INTERNAL AUDIT REPORT OF NAGAR PANCHAYAT - GOGRI JAMALPUR

For the Period from April-2016 to June - 2016

INTERNAL AUDIT CONDUCTED BY

THAKUR BHUWANESH & ASSOCIATES

Chartered Accountants 2nd Floor, Nathani Market Sutapatti, Muzaffarpur Bihar-842001

Audit Conducted from:

Report Issued on

NAGAR PANCHAYAT - GOGRI JAMALPUR (KHAGARIYA) INTERNAL AUDIT REPORT FOR THE FINANCIAL YEAR 2016-17

INDEX

		i i		
Contents	Page No.			
	From	То		
Audit Methodology and Approach				
Executive Summary				
Detailed Audit report				
Audit Observations – Part-A				
Audit Observations – Part-B				
Audit Observations – Part-C				
Annexure to Audit report				
Report on Field Survey of 80 high value properties				
	Audit Methodology and Approach Executive Summary Detailed Audit report Audit Observations – Part-A Audit Observations – Part-B Audit Observations – Part-C Annexure to Audit report	From Audit Methodology and Approach Executive Summary Detailed Audit report Audit Observations – Part-A Audit Observations – Part-B Audit Observations – Part-C Annexure to Audit report		

INTERNAL AUDITOR'S REPORT

Joint Secretary and Additional Project Director **Urban Development & Housing** Department, Patna

We have conducted internal audit of the Books of Accounts and related document and vouchers of Nagar Panchayat - GogriJamalpur (ULB) for the period of 1-4-2016 to 30-06-2016 in terms of agreement with UD&HD dated 21.03.2016. These Books of Accounts and related document and vouchers are the responsibility of Management. Our responsibility is to express an opinion on the Books of Accounts and related document and vouchers based on our audit.

We have conducted our audit in accordance with the Standard on Internal Audit (SIA) formulated by ICAI. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Books of Accounts and related document and vouchers are free from material misstatement. An audit includes examining, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our observations. The salient points of the scope covered by the internal audit are as follows:

- 1. The effectiveness of accounting system.
- 2. Compliance with the legal and statutory requirements.
- 3. Risk-based review and evaluation of the Internal Control.
- 4. Compliance of Bihar Municipal Act.
- Compliance of Bihar Municipal Accounting Manual.

Moreover, our scope of examination also covered the requirements of the specific points as spelled out by the management of the Urban Development & Housing Department. The result and recommendations of our internal audit are set out in Scope, Observations and Annexure of our report.

The statutory auditor of the Urban Development & Housing Department 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 constructed as our opinion on the financial statements.

ForThakurBhuwanesh& Associates

Chartered Accountan

(CA. Rajesh Kumar Jha)

Partner

M.NO. 412318

FRN: 019690N

Date:

Executive Summary

1. Introduction

Name of the Municipality

: Nagar Panchayat – GogriJamalpur

Period covered under current audit

: 01.04.2016 to 30.06.2016

Name of Chief Executive Officer for the

period under Audit

: Mrs. PoonamKumari

2. Results and Findings

Strength observed during the audit engagement	 The following records are available: ✓ Cash Book with Subsidiaries ✓ Cheque receipt register ✓ Remittance Register ✓ Log Book of Vehicle ✓ Salary Register ✓ Daily collection Register of Taxes/user charges /Fees & Fines Staff Cooperation during the Audit period is satisfactory. Physical verification of movable Fixed Assets has been carried out during performance audit.
Weakness observed in the functioning of office, maintenance of records etc. observed during the audit engagement.	 Cashier cash book is not available. Tax Collector generally deposits the collection amount with the interval of 3-7 days. As per Rule 27 of BMAR it should be deposited on daily basis otherwise a sum of Rs. 500/- per day may be imposed for delayed deposit. Some cash expenditure has been made against cash collection. There are some lapses in internal control w.r.t collection of taxes. Demand collection Register has not been prepared. Dues from Tower tax has not been collected on time.

- Interest @1.5% not imposed on delay payment of Tower registration fees and annual fees beyond 30 days. After 5 years there should be increase by 25% in renewal fee has not been demanded.
- Periodical checking of Books of accounts by Chairman or vice chairman has not been done.
- There is lack of internal control on deposit of various taxes. Due to cash basis accounting liability of Taxes has not been accounted for hence it is difficult to ascertain tax payable at any point of time. Taxes such as VAT, I.T. Royalty etc are collected from time to time but its payments are made on yearly basis which is not proper. Taxes should be remitted to the Govt. account on timely basis otherwise penal action may be taken by the concerned department for delayed deposit of taxes.Rs. 7120 excess TDS amount paid for A.Y. 14-15. Liability of TDS for A.Y 15-16 has not been paid till date. Quarterly TDS return not shown to us.
 - Grant Register is not being maintained hence it is difficult to find unutilized grant at any point of time.
 - Bank Reconciliation Statement is not prepared hence it is difficult to monitor possible fraud, if any.
 - Advance Register is not prepared hence it is difficult to monitor for advances given and adjustment thereof.
 - P.F Act has not been followed by the office, Only6% P.F has been deducted from employees and 6 % P.F. contributed by Office. The same amount not remitted to Recognised Provident Fund Commissioner.
 - Budget has not been prepared before the F.Y. 2014-15.



3. Opinion

Overall opinion of the Audit team functioning of the about the Municipality

The overall functioning of the Municipality is very poor due to the following reasons:

- Most of the prescribed Books of accounts are not maintained
- Internal Control w.r.t. collection of taxes, monitoring of grant, monitoring of advances, monitoring of schemes etc. is very poor.
- Collection from own sources is very poor.
- Grant received for various purposes are not utilized on timely basis.
- There are serious lapses in deduction and deposit of statutory dues such as TDS, VAT, Royalty, Labour cess etc.

4. Audit Recommendations

recommendations Audit team on the observed weakness

We recommend the followings:

- All the prescribed books of accounts and Registers should be prepared on real time basis
- Bank reconciliation Statement should be prepared on monthly basis
- Cashier Cash Book should be maintained and written on daily basis.
- Collection by the collector should be deposited on daily basis.
- Grant Registers 100 de prepared
- All the statutory dues should be deposited on timely basis and returns prescribed under the statute should also be deposited on timely

basis.					
Demand C		of	all	the	wards

- Property tax register should be prepared as per new assessment.
- Collection from own sources should be improved.



5. Comments from Management

Comment from Management	The audit report has been discussed with us; we will try our best to remove the irregularities pointed out in the audit report.
	For Nagar Panchayat – GogriJamalpur
	(Executive Officer)

6. Acknowledgment

We are thankful to Mrs PoonamKumari (Executive Officer) and Mr. Manoranjan Kumar Dwivedi (Head Clerk) for their support during the period of our audit. We are also thankful to the support staffs of the municipality for their cooperation extended to us during the period of our audit.

ForThakurBhuwanesh& Associates

Chartered Accountants.

FRN: 01969QN

(CA. Rajesh Kumar Jha)

Partner

M.NO. 412318

Date: 2ndNov'2016

Detailed Audit Report

1. Introduction

The Internal audit of Nagar Panchayat covering period from 1st April 2016 to 30th June, 2016 was conducted by following persons under guidance of CA. B.K.Thakur

- Mr. Amit Kumar i.
- Md. Parwez ii.

