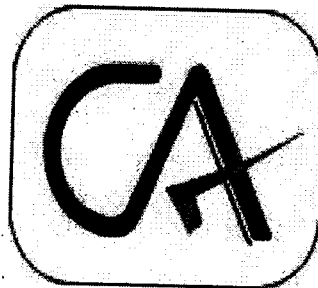


Internal Audit Report for the Year Ended 31st March 2016

DEHRI ON SON NAGAR PARISHAD

By



Kumar Kishor & Chandra
Chartered Accountants

**FLAT NO:301 SIDHIVINAYAK APPARTMENT, PS:DANAPUR PLOT NO-1403 NEAR
SAINIK COLONY, "T" POINT OF GOLA ROAD, PATNA 801503**

E-mail : Kumarkishorchandra@gmail.com

Mobile No : +91-9873287582.



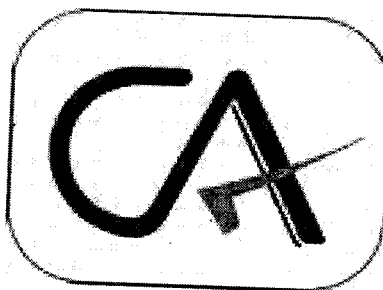
Kumar Kishor & Chandra
Chartered Accountants

**INTERNAL AUDIT REPORT
FOR THE YEAR ENDING 31ST MARCH, 2016**

OF

DEHRI ON SON NAGAR PARISHAD

Conducted By

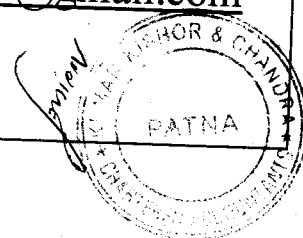


KUMAR KISHOR & CHANDRA
Chartered Accountants

Flat No-301, Sidhivinayak Appartment, P.S:-Danapur, Plot No-1403, Near Sainik
Colony, Gola Road, Patna-801503

Telephone – 0612-2521043/42; e-mail: kumarkishorchandra@gmail.com

Offices : Delhi , Lucknow & Durg





Executive Summary

To,

The Director/ P. S.
UD & HD,
Vikash Bhawan, New Secretariat,
Patna (Bihar).

Dear Sir,

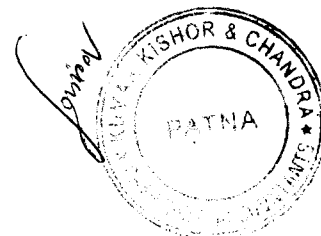
Sub: Internal Audit Report of DEHRI ON SON NAGAR PARISHAD for the Period 01st April, 2015 to 31st March 2016.

In terms of our appointment letter no. SPUR-PMU/194/IA-140ULBs&SLMA/S-5/KKC/2016/127/38, Dated 05/04/2016 as an internal auditor of **DEHRI ON SON NAGAR PARISHAD** for the Period starting from **01.04.2015 to 31.03.2016**. We started the work as an internal auditor of Nagar Parishad from 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 these scope, coverage and resources including planning with respect to time and resources to be used. An internal audit includes examining every aspect of the organization 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 organization in the engagement letter. The Salient Points of the scope covered by our internal audit are as follows:

- i) The effectiveness of accounting system and related internal controls.
- ii) The operational Efficiency of the information system and the effectiveness of the related controls (viz. administrative controls, procedural controls, and system controls).
- iii) Compliance with the legal and statutory requirements.

More over, our scope of examination also covered the requirements of the specific points as spelled out by the management of UD & HD. The resultant and recommendations of our internal audit are set out in scope of audit.

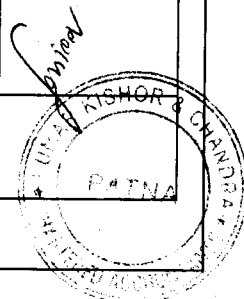




Part-A

Results and Findings related to monetary implication which require immediate action :

S. No	Area	<u>Observations and Recommendations:-</u>	<u>Management Comment</u>
1.	Holding Tax	<p><u>Finding:-</u></p> <ul style="list-style-type: none">Revenue collection process is not satisfactory, In case of housing taxes internal control position is not adequate, We have observed that House Tax collected by Tax collector was not deposited on the same date or day after tomorrow but it is being deposited after a week or fortnight in some cases as per collection register maintained by the Tax Collector.During the period up to March 2016, total collection of holding tax including arrears) was Rs. 64,57,469/- as against target for the year was Rs.2,43,10,705/-. In terms of collection percentage it is 26.56% for the financial year 2015-16. Tax collection percentage clearly show that Performance of ULB is not satisfactory. <p>(For Detail please refer page number 19th of the Report).</p> <p><u>Recommendations:-</u></p> <ul style="list-style-type: none">As per BMAR rule 27, Every tax collector shall invariably remit his collections (in cash and/or cheques) to Cashier daily before 4.30 PM. Failure of collector(s) to remit collections to Cashier before 4.30 P.M. on same day shall attract disciplinary action, which may include fine up to a sum of five thousand rupees.It is recommended that ULB should follow adequate revenue collection procedure and requires to give more focus on revenue collection.There is huge gap between target and actual collection. There is an urgent need to improve the system of assessment where more scientific method like GIS technologies should be used for the assessment of the property.	
2	Rental Income	<p><u>Finding:-</u></p> <ul style="list-style-type: none">It has been observed that the ULB is not maintaining any	





separate register for demand and collection of shop/market Rent.

- During the course of audit we observed that most of shopkeeper/tenant not paid outstanding rent since twenty year almost details of such outstanding shown below.
- Outstanding rent as on 31st March 2016 is a Rs. 29,44,180/-

S. NO.	Market Name	Total Amount Outstanding as on 31 st March 2016. (Rs.)
1.	Rent of Bus Stand	23,30,200/-
2.	Nagar Palika Bazar	6,13,980/-
	Total	29,44,180/-

(For Detail please refer page number 21st of the Report).

Recommendation :

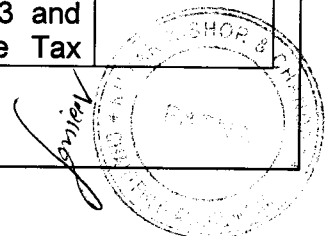
- It is recommended that ULB should follow adequate revenue collection procedure and requires to give more focus on rent collection.
- Nagar Parishad must revise shop rent on timely basis.
- Nagar Parishad must renewed rent agreement within time.

3

Statutory Dues:

Findings:-

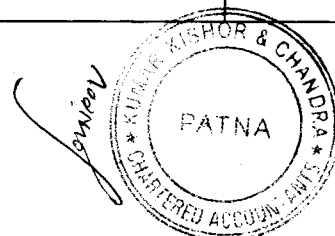
- Outstanding Vat payable of Rs 19,16,289/- which were deducted from various vendor/ contractors during Financial year 2012-13 and 2013-14 paid on 25th March 2016 . During Financial Year 2014-15 and 2015-16 no Vat is deducted
- All the payment of vat made during the financial year was after due date and attract to penalty as per Bihar vat Act 2005. As per Provision of Bihar Vat act 2005 Vat deducted during month should paid 21st of Next Month whereas Nagar Nigam Paid Vat 25th of march 2016 for last two Year a single payment i.e. all payment of vat made has been late.
- Outstanding TDS Payable of Rs 6,45,115/- deducted under various section of Income tax Act by the Nagar Parisad from various Vendor or contractors during financial 2012-13 and 2013-14, total amount still not paid to the Income Tax





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Chartered Accountants

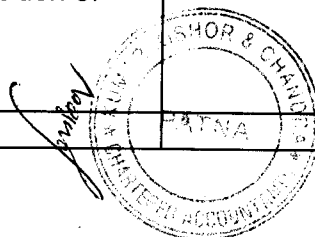
		<p>department. Which is serious matter of concern. During financial year 2013-15 and 2015-16 No TDs deducted by Nagar Parishad</p> <ul style="list-style-type: none">Labour Welfare Cess of Rs 1,92,065/- deducted/collected as per provision of Labour Law by the Nagar Parishad from various vendor during financial 2012-13 and 2013-14, total amount still pending for deposit in the Concern department. Which is serious matter of concern.Royalty of Rs 20,19,271/- deducted by the Nagar Parishad from various vendor during financial 2012-13 and 2013-14, total amount still not paid to the Concern department. Which is serious matter of concern. <p><u>Recommendation:-</u> Nagar Parishad should deposit all statutory liabilities with concern department on due date to avoid interest, penalty and further litigation.</p> <p>(For Details please refer page no 30th of the report)</p>	
4.	<u>Mobile Tower Tax:</u>	<ul style="list-style-type: none">As per information provided to us total outstanding of mobile tower tax is Rs. 18,20,000/- upto 31st March 2016. for which no proper recovery action is being taken by the Nagar Parishad.Necessary action is require to collect the Tower Tax revenue by nagar parishad to avoid the revenue losses. <p><u>Recommendation :</u> ➤ It is recommended that necessary step should be taken by ULB for collection of all outstanding Tower Taxes.</p>	
5.	<u>TDS and VAT Return</u>	<p><u>FINDING:-</u></p> <ul style="list-style-type: none">We have observed that TDS and Vat return has not been filled for the single quarter by the Nagar Parishad till now.During course of audit we observed that Nagar Parishad no file VAT return.It is recommended that all Return should be file to concern department without further delay.	





