

INTERNAL AUDIT REPORT

(SPUR-PMU/194/IA-140ULBs & SLMA/G-14/SJA/2016/134/39)

OF NAGAR PARISHAD FORBESGANJ

FOR THE PERIOD FROM 01ST APRIL, 2014-31ST MARCH, 2015

Conducted by:

M/s MANMOHAN SINGH & Co.

2ND FLOOR, VYAPAR BHAWAN

LALI HIRJI, RANCHI

0651-2201322, 09334460555

e-Mail- msco1970@gmail.com

S.No	Particulars	Page No.
1	Audit Methodology and Approach	3
2	Executive Summary	4-7
3	Main Audit Report	8-12
4	Audit Observations – Part-A	13-16
5	Audit Observations – Part-B	17-19
6	Audit Observations – Part-C	20-23

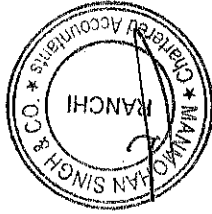
CONTENTS

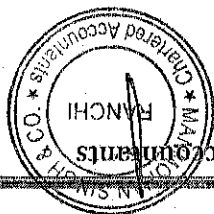
AUDIT METHODOLOGY AND APPROACH

Audit Methodology

We have conducted the internal audit of Nagar Parishad – Forbesganj, for the year ending on 31st March, 2015 (as per TOR). We familiarized ourselves with documents of Nagar Parishad, the internal guidelines and circulars applicable during this period under review. We also reviewed the working of the Nagar Parishad and evaluated the accounting systems and related controls of the Nagar Parishad in order to plan and perform our audit.

We reviewed transactions from April 01, 2014 to March 31, 2015. Our objective was to check all transactions and to design procedures to detect omissions. We also applied procedures to assess the adequacy of the Nagar Parishad's financial management systems, including internal controls for entire audit period. We applied necessary tests and controls, as we considers necessary under the circumstances.





1. Delay in Deposit of Collected Holding/Property Tax by the Tax Collector.
 2. Daily Collection Register is not maintained by Tax Inspector, Tax Collector & Nazir.
 3. Failed to Collect Mobile Tower Tax/Fees of Rs.585200.
 4. Vouchers were not properly kept and arranged and renumbered.
 5. Bank Reconciliation Statement not Prepared by Management.
 6. Cash book for the 13th & 14th Finance are Combined maintained by ULBs.
 7. Lacking of Internal Control on Collection of Taxes.
 8. Security Deposit not deducted in Construction Work for the F.Y.2014-15.
 9. Unavailability of Information and Files relating to Security Deposits, TDS, VAT, Royalty & Labour Cess.
 10. Non Collection of Market/Shop Rent and Non Collection of late Fine Rs.
 11. Failed to collect Holding/Property tax from Government Department and Organizations.
 12. There is no proper cash handling neither any locker was kept by the ULB.
 13. Non Maintenance of of Prescribed books of account. List Attached
 14. Attendance Register is neither maintained properly nor authenticated by concerned Officer on daily basis. Casual leave of staff was also blank in attendance Register.
 15. Registration of the following vehicles has not been done with Transport Office.
- The major Weaknesses and observations during the course of internal audit have been found & discussed with the Executive Officer & Accountant of the Nagar Parishad.
2. Result and Findings

Name of the Municipality	Forbesganj Nagar Parishad
Period Covered under Current Audit	1 st April 2014 to 31 st March 2015
Name of the Chief Municipal Officer for the period under Audit	Sri Suman Kumar
Audit Conducted on	4 th May, 5 th May, 4 th June & 6 th June 2016, 26 th & 27 th July 2016.

1. Introduction

EXECUTIVE SUMMARY



The concerned officers should explore other areas of Revenue Generations by surveying their area has Tower Tax, Advertisement Tax, Holding Fee, Trade License Fees, Others Fees and Taxes. Record keeping should done properly that any document can traceable as and when required for any purpose. Procurement related documents and files should be made available.

Audit Recommendation

As referred above and detailed in Audit Report, we are of the opinion that The Functions of concerned ULB is confined to collection of Holding Tax. There are many other sources of Revenue which are not explored and taken care of by the Officers of concerned ULB. Record Keeping is not proper. Transparency in Procurement is lacking due to non availability of proper documents:

Opinion

- I. There is a lack of internal control w.r.t collection of taxes.
- II. Tower tax is being levied but full recovery has not been done.
- III. On deduction of taxes, liability is not created hence it is difficult to ascertain tax payable at any point of time.
- IV. Taxes collected by Tax Collector are not deposited on daily basis.
- V. Demand and collection register is not prepared by the Nagar Panchayat.
- VI. There is no proper cash handling neither any locker was kept by the ULB.
- VII. Assigned revenue is not collected at yearly basis. It is being collected at interval of 2 or 3 years.
- VIII. Unavailability of information and files relating to TDS, VAT, Royalty and Labour Cess.
- IX. Deduction and contribution of GPF, GIS and payment thereof has been made but such GPF has been deposited in the separate account instead of Employee Provident Fund A/c.
- X. Fixed Assets Register is not maintained by the ULB.

audit engagement

Weakness observed in the functioning of office, maintenance of records etc. observed during the

S.N.	Name of vehicles	Total no. of Vehicles
1.	Auto	2
2.	Tractors	6
3.	Tata Magic	2
4.	Hydraulic Machine	2
5.	Compactor	1
6.	J.C.B	1
7.	Mini J.C.B	2
8.	Fogging Machine	1
9.	Stitchery in Magic	2
10.	Chalant Souchalaya (Trailer)	1
11.	Sapatic Tank Cleaner (With Engine)	1
12.	Trailer	1
Total		22

for verification and transparency purposes. cash book should be maintained properly by making entries of each Bank account separately. several Books and registers which are not maintained or maintained in improper manner should be done properly. BRS should be prepared and reconciled on regular intervals. Internal Auditor and Accountant should have adequate coordination between them making the system perfect.