2. Administration

The present body of the ULB has taken charge on 3rd July 2012. The incumbency in the key administrative and executive position was as under:

Mrs. till date, 03.07.2012 to RanjitaKumariNishad, Chairman Smt. PoonamKumariExecutive officer from 03.09.2015 to till date.

3. Review of outstanding audit paras : Status of Audit Observations are as under: Audit Report of AG not shown to us, the following details as per Compliance report send by Office,

SI.No.	Particulars of Audit and date of report	Total No. of Audit Paras.	Total No. of audit paras where necessary improvement/ corrective measure is required	of audit paras where recovery of cash is	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	of Compliance report
1.	Audit report No. 02/12-13	24	14	Nil	Nil	Nil	00	10/03-01- 2015

B. Status of Audit Observation is as under: Internal Audit 2015-16

Sl. No.	Particulars of audit and date of report Annual Audit Report 2015- 16	Audit Observation Total collection of holding tax is Rs. 1470985.00 against total demand of Rs. 1479951.00	Compliance Collection is under progress
2.	-Do-	Mobile Tower	No Compliance

3.	-Do-	Rs. 94000.00 loss is assessed on non-demand of Renewal fee at increased rate of 25% of installation. (Detail Attached) Rs. 1430000.00 is outstanding on account of Rent for communication tower. (Detail Attached)	No collection in this quarter
i			

4. Finance

I. Budgetary provisions and expenditure for the last three years

Year	2014-15	2015-16	2016-17
Final/ Revised Budget	Rs. 6,33,50,000	76520000	109185575
Actual Expenditure	Rs. 2,16,90,463	56374931	11752946.52
Savings (+)/ Excess(-)	Rs. 4,16,59,537	20145069	97432629.00

II. Volume of transactions

Period	Budgeted (F.Y.16-17)	Previous year (F.Y. 15-16)	Corresponding period of previous year (F.Y. 15-16)	Current Period (F.Y. 16-17) Q1	for the current period (F.Y. 16-17) Q1
Opening Balance	146745595	14,67,45,596	14,67,45,596	137059377	137059377
Receipts	289997105	46688712	1863800	4999095	4999095
TOTAL	436742700	193434308	148609396	142058472	142058472
Net Expenditure	436742300	56374931	4192444	11752946	11752946
Closing Balance	400	13,70,59,377.00	144416952	130305526	30305526

Bank Reconciliation III.

Preparation of Bank Reconciliation Statement is not in practice; however we have verified the cashbook balance and pass book balance and found the same in order, Scheme wise Bank Account has not been maintained:

It is suggested that Nagar Panchayatshould prepare Bank Reconciliation Statements on monthly basis.

Revenue Receipts IV.

Period	Budgeted	Previous year (For One year) 2015-16	Correspondi ng period of previous year 2015- 16	Current Period 2016-17	Cumulative for the current period 2016-17
A.Own Source					
Property Tax	1738605	1470985	85976	353843	353843
Assigned revenue	8177000				·
Others (Fees & User Charges)	11181300	402995		494247	494247
(b) Administrative Grant					
Salary	2659000	960000			
State Government	187955000	24525375			
Central government	76360000	2100000			
Other government agencies	5000000				
13th Finance Commission Grant		4655665		1	N. S.
14th Finance	9	8963062			

Commission					
Grant		,			
BRGF		1907630	1677750		
Social Security				4000000	4000000
Swachh Bharat				151005	151005
Mission			100074		
Pension	83000		100074		
Administrative espenses	2265000	1280000			
Operation & Maintenance	14526000	600000			
Fixed assets	323934500	43080000			
Capital Works	91058000	28200000			
Others	1150000	5226000			

Status of Implementation of Double Entry Accounting System ٧.

Till date Double Entry Accounting System is not operational in the Nagar Panchayat.

M/S MukharjeeBiswas and Pathak, Chartered Accountants have been appointed by the UD & HD for implementation of Double Entry Accounting System in the Nagar Panchayat, Work in progress, actual status not explain to us.

Status of Municipal Accounts Committee; if meeting held VI.

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 N.P. till the date of our audit.



5. Audit Observations

PART- A ١.

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

TOHOMILIS areas.	
•	Holding Tax and other Internal Sources Total collection of holding tax is Rs. 848090.00 against total demand of Rs. 1479951.00 Mobile Tower Rs. 94000.00 loss is assessed on non-
	demand of Renewal fee at increased rate of 25% of installation. (Detail Attached) Rs. 1520000.00 is outstanding on account of Rent for communication tower. (Detail Attached)
b. Excess payment against bill, lack of prudence in payment against voucher, inefficiency in controls resulting loss to ULBs	any objectionable thing noticed.
c. Report on findings of field survey of Property Tax of minimum 20 high value properties	Field survey of 20 high value properties has been conducted by us a report thereon is attached in Annexure



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 -

Non- maintenance of books of accounts subsidiary registers

The Nagar Panchayat is maintaining only Cash Book/ Bank Book

As per Bihar Municipal Accounting Manual Following primary Books of accounts are required to be maintained:

- 1. Cash Book (Form Gen-IA)
- 2. Bank Book (Form Gen-IB)
- 3. Journal Book (Form Gen-2)
- 4. Ledger (Form Gen-3)

Journal Book and Ledger are not maintained.

In addition to above following other General Registers and forms are required to be maintained but the same are not being maintained.

- 1 Receipt GEN-8
- 2 Receipt Register GEN-9
- 3 Statement on Status of Cheques Received GEN-10
- 4 Collection Register GEN-11
- 5 Memorandum of Collection GEN-12
- 6 Summary of Daily Collection GEN-13
- 7 Register of Bills for Payment GEN-14
- 8 Payment Order GEN-15
- 9 Cheque Issue Register GEN-16
- 10 Register of Advance GEN-17
- 11 Register of Permanent Advance GEN-18
- 12 Deposit Register GEN-19
- 13 Summary Statement of Deposits Adjusted GEN-20
- 14 Demand Register GEN-21
- 15 Bill for Municipal Dues GEN-22
- 16 Summary Statement of Bills Raised GEN-23
- 17 Register of Notice Fee, Warrant Fee, Other Fees GEN-24
- 18 Summary Statement of Notice Fee, Warrant Fee, Other Fees GEN-25
- 19 Register of Refunds, Remissions and Write-offs GEN-26
- 20 Summary Statement of Refunds and Remissions GEN-27
- 21 Summary Statement of Write-Offs GEN-28
- 22 Statement of Outstanding Liability for Expenses GEN-29
- 23 Documents Control Register/Stock Account