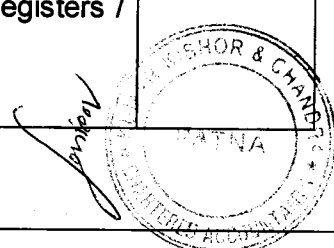
Results and Findings related to non monetary implication :

S. No	Area	<u>Findings and Recommendations:-</u>	<u>Management Comment.</u>
1	<u>Bank Reconciliation</u>	<p><u>Findings:-</u></p> <ul style="list-style-type: none">• During course of audit we observed that Nagar Parishad not prepared Bank reconciliation statement on monthly/regularly basis.• Some of the bank accounts are non operative and their passbook is also not updated. Accordingly we have given the balance appeared in the pass book.• Nagar parishad prepared cash on combined basis.• Some bank account are not produce during course of audit so this bank account is not examine by us, <p><u>Recommendation :</u></p> <ul style="list-style-type: none">• It is suggest that Nagar Parishad should prepared bank reconciliation statement for all banks to prevent the revenue leakage and better management fund.• All banks account should reconcile to reflect proper transaction of bank and prevent any possible causes of revenue leakage.	
2	<u>Double Entry Accounting System</u>	<p><u>Finding :-</u></p> <ul style="list-style-type: none">• Accounting at the Nagar Parishad is not being done properly. Double accounting system is still not in place. Nagar Parishad officials are not so concern about the implementation of double entry accounting system. This is a matter of concern.• Nagar Parishad recognized revenue on cash basis during the financial year. <p><u>Recommendation :</u></p> <ul style="list-style-type: none">• To reflect actual financial position of nagar parishad Proper implementation / Updation of double entry accounting system is required.• Nagar Parishad should recognized revenue on accrual basis rather than cash basis to show actual position of revenue earned during the financial year.	
3	<u>License</u>	<p><u>Finding :-</u></p>	





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		<ul style="list-style-type: none">During the course of audit we have found that some shops are running without valid License, which is against the rule of Municipal Act.Renewal of License after expiry of one year is not done by the Nagar Parishad and also Nagar Parishad are not intimate properly to the concerned tenant for renewal of license or Expiration of license. <p><u>Recommendation :-</u></p> <ul style="list-style-type: none">Nagar Parshad Should maintained Details of No. of Trade License Issue.Nagar Parshad Should maintained Details trade license fee collected and deposited to cashier.Details of no. of license due for renewal and actual renewed during the year.Nagar Parishad should issue notice to concerned party to renewal of license within time.	
4	<u>Revenue Collection:</u>	<p><u>Finding :-</u></p> <ul style="list-style-type: none">Revenue collection process is not satisfactory, In case of housing taxes, Mobile Tower Tax, Trade License Fee and Collection of Shop Rent internal control position is not adequate, We have also observed that House Tax collected by Tax collector was not deposited on the same date or day after tomorrow but it is being deposited after a week.It is observed that not adequate collection performance achieve by tax collection team as per given target. It is recommended to give more focus on revenue collection by tax collector team and Top Management of ULB. <p><u>Recommendation :</u></p> <ul style="list-style-type: none">Recommended that Tax collected amount by TC should be deposited on timely basis, to prevent revenue losses of ULB.Tax collector, rent Collector, License Issuing team should collect correct amount from parties.	
5	Books Registers.	<p><u>Finding :-</u></p> <ul style="list-style-type: none">It has been observed that the following Forms / Registers / Books were not maintained by the Nagar Parishad: <p>1. Fixed Assets register.</p>	



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		<ol style="list-style-type: none">2. Tax Assessment register3. Vacant Land Tax Demand Register1. Advertisement tax Demand register2. Register of Revision petitions3. Register of Appeals4. Register of Bills issued5. Register of suit file6. Cheque issue Register7. Register of Issue of License8. Demand Register of Property Tax9. Demand Register of Shop Rent.10. Collection of Shop Rent. <p><u>Recommendation :</u></p> <ul style="list-style-type: none">• The Corporation should maintain the required books / register as required by Municipal Accounting Manual prepared under Sec 87 of Bihar Municipal Act, 2007.	
6	<u>Detail of Legal Cases Pending as on March'15 :</u>	<ul style="list-style-type: none">• Some of cases pending since 2011 and status shown "Documents submitted to Advocate to prepare answer"• Recommended that all the pending cases should be resolved as soon as possible.	

Overall Opinion :

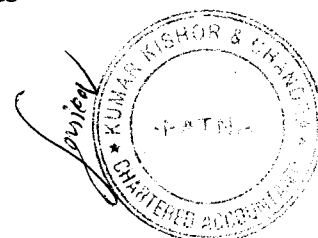
The Municipality is responsible for providing better conditions of habitation including supply of quality water, maintenance of roads, street light arrangement, conservancy works, construction and maintenance of drainage and sewerage works etc.

As per section 45 of Bihar Municipal Act, 2007,

(1) Every Municipal shall -

(a) Provide on its own or arrange to provide through any agency the following core municipal services:-

- i. Water-supply for domestic, industrial, and commercial purposes
- ii. Drainage and sewerage,
- iii. Solid waste management,
- iv. Preparation of plans for development and social justice,





- v. Communication systems, construction and maintenance of roads, footpaths, pedestrian, pathways, transportation terminals, both for passengers and goods, bridges, over-bridges, subways, ferries, and inland water transport system,
- vi. Transport system accessories including traffic engineering schemes, street furniture, street lighting, parking areas, and bus stops,
- vii. Community health and protection of environment including planting and caring of trees on road sides and elsewhere,
- viii. Market and slaughter houses,
- ix. Promotion of educational, sports and cultural activities, and
- x. Aesthetic environment, and

b. Perform such other statutory and regulatory functions as may be provided by or under this act or under any other law for the time being in force.

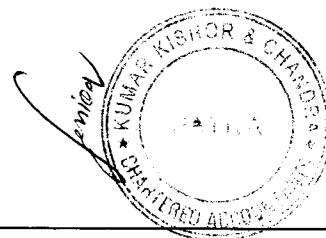
Functions assigned by the government

As per section 46 of Bihar Municipal Act, 2007, The Municipality may, subject to the underwriting of the costs by, and approval of, the central government or the state Government, as the case may be, undertake any functions belonging to the function domain of the Central Government or the State Government, as the case may be, and such functions may include primary education, curative health, transport, supply of energy, arrangements for fire prevention and fire safety, and urban poverty alleviation.

Opinion :

Weak Internal Control on the Administration and collection of Municipal Taxes i.e., Non revision of Municipal Rates since Long /No effective system of timely survey and Assessment of New properties /Non availability of Centralize database of the House hold at the Circle level/ Full Dependency on the Tax/Collectors for the Information on Dues and Assessee ledgers / Calculation mistakes in Calculation of Tax /Penalty and interest / High Cash retention by the Tax Collectors. To improve and strengthen such system immediate need for Computerization of assessment, Collection and online Payment System is required.

Management Comments :





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Chartered Accountants

Acknowledgement

During the course of audit overall cooperation provided by ULB was good and management acknowledged the finding of the report.