Fixed Assets Register

- I. The procurement of fixed assets is not proper and non-maintenance of Fixed Asset Register would lead to failure of determining the replacement cost.
- II. There is lack of knowledge in respect of maintaining fixed assets register amongst the ULB personals.
- III. The unit has not done the number mark for the assets physically lying with the unit.
- IV. Any loss and obsolescence of fixed assets during the year has not been reported to us.

Bank Reconciliation Statement:-

1. Bank Reconciliation statement not prepared by ULB, thus we are unable to comment on Difference between Balance of Cash book & Bank Book.
11. During the discussion with E.O. and Bada Babu we are suggest for the preparation of BRS on monthly basis for each schemes.

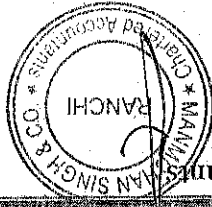
Vehicle Log Book:- During the course of audit, vehicle log book not provided to us. it is relevant for check/internal control on expenses for fuel and lubricants which are major heads of expenses for ULB.

Vouching:- in ULB there is no system of preparation of vouchers and payment has been done only though Bill/Invoices there is no where mention the voucher no. not even on the Bill/Invoices and without a voucher no. it is a tough task to identify any particular day vouchers and Bill/Invoices.

3. Opinion

4. We suggest the followings: Audit Recommendations

- All the prescribed books of accounts and Registers should be prepared on real time basis.
- TDS should be deducted from salary, if applicable.
- Bank reconciliation Statement should be prepared on monthly basis.
- Demand & Collection Register of all the wards should be prepared as per BMAM format and calculation should be done as per new assessment.
- Collection from own sources should be improved.
- Collection by tax collector should be deposited on daily basis.
- Compliance of AG audit report should be made as early as report is received.
- Cashier and General Cash Book should be updated on timely basis.
- All the statutory dues should be deposited on timely basis and returns prescribed under respective laws should also be filed on timely basis.
- New staff should be equipped with regular training to run the ULB smoothly.





महोदय,
निदेशक, पंचायत

(Executive Officer)

[Handwritten Signature]

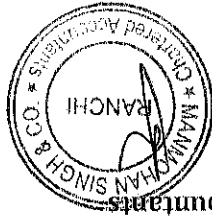
For Nagar Panchyat/Parishad

Place: Fardisganj

Date: 27.7.16

We are trying regularly for correction and strengthen the system. We are also trying to develop internal control and internal check. So that resources can be at optimum level.

COMMENTS FROM MANAGEMENT
NAGAR PANCHYAT/PARISHAD, Fardisganj.



M.N.-402655
(Partner)

CA. J.P. Sharma



FRN No.-000107N

Chartered Accountants
For Mannohan Singh & Co.

Date: Aug 08, 2016

Place: Ranchi

We thank Mr. Suman Kumar (Executive Officer), Mr. Surendra Nath Mishra (Ret Head Clerk) for their support during the period of our audit. We are also thankful to Mr. Rajnish (Accountant) & Mr. Mukesh (Computer Operator), and support staffs of the municipality for their cooperation extended to us during the period of our audit.

Acknowledgment

MAIN AUDIT REPORT

1. Introduction

The internal audit of Nagar Parishad Forbesganj covering period from 1st April 2014 to 31st March, 2015 was conducted by following persons under guidance of CA J P Sharma.

- i. Venkatesh Pathak
- ii. Birendra Kumar Rana
- iii. Durgesh Kumar Singh

2. Administration

The present body of the ULB is functioning since 1912. The incumbency in the key administrative and executive position was as under:

1. Anup Kumar Jaiswal, Chairman from 11 March 2015 till date.
2. Suman Kumar, Executive officer from 29 March 2016 till date.

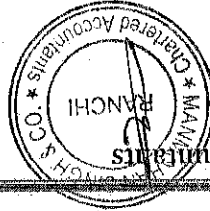
3. Review of outstanding audit paras : Status of Audit Observations are as under:

Sl.No.	Particulars and date of report	Total No. of Audit Paras.	Total No. of audit paras where necessary/improvement/corrective measure is required	Total No. of audit paras where recovery of cash is proposed	Total No. of audit paras where recovery has been made	Total amount of Recovery	Total No. of outstanding paras where no action has been taken	No. & date of Compliance report
1		37	08	-	-	-	-	(25.02.15)

Particulars of outstanding audit paras is given below:-

particulars

Non preparation of practical Budget of financial year 2009-10 to 2012-13.
Deviation in amount of RS. 1032000.00 of SJSRY scheme.
Non deposit of collection of property tax of Rs.355375.00
Non collection of property tax on govt. building of Rs.6714877.00
Failed to collect Tower tax of Rs. 1422000.00 upto 31.03.2013
Non maintenance of demand and collection register properly.
Failed to collect rent & hire charges of Rs.399209.00
Failed to collect stamp fees/registration fees for salrat bandobast of Rs.260709.00 for financial year 2009-10 to 2012-13



Lapses of security deposit amount of Rs192125.00 from bus stand badobasti for f.y. 2009-10 to 2011-12
Failed to collect security deposit amount of Rs.1839869.00
Failed to collect security deposit amount of Rs.226276.00 of kali puja for financial year 2011-12 to 2012-13.