	Receipt/Cheque Book GEN-30 24 Register of Immovable Property GEN-31 25 Register of Movable Property GEN-32 26 Register of Land GEN-33 27 Function-wise Income Subsidiary Ledger GEN-34 28 Function-wise Expense Subsidiary Ledger GEN-35 29 Asset Replacement Register GEN-36 30 Register of Public Lighting System GEN-37
b. Irregularity in procurement process	No major irregularity observed
c. Non-compliance of directives by UD & HD , GOB	Non compliance of the direction issued by UD & HD, GOB yide letter no. 3/UIG- Ref 10/2012-1251 dated 12.07.2013 in respect of Solid Waste Management. No consumer tax has been imposed.
d. Non Compliance of Act & Rules	Various books of accounts and records, as provided in the Act and Rules are not maintained.
e. Lack of internal Control measures	 There are some lapses in internal control w.r.t collection of taxes. Demand collection Register has not been prepared. Dues from Tower tax has not been collected on time. Interest @1.5% not imposed on delay payment of Tower registration fees and annual fees beyond 30 days. After 5 years there should be increase by 25% in renewal fee has not been demanded. Periodical checking of Books of accounts by Chairman or vice chairman has not been done. There is lack of internal control on deposit of various taxes. Due to cash basis accounting liability of Taxes has not been accounted for hence it if difficult to ascertain tax payable at any point of time. Taxes such as VAT, I.T. Royalty etc are collected from time to time but its payments are made on yearly basis which is not proper. Taxes should be remitted to the Govt. account on time basis otherwise penal action may be taken by the concerned department for delayed deposit of taxes.Rs. 7120 excess TDS amount paid for A.Y. 14. 15. Liability of TDS for A.Y 15-16 and 2016-17 has not been paid till this quarter. Quarterly TDS returned to find unutilized grant at any point. Grant Register is not being maintained hence it difficult to find unutilized grant at any point.

	 time. Bank Reconciliation Statement is not prepared hence it is difficult to monitor possible fraud, if any. Advance Register is not prepared hence it is difficult to monitor for advances given and adjustment thereof.
	 Budget has not been prepared before the F.Y. 2014-15.
	 Advance Register is not prepared hence it is difficult to monitor for advances given and adjustment thereof.
f. Non-compliance of TDS,	i) Tax deducted at source of Income Tax.
Statute	ii) VAT& Royalty are deposited on yearly basis which is not proper it should be deposited within the due date prescribed under the respective statute.
	lii) We observed that Income Tax, VAT, Royalty & labour cess for whole financial year has been deposited in the month of March 2015. Taxes should be remitted to the Govt. account on timely basis otherwise penal action may be taken by the concerned department for delayed deposit of taxes
g. Deficiency in Pay-roll System	The pay-roll system does not contain leave details of employee. P.F Act has not been followed by the office, Only 6% P.F has been deducted from employees and 6 % P.F. contributed by Office. The same amount not remitted to Recognised Provident Fund Commissioner, all the deductions of PF contribution are being deposited in a separate account opened by the municipality.
h. 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 Utilization certificates up to 31.03.2016 has been sent to the Government but copy of the same could not be provided to us.
i. Physical verification of inventory/Stores	Inventory/Store Register has not been prepared and physical verification of inventory/stores has also not been done.
j. Advances, their adjustment & recovery	Advance Register has not been prepared hence it is very difficult to monitor advances, their recovery and

	adjustment.
k. Any other matters as may be prescribed in due course.	



Part – C I. General observations: Auditor should report the deficiencies noticed during their audit and recommendation ULB management to improve internal systems.

Particulars	Comments
Whether the postings for the entries in the books of original entry have been correctly made in the	No, Ledger accounts have not been prepared by the N.P.
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; Whether the Quarterly Financial Statements have been compiled on the basis of the actual entries in the books of accounts;	No, except General Cash Book and Subsidiary Cash Book and demand collection register no other books of accounts have been maintained. No quarterly Financial Statements have been prepared by the N.P.
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.
Whether the Bank Reconciliation statements have been prepared and are appropriate Whether all grants from Government have been accounted at gross value with proper entries to various accounts	No, Bank Reconciliation Statements have not been prepared by the N.P. Yes, all grants from Government have been accounted at gross value but all transactions are not correctly classified with sufficient details.
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.
Whether all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB? Whether such deductions have been	Information about grant sanctioned and deductions made out of such
properly accounted; 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;	the ULB.
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;	any major deviation.



Particulars	Comments
Whether the ULB is maintaining proper records	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.
Whether in case of leasehold property given by the ULB, lease rentals are collected regularly by the ULB and that the lease agreements are	As explained to us no property of the ULB has been given on lease.
renewed after their expiry; Whether physical verification has been conducted by the ULB at reasonable intervals in respect of stores;	No, physical verification of stores has been conducted by the ULB at reasonable intervals.
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
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	No physical verification has been carried out during the audit period.
account; Whether proper procedures are in place to identify any unserviceable or damaged stores and whether provision for the loss in this respect, if	No there is no procedures are in place to identify any unserviceable or damaged stores
any, has been made in the accounts; 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; 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?	expenditure.
Whether advances given to municipal employees and interest thereon are being regularly recovered; Whether there exists an adequate internal control	whether it is being recovered regularly or not.
procedure for the purchase of stores, including	

Particulars Particulars	Comments
other assets?	stores, including components, plant and machinery, equipment and other
	assets Not any significant deviation.
	Not any significant deviation
procedures are being followed and if so, significant deviations should be identified and	
reported. 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. Royalty and labour cess for the year 2014-15 yet to be deposited.
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	The municipality is not giving any contribution to P.F or pension Fund employee contribution to P.F and pension fund.
employees, including employees on deputation;	We did not notice any such expenses.
Whether any personal expenses have been charged to the municipality's accounts; if so, the details thereof;	We did not house any such expenses.
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; Whether all revenue has been properly assessed,	Yes on our test check we observed that all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget No all revenues have not been
accounted for, collected and recovery action taken on timely basis;	properly assessed, accounted for and collected. Recovery action is also not taken on timely basis
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	Some delay observed in collection and accounting of taxes by tax collection agents.
as are authorized by law; Whether in respect of all bills for charges on account of all works and other expenditure,	all bills for charge an account of an
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;	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
Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order;	

Particulars	Comments
Whether bio metric devices and payroll software are used at the ULB. If not whether there is satisfactory system of pay roll accounting; otherwise mention the key deficiencies of the system.	No, bio metric devices and payroll software are not used at the ULB. Pay roll system of the municipality is deficient as it does not contain leave records, details of deductions made etc.
Whether the grievance redressal mechanism for the ULB is sufficient.	No, we did not observe any grievance redressal cell functioning at the ULB.



Details of Sairat During the year 2015-16& 2016-17

15-16		2016-17
	255000	227000
	5500	6500
	29800	32664
	49500	101775
	3500	Not Done
		367939
	15-16	255000 5500 29800



Detail of due from communication Tower

SI. No.	Company	Location	Year of Estb.	Annual Fee due for enhancement	Add. Fee @ 25%
)A(NI 1	2007-08	2014	6000
1	Vodafone	<u> </u>			6000
2	Vodafone	WN 11	2007-08	2014	
$\frac{2}{3}$	Vodafone	WN 19	2007-08	2014	6000
4	Airtel	WN 01	2006	2012	10000
5	Airtel	WN 08	2009	2015	2000
	Airtel	WN 08	2005	2011	12000
6			2006	2012	10000
7	Airtel	WN 15			
8	BSNL	WN 11	2001	2007	12000
9	Reliance	WN 15	2005	2011	12000
10	Vodafone	WN 19	2008	2014	6000
10	Vocatoric	Total			94000