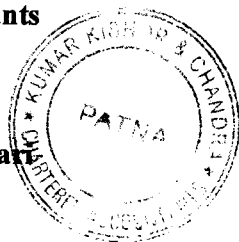
For Kumar Kishor & Chandra
Chartered Accountants


Sanjeev Kumar Tiwari

Partner

Date :

Place : Patna



Executive Officer
Nagar Parishad, Dehri-Dalmianagar



Part-B

Detailed Audit Report

1. Introduction :

The Internal Audit of DEHRI ON SON NAGAR PARISHAD covering the period from 1st April 2015 to 31st March 2016 was conducted by following persons under guidance of CA Sanjeev Kumar Tiwari.

- i) Sanjeev Kumar
- ii) Ram Balak Kumar

2. Administration :

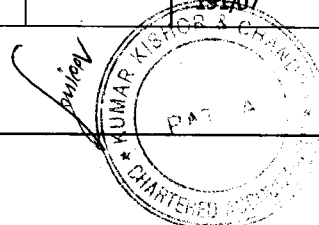
The Present body of the DEHRI ON SON NAGAR PARISHAD personnel details. The incumbency in the key administrative and executive positions was as under :

<u>NAME</u>	<u>DESIGNATION</u>
SHRI SHAMBHU RAM	CHAIRMAN
MD JAMAL AKTHAR ANSHARI	EXECUTIVE OFFICER
SHRI PRABHKAR KUMAR (9507402042)	ACCOUNTANT
SHRI SUDHIR RAWAT	CASHIER

3. Review of outstanding audit paras:

Status of audit observations pervious audit report is as under :

Sl. No.	Particulars of audit and date of Report.	Total No. of Audit Paras.	Total No. of Audit Paras necessary improvement/ Corrective measure is required	Total No. Audit Paras. Where recovery of cash is proposed	Total No. of Audit Paras. Where recovery of cash has been made	Total amount of recovery	Total no of outstanding para where no action has been taken	No. & dated Of compliance of report
1	2	3	4	5	6	7	8	9
1	405/2008-09	45	45	45	No Recovery till now	NIL		Bihar Vigilance Lodge FIR against Krishana Deo Paswan (Trap Case No. 075/07)
2	405/2008-09	45	45	45	No Recovery till now	NIL		FIR Lodge against Santosh Kumar (FIR No 191/07)





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3	405/2008-09	45	45	45	No Recovery till now	NIL	FIR Lodge against Sudhir Kumar Rawat (FIR NO . 328/06)
4	405/2008-09	45	45	45	No Recovery till now	NIL	FIR Lodge against ALOCK KUMAR SINGH (FIR NO . 289/06)
5	405/2008-09	45	45	45	No Recovery till now	NIL	Officials Letter Issue For Fir against Shri NIWAS TIWARI (LETTER NO . 304, DATED 03 / 11/ 2011)
6	405/2008-09	45	45	45	No Recovery till now	NIL	FIR Lodge against ASHOK KUMAR (FIR NO . 44/13)
7	405/2008-09	45	45	45	No Recovery till now	NIL	Bihar Vigilance Lodge FIR against Krishana Deo Paswan (Trap Case No. 075/07)

4. Finance

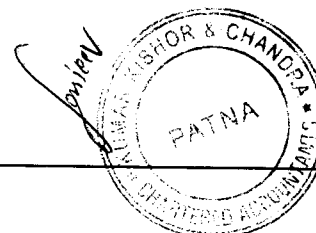
i. Budgetary provisions and expenditure for the last three years.

Year	Actual for the Year 2013-2014	Actual for the Year 2014-2015	Budgeted For current year 2015-2016	Actual for current year (2015-16)
Final/ Revised budget	10,31,38,391	16,91,05,761	31,62,24,410	24,48,64,067
Actual Expenditure	1,76,38,651	54,74,88,225	44,73,57,588	78,792,957
Savings(+)/Excess(-)	8,54,99,740	11,43,56,936	-(131133178)	16,60,71,110

ii. Volume of transactions

Period	Budgeted (2015-16)	Actual {Previous Year (for one Year)2014-15}	Corresponding Period of Previous Year (2013-14) (Actual)	Actual for current year (2015-16)
Opening balance	27,66,65,214	11,31,82,864	11,31,82,864	22,75,39,800
Receipts	31,62,24,410	16,91,05,761	10,31,38,391	24,48,64,067
Total	59,28,89,624	28,22,88,625	21,63,21,255	47,24,03,867
Net Expenditure	44,73,57,588	5,47,48,825	1,76,38,651	78,792,957
Closing Balance	14,55,32,036	22,75,39,800	19,86,82,604	39,36,10,910/-

iii. Bank Reconciliation

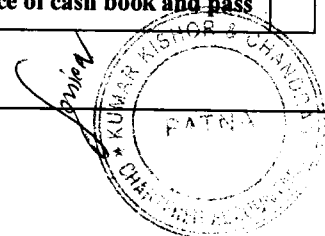




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Nagar Parishad has separate bank accounts for each funds in different banks, details for the same with closing balance as on 31st March 2016 is given below:

S No	Fund Name	Account No/Bank Name	Closing Balance as on 31/03/2016 as per Pass Book	Closing Balance as on 31/03/2016 as per Cash Book	Remarks
1	13 th Finance	35570100002203(BOB)		8074964	Balance of cash book and pass book not tallied and BRS not produce before us.
2	13 th Finance	35570100002067(BOB)	56,462		Cash book not available
3	SBM/ NULM COMPUTER	35570100004297(BOB)	82,17,000		NA
4	MUNICIPAL FUND	35570100002202(BOB)	-		Balance of cash book and pass book not tallied and BRS not produce before us.
5	SJSRY	35570100002204(BOB)	1,38,62,208	1635321	Balance of cash book pass book not tallied
6	11 th FINANCE	2170000100057896(PNB)	2585	5,69,698	Balance of cash book pass book tallied
7	11 th FINANCE	73490100057118(MBGB)	590191		
8	12 th FINANCE	73490100077112(MBGB)	1255217	12,06,349	Balance of cash book and pass book tallied
9	ADMINSTRATIVE BIULDING	73490100080268(MBGB)	499352	4,79,911/-	Balance of cash book and pass book tallied
10	MLC FUND	73490100077121(MBGB)	140800	135337	Balance of cash book and pass book tallied
11	BPL FUND	73490100067090(MBGB)	12769	12272	Balance of cash book and pass book tallied
12	NULM	73490100045159(MBGB)	3248		Cash balance not available
13	KAYF	73490100077130(MBGB)	22495776	2243162	Balance of cash book and pass book tallied
14	IDSMT	0607000100281560(PNB)	1294153		Cash balance not available
15	E O FUND	0607000100268059(PNB)	3747		Cash balance not available
16	13 th FINANCE	0607000100295925(PNB)	63528		Cash balance not available
17	PENSION FUND	1943874913(CEN BANK	28668	27012	
18		23151001019539(CENERA BANK)	4301567		Cash balance not available
19	GANDI BASTI YOJNA	2170000100057887(PNB)	2647035	2601468	
20	GANDI BASTI YOJNA	73490100047856 (MBGB)	59823		Cash balance not available
21	BRGF	0607000100266817(PNB)	854057		Cash balance not available
22	BRGF	0607000100315876(PNB)	260390	11029605	
23	NULM	0607000100326359(PNB)	2016259		Cash balance not available
24	DFID	0607000100308371(PNB)	72930	646161	Balance of cash book and pass