4. Finance

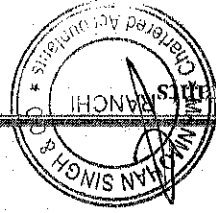
1. Budgetary provisions and expenditure for the last three years

Year	2014-15	2013-14	2012-13
Final/ Revised Budget	18,55,73,000.00	14,12,53,630.00	Not Provided to us
Actual Expenditure	11,76,09,975.00	4,14,34,328.00	3,25,51,800.00
Savings (+)/ Excess (-)	6,79,63,025.00	9,98,19,302.00	Not determinable

II. Volume of transactions

Period	Budgeted (14-15)	Previous year (13-14)	Corresponding Period of Previous year (13-14)	Current Period (14-15)	Cumulative for the current period (14-15)
Opening Balance	10,09,97,923.00	7,76,45,049.00	7,76,45,049.00	11,70,90,695.00	11,70,90,695.00
Receipts	8,59,82,100.00	8,08,79,974.00	8,08,79,974.00	9,88,16,524.00	9,88,16,524.00
TOTAL	18,69,80,023.00	15,85,25,023.00	15,85,25,023.00	21,59,07,219.00	21,59,07,219.00
Net Expenditure	18,55,73,000.00	4,14,34,328.00	4,14,34,328.00	11,76,09,975.00	11,76,09,975.00
Closing Balance	14,07,023.00	11,70,90,695.00	11,70,90,695.00	9,82,97,244.00	9,82,97,244.00





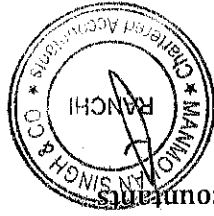
The N.P. is suggested to prepare B.R.5 on monthly basis.

Bank Reconciliation Statements have been prepared by the N.P. There is a difference of Rs.2,79,082.00 [63,271.00 in IDSMT, 2,13,000.00 in IHSDF(House) and 2,81.00 in Own Source] between Cash Book and Consolidated Balance as per Pass Book of all accounts.

Sl. No	Name of Bank	Account No.	Balance as on 31.03.2015	Name of Scheme	Reconciliation position
1	Union Bank	XXXXX7289	70,87,611.00	IHSDF(Infracture)	No Difference
2	Bank of Baroda	XXXXX2042	5903626.00	SJSRY	No Difference
3	Bank of Baroda	XXXXX485	6026365.00	BRGF	No Difference
4	PNB	XXXXX4752	80,627.00	Balika Samridhi Yojna	No Difference
5	BOI	XXXXX0042	3,91,450.00	Kabir Antyesthi Samanya	No Difference
6	PNB	XXXXX2572	15,00,895.00	IDSMT	Reconciled
7	Bank of Baroda	XXXXX9901	37,49,498.00	IHSDF(House)	Reconciled
8	Bank of Baroda	XXXXX3179	4593764.00	13th Finance	No Difference
9	SBI	XXXXX8663	246058.61	DFID	No Difference
10	Bank of Baroda	XXXXX3719	2,45,88,387.00	DFID	No Difference
11	CBI	XXXXX0616	3,20,904.48	Own Source	No Difference
12	HDFC	XXXXX0017	32492.00	Own Source	Reconciled
13	BOI	XXXXX2301	54,775.00	Own source	No Difference
14	DFID	121401000237 19	24588387.00		
14	Treasury PL A/c		5,10,04,219.91	Various Schemes	No Difference
	Total Bank Balance		10,17,02,121.89		
	Total Cash Book Balance		10,14,23,039.89		
	Difference		2,79,082.00		

Details of Bank Accounts and their reconciliation position are as under:

III. Bank Reconciliation



Period	Budgeted (14-15)	Previous year (13-14)	Corresponding Period of Previous year (13-14)	Current Period (14-15)	Cumulative for the current period (14-15)
a) Own Source					
Property Tax	1,47,05,900.00	45,58,259.10	45,58,259.10	40,36,635.00	40,36,635.00
Assigned revenue	78,50,000.00	86,90,287.00	86,90,287.00	1,09,98,510.00	1,09,98,510.00
Others (Fees & User Charges)	90,44,200.00	83,63,581.90	83,63,581.90	72,06,809.00	72,06,809.00
Grant	1,00,56,000.00	78,11,966.00	78,11,966.00	99,03,030.00	99,03,030.00
(c) Specific Grant (Scheme wise)					
4th State Finance	1,10,00,000.00	98,50,399.00	98,50,399.00	1,09,03,620.00	1,09,03,620.00
Admin Building	-	-	-	5,30,000.00	5,30,000.00
Road Construction	1,00,00,000.00	30,00,000.00	30,00,000.00	-	-
Drain Construction	1,00,00,000.00	40,00,000.00	40,00,000.00	-	-
IHSDP (House)	-	2,31,64,000.00	2,31,64,000.00	4,31,64,000.00	4,31,64,000.00
IHSDP (Infra)	-	32,19,000.00	32,19,000.00	63,85,000.00	63,85,000.00
13th Finance	50,00,000.00	52,49,060.00	52,49,060.00	24,99,720.00	24,99,720.00
BRGF	25,00,000.00	21,41,421.00	21,41,421.00	27,81,200.00	27,81,200.00
Nagrak Suvidha	50,00,000.00	-	-	-	-
Apda Prabhanda	-	16,000.00	16,000.00	-	-
Kabir Antyesthi	5,00,000.00	6,90,000.00	6,90,000.00	30,000.00	30,000.00
TOTAL	8,59,82,100.00	8,08,79,974.00	8,08,79,974.00	9,88,16,524.00	9,88,16,524.00

IV. Revenue Receipts

Status of Implementation of Double Entry Accounting System:- Double Entry Accounting System is not operational in the Nagar Parishad.

Status of Municipal Accounts Committee, if meeting held

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



Audit Observations

PART-A

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

Collection of Revenue (own source)

Holdings & Property Tax Collection

Subject: Collection of Property Tax/Holding Tax by the Concerned ULB.