2016-17 TOWER

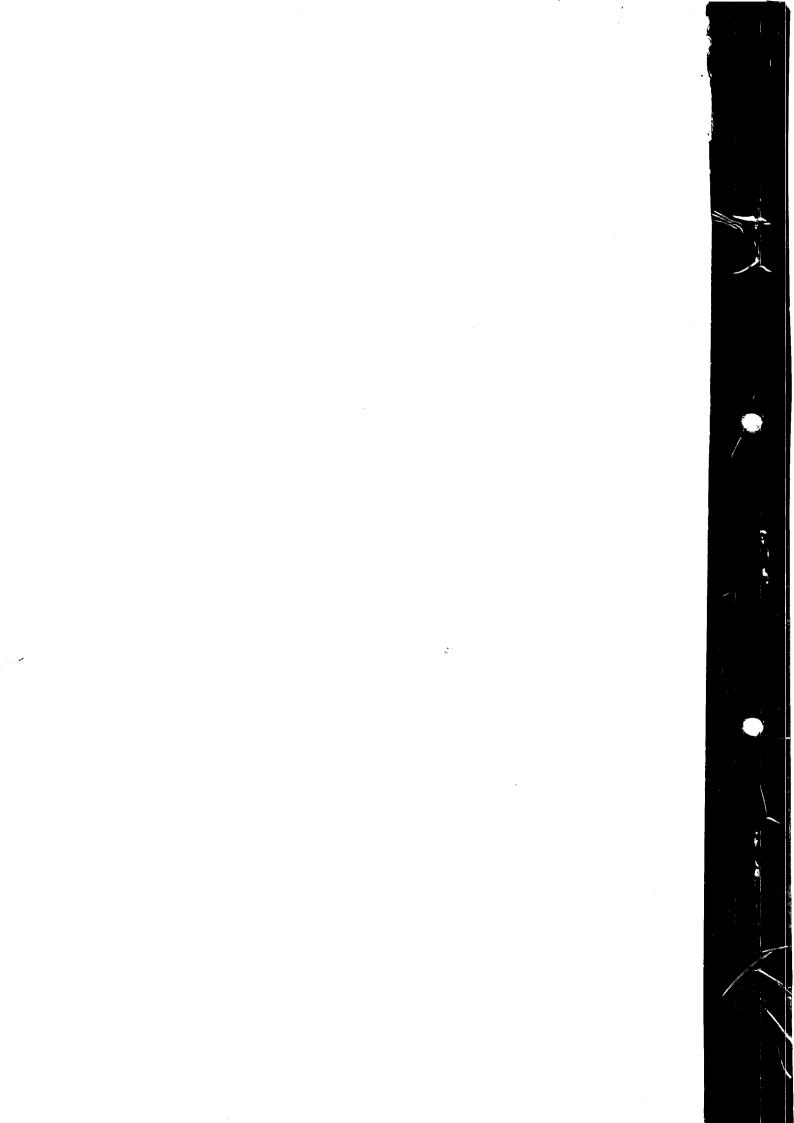
NAME OF TOWER	Due up to 2015-16	2016-17		Due in 2016-17	Collection
VODA	9000	10000		19000	0
AIRTEL	169000	10000		179000	0
TATA INDCOM	169000	10000		179000	0
BHARTIYE INFORT	159000	10000		169000	0
RELIANCE JIO	24000	10000		34000	0
VODA	225000	10000		235000	0
VODA	225000	10000		235000	0
VODA	225000	10000		235000	0
VODA	225000	10000		235000	0
TOTAL DUE	1430000	9	0000	1520000	0

20 High value property details

Nagar Panchayat -GogriJamalpur

	Nagar Panchayat -GogriJamaipur					
SI.	, , , , ,	No	Fath and Alberta and Balance	Assessed	Oh a a museki a sa	
No.	Ward	Name of The Holder	Father's/Husband's Name	Value	Observation	
1	15	Manju Devi	Sunil Kumar Narnolia	8199	Physical	
2	15	Manju Devi	Sunil Kumar Narnolia	8199	Physical	
3	15	Sanajy Kumar Singh	Ramanand Singh	779	Physical	
4	15	Smt. Mira Devi	Saw Kumar Agarwal	2535	Physical	
5	15	Urmila Devi	SatyanarayanYadav	3276	Physical	
6	15	SawarmalChaudhary	MadanLalChaudhaury	1507	Physical	
7	15	Raj Kumar Chaudhary	ChhediLalChaudhary	1275	Physical	
8	15	Gautam Pansali	Om PrakashPansali	810	Physical	
9	15	GauravPansali	Om PrakashPansali	810	Physical	
10	15	GunjanPansali	Om PrakashPansali	810	Physical	
11	15	Om PrakashPansali	Ram al Pansali	2958	Physical	
12	15	RatanLalAgarwal	Ram lalAgarwal	3402	Physical	
13	15	Ashish Kumar	Ramji Shah	341	Physical	
14	15	Nirala Devi	Ramji Shah	882	Physical	
15	15	Manorma Devi	Narayan Shah	432	Physical	
		- 11 - 2 - 11 - 11	Ghanshyam Thakur(
16	15	RekhaSenSaraswatiMandir	Principal)	7568	Physical	
17	15	AgrasenBhawan	Marwari Sangh	10887	Physical	
			Ghanshyam Thakur(
18	11	LokSikshaSamiti	Principal)	10044	Physical	
19	11	Laxmi Narayan Kejriwal	Mohan LalKejriwal	3159	Physical	
20	11	SatyendraNathSen	BijendraNathSen	3810	Physical	





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For the Period from July-2016 to September - 2016

INTERNAL AUDIT CONDUCTED BY

THAKUR BHUWANESH & ASSOCIATES

Chartered Accountants 2nd Floor, Nathani Market Sutapatti, Muzaffarpur Bihar-842001

Audit Conducted from:

Report Issued on

NAGAR PANCHAYAT - GOGRI JAMALPUR (KHAGARIYA) INTERNAL AUDIT REPORT FOR THE FINANCIAL YEAR (2016-17) Q2

INDEX

	INDEX	T	
Section	Contents	Page	No.
• -		From	То
I	Audit Methodology and Approach		
II	Executive Summary		
III	Detailed Audit report		
IV	Audit Observations – Part-A		
v	Audit Observations – Part-B		
VI	Audit Observations – Part-C		
VII	Annexure to Audit report		
VIII	Report on Field Survey of 80 high value properties		
1			<u></u>

INTERNAL AUDITOR'S REPORT

Joint Secretary and Additional Project Director Urban Development & Housing Department, Patna

We have conducted internal audit of the Books of Accounts and related document and vouchers of Nagar Panchayat — GogriJamalpur (ULB) for the period of 1-7-2016 to 30-09-2016 in terms of agreement with UD&HD dated 21.03.2016. These Books of Accounts and related document and vouchers are the responsibility of Management. Our responsibility is to express an opinion on the Books of Accounts and related document and vouchers based on our audit.

We have conducted our audit in accordance with the Standard on Internal Audit (SIA) formulated by ICAI. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Books of Accounts and related document and vouchers are free from material misstatement. An audit includes examining, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our observations. The salient points of the scope covered by the internal audit are as follows:

- 1. The effectiveness of accounting system.
- 2. Compliance with the legal and statutory requirements.
- 3. Risk-based review and evaluation of the Internal Control.
- 4. Compliance of Bihar Municipal Act.
- 5. Compliance of Bihar Municipal Accounting Manual.

Moreover, our scope of examination also covered the requirements of the specific points as spelled out by the management of the Urban Development & Housing Department. The result and recommendations of our internal audit are set out in Scope, Observations and Annexure of our report.

The statutory auditor of the Urban Development & Housing Department 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 constructed as our opinion on the financial statements.

ForThakurBhuwanesh& Associates

Chartered Accountants.