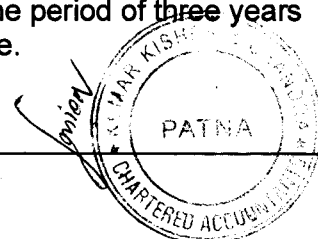
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					book tallied	
25	BNPVG	0607000100337045(PNB)	2353791			
26	BNPVG	0607000100337054(PNB)	24933			
27	IGRVPSG	0607000100336967(PNB)	4809421			
28	IGRVPSG	0607000100336976(PNB)	631453		Pass book not Provided to us during the course of audit	
29	LPSG	0607000100337027(PNB)	3410502			
30	LPSG	0607000100337036(PNB)	604883			
31	IGRVPSG	0607000100336985(PNB)	616217			
32	IGRVPSG	0607000100336994(PNB)	74048			
33	IGRVPSG	060700100337009(PNB)	23783			
26	IDSMT FUND			11319440	Pass book not Provided to us during the course of audit	
27	BALIKA SMRIDHI FUND			480249	Pass book not Provided to us during the course of audit	
28	CITY MANAGER FUND			2281243	Pass book not Provided to us during the course of audit	
29	SPECIAL SEC FUND			14268361	Pass book not Provided to us during the course of audit	
30	STATE PLAN (BUS STAND)			28100000	Pass book not Provided to us during the course of audit	
31	SLAM AREA DEV. FUND			27971656	Pass book not Provided to us during the course of audit	
32	PROFESSION AL TAX FUND			2847353	Pass book not Provided to us during the course of audit	
33	ELECTED MEM TRAVEL ALLOWANCE			478800	Pass book not Provided to us during the course of audit	
34	W.NO-17 SPECIAL FUND			1776075	Pass book not Provided to us during the course of audit	
35	TABLATE (LAPTOP FUND)			800000	Pass book not Provided to us during the course of audit	

- Some of the bank accounts are non operative. Accordingly we have given the balance appeared in the pass book.
- Nagar parishad prepared cash on combined basis.
- Nagar Parishad Not prepared bank Reconciliation statement till march 2016.
- Some bank account are not produce during course of audit so this bank account is not examine by us,

Recommendation :

As per municipal accounting rules no. 69 sub section 9 any fund unutilized for the period of three years have to be returned to the state body. Fund must be utilized within specified time.

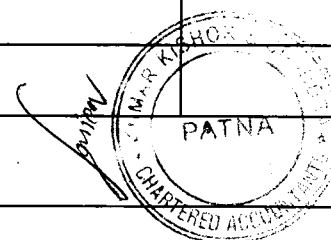




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Chartered Accountants

iv. Revenue receipts.

Period	Budgeted for current Year (2015-16)	Previous year (for one year) (2014-15) Actual	Corresponding period of previous year (2013-14) Actual	Actual for the current year (2015-16)
a) Own source				
Property tax	32326800	3745848	928880	7546997
Assigned revenue	8800000	2847353	-	34,68,133
Others(fee and user charges)				
• Rental Income from Municipal properties	2024000	239693	1841850	269900
• Fees & User Charges	5829450	507573	177976	608922
• Sales & Hire Charges	688160	0	215950	1,12,500
• Other income	110000	23648	100713	3,015,108
• Interest Earned	<u>27,50,000</u> 1,14,01,610	<u>20,90,697</u> 28,61,611	<u>-</u> 23,36,489	<u>36,98,174</u> 1,86,18,734
Total (a)	5,25,28,410	94,54,812	32,65,369	18,618,734
• Salary & D.A. Grant 4th finance	2,75,00,000	31,129,994	21271426	
• Grant For Expenditure	1100000	-	5000000	
• Grant For Development(5th state finance)		7,782,498	-	5,45,26,976
• Uchh Prathmikta Shetra (4th/5th state finance)		4,575,526	-	
• Family/Public Welfare Grant	22,00,000		480249	
• Grant for Contingency (4th/5th state finance)		5,000,000	-	
• Census Grant		-	1635900	
• Natural calamity Grant	5500000	-	-	
• UIDSMT Grant		-	12209856	
• Election grant	6,60,000	-	-	
• Disaster mangement grant/Compensation Grant	550000	-	-	
• Allowance Grant (Council Members)	176000	478,800	-	285715
• Special Grants(kabir antyesty & Kanya vivah yojna)	2200000	-	2296059	
• ILGS GRANT / fund for Transferred institutions	1,10,00,000			

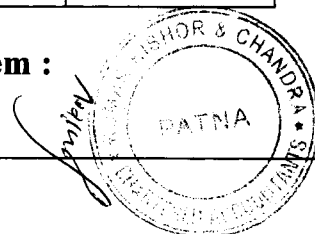




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• DFID (SPUR) Grant	5500000	-	683890	
• BPL Grant		-	11564	
• UIDSMT Grant	1,65,00,000	-	-	
• Honorarium Grant (City Manager)		-	-	
• Grant for Hand Pump/ Bore Well	5500000	-	3120000	
• Fund for Balika smaridhi & Samajik suraksha pension Schemes	1,10,00,000	-	19426100	2,19,83,887
• Maintenance grant	55,00,000		4803769	
• Capital Grant for IT Development		800,000		4,80,000
• Reimbursement of Expenses (Cattle census)	1,10,000			
Total (b)	6,73,86,000	49766818	70938813	7,72,76,578
• Capital Grant for Door to Door Collection				2,94,19,928
• 13 th Finance				1,02,17,000
• 14 th finance	2,20,00,000	6880272	3830484	3,11,81,000
• Capital grant for development (Water tank)	1,65,00,000			
• 5 th State Finance				5,45,26,976/-
• Capital Grant for office building/Complex/Rain Basera	1,21,00,000	-	1999432	
• Capital Grant under BRGF	3,30,00,000	8322026	3220820	27,54,260
• Capital Grant For State Plan		20000000		
• Capital Grant Under SJSRY	1,10,00,000	1,599,678	19883473	6,70,000
• Fund for Samajik suraksha pension Schemes		43,343,438	-	2,20,28,887
• Capital Grant for Slum area development		27,962,642	-	
• Capital Grant for IT Development				4,80,000
• Capital Grant for chief minister samekit sahri vikas yojna	1,65,00,000	-	-	
• Capital Grant for Road,Drain & Parking	1,15,50,000	1,776,075	-	
• Capital grant for Road light	4,00,00,000			
• AMRUT YOJNA				3,00,000
Total©	16,26,50,000	109884131	28934209	15,15,78,051
Grant Total (a+b+c)	28,25,64,410	16,91,05,761	10,31,38,391	24,48,64,067

V. Status of implementation of Double Entry Accounting System :





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As per scrutiny of data and discussion with Nagar Parishad official double entry system implemented till 2012. No proper backup/tally data available at Nagar Parishad.

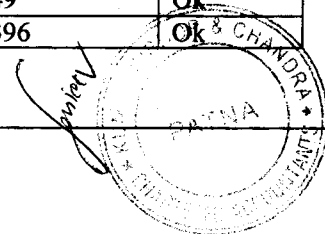
VI. Status of Municipal Accounts Committee; if meeting is held :

Municipal Accounts Committee meeting not held by Nagar Parishad during the year.

VII. Physical Verification of Properties tax.

- Details of physical verification of holding for the year given below:

SL No	Holding No.	Receipts No.	Name of holder	WAR D No.	Amount Charged as per Receipts	Amount as per physically verified.	Remarks
1	02	9301	BAIJNATH PRASAD	31	26310	26310	Ok
2	42	9302	AJMAT HUSAIN	31	1688	1688	Ok
3	280	9315	RAVINDRA	29	782	782	Ok
4	201	9316	NAJUT SONAR	26	2208	2208	Ok
5	183	9317	SAVITRI DEVI	27	18817	18817	Ok
6	408A	9319	JARAVATI DEVI	24	7673	7673	Ok
7	565	9320	JANKI DEVI	28	4796	4796	Ok
8	510	9321	CHITTANJAN PANDEY	26	4371	4371	Ok
9	22	9322	MD IJREIL	31	7259	7259	Ok
10	21	9323	KEDAR CHAUDHARY	39	2559	2559	Ok
11	32A	9324	MD NASIM KHAN	31	2543	2543	Ok
12	166	9325	UTTAM DEVI	37	1943	1943	Ok
13	103C	9326	KAMLA DEVI	25	789	789	Ok
14	103A	9330	GULABCHANDRA CHAUBEY	25	3948	3948	Ok
15	79	9331	RAMSWRUP AGRAWAL	30	4054	4054	Ok
16	54	9332	VINA ADHIKARI	18	8718	8718	Ok
17	1A	9333	SADAR YASWANT SINGH	31	5615	5615	Ok
18	511	9334	SHANTI KUWAR	21	14775	14775	Ok
19	67	9335	LALO DEVI	32	1107	1107	Ok
20	48	9336	YASWANT SINGH	30	1191	1191	Ok
21	223	9337	SHANTI DEVI	27	41425	41425	Ok
22	49A	9338	SUNDER LAL KAUR	30	8804	8804	Ok
23	49	9340	SURENDRA KAUR	30	35577	35577	Ok
24	710	9341	SANDHIYA DEVI	21	9632	9632	Ok
25	41	9342	BHAWAN DAS	39	2966	2966	Ok
26	42	9343	RAM BIHARI CHAUDHARY	39	2532	2532	Ok
27	77A	9344	MEENA DEVI	31	338	338	Ok
28	407	9345	PARWATI DEVI	31	10593	10593	Ok
29	25A	9346	MURLI MANOHAR	25	2878	2878	Ok
30	132	9346	URMILA DEVI	26	3784	3784	Ok
31	49	9347	RESHMA DEVI	25	3110	3110	Ok
32	120	9348	MAUDDIN ANSARI	29	5276	5276	Ok
33	50	9349	BHAGWAN PRASAD	26	3949	3949	Ok
34	719	9304	ABDHESH SINGH	17	27396	27396	Ok