- Demand and collection register have not been prepared in a proper manner so it seems difficult to ascertain of tax arrears.
- An arrear of property Tax on Government Building of Rs.2565681/-(List Attached)
- An arrear of property Tax on Residential Building of Rs.2565681.

Impact: Due to non Collection of Property/holding Tax there is huge operational Revenue Loss to ULB and there is no record/register to know total current & arrear demand of holding tax therefore arrear of Holding /Property Tax on Govt. Building is as per list made available to us during the course of Audit.

Cause: Due to non follow up and monitoring of activities of Tax Inspector/Collector by the Concerned officers on regular intervals.

Recommendation: There Should be day to day monitoring on Collection of Taxes and also maintenance and update Of Demand and Collection Register on Regular interval.
Survey Report should be prepared for construction of new Residential/Commercial building on Yearly basis.

Mobile Tower Tax:

Subject: Collection Of Mobile Tower Tax

➤ Tower Tax is taxes on communication Tower & related Structure Defined in BIHAR COMMUNICATION TOWERS AND RELATED STRUCTURES RULES,2012. As per the rules all operators are required to register with their concerned ULBs and pay registration Fee & renewal charges on Annual Basis for communication tower erected within municipal area.
Currently the registration Fee and Annual Fees as follow
Fee for Registration:- Rs.40000.00 (Forty Thousand)
Annual Fees :- Rs.10000.00 (Ten Thousand)

Status/Condition: As per Details Provided to us there are total 26 (Twenty Six) Mobile Towers registered with this ULB up to 31.03.2015 and Rs.585200.00/-is due to be recovered from these tower operators on account of Tower Tax.(Annexure-III)

Impact: Due to non collection of Tower Tax/Fees there is a revenue loss to ULB.



Cause: The ULBs does not have Proper mechanisms for Supervision and monitoring of the tower tax/rent due

to which result in Result in Revenue Leakage.

Recommendation:

There should be proper monitoring and further steps are required to be taken for collection of Tower Tax by concerned ULB.

Trade License:- As per section 342 of Bihar Municipal Act,2007,Trade license fee is to be collected from different types of Trader, who are trading in Concerned Municipal area not collected in F.Y.2014-15.

Survey for Assess of Trade License not provided to us during the course of audit.

Advertisement Tax:-chapter XVII of the Bihar Municipal Act,2007 requires license for advertisement of any holding, etc. as per the act Every Person who erects, exhibits, fixes or retains upon or over any land, building, wall, boarding, frame, post, kiosk, structure, vehicle, neon-sign or sky-sign any advertisement, or display any advertisement to public view in any manner whatsoever (including any advertisement exhibited by means of cinematograph), visible from a public place in any location in a municipal area including airport or a port or a railway station, shall pay or every advertisement, which is so erected, exhibited, fixed or retained or so displayed to public view, a tax calculated at such rate as may be determined regulations. It requires payment of certain fee for advertisement. No record regarding the same has been made available to us during the course of Audit.

Market/Shop Rent Collection:-

Subject:- Non collection of Market/Shop Rent and Imposition of late fine by the Concerned ULB.

Impact: Due to non collection of Tower Tax/Fees there is a revenue loss to ULB.

Recommendation:

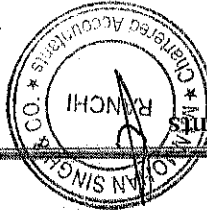
There should be proper monitoring and further steps are required to be taken for collection of Shop Rent/Taxes by concerned ULB.

Tender of market Place(Sairat)

Collection from station Hat and Kail Meela has been done by the department itself but data not provided to us for the collection made.

Procurement Process under E- Governance scheme Rs.30000/- has been prescribed by the state govt. for purchase of laptop for ward commissioner and Executive officer but laptop has been purchased at the rate of Rs.35000/-each, total 26 laptop has been purchased and due to this excess payment of Rs./35000 minus 30000)*26=130000.00/- has been made.





comment on deficiency in pay-roll system.
Inventory/Stores Register:- Inventory/Stores Register has not been maintained properly. Bin Card is not used in the ULB.

Pay-Roll Register:- During the course of Audit Pay-roll Register not shown to us, thus we are unable to
 II. Unit has not maintained register for earnest money deposit, security deposit from contractors.
 I. There is a lack of internal control on deduction of Security Deposit, as Security Deposit is not deducted in all Contractor Payments in Construction Works for the F.Y.2014-15.

Security Deposit/EMD Register:-

1) VAT, Royalty & Labour Cess:- These taxes are deducted from different type of Contractors & Suppliers. these taxes are deducted on the payment to contractor and deposited in appropriate Govt. of different Bihar Commercial Taxes Deptt. Mining Deptt. & Labour Deptt. these taxes are required to be deducted at the time of accrual or payment whichever is earlier but in the concerned ULB all taxes paid to the appropriate Govt. Account after the Stipulated Due Date. Taxes such as Sales Tax(VAT), Royalty, and Labour Cess etc are collected from time to time but payments were made after due date which is not proper. *figure not mentioned in AR*

- I. TDS has been deducted at the rate 2.26 % in all contractor Payment (Construction Works). *figure not mentioned in AR*
- II. TDS has not been deducted in Salary.
- III. TDS has not been paid to Concerned Govt. Department within stipulated Due date.
- IV. Quarterly Return not shown to us during the course of audit. As per Sec.234E Of Income Tax Act,1961 late fees of RS.200 Per day is imposed if the return is not filed within the Due date.

Tax Deducted at Source(TDS):-

Statutory Deductions

Maintenance of Cash Book:-
 I. Cash book is not closed on daily basis and signed by Cashier and Account officer on monthly basis.
 II. Cash collected during the day has not been remitted to the bank on the next working-day.