FRN: 019690N

(CA. Rajesh Kuzhar Jha)

Partner

M.NO. 412318

Date:

Executive Summary

1. Introduction

Name of the Municipality

: Nagar Panchayat – GogriJamalpur

Period covered under current audit

: 01.07.2016 to 30.09.2016

Name of Chief Executive Officer for the

period under Audit

: Mrs.PoonamKumari

2. Results and Findings

	- Na Laboratoria
Strength observed during the audit	 The following records are available: ✓ Cash Book with Subsidiaries
engagement	✓ Cheque receipt register
	✓ Remittance Register
	_
	✓ Log Book of Vehicle
	✓ Salary Register
	✓ Daily collection Register of
	Taxes/user charges /Fees & Fines
	 Staff Cooperation during the Audit period is
	satisfactory.
	 Physical verification of movable Fixed Assets
	has been carried out during performance
	audit.
Weakness observed in the functioning	 Cashier cash book is not available.
of office, maintenance of records etc.	Tax Collector generally deposits the
observed during the audit engagement.	collection amount with the interval of 3-7
	days. As per Rule 27 of BMAR it should be
	deposited on daily basis otherwise a sum of
·	Rs. 500/- per day may be imposed for
	delayed deposit.
	Some cash expenditure has been made
	against cash collection.
	There are some lapses in internal control
	w.r.t collection of taxes.
	Demand collection Register has not been
	prepared.
	Dues from Tower tax has not been collected
	on time.
	on time.

- Interest @1.5% not imposed on delay payment of Tower registration fees and annual fees beyond 30 days. After 5 years there should be increase by 25% in renewal fee has not been demanded.
- Periodical checking of Books of accounts by Chairman or vice chairman has not been done.
- There is lack of internal control on deposit of various taxes. Due to cash basis accounting liability of Taxes has not been accounted for hence it is difficult to ascertain tax payable at any point of time. Taxes such as VAT, I.T. Royalty etc are collected from time to time but its payments are made on yearly basis which is not proper. Taxes should be remitted to the Govt. account on timely basis otherwise penal action may be taken by the concerned department for delayed deposit of taxes.Rs. 7120 excess TDS amount paid for A.Y. 14-15. Liability of TDS for A.Y 15-16 has not been paid till date. Quarterly TDS return not shown to us.
- Grant Register is not being maintained hence it is difficult to find unutilized grant at any point of time.
- Bank Reconciliation Statement is not prepared hence it is difficult to monitor possible fraud, if any.
- Advance Register is not prepared hence it is difficult to monitor for advances given and adjustment thereof.
- P.F Act has not been followed by the office, Only6% P.F has been deducted from employees and 6 % P.F. contributed by Office. The same amount not remitted to Recognised Provident Fund Commissioner.
- Budget has not been prepared before the F.Y. 2014-15.



3. Opinion

Overall opinion of the Audit team about the functioning of the Municipality

The overall functioning of the Municipality is very poor due to the following reasons:

- Most of the prescribed Books of accounts are not maintained
- Internal Control w.r.t. collection of taxes, monitoring of grant, monitoring of advances, monitoring of schemes etc. is very poor.
- Collection from own sources is very poor.
- Grant received for various purposes are not utilized on timely basis.
- Thére are serious lapses in deduction and deposit of statutory dues such as TDS, VAT, Royalty, Labour cess etc.

4. Audit Recommendations

The recommendations Audit team on the observed weakness

We recommend the followings:

- All the prescribed books of accounts and Registers should be prepared on real time basis
- Bank reconciliation Statement should be prepared on monthly basis
- Cashier Cash Book should be maintained and written on daily basis.
- Collection by tax collector should be deposited on daily basis.
- Grant Register should be prepared
- All the statutory dues should be deposited on timely basis and returns prescribed under the statute should also be deposited n timely

basis.	

- Demand Collection Register of all the wards should be prepared.
- Property tax register should be prepared as per new assessment.
- Collection from own sources should be improved.



5. Comments from Management

Comment from Management	The audit report has been discussed with us; we will try our best to remove the irregularities pointed out in the audit report.
	For Nagar Panchayat – GogriJamalpur (Executive Officer)

6. Acknowledgment

We are thankful to Mrs PoonamKumari (Executive Officer) andMr.Manoranjan Kumar Dwivedi (Head Clerk) for their support during the period of our audit. We are also thankful to the support staffs of the municipality for their cooperation extended to us during the period of our audit.

ForThakurBhuwanesh& Associates

Chartered Accountants.

FRN: 019690N

(CA. Rajesh Kumar Jha)

Partner

M.NO. 412318

Date:

Detailed Audit Report

1. Introduction

The Internal audit of Nagar Panchayat covering period from 1st July 2016 to 30th September, 2016 was conducted by following persons under guidance of CA. B.K. Thakur

- Mr.Amit Kumar
- Md. Parwez ii.

2. Administration

The present body of the ULB has taken charge on 3rd July 2012. The incumbency in the key administrative and executive position was as under:

Smt. RanjitaKumariNishad, Chairman from 03.07.2012 to till date, Mrs.PoonamKumariExecutive officer from 03.09.2015 to till date.

3. Review of outstanding audit paras: Status of Audit Observations are as under: Audit Report of AG not shown to us, the following details as per Compliance report send by Office,

Sl.No.	Particulars of Audit and date of report	Total No. of Audit Paras.	Total No. of audit paras where necessary improvement/ corrective measure is required	Total No. of audit paras where recovery of cash is proposed	Total No. of audit paras where recovery has been made	Total amount of Recovery	Total No. of outstanding paras where no action has been taken	No. & date of Compliance report
1.	Audit report No. 02/12-13	24	14	Nil	Nil	Nil	00	10/03-01- 2015

B. Status of Audit Observation is as under: Internal Audit 2015-16

Sl. No.	Particulars of audit and date of report	Audit Observation	Compliance
1.	Annual Audit Report 2015- 16	Total collection of holding tax is Rs. 1470985.00 against total demand of Rs. 1479951.00	Collection is under progress
2.	-Do-	Mobile Tower	No Compliance

		Rs. 94000.00 loss is assessed on non- demand of Renewal fee at increased rate of 25% of installation. (Detail Attached)	
3.	-Do-	Rs. 1430000.00 is outstanding on account of Rent for communication tower. (Detail Attached)	quarter

4. Finance

Budgetary provisions and expenditure for the last three years i.

Year	2014-15	2015-16	2016-17 q2
Final/ Revised Budget	Rs. 6,33,50,000	76520000	109185575
Actual Expenditure	Rs. 2,16,90,463	56374931	12338722.00
Savings (+)/ Excess(-)	Rs. 4,16,59,537	20145069	96846853.00

Volume of transactions 11.

Period	Budgeted (F.Y.16-17)	Previous year (F.Y. 15-16)	Corresponding period of previous year (F.Y. 15-16)	Current Period (F.Y. 16-17) Q2	for the current period (F.Y. 16-17) Q2
Opening Balance	146745595	14,67,45,596	144416952	130305526	137059377
Receipts	289997105	46688712	12137292	47391145	52390240
TOTAL	436742700	193434308	158882888	177696671	189449617
Net Expenditure	436742300	56374931	11896425	12338722	24091669
Closing Balance	400	13,70,59,377.00	146986463.00	165357949	165357949

Bank Reconciliation 111.