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35	444	9305	MEENA DEVI	15	5812	5812	Ok
36	257	9307	SAKIL JAMIL	30	6617	6617	Ok
37	846	9308	KURESHA KHATUN	27	820	820	Ok
38	146	9310	RAM DEV SAH	38	2171	2171	Ok
39	696	9311	MOJMIL HUSAIN	30	823	823	Ok
40	86	9313	VIMLA DEVI	10	9121	9121	Ok
41	65	07738	TARA RANI	30	23195	23195	Ok
42	15	07754	AKABARI KHAUN	33	16980	16980	Ok
43	711	07759	DR NEELAM	28	37164	37164	Ok
44	150A	07787	RAMAKANT PANDEY	20	14175	14175	Ok
45	161	07789	JAI GOVIND SINGH	22	28092	28092	Ok
46	265B	07799	OM PRAKASH KEJRIWAL	35	14366	14366	Ok
47	265B	07800	OM PRAKASH KEJRIWAL	35	13648	13648	Ok
48	230	07933	ASHOK PATHAK	21	13449	13449	Ok
49	271	07956	AJIT PATHAK	21	11995	11995	Ok
50	244A	07935	SUBODH KUMAR SINGH	29	9204	9204	Ok
51	656	07957	DHARMSHILA DEVI	21	9402	9402	Ok
52	384	07981	OPENDRA SINGH	23	3228	3228	Ok
53	467	08468	SUMITA DEVI	21	10910	10910	Ok
54	913	08463	LALIT PRASAD	33	636	636	Ok
55	379	08486	EALYS KHAN	34	13739	13739	Ok
56	695	08500	SANJITA SINGH	20	10739	10739	Ok
57	70	08810	AMUL HAQUE ANSARI	23	3449	3449	Ok
58	331	08831	MEENA DEVI	35	9878	9878	Ok
59	265	08861	KUSUM LATA KEJRIWAL	35	10907	10907	Ok
60	849	301	DR. RAM IQBAL PRASAD		3937	3937	Ok
61	49	302	SMT. RESHMA DEVI		1136	1136	Ok
62	509	329	SMT. DULHIN MANORAMA SINGH		1322	1322	Ok
63	162	304	MANISH KUMAR SINGH		494	494	Ok
64	67	305	RAMESHWAR SINGH		332	332	Ok
65	690	325	SURAJ SINGH		144	144	Ok
66	659	309	LAL MUNI		1756	1756	Ok
67	430	312	MOHAN UPADHYAY		268	268	Ok
68	684	313	SMT. RAMBATI DEVI		8892	8892	Ok
69	765	303	SMT. JANKI DEVI		1225	1225	Ok
70	375	322	SMT. PARWATI DEVI		770	770	Ok
71	635	326	KAPILDEV LAL		7772	7772	Ok
72	1	330	LALITA SHARMA		18391	18391	Ok
73	632	332	AJAY KUMAR SINGH		6558	6558	Ok
74	135	323	SMT. LILA DEVI		12563	12563	Ok
75	390	334	SMT. KESAR DEVI		3289	3289	Ok
76	377	319	SMT. TAPESHWARI DEVI		2932	2932	Ok
77	238	336	MD. JOKHANI		860	860	Ok
78	572	307	ASHOK KUMAR SINGH		1588	1588	Ok
79	508	338	SMT. HARI NARAYAN SINGH		19868	19868	Ok
80	849	301	DR. RAM IQBAL PRASAD		3937	3937	Ok





5. Audit Observations :

Part-A

All audit objections/irregularities which has monetary implication, particularly in following areas :

1. Housing Tax :-

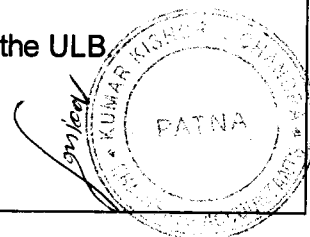
- Revenue collection process is not satisfactory, In case of housing taxes internal control position is not adequate, We have observed that House Tax collected by Tax collector was not deposited on the same date or day after tomorrow but it is being deposited after a week or fortnight in some cases as per collection register maintained by the Nagar Parishad. Reconciliation of Tax collection by TC and amount deposited into bank is also not available.
- It is observed that there is no policy or time limit for deposit of housing tax collected by the tax collector.
- *Details of properties tax collected and deposited by Tax collectors after due time:*

Details of housing tax (as on 31.03.2016) :

- During the period up to March 2016, total collection of holding tax including arrears was Rs. 64,57,469/- and target for the year was Rs. 2,43,10,705/-. In terms of collection percentage is 26.36% of demand for the financial year 2015-16.
- Observed that performance of tax collection team is not adequate and requires to give more focus on holding tax collection.

Recommendations:-

- It is recommended that ULB should follow adequate revenue collection procedure and requires to give more focus on revenue collection.
- There is huge gap between target and actual collection. There is an urgent need to improve the system of assessment where more scientific method like GIS technologies should be used for the assessment of the property.
- Nagar Parishad should appoint Appropriate person for Raising Demand of tax as applicable rate (Like tax Daroga, Revenue Officer.)
- Tax collectors should collect tax at prescribed rate to avoid revenue loss to the ULB.





- Demand register of housing tax not maintained by Nagar Parishad

2. Rental Income :

- It has been observed that the ULB is not maintaining any separate register for demand and collection of market Rent.
- During the course of audit we observed that most of shopkeeper/tenant not paid outstanding rent since twenty year almost details of such outstanding shown below.
- Outstanding rent as on 31st March 2016 is a Rs. 48,02,300/-

S. NO.	Market Name	Total Amount Outstanding as on 31 st March 2016. (Rs.)
1.	Rent of Bus Stand (Details shown below)	23,30,200/-
2.	Nagar Palika Bazar (Details shown below)	6,13,980/-
	Total	29,44,180/-

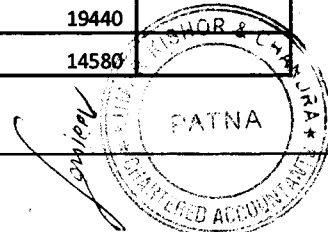
- No proper action is being taken by the Nagar Parishad till 31st March 2016 for recovery of huge Outstanding rent.
- There is no separate register of Rent demand raise , Collection of Shop rent and No. of shop Rented during the year is available.
- No Rent agreement is found except a rent agreement made on 12.12.1983. between nagar Parishad and Arbind Pandey.
- Revision of Rent is pending for long Period.
- Renewal of Rent agreement is pending for long Period.

Recommendation :

- It is recommended that ULB should follow adequate revenue collection procedure and requires to give more focus on rent collection.