During the course of Audit, we have found requisitioned all receipts counterfoils, upon our requisition it has been told to us that the counterfoils has not been submitted by the Tax collector to the "Nazir" or "Bada Babu" it is being held by tax collector with themselves. Even new "H" book is being made available to them without depositing the counterfoils of exhausted "H" Book. There is a major lapse on internal control system which should be made effective. This can result in serious irregularity if not taken care of.

Grant Register & Utilization Certificates:- Grant Register has not been maintained by the ULB and upon enquiry of status of Utilization certificate, the E.O. and Bada Babu has explained to us that all utilization certificates relating to financial year 2014-15 and prior period has already been submitted to concerned office.

Summary of utilization certificates given to us, list attached.

Deduction Of PF:- Deduction of PF and ESI have been made but payment have not been made till due date.

Report on findings of field survey of Property Tax of minimum 20 high value properties
Field survey of 20 high value properties is attached herewith but property tax register is under preparation and it does contain all the particulars so it seems difficult to provide comparative chart.(Annexure attached)

List of 20 High Value Property Tax Collections

S. No.	Name	Holding No.	Amount(Rs.)	Findings
1	DEWANTI DEVI	328	47,326.00	These collections have been made as per old rates.
2	ABHISHEK KUMAR	145 A	32,688.00	
3	GYANCHAND MAHTO	104	30,914.00	
4	JAYPRAKASH AGARWAL	406	28,540.00	
5	MAHABIR GOLD STORE	66	24,058.00	
6	BOYBALLCHARITIBAL	135	22,040.00	
7	MOHIT PRASAD NAYAK	174	14,452.00	
8	GAMBHIRI SHARMA	306	13,534.00	
9	PUTUL DEVI	111	10,622.00	
10	BASANTI DEVI	239	10,000.00	
11	RANJANI DEVI	251	8,424.00	
12	ARVIND GOYAL	153	6,578.00	
13	NARAYANCHAN BOTHRA	22	6,214.00	
14	SAKILUJJAMA	32	6,008.00	
15	RAJEDH KUMAR DALMIA	257	5,672.00	
16	SURYANAND SINGH	10	5,426.00	
17	DEMYANTI DEVI	150	5,006.00	
18	RAMESHAAR PANKAJ	24	3,450.00	
19	SHIVKALA SAHA	113	3,240.00	
20	MUNNI DEVI	95	3,222.00	



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 part auditor should report in respect of -

1. Non-maintenance of books of accounts, subsidiary registers

Maintenance of Books Of Accounts: During the course of our audit we reviewed the below mentioned documents and registers :

- Cash Book(Gen 1A) Maintained
- Bank book(Gen 1B) Not Maintained
- Journal Book (Form Gen-2) Not Maintained
- Ledger (Form Gen-3) Not Maintained
- Receipt GBN-8 Maintained
- Receipt Register GBN-9 Maintained
- Statement on Status of Cheques Received GBN-10 Maintained
- Collection Register GBN-11 Maintained
- Memorandum of Collection GBN-12 Maintained
- Summary of Daily Collection GBN-13 Not Maintained
- Register of Bills for Payment GBN-14 Maintained
- Payment Order GBN-15 Not Maintained
- Cheque Issue Register GBN-16 Maintained
- Register of Advance GBN-17 Maintained
- Register of Permanent Advance GBN-18 Maintained
- Deposit Register GBN-19 Maintained
- Summary Statement of Deposits Adjusted GBN-20 Not Maintained
- Demand Register GBN-21 Maintained
- Bill for Municipal Dues GBN-22 Not Maintained
- Summary Statement of Bills Raised GBN-23 Not maintained
- Register of Notice Fee, Warrant Fee, Other Fees GBN-24 Maintained
- Summary Statement of Notice Fee, Warrant Fee, Other Fees GBN-25 Maintained
- Register of Refunds, Remissions and Write-offs GBN-26 Not Maintained
- Summary Statement of Refunds and Remissions GBN-27 Not Maintained
- Summary Statement of Write-Offs GBN-28 Not Maintained
- Statement of Outstanding Liability for Expenses GBN-29 Not Maintained
- Documents Control Register-30 Not Maintained
- Register of Immovable Property GBN-31 Maintained
- Register of Movable Property GBN-32 Not Maintained
- Register of Land GBN-33 Maintained
- Function-wise Income Subsidiary Ledger GBN-34 Maintained



Maintained
N.A.
Not Maintained
Not Provided to us:

- Function-wise Expense Subsidiary Ledger GEN-35
- Asset Replacement Register GEN-36
- Register of Public Lighting System GEN-37
- Vehicle Log Book

*Correct
Team 258 & No
14*

2. Irregularity in procurement process
No major irregularity observed during the audit.

3. Non-compliance of directives by UD & HD, GOB

There are certain directives which are not being comply by the concerned ULB regularly, list of non Complied directives are following:

- Directives relating to forming a "Municipal Accounts Committee" have not been compiled till date.
- Directives relating to preparation of practical budget was not followed by the ULB.
- Directives relating to not to hire any individual as a daily wages worker by the UD & HD through letter no-04-U.H./1/99/1986/U.D.D25/06/01, but the concerned ULB has failed to comply this directives.

It has been observed during the audit that the concerned ulb has been Failed to comply certain provisions of Bihar Municipal Act, with respect to Section 86 of Bihar Municipal Act, 2007, Executive Officer of ULBs should prepare Income And Expenditure Accounts. Further as per Section 88, Executive Officer Should Prepare a financial statement Assets and Liabilities from the date of ending of Financial year. As per Section 89 he should prepare a comparative statement to "Standing Committee" for the approval, but the concerned ULB has failed to do so.

