	03.10.2015
8	4 th Finance	20464	03.09.2015	03.10.2015
9	4 th Finance	17145	20.08.2015	03.10.2015
10	Tax Head	540	24.06.2015	03.10.2015
11	Tax Head	643	11.08.2015	03.10.2015
12	Tax Head	58000	02.09.2015	03.10.2015
13	Matching Grant	21358	21.05.2015	03.10.2015
14	IDSMT	57377	18.06.2015	03.10.2015



ANNEXURE – D**Details of Work executed under different Schemes:**

Documents such as Comparative Statements, Bills of Contractor, Basis of Tender allotment etc. are not available in case of following work done by contractors under different schemes:

S.No.	Contractor Name	Yozna No.	Related Fund	Net Payment
1	Anand Prakash	19/2015-16	4 th State Finance	3,00,000
2	Anand Prakash	13/2015-16	4 th State Finance	5,27,366
3	Vinay Kumar Chowdhary	52/2015-16	Stamp Duty	4,29,447
4	Chakradhar Chowdhary	11/2014-15	4 th State Finance	321087
5	Gopal Krshnan	24/2015-16	4 th State Finance	10,03,605
6	Ran Gyan Rai	50/2015-16	Stamp Duty	3,48,878
7	Ramesh Prabhakar	18/2015-16	4 th State Finance	5,59,405
8	Ramesh Prabhakar	08/2015-16	4 th State Finance	5,78,386
9	Shambhu Kumar Giri	18/2014-15	4 th State Finance	4,17,791
10	Shambhu Kumar Giri	11/2015-16	4 th State Finance	4,57,555
11	Shambhu Kumar Giri	07/2015-16	4 th State Finance	4,72,654
12	Sunil Kumar Chowdhary	26/2015-16	Professional Tax	5,81,114
13	Sunil Kumar Chowdhary	08/2014-15	4 th State Finance	2,60,453
14	Vinay Kumar Chowdhary	03/2015-16	IDSMT	9,86,706



Welcome NAGAR PANCHAYAT DALSINGSARAI (PTNN01022A)

Total Outstanding Demand

Click on Manual Demand amount to close via Tag Challan and navigate to 'Tag / Replace Challan'

Click on 'Prior Years' hyperlink to view prior years demand details

Financial Year	Manual Demand (Justification available with AO)	Processed Demand (Justification available from CPC)
<u>Prior Years</u>	0.00	41770.00
2013-14	0.00	15620.00
2014-15	0.00	44390.00
2015-16	0.00	167130.00

2,68,910.00



Form RT-VII

Quarterly Return to be furnished by deducting authority under section 41 of the Bihar Value Added Tax Act, 2005 [See rule 29(5)(i)]

Name of the Circle to which the return relates

Name & Address of deducting Authority

Designation of the deducting Authority

Name of the contractor from whose bills deduction has been made	TIN of the Contractor	Gross Value of the Contract	Total Amount of Bill/Invoice	Amount of tax deducted	Cheque/Draft No. and Date of deposit of tax deducted	No. and Date of Form C-III issued to the Contractor

I declare further that the particular furnished in and with this return are correct and complete to the best of my knowledge and belief,
and that I am competent to sign and submit this return.

Date

Place

Signature of the deducting Authority

Designation

Office Seal, if any