I. Total Outstanding of Shop rent Details as on 31. 3. 2016 of Nagar Palika Bazar.

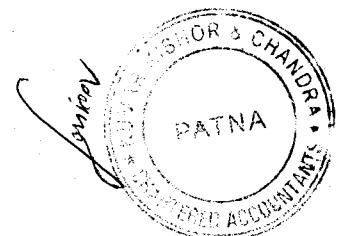
Sl. No	Shopkeeper Name	Shop No.	Total No of Month Outstanding	Rent Per Month	Total Outstanding as on 31.03.2016.	
1	RAJENDRA TIWARI	1A	14	540	7560	
2	KRISHANA PRASAD GUPTA	2A	15	540	8100	
3	MAHESH PRASAD	3A	31	540	16740	
4	ARVIND KUMAR PANDEY	4A	36	540	19440	
5	VINIT KUMAR PANDEY	5A	27	540	14580	





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6	RAJENDRA PRASAD SHUKLA	6A	27	540	14580	
7	NAVAL KISHOR PAATHAK	7A	27	540	14580	
8	SURESH PRASAD	8A	2	540	1080	
9	MD JAINUL HAQUE	9A	27	540	14580	
10	ASHOK KUMAR	10A	27	540	14580	
11	VINDHYACHAL PRASAD GUPTA	11A	27	540	14580	
12	PARMESHWAR SAH	12A	27	540	14580	
13	MD NOOR HASAN	13A	27	540	14580	
14	MD NAIM	14A	27	540	14580	
15	ISARAIL HAQUE	15A	36	540	19440	
16	BIHARI PRASAD KESHRI	16A	2	540	1080	
17	MAHABIR SHARMA	17A	31	540	16740	
18	MOHAR LAL	18A	27	540	14580	
19	RAMKRIT RAM	19A	167	540	90180	
20	ASHRAFI LAL	1B	2	540	1080	
21	VISHWANATH PRASAD	2B	3	540	1620	
22	RANJEET KUMAR SHARMA	3B	167	540	90180	
23	KRISHANA PRASAD GUPTA	4B	27	540	14580	
24	MD AARIF	5B	167	540	90180	
25	BIDHAN CHAND ROY	6B	31	540	16740	
26	DEEBAN CHAUDHARI	7B	36	540	19440	
27	MD ISYAL KAMIN KHAN	8B	31	540	16740	
28	MD ASWARK KARIM KHAN	9B	31	540	16740	
29	SRI KANT DUBEY	10B	36	540	19440	
30	RAM SWARUP DEBEY	11B	2	540	1080	
31	NAWAL KISHOR KUMAR	12B	0	540	0	
Total					613980	





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II. Total Outstanding of Shop rent Details as on 31. 3. 2016 of Nagar Palika Bazar.

Sl. No.	Shopkeeper Name	Shop No.	Rate Per Month.	Total no of month Outstanding	Total Outstanding 31/3/2016	Management Comment.
2	KANHAI SINGH	2	200	213	42600	
3	CHIRKUT KESHRI	3	200	192	38400	
4	SALIM KUMAR	4A	200	217	43400	
5	MUNNA KR	4B	200	189	37800	
6	KAMAL PRASAD KEJRIWAL	5	200	189	37800	
7	KULABHARI PRAJAPATI	6	200	201	40200	
8	RAMDHARI PRAJAPATI	7	200	184	36800	
9	SAMIR KUNDU	8	200	227	45400	
10	SITAL PRASAD GUPTA	9	200	247	49400	
11	JAYRAM CHAURASIA	10	200	210	42000	
12	NARAYAN PRASAD KESHRI	11	200	189	37800	
13	HARICHANDRA GUPTA	12	200	206	41200	
14	SAROJ KUMAR	13	200	247	49400	
15	REWATI RAMAN MISHRA	14	200	247	49400	
16	NANAKH PRASAD	15A	200	247	49400	
17	MUUNI LAL	15B	200	245	49000	
18	MANAN KUMAR KAR	16	200	247	49400	
19	TEJNARAYAN PANDIT	17A	200	239	47800	
20	VIPIN TIWARI	17B	200	247	49400	
21	DEVENDRA PATHAK	18A	200	247	49400	
22	VIJAYKANT PANDEY	18B	200	242	48400	
23	RAM KUMAR OJHA	19	200	245	49000	
24	DILIP KUMAR SONI	20	200	237	47400	
25	RAJ KUMAR PASWAN	21	200	247	49400	
26	KARMU PRASAD	22	200	148	29600	
27	SUNDASAN SHARMA	23	200	247	49400	
28	VIJAY PRASAD CHAURASIYA	24	200	247	49400	
29	LALAN PRASAD KESHRI SONI	25	200	247	49400	
30	RAMVILAS SINGH	26A	200	247	49400	
31	RAMCHANDRA SAW	26B	200	247	49400	
32	SAHDEO PRAPAJPTI	27	200	247	49400	
33	RAMAYAN THAKUR	28	200	247	49400	
34	PAWAN PRASAD	29	200	247	49400	
35	SURENDRA THAKUR	30	200	247	49400	

for

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36	MANTU LAL KUNDU	31	200	247	49400	
37	DEVMUNI BHARTI	32	200	247	49400	
38	SANJAY PRASAD	33	200	247	49400	
39	KANHAIYA PRASAD	34	200	247	49400	
40	SANJAY KUMAR	35	200	247	49400	
41	RAJU SINGH	36	200	247	49400	
42	PRADEEP KUMAR	37	200	247	49400	
43	RAMESH KESHRI	38	200	213	42600	
44	HARIHAR PRASAD	39	200	247	49400	
45	BABAN PRASAD	40	200	247	49400	
46	MOTI LAL	41	200	247	49400	
47	PRADEEP KUMAR	42	200	247	49400	
48	DEBLAL THAKUR	43	200	247	49400	
49	JAGDISH SINGH	44	200	247	49400	
50	RAM EK WAL OJHA	45	200	247	49400	
TOTAL					2330200	

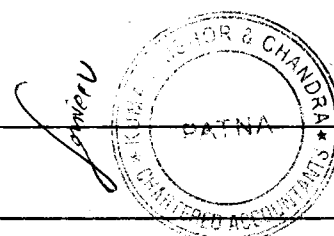
3. Revenue Collection:

(a) Major Source of Revenue,

Subject	Demand			Collection			Percentage
	Arrear	Current	Total	Arrear	Current	Total	
Holding Tax	75,00,000	1,68,10,705	2,43,10,705	25,51,054	39,06,415	64,57,469	26.56
Mobile Tower Tax	-	-	-	-	20,000	20,000	
License	-	-	-	-	42,500	42,500	
Shop					99,120	99,120	
Advertisement					2,58,000	2,58,000	
Bus Stand					6,00,100	6,00,100	
Other Saitats					5,000	5,000	
Total	75,00,000	1,68,10,705	2,43,10,705	25,51,054	49,31,135	74,82,189	

- Nagar Parishad not prepared demand register for tower tax for financial year 2015- 16.
- Nagar Parishad should recognized revenue on accrual basis rather than cash basis to show actual position of revenue earned during the financial year.

Recommendation :





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- It is recommended that ULB should follow adequate revenue collection procedure and requires to give more focus on revenue collection.
- There is huge gap between target and actual collection. There is an urgent need to improve the system of assessment where more scientific method like GIS technologies should be used for the assessment of the property.

Revenue Collections :
(b) Other/Miscellaneous

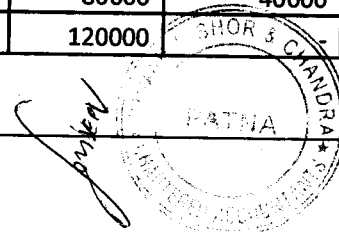
Subject	Demand			Collection			Percent age
	Arrear.	Current.	Total.	Arrear.	Current.	Total.	
Mutation Fee					17,500	17,500	
Birth and Death Registration fee					-	-	
Building Permission Fee					-	-	
Any Other source					1,52,264	1,52,264	
Total					1,69,764	1,69,764	

5. Mobile Tower Tax:-

Tower Tax is taxes on Communication Tower & related structure as defined in BIHAR COMMUNICATION TOWERS AND RELATED STRUCTURES RULES 2012. UD & HD has issued notification (No. 584 dated 21-02-2012) as per notification an operator has required to register with Nagar Parishad and pay registration fee & renewal charges on annual basis for communication tower erected within municipality area. Currently the registration fee for ULB area is Rs. 40,000/- per tower and annual renewal fee is Rs. 10,000/- per annum per tower.

As per information provided to us total due on mobile tower is Rs 23,10,000/- for which no proper recovery action is being taken by the Nagar Parishad. Detail of which is given below.