Preparation of Bank Reconciliation Statement is not in practice; however we have verified the cashbook balance and pass book balance and found the same in order, Scheme wise Bank Account has not been maintained:

It is suggested that Nagar Panchayatshould prepare Bank Reconciliation Statements on monthly basis.

Revenue Receipts ١٧.

Period	Budgeted	Previous year (For One year) 2015-16	Correspondi ng period of previous year 2015- 16	Current Period 2016-17	for the current period 2016-17
A.Own Source				·	
Property Tax	1738605	1470985	76164	448465	802308
Assigned revenue	8177000			10827067	10827067
Others (Fees & User Charges)	11181300	402995		0	494247
(b) Administrative Grant		·			
Salary	2659000	960000	102851	558068	558068
State Government	187955000	24525375			
Central government	76360000	2100000			
Other government agencies	5000000				
13th Finance Commission		4655665	6945447		15.4
Grant 14th Finance		8963062		6183769	Q1837

Commission					
Grant					
		1907630	110830	79529	79529
BRGF		1907000			1000000
Social Security					4000000
Housing				19728000	19728000
				9072000	9223005
Swachh Bharat					
Mission Pension	83000		4902000		
Administrative	2265000	1280000		558068	558068
Fund		·			
Operation &	14526000	600000			
Maintenance					
Fixed assets	323934500	43080000			
Capital Works	91058000	28200000			
Others	1150000	5226000			

Status of Implementation of Double Entry Accounting System ٧.

Till date Double Entry Accounting System is not operational in the Nagar Panchayat.

M/S MukharjeeBiswas and Pathak, Chartered Accountants have been appointed by the UD & HD for implementation of Double Entry Accounting System in the Nagar Panchayat, Work in progress, actual status not explain to us.

Status of Municipal Accounts Committee; if meeting held VI.

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 N.P. till the date of our audit.

5. Audit Observations

PART- A ١.

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

a. Leakage of own source revenue either	Holding Tax
due to wrong assessment or non- levy of property tax, mobile tower tax, rent on municipal properties, advertisement tax fees etc.	Total collection of holding tax is Rs. 802308 against total demand of Rs. 2542622.00
rees etc.	Mobile Tower
	Rs. 94000.00 loss is assessed on non- demand of Renewal fee at increased rate of 25% of installation. (Detail Attached)
	Rs. 1494000.00 is outstanding on account of Rent for communication tower. (Detail Attached)
b. Excess payment against bill, lack of prudence in payment against voucher, inefficiency in controls resulting loss to ULBs	vouched all above Rs. 10000.00 but no any objectionable thing noticed.
c. Report on findings of field survey of Property Tax of minimum 20 high value properties	

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 -

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

The Nagar Panchayat is maintaining only Cash Book/ Bank

As per Bihar Municipal Accounting Manual Following primary Books of accounts are required to be maintained:

- 1. Cash Book (Form Gen-IA)
- 2. Bank Book (Form Gen-IB)
- 3. Journal Book (Form Gen-2)
- 4. Ledger (Form Gen-3)

Journal Book and Ledger are not maintained.

In addition to above following other General Registers and forms are required to be maintained but the same are not being maintained.

- 1 Receipt GEN-8
- 2 Receipt Register GEN-9
- 3 Statement on Status of Cheques Received GEN-10
- 4 Collection Register GEN-11
- 5 Memorandum of Collection GEN-12
- 6 Summary of Daily Collection GEN-13
- 7 Register of Bills for Payment GEN-14
- 8 Payment Order GEN-15
- 9 Cheque Issue Register GEN-16
- 10 Register of Advance GEN-17
- 11 Register of Permanent Advance GEN-18
- 12 Deposit Register GEN-19
- 13 Summary Statement of Deposits Adjusted GEN-20
- 14 Demand Register GEN-21
- 15 Bill for Municipal Dues GEN-22
- 16 Summary Statement of Bills Raised GEN-23
- 17 Register of Notice Fee, Warrant Fee, Other Fees GEN-24
- 18 Summary Statement of Notice Fee, Warrant Fee, Other Fees GEN-25
- 19 Register of Refunds, Remissions and Write-offs GEN-26
- 20 Summary Statement of Refunds and Refusions GEN-27
- 21 Summary Statement of Write-Offs GEN 28
- 22 Statement of Outstanding Liability for perises GEN-29
- 23 Documents Control Register/Stock Account of

	Receipt/Cheque Book GEN-30 24 Register of Immovable Property GEN-31 25 Register of Movable Property GEN-32 26 Register of Land GEN-33
	27 Function-wise Income Subsidiary Ledger GEN-34 28 Function-wise Expense Subsidiary Ledger GEN-35 29 Asset Replacement Register GEN-36 30 Register of Public Lighting System GEN-37
b. Irregularity in procurement process	No major irregularity observed
c. Non-compliance of directives by UD & HD ,	Non compliance of the direction issued by UD & HD, GOB vide letter no. 3/UIG- Ref 10/2012-1251 dated 12.07.2013 in respect of Solid Waste Management. No consumer tax has been imposed.
d. Non Compliance of Act & Rules	Various books of accounts and records, as provided in the Act and Rules are not maintained.
e. Lack of internal Control measures	 There are some lapses in internal control w.r.t collection of taxes. Demand collection Register has not been prepared. Dues from Tower tax has not been collected on time. Interest @1.5% not imposed on delay payment of Tower registration fees and annual fees beyond 30 days. After 5 years there should be increase by 25% in renewal fee has not been demanded. Periodical checking of Books of accounts by Chairman or vice chairman has not been done. There is lack of internal control on deposit of various taxes. Due to cash basis accounting liability of Taxes has not been accounted for hence it is difficult to ascertain tax payable at any point of time. Taxes such as VAT, I.T. Royalty etc are collected from time to time but its payments are made on yearly basis which is not proper. Taxes should be remitted to the Govt. account on timely basis otherwise penal action may be taken by the concerned department for delayed deposit of taxes.Rs. 7120 excess TDS amount paid for A.Y. 14-
	 15. Liability of TDS for A.Y 15-16 has not been paid till date. Quarterly TDS return not shown to us. Grant Register is not being maintained hence it is difficult to find unutilized grant at any point of time.

f. Non-compliance of TDS, VAT and other relevant Statute	ii) VAT& Royalty are deposited on yearly basis which is not proper it should be deposited within the due date prescribed under the respective statute. lii) We observed that Income Tax, VAT, Royalty & labour cess for whole financial year has been deposited in the month of March 2015. Taxes should be remitted to the Govt. account on timely basis otherwise penal action may
g. Deficiency in Pay-roll System	be taken by the concerned department for delayed deposit of taxes The pay-roll system does not contain leave details of employee. P.F Act has not been followed by the office, Only
	6% P.F has been deducted from employees and 6 % P.F. contributed by Office. The same amount not remitted to Recognised Provident Fund Commissioner, all the deductions of PF contribution are being deposited in a separate account opened by the municipality.
h. 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 Utilization certificates up to 31.03.2016 has been sent to the Government but copy of the same could not be provided to us.
	Inventory/Store Register has not been prepared and physical verification of inventory/stores not been done.
adjustment & recovery	Advance Register has not been prepared hence is very difficult to monitor advances, their recovery and adjustment.

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



Part – C I. General observations: Auditor should report the deficiencies noticed during their audit and recommendation ULB management to improve internal systems.