4. Non Compliance of Act & Rules

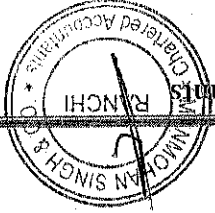
Various books of accounts and records, as provided in the Bihar Municipal Accounting Act and Rules are not maintained.

5. Non-compliance of TDS, VAT and other relevant Statute

Tax deducted at source of Income Tax, VAT & Royalty are deposited on yearly basis which is not proper it should be deposited within the due date prescribed under the respective statute. We observed that Income Tax, VAT, Royalty & labour cess for whole financial year have been deposited next year.

6. Deficiency in Pay-roll System

The pay-roll system is not functioning properly. PF account has not been opened with PF department, All the deductions of PF contribution and pension fund contribution are being deposited in a separate account opened by the municipality.

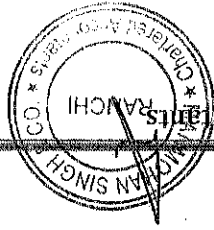


6. Utilization of Grant and report on missing Utilization Certificates
Grant Register has not been prepared hence it is difficult to ascertain unutilized grant at any particular time. As explained to us, details of unspent balance has been given to us and Utilization certificates up to 31.03.2015 has been sent to the Government A Summary of Utilization certificate provided to us during the course of audit has been attached at the end of report. (List attached)

7. Physical verification of inventory/Stores
Store Register has been prepared but proper entry was not entered in proper way and physical verification of inventory/stores has not been done.
For example an order for purchase of 200 pieces of Street light had been given to contractor (Lamp & Light's) for but he supplied only 105 pieces supplied by contractor and entry for the same has not found in stock register.

8. Advances, their adjustment & recovery
Advance register is maintained in proper way and process of adjustment is satisfactory.

9. Any other matters as may be prescribed in due course.
Staff Accountant should be provided with necessary training to prepare the books for smooth operations ULB.



General Observations: Auditor should report the deficiencies noticed during their audit and

recommend ULB Management to improve internal systems.

A. Whether the postings for the entries in the books of original entry have been correctly made in the

respective ledger accounts

No, Ledger accounts have not been prepared by the Nagar Parishad.

B. 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

List attached above.

C. 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 been prepared by the N.P.

D. Whether the period-end and reconciliation procedures prescribed have been carried out.

No, period-end and reconciliation procedures as prescribed have not been carried out.

E. Whether the Bank Reconciliation statements have been prepared and are appropriate.

No, Bank Reconciliation Statements have not been prepared by the Nagar Parishad.

F. Whether all grants from Government have been accounted at gross value with proper entries to

various accounts.

Yes, all grants from Government have been accounted at gross value but all transactions are not

correctly classified with sufficient details.

G. Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and

stated in sufficient detail.

No, all transactions have been classified as incomes and expenditure Only. Assets and liabilities have

not been recognized.

H. Whether all grants sanctioned or received by them 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.

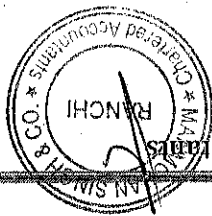
Grant received during the year has been properly Accounted for. Information about grant sanctioned

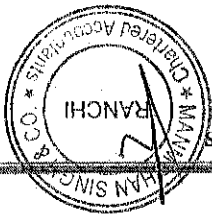
and deductions made out of such grant is not available with the ULB.

I. 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 been created by the ULB.





5. Whether advances given to municipal employees and interest thereon are being regularly

There is no case loans and advances other than advance to staff.

R. Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the interest and if not, whether reasonable steps have been taken by the municipality for recovery of the principal and interest?

Q. 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 been done.

P. 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 are no procedures are in place to identify any unserviceable or damaged stores.

O. 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 physical verification done.

N. 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 physical verification done.

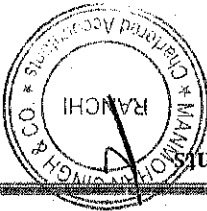
M. Whether physical verification has been conducted by the ULB at reasonable intervals in respect of stores. No, physical verification of stores has not been conducted by the ULB at reasonable intervals.

L. 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.

K. 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.

J. In respect of contracts that are in existence during the year, whether there are any deviations from the sanctioned plans and the estimates without the sanction of the competent authority. On our test check we did not notice any major deviation.

I. 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.



- recovered.
- Advance is being given to municipal employees but no interest has been charged.
- T. Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets?
No, there does not exist any internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets.
- U. Whether applicable procurement rules and procedures are being followed and if so, significant deviations should be identified and reported.
No significant deviation observed.
- V. 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 is not regular in depositing statutory dues including tax deducted at source, service tax, VAT, works contract tax, cess payable to the government etc. We observed that all such taxes deducted during the financial year have been deposited in the next year.
- W. 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 is not given any contribution to PF or pension Fund. Employee contribution to PF and pension fund are being deducted from the salary of the employee and are being deposited in a separate bank account opened for the purpose.
- X. Whether any personal expenses have been charged to the municipality's accounts; if so, the details thereof.
We did not notice any such expenses.
- Y. 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.
- Z. Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis.
No, revenue has not been properly assessed, accounted for and collected. Recovery action is also not taken on timely basis.
- AA. 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. We observed that it is being deposited at interval of 2-3 weeks.

AB. 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 estimates without the sanction of the competent authority.
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 without the sanction of the competent authority.

AC. 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.

AD. Whether biometric devices and payroll software are used at the ULB. If not whether there is satisfactory system of payroll accounting; otherwise mention the key deficiencies of the system.
No, biometric devices and payroll software are not used at the ULB. Pay roll system of the municipality is deficient as it does not contain leave records, details of deductions made etc.

AE. Whether the grievance redressal mechanism for the ULB is sufficient.
No, we did not observe any grievance redressal cell functioning at the ULB.