SL.NO	Date of Establishment	Name of Company	Registration Charges	No of year	Renewal chares	Total	Amt received	Total Amount O/S as on 31 st March 2016.
1	30/01/2010	W .TT INFO SERVICE	40000	7	70000	110000	100000	10000
2	16/04/2010	W .TT INFO SERVICE	40000	6	60000	100000	80000	20000
3	30/01/2010	W .TT INFO SERVICE	40000	7	70000	110000	80000	30000
4	16/04/2010	W .TT INFO SERVICE	40000	6	60000	100000	100000	-
5	4/2/2009	W .TT INFO SERVICE	40000	8	80000	120000	120000	-
6		W .TT INFO SERVICE	40000	2	20000	60000	-	60000
7	13/10/2009	W .TT INFO SERVICE	40000	7	70000	110000	-	110000
8	27/02/2009	TATA	40000	8	80000	120000	100000	20000
9	27/02/2009	TATA	40000	8	80000	120000	80000	40000
10	27/02/2009	TATA	40000	8	80000	120000	80000	40000
11	4/2/2009	TATA	40000	8	80000	120000	120000	-



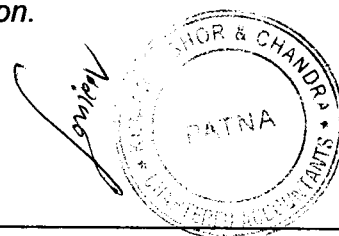


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12	26/02/2010	IDEA	40000	7	70000	110000	120000	-10000
13	26/08/2008	IDEA	40000	9	90000	130000	80000	50000
14	26/08/2008	IDEA	40000	9	90000	130000	80000	50000
15	3/7/2008	IDEA	40000	9	90000	130000	120000	10000
16	3/7/2008	IDEA	40000	9	90000	130000	120000	10000
17	4/2/2009	IDEA	40000	8	80000	120000	120000	-
18	27/03/2008	IDEA	40000	9	90000	130000	-	130000
19	14/04/2008	IDEA	40000	9	90000	130000	-	130000
20	13/08/2008	AIRCEL	40000	9	90000	130000	-	130000
21	15/07/2008	AIRCEL	40000	9	90000	130000	90000	40000
22	15/07/2008	AIRCEL	40000	9	90000	130000	90000	40000
23	19/09/2007	AIRCEL	40000	9	90000	130000	-	130000
24	4/2/2008	AIRCEL	40000	9	90000	130000	-	130000
25	13/08/2008	AIRCEL	40000	9	90000	130000	-	130000
26	13/08/2008	AIRCEL	40000	9	90000	130000	-	130000
27	1/4/2008	AIRCEL	40000	9	90000	130000	100000	30000
28	1/4/2008	AIRCEL	40000	9	90000	130000	80000	50000
29	1/4/2008	AIRCEL	40000	9	90000	130000	80000	50000
30	1/4/2008	AIRCEL	40000	9	90000	130000	80000	50000
31	1/4/2008	AIRCEL	40000	9	90000	130000	80000	50000
32	1/4/2008	AIRCEL	40000	9	90000	130000	80000	50000
33	25/01/2008	AIRCEL	40000	9	90000	130000	-	130000
34	1/9/2007	AIRCEL	40000	9	90000	130000	-	130000
35	15/01/2008	AIRCEL	40000	9	90000	130000	-	130000
36	13/08/2008	QUIPP TELECO	40000	9	90000	130000	-	130000
37		RELINACE	40000	2	20000	60000	40000	20000
38		RELINACE	40000	2	20000	60000	40000	20000
39		RELINACE	40000	2	20000	60000	40000	20000
40		RELINACE	40000	2	20000	60000	40000	20000
Total								23,10,000

Recommendation :

- It is recommended that necessary step should be taken by ULB for collection of all outstanding Tower Taxes.
- Nagar Parishad Should issue demand notice to Parties to deposit Tower tax within time specified in the notice If parties not deposit/ not replied notice within time Nagar parihsad should take appropriate action against such person.





Part-B

All Audit objections/irregularities which has no monetary implication, but significant violation of Act, Rules & directives of UD&HD.

1. Maintenance of Vouchers:-

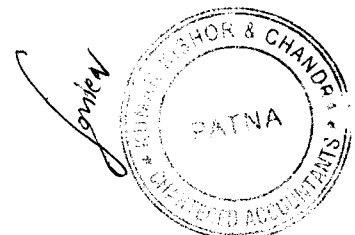
All the Vouchers for expenses and advances along with the supporting documents were thoroughly checked. Few mistakes/discrepancies in voucher entry and supporting document were found & rectified during the course of audit. The following observations were made and it needs to have immediate attention:

- I. No TDS Deducted on salary paid to employee of Nagar Parishad.
- II. No TDS deducted on amount paid to Tax collector as commission.
- III. No TDS deducted on Amount incurred Rs. 69,978 as advertisement expenses.
- IV. No TDS is deducted on amount paid Rs. 1,32,000 to Lawyer as Legal expense
- V. During the course of Audit we found that Nagar Parishad Not maintained any stock register however so many scrap items (like battery, LED Light, kept at Nagar Parishad
- VI. During Course of audit Yojana Related Voucher file i.e. Bill of contractor are not available by accountant so it is not Reviewed by us.
- VII. During Course of audit Advertisement, Legal expense Voucher file not available by accountant so it is not examine by us.
- VIII. The vouchers are not filed separately i.e. all the vouchers relating to various expenditures are filed together in a single file.

Recommendation :

It is recommended that the vouchers should be properly signed with designated authority and keep it in separate file.

2. Maintenance of Books of Accounts:-





During the course of audit following books are verified/checked by us and observed that :

a. Cash Book :

As per scrutiny of cash book we observed that no proper head wise entries made in cash book. The closing balance of Cash as per the Cashier's Cash Books shall be verified daily with the physical Cash balance by the Accounts Officer or any person designated for the purpose and must be signed by the person verifying the cash.

Recommendation :

It is recommended that cash book should be maintained properly.

B) Grant Register:

Grant register is not properly maintained as there are no proper additions or utilization from the grant has been done in the grant register.

Recommendation :

Register should be maintained properly to reflect actual balance of Grant.

C) Log Books:

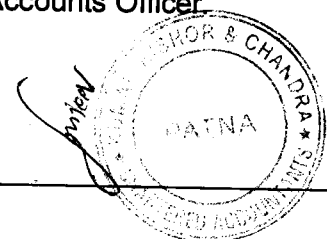
- Log book for the vehicle is being maintained but not in the proper manner as there is no any record about the hours run by the vehicle.
- Not details of starting time and Ending is mentioned
- No detail of Breakdown time is mentioned.
- There is no details of actual hour run, fuel consumed per hours.
- There is no fuel consumed register is maintained.

Recommendation : -

Log Book should be maintained properly with hour run to reflect actual consumption of fuel and Lubricant.

D) Bank Reconciliation Statements :

- During course of audit we observed that Nagar Parishad not prepared Bank reconciliation statement or not presented before us during the audit. Bank Reconciliation shall be prepared on monthly basis by the officers of the Municipality designated for the purpose of handling the bank account sand the same shall be duly verified and signed by the Chief Municipal Officer and Accounts Officer.





- Without Bank Reconciliation Statement, reasons for disagreement in cash book with the bank book is not identified leading to high risk of diversion of funds.

Recommendation :

- It is suggest that Nagar Parishad should prepared bank reconciliation statement on monthly basis for all banks to prevent the revenue leakage.

E) Scheme Register :

We have found that proper receipt and expenditure entries are maintained in the register.

3. Double Entry Accounting System:-

- Accounting at the Nagar Parishad is not being done properly as the accounting for the current financial year is not updated at all. Double accounting system is still not in place. Nagar Parishad officials are not so concern about the implementation of double entry accounting system. This is a matter of concern.

Recommendation :

To reflect actual financial position of Nagar Parishad Proper Implementation/Updation of double entry accounting system is required.

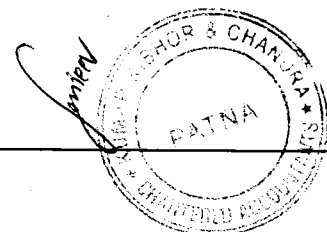
4. Fixed Assets & Depreciation:

(a) Fixed Asset Register is not maintained/updated.