	· · · · · · · · · · · · · · · · · · ·
Particulars Particulars	Comments
Whether the postings for the entries in the	
books of original entry have been correctly	prepared by the N.P.
made in the respective ledger accounts	
Whether all the books of accounts and	No, except General Cash Book and
supplementary registers that are prescribed in	Subsidiary Cash Book and demand
the Accounts Manual / other applicable	collection register no other books of
regulations have been properly maintained by	accounts have been maintained.
the ULB;	
Whether the Quarterly Financial Statements	No quarterly Financial Statements have
have been compiled on the basis of the actual	been prepared by the N.P.
entries in the books of accounts;	
Whether the period end and reconciliation	No, period and reconciliation
procedures prescribed have been carried out.	procedures as prescribed have not been
TATE of the Paris	carried out.
Whether the Bank Reconciliation statements	No, Bank Reconciliation Statements have
have been prepared and are appropriate	not been prepared by the N.P.
Whether all grants from Government have been	Yes, all grants from Government have been
accounted at gross value with proper entries to	accounted at gross value but all
various accounts	transactions are not correctly classified
W/hother 11 / C	with sufficient details.
Whether all transactions (incomes,	No all transactions have been classified as
expenditures, assets and liabilities) are correctly	incomes and expenditure only assets and
classified and stated in sufficient detail;	liabilities have not been recognized.
Whether all grants sanctioned or received by	Grant received during the year has been
the municipality during the year, have been	properly accounted for. Information about
accounted properly, and where any deduction	grant sanctioned and deductions made out
is made out of such grants towards any dues of	of such grant is not available with the ULB.
the ULB? Whether such deductions have been	
properly accounted;	TI O
Whether any Special Funds have been created	No Special fund has been created by the
as per the provision of any statute and whether	ULB.
the Special Funds have been utilized for the	
purposes for which they have been created;	
In respect of contracts that are in existence	On our test check we did not notice any
during the year, whether there are any	major deviation.
deviations from the sanctioned plans and the	
estimates without the sanction of the competent authority;	
audionty,	
	wanesh & Asc.

D. 11.	
· Particulars	Comments
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;	maintained by the ULB. Physical verification of fixed assets has not been done during the financial year under audit.
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;	has been given on lease.
Whether physical verification has been	No, physical verification of stores has been
conducted by the ULB at reasonable intervals in	conducted by the ULB at reasonable
respect of stores;	intervals.
Whether the procedures of physical verification	No
of stores followed by the ULB are reasonable	
and adequate? If not, the inadequacies in such procedures should be reported;	
Whether any material discrepancies have been	N. I. I. I. I.
noticed on physical verification of stores as	No physical verification has been carried
compared to book records, and if so, whether	out during the audit period.
the same has been properly dealt with in the	
books of account;	
Whether proper procedures are in place to	No there is no procedures are in place to
identify any unserviceable or damaged stores	identify any unserviceable or damaged
and whether provision for the loss in this	stores
respect, if any, has been made in the accounts;	
Whether the valuation of stores is in accordance	No valuation of stores has been done.
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;	
Whether the parties to whom loans or advances	There is no cose looms and all all
have been given by the ULB are repaying the	There is no case loans and advances other than advance to staff for expenditure.
principal amounts as stipulated and are also	dian advance to stail for expenditure.
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?	
Whether advances given to municipal	Advance Register has not been maintained
employees and interest thereon are being regularly recovered;	so we are unable to verify whether it is
Whether there exists an adequate internal	being recovered regularly or not.
and adequate internal	No there does not exist any man
	(2.1.81 TROB)

Particulars	Comments
control procedure for the purchase of store	
including components, plant and machiner	y, stores, including components, plant and
equipment and other assets?	machinery, equipment and other assets
Whether applicable procurement rules an	d Not any significant deviation
procedures are being followed and if so),
significant deviations should be identified an	d
reported.	
Whether the municipality is regular i	n No, the municipality is not regular in
depositing statutory dues including ta	X denositing statutory dues including to
deducted at source, service tax, VAT, work	S deducted at source service toy VAT
contract tax, cess payable to the governmen	t Works contract tay coss payable to the
etc., and if not, the nature and cause of such	government etc. Royalty and labour cess
delay and the amount not deposited;	for the year 2014-15 yet to be deposited.
Whether the municipality is regular in	The municipality is not -:-:
remittance of pension and leave encashmen	t contribution to BE
contributions or any other amounts which the	
municipality is liable to remit towards the	e employee contribution to P.F and pension fund.
retirement dues of its employees, including	Turid.
employees on deputation;	
Whether any personal expenses have beer	747 1: 1
charged to the municipality's accounts; if so	We did not notice any such expenses.
the details thereof;	,
<u> </u>	
Whether all the expenditure incurred by the	Yes on our test check we observed that all
Municipality are authorized by appropriate	the expanditure in a 1
provision in the sanctioned budget, whether	Municipality are authorized by
made originally or subsequently and are in all	Municipality are authorized by appropriate provision in the sanctioned budget
cases such as are authorized by law;	provision in the sanctioned budget
, , , , , , , , , , , , , , , , , , , ,	
Whether all revenue has been properly	No all revenues have not b
assessed, accounted for, collected and recovery	
action taken on timely basis;	
	Recovery action is also not taken on timely basis
Whether all sums due to and received by the	
Municipality have been brought to account	Some delay observed in collection and
within the prescribed time limits and are in all	accounting of taxes by tax collection agents.
cases such as are authorized by law;	
Whether in respect of all bills for charges on	Yes on our test check we observed that all
account of all works and other expenditure	bills for charges on account of all
proper certificates have been furnished in	bills for charges on account of all works
support of them and that no deviation has been	and other expenditure, proper certificates
made for the sanctioned plans and the	have been furnished in support of them
estimates without the sanction of the	and that no deviation has been made for
competent authority;	the sanctioned plans and the estimates
-	without the sanction of the competent
Whather the emily	authority
Whether the amounts received as specific	Yes on our test check we observed that
grants have been utilized for the purposes as	amounts received as specific pants have
stated in the grant sanction order;	been utilized for the purposes as stated in

Particulars	Comments		
	the grant sanction order		
Whether bio metric devices and payroll software are used at the ULB. If not whether there is satisfactory system of pay roll accounting; otherwise mention the key deficiencies of the system. Whether the grievance redressal mechanism for the ULB is sufficient.	system of the municipality is deficient as it does not contain leave records, details of deductions made etc.		