For Mannohan Singh & Co.
Chartered Accountants
FRN No.-000102N



CA. J.P. Sharma
(Partner)
M.N.-402655

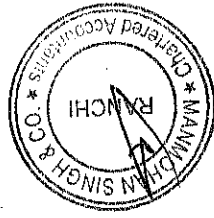
Date: Aug 06, 2016

Place: Ranchi



SINO.	WARD NO.	HOLDING NO.	NAME OF HOLDER	AMOUNT
1		281	CHANDRA NAND SINGH	11,474.00
2		280	KAMANI SINGH	5,444.00
3		282	PRADEEP KUMAR	4,952.00
4		62	MD. ANWAR	3,150.00
5		13	MD. ANWAR	2,160.00
6		165	JAGDISH AGRAWAL	9,288.00
7		181	KAMILA DEVI	8,098.00
8		190	PREMLATA DEVI	5,350.00
9		114	SURENDRA SANCHATI	4,806.00
10		164	GOPAL PANDIT	6,736.00
11		66	MAHABIR COLD STORES	24,058.00
12		278	MD. TANBEER ALAM	16,654.00
13		276	AJAY KUMAR	13,546.00
14		277	BAIDHNATH MEHTA	11,172.00
15		72	RAMAWATAR LOKHERYA	7,976.00
16		209	YOGDHAR SINGH	1,296.00
17		181	KAMILA DEVI	1,140.00
18		170	RENU DEVI	864.00
19		78	BIRNA CHAND	1,122.00
20		74	BISHAWANATH BHAGAT	1,034.00
21		64	MURARI MOHAN	918.00
22		285	VEENA SINGH	13,590.00
23		224	JAY BHARAT	10,312.00
24		213	BHURAMAT DALMIA	5,672.00
25		185	LILRAM CHOUDHARI	3,540.00
26		135	BAIBALA TRUST	29,224.00
27		16	SANTOSHI DEVI	6,212.00
28		260	SANJAY BHAGAT	1,908.00
29		256	KOSILYA DEVI	4,164.00
30		257	RAJESH DAKLMIA	5,672.00
31		187	DINDIYAL	1,170.00
32		132	MD TARA DEVI	1,212.00
33		115	BHUPAS AGRAWAL	35,302.00
34		145	ABHISHEK MANDAL	32,688.00
35		33	RAWATI RAMAN	32,686.00
36		34	ANIL KUMAR SINGH	21,212.00
37		163	GOURI DEVI	10,140.00
38		80	NATIONAL JUT COR.	17,894.00
39		22	NARAYAN CHAND	6,214.00
40		24	OM PRAKASH CHOKHANI	3,134.00
41		39	RENU DALMIA	2,636.00
42		52	GOURI SHANKAR	2,908.00
43		330	DEWANTI DEVI	47,326.00
44		406	JAY PRAKASH AGRAWAL	28,540.00
45		161	MANGI LAL	17,984.00
46		166	THAN SINGH	17,452.00
47		300	SAJAN KUMAR	15,380.00
48		239	BASANTI DEVI	10,000.00

80-HIGHER TAX PAYER

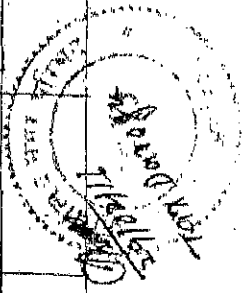
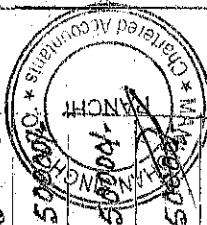


49	13	204	KUNDAN NIRALLA	2,964.00
50	13	201	PROMVAD GHOS	1,296.00
51	13	202	ANANT GUPTA	1,296.00
52	13	7	KRITYANAND MEHTA	1,296.00
53	13	47	SITARAM SAHAH	4,872.00
54	13	48	GANESH SAHAH	3,240.00
55	13	6	MAHANAND YADAV	3,668.00
56	13	9	MEERA DEVI	2,546.00
57	13	95	MUNNI DEVI	3,211.00
58	13	133	ATIJJAMA	1,556.00
59	13	32	SAKIL UJAMA	6,004.00
60	13	3	SANDHYA DEVI	1,728.00
61	13	36	GOPAL CHAND	1,296.00
62	13	116	HARIPRASSAD	1,728.00
63	13	152	CHAMPA DEVI	2,702.00
64	13	157	SARITA KUMARI	1,910.00
65	13	244	ALAKH NIRAMJAN	2,026.00
66	13	24	RAMASHWAR PANKAJ	3,450.00
67	13	178	HEMANT AGARWAL	2,990.00
68	13	161	TARA DEVI	2,546.00
69	13	162	BIMLA DEVI	2,546.00
70	13	8	GEETA DEVI	2,160.00
71	6	105	JUGLAL	43,676.00
72	6	104	GYAN CHANDRA	30,914.00
73	6	184	RAJANAND THAKUR	11,136.00
74	6	182	SANJAY KUMAR PAWAN	10,988.00
75	6	198	SADHVAI THAKUR	9,632.00
76	6	207	DAYANAND	7,742.00
77	9	250	HEMLATA	8,424.00
78	9	251	RANJANA DEVI	8,424.00
79	9	190	ARVIND SINGH	3,958.00
80	9	206	PROMAD MANDAL	3,396.00
81	9	202	SARSWATI DEVI	2,746.00
82	9	165	MATAWATI	2,906.00
83	9	153	ARVIND	6,578.00
84	9	112	ANIL KUMAR	5,376.00
85	9	62	MD SAJJAD	4,584.00
86	9	80	VIJAY	4,708.00
87	9	79	RAMJATAN SINGH	4,392.00
88	9	130	CHAGANI DEVI	4,364.00
			total	7,56,385.00

Details of Registration and Annual fee of Transmission Tower

Name of ULB: **NASAR PARISHAD ARARIA** (Amount in Rs.)