(b) Nagar Parishad has not made provision for depreciation to be provided on the fixed assets.

Recommendation :

Fixed Assets register should be prepared and update after any changes in fixed Assets by person responsible for maintaining books of account or any person authorized for this purpose by the Nagar Parishad to reflect true financial position, better management and safe guard of Fixed Assets of Nagar Parishad.





5. Statutory Dues:

Following Statutory Liabilities Outstanding which required immediate action:

a) TAX DEDUCTED AT SOURCE AND TAX COLLECTED AT SOURCE:

During the course of audit observed that TDS has been deducted/collected from different parties according to provision of income tax and this amount had not been deposited in government account since 2013-14.

Section	Description	TDS Collected	Date of Deposit
194C	Contractors	Rs 6,45,115/-	Not deposited till now

b) VAT (Value Added Tax) :-

Vat Amount of Rs. 19,16,289/- which was collected from the parties according to the provisions of Bihar-VAT during financial year 2013- 14 but same deposited 25th March 2016 .

VAT collected	Rs 19,16,289/-
VAT deposited	Rs 19,16,289/-

C) Labour Cess:

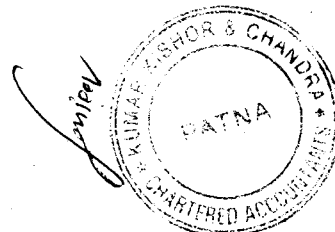
Labour cess is being charged from the parties but the same has not been deposited in the proper government account since the financial year since 2012-13.

Cess collected	Rs 1,92,065/-
Cess deposited	Not deposit

D) Royalty :-

Royalty has been collected from the parties but the same is not being deposited in the proper account of government since 2012-13.

Royalty collected	Rs 20,19,271/-
Royalty deposited	Nil





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Chartered Accountants

Opening Balance	Fund Received during the Financial Year	Total Available Fund	Total Expenditure	Closing Balance as on 31 st march 2016	Remark
1,39,27,004/-	29,25,3684/-	1,68,52,388/-	18,72,447/-	1,49,79,841/-	

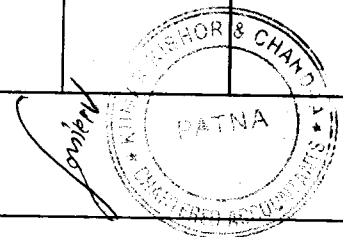
- Note: Opening Balance of (BRGF) fund plus (BRGF) fund received during financial year should be equal to total available fund, however figure given in the MIS not matched. (Above figure taken from MIS Report).

Recommendation :

- Under Backward Regions Grant Fund (BRGF) almost the entire amount lying in the fund is remain unutilized. No expenditure is being done under this head. It should be utilized for stipulated purpose.

5th State Finance commission.

Head	Allotment balance as on 1 st April 2015.	Allotment received during Current Financial Year(2015-16)	Total Fund Available	Total Expenditure in the Year	Closing Balance as on 31 st march 2016.	Remark
1	2	3	4	5	6	7
Salary and Pension	2,29,94,058/-	2,72,38,743/-	5,02,32,801/-	5,02,32,801/-	4,44,93,055/-	
Electricity	36,44,000/-	38,91,250/-	75,35,250/-	NIL	75,35,250/-	
Drainage	29,87,965/-	77,82,498/-	1,07,70,463/-	NIL	1,07,70,463/-	
Urban Road	6,76,709/-	13,16,078/-	19,92,787/-	1,83,233	18,09,554/-	
Water Supply (No. of TWs, Capacity of Storage Tanks in liters, Length of pipe line in meter)	11,62,417/-	11,06,982/-	22,69,399/-	NIL	22,69,399/-	





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Public Hygiene (No. of toilets, No. of times fogging done)	13,86,971/-	9,22,486/-	23,09,457/-	NIL	23,09,457/-	
Street Light (No. of poles & No. of lamps)	12,90,835/-	12,29,980/-	25,20,815/-	24,54,800/-	66,015/-	
Others	62,65,657/-	NIL	62,65,657/-	NIL	62,65,657/-	
Untied Fund	50,00,000/-	50,00,000/-	1,00,00,000/-	93,33,228	6,66,772/-	
Total	4,54,08,612/-	4,84,88,017/-	9,38,96,629/-	6,22,70,077/-	8,56,02,083/-	

Recommendation :

- Since last years no amount is being utilized under the various heads. It should be utilized for stipulated purpose.

13th Finance Commission Report.

Sl. No	Balance as on 01.04.2015	Fund Received during the Financial Year	Total Available Fund	Total Expenditure	Balance	Remarks
1	2	3	4	7	8	9
	66,55,000/-	1,02,17,000	1,68,72,000	74,42,884/-	94,29,116/-	

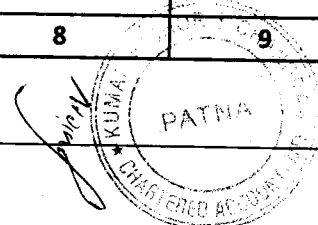
Recommendation :

Since last years amount is being utilized under the above heads. It should be utilized for stipulated purpose.

Most of the fund lying under the different head on 1-4-2015 is still unutilized. It should be utilized within stipulated time.

14th Finance Commission Report.

Sl. No	Balance as on 01.04.2015	Fund Received during the Financial Year	Total Available Fund	Total Expenditure	Balance	Remarks
1	2	3	4	7	8	9





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Chartered Accountants

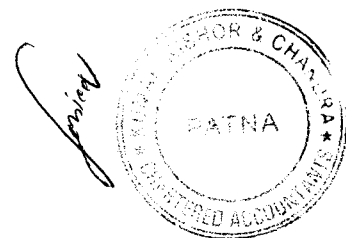
	-	3,11,81,000	3,11,81,000	44,59,262/-	2,67,21,738/-	
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5th Finance Commission Report.

Sl. No.	Balance as on 01.04.2015	Fund Received during the Financial Year	Total Available Fund	Total Expenditure	Balance	Remarks
1	2	3	4	7	8	9
	-	5,45,26,976	5,45,26,976		5,45,26,976/-	

10. Detail of Legal Cases Pending as on 31st March'2016 :

Sl. No.	CWJC No.	Name of Petitioner	Subject of CWJC	Date Of Filing with S.O.F with Oath No.	Result
1	12	Satish kumar Agrwal	Advocate fee		Under Process
MJC					
SL No.	CWJC No.	Name of Petitioner	SUBJECT	SHOW CAUSE NOTICE OATH NO.	RESULT
1	3908/11	Ram Nagina Prasad	Retirement benefit		Disposed off
2	3909/11	Sudama Singh	Retirement benefit		Disposed off
3	3910/11	Subhan Ansari	Retirement benefit		Disposed off
2	5126/11	Rajendra Tiwari	Shop Rent		Disposed off





Part-C

General Observations :

1. Establishment:

- a) Internal Control in respect of holding tax collection, rent collection, vehicles running and maintenance register is not satisfactory, at the ULB various register is not updated properly and no separate authority has been delegated for the work. declaration of obsolete/unserviceable items, and also not proper accounting record has been made for the same.
- b) Service books of staffs and health workers are not updated.
- c) Weak Internal Control on the Safe Guard of Municipal Assets (Encroachment of Land and proper maintenance of Municipal Assets) and loss of revenue due to Non use of Commercial Land and ,Non Allotment of Commercial Land and Shops ,Non revision / Realization of Rents from various Municipal Properties)

Recommendation :


Registers / Service book should be updated / maintained properly by ULB.

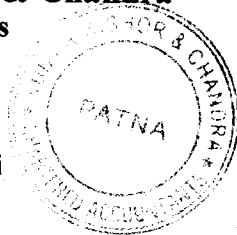
2. Compliance with the Guidelines, Regulation and Procedure:-

We conclude that Nagar Parishad has required to give more focus on follow proper guidelines regulation & procedures.

Note : The Statutory Auditors of Organization expresses opinion as to the true and fair view of the financial statements. We have not expressed any opinion on the financial statements and accordingly, this report should not be construed as our opinion on financial statements.

For Kumar Kishor & Chandra
Chartered Accountants


Sanjeev Kumar Tiwari
Partner
Date :
Place : Patna



Executive Officer
Nagar Parishad, Dehri-Dalmianagar