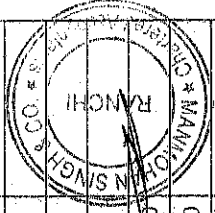
Sl. No.	Name of the Mobile Company	Place of installation/ Site ID	Year of installation	No of year	Registration fee to be realised	Total Registration Amount realised till 31.3.15	Outstanding amount of registration fee	Annual fee (9XS)	Annual fee to be realised	Total amount realised till 31.3.15	Outstanding annual fee till 31.3.15	Outstanding amount (8+12)
(1)			(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
13	Vodafone	10A-ARARIA 001	2008-09	07	40000/-	40000/-	0000/-	10000/-	70000/-	20000/-	50000/-	50000/-
14	"	" 002	"	07	40000/-	40000/-	0000/-	10000/-	70000/-	20000/-	50000/-	50000/-
15	"	" 003	"	07	40000/-	40000/-	0000/-	10000/-	70000/-	20000/-	50000/-	50000/-
16	"	" 004	"	07	40000/-	40000/-	0000/-	10000/-	70000/-	20000/-	50000/-	50000/-
17	"	" 005	"	07	40000/-	40000/-	0000/-	10000/-	70000/-	20000/-	50000/-	50000/-
18	"	" 006	"	07	40000/-	40000/-	0000/-	10000/-	70000/-	20000/-	50000/-	50000/-
19	"	" 007	"	07	40000/-	40000/-	0000/-	10000/-	70000/-	20000/-	50000/-	50000/-
20	"	" 008	"	07	40000/-	40000/-	0000/-	10000/-	70000/-	20000/-	50000/-	50000/-
21	"	" 009	"	07	40000/-	40000/-	0000/-	10000/-	70000/-	20000/-	50000/-	50000/-
22	"	" 010	"	06	40000/-	40000/-	0000/-	60000/-	40000/-	20000/-	40000/-	40000/-
23	"	" 011	"	06	40000/-	40000/-	0000/-	60000/-	40000/-	20000/-	58000/-	58000/-
24					900000000/-	900000000/-	000000000/-	900000000/-	900000000/-	410000000/-	518000000/-	518000000/-



10/0

नगर पार्षद फारबिसगंज क्षेत्रान्तगत स्थित मोबाइल टावरों की 31.03.2015 तक बकाया राशि की विवरणी

क्रसं०	मोबाइल टावर का नाम	स्थित वार्ड की संख्या	पंजीकरण शुल्क	30.03.2015 तक बकाया	प्राप्ति	अवशेष राशि	अभ्युक्ति
	2	3	4	5	6	7	8
1	ने० टावर वीजन इंडिया लि०	15	40,000.00	26,600.00	-	26,600.00	
2	ने० भारती सेलुलर लि० (एयरटेल)	14	40,000.00	26,600.00	-	26,600.00	
3	ने० टावर वीजन इंडिया लि०	22	40,000.00	26,600.00	-	26,600.00	
4	ने० टावर वीजन इंडिया लि०	02	40,000.00	26,600.00	-	26,600.00	
5	ने० डिसनेट वायरलेस लि० (एयरसेल)	06	40,000.00	26,600.00	-	26,600.00	
6	ने० डिसनेट वायरलेस लि० (एयरसेल)	25	40,000.00	26,600.00	-	26,600.00	
7	ने० डिसनेट वायरलेस लि० (एयरसेल)	14	40,000.00	26,600.00	-	26,600.00	
8	ने० डिसनेट वायरलेस लि० (एयरसेल)	01/03	40,000.00	26,600.00	-	26,600.00	
9	ने० डिसनेट वायरलेस लि० (एयरसेल)	08	40,000.00	26,600.00	-	26,600.00	
10	ने० डिसनेट वायरलेस लि० (एयरसेल)	20	40,000.00	26,600.00	-	26,600.00	
11	ने० ऐसार् टेलीकम एन्फास्ट्रेक्चर	08	40,000.00	26,600.00	-	26,600.00	
12	ने० ऐसार् टेलीकम एन्फास्ट्रेक्चर	22	40,000.00	26,600.00	-	26,600.00	
13	ने० बोडाफोन एस०आर० एस्कपेकटेड लि०	09	40,000.00	26,600.00	26,600.00	-	
14	ने० बोडाफोन एस०आर० एस्कपेकटेड लि०	04	40,000.00	26,600.00	26,600.00	-	
15	ने० बोडाफोन एस०आर० एस्कपेकटेड लि०	17	40,000.00	26,600.00	26,600.00	-	
16	वायरलेस टी०टी० इन्फो समिस	03	40,000.00	26,600.00	-	26,600.00	
17	रिलायंस टेलिकम लि०	08	40,000.00	26,600.00	-	26,600.00	
18	ने० भारत संचार निगम लि०	04	40,000.00	26,600.00	-	26,600.00	
19	ने० भारत संचार निगम लि०	22	40,000.00	26,600.00	-	26,600.00	
20	बोडाफोन	15	40,000.00	26,600.00	-	26,600.00	
21	ने० भारती इन्फोटेक लि० (एयरटेल)	07	40,000.00	26,600.00	-	26,600.00	
22	ने० ऐसार् टेलीकम एन्फास्ट्रेक्चर	22	40,000.00	26,600.00	-	26,600.00	
23	एयरटेल	22	40,000.00	26,600.00	-	26,600.00	
25	एमटीएस०	22	40,000.00	26,600.00	-	26,600.00	
26	एयरसेल	22	40,000.00	26,600.00	-	26,600.00	
Total			10,00,000.00	6,55,000.00	79,800.00	5,85,200.00	



21/8/19
[Signature]