Details of Sairat During the year 2015-16& 2016-17

Name of Sairat	15-16	2016-17	
Jamal Pur Hat	255000	227000	
Tikani Hat	5500	6500	
Laxmi Nagar Hat	29800	32664	
Gogri Hat	49500	101775	
Public Toilet	3500	Not Done	
Total	343300	367939	

Detail of due from communication Tower

SI. No.	Company	Location	Year of Estb.	Annual Fee due for	Add. Fee @ 25%
1	Vodafone	WN 1	2007-08	enhancement	
2	Vodafone	WN 11		2014	6000
3	Vodafone		2007-08	2014	6000
4		WN 19	2007-08	2014	6000
	Airtel	WN 01	2006	2012	10000
5	Airtel	WN 08	2009	2015	
6	Airtel	WN 08	2005		2000
7	Airtel	WN 15		2011	12000
8	BSNL		2006	2012	10000
		WN 11	2001	2007	12000
9	Reliance	WN 15	2005	2011	
10	Vodafone	WN 19	2008		12000
		Total	2008	2014	6000
					94000

2016-17 TOWER

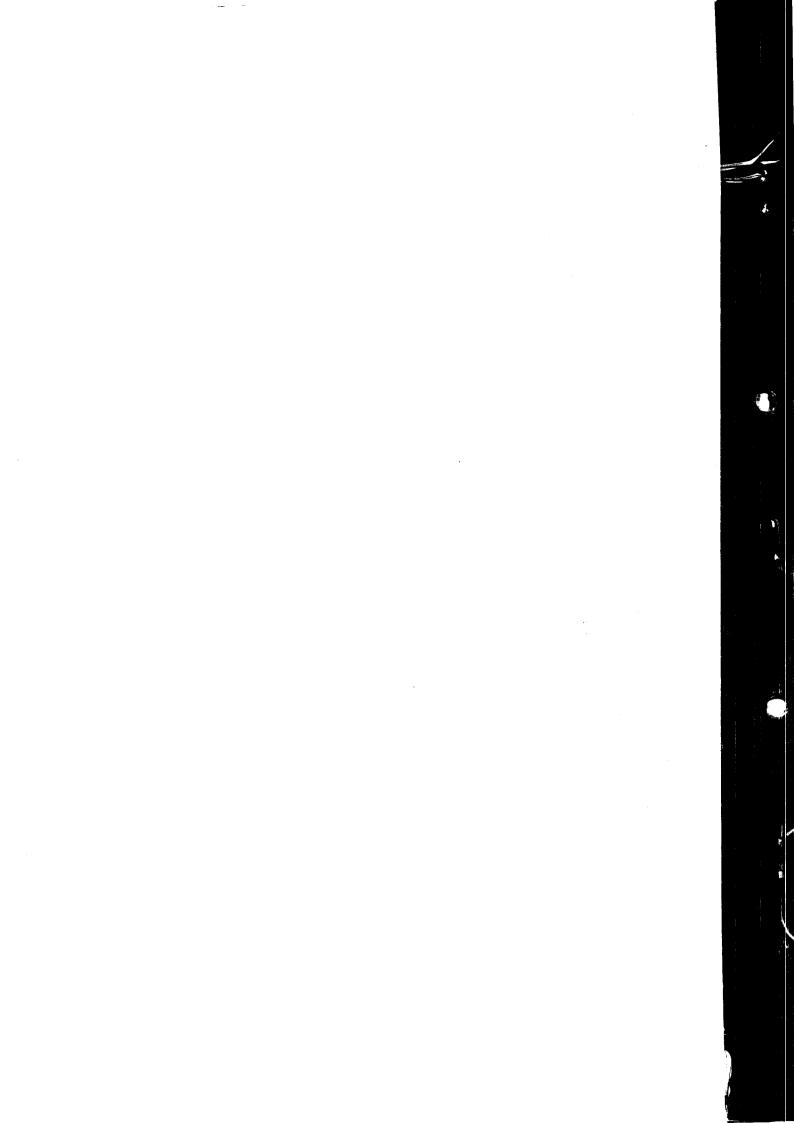
NAME OF TOWER	Due up to 2015- 16	2016-17	Due in 2016-17	Collection
VODA	9000	10000	19000	0
AIRTEL	169000	10000	179000	0
TATA INDCOM	169000	10000	179000	0
BHARTIYE INFORT	159000	10000	169000	0
RELIANCE JIO	24000	8000	34000	24000
VODA	225000	10000	235000	0
VODA	225000	10000	235000	0
VODA	225000	10000	235000	0
VODA	225000	10000	235000	0
TOTAL DUE	1430000	88000	1518000	240000



20 High value property details

Nagar Panchayat -GogriJamalpur

SI.		guite	hayat -GogriJamalpur		
No.	Ward	Traine of the floider	Father's/Husband's Name	Assessed	
1	15	Manju Devi	Sunil Kumar Narnolia	Value	Observati
2	15	Manju Devi	Sunil Kumar Narnolia	8199	Physical
3	15	Sanajy Kumar Singh	Ramanand Singh	8199	Physical
4	15			779	Physical
5	15	Urmila Devi	Saw Kumar Agarwal	2535	Physical
6	15	SawarmalChaudhary	SatyanarayanYadav	3276	Physical
. 7	15	Raj Kumar Chaudhary	MadanLalChaudhaury	1507	Physical
8	15	GautamPansali	ChhediLalChaudhary	1275	Physical
9	15	GauravPansali	Om PrakashPansali	810	Physical
10	15	GunjanPansali	Om PrakashPansali	810	Physical
11	15	Om PrakashPansali	Om PrakashPansali	810	Physical
12	15	RatanLalAgarwal	Ram al Pansali	2958	Physical
13	15	Ashish Kumar	Ram lalAgarwal	3402	Physical
14	15	Nirala Devi	Ramji Shah	341	Physical
15	15	Manorma Devi	Ramji Shah	882	Physical
16	15	RekhaSenSaraswatiMandir	Narayan Shah	432	Physical
17		AgrasenBhawan	Ghanshyam Thakur(Principal)	7568	Physical
18		LokSikshaSamiti	Marwari Sangh	10887	Physical
19			Ghanshyam Thakur(Principal)	10044	Physical
20		Laxmi Narayan Kejriwal	Mohan LalKejriwal		
		SatyendraNathSen	BijendraNathSen		Physical Physical



INTERNAL AUDIT REPORT OF NAGAR PANCHAYAT - GOGRI JAMALPUR

For the Period from October-2016 to December - 2016

INTERNAL AUDIT CONDUCTED BY

THAKUR BHUWANESH & ASSOCIATES

Chartered Accountants 2nd Floor, Nathani Market Sutapatti, Muzaffarpur Bihar-842001

Audit Conducted from:

Report Issued on

NAGAR PANCHAYAT - GOGRI JAMALPUR (KHAGARIYA) INTERNAL AUDIT REPORT FOR THE FINANCIAL YEAR (2016-17) Q3

INDEX

	A. V. R. J. V. V. R. J. V. L. V. R. J. V. R. J. V. R. J. V. R. J. V. L.			
Section	Contents	Page No.		
		From	То	
I	Audit Methodology and Approach			
II	Executive Summary			
III	Detailed Audit report			
IV	Audit Observations – Part-A		· · · · · · · · · · · · · · · · · · ·	
V	Audit Observations – Part-B			
· VI	Audit Observations – Part-C			
VII	Annexure to Audit report			
VIII	Report on Field Survey of 80 high value properties			

INTERNAL AUDITOR'S REPORT

Joint Secretary and **Additional Project Director Urban Development & Housing** Department, Patna

We have conducted internal audit of the Books of Accounts and related document and vouchers of Nagar Panchayat - GogriJamalpur (ULB) for the period of 1-10-2016 to 31-12-2016 in terms of agreement with UD&HD dated 21.03.2016. These Books of Accounts and related document and vouchers are the responsibility of Management. Our responsibility is to express an opinion on the Books of Accounts and related document and vouchers based on our audit.

We have conducted our audit in accordance with the Standard on Internal Audit (SIA) formulated by ICAI. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Books of Accounts and related document and vouchers are free from material misstatement. An audit includes examining, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our observations. The salient points of the scope covered by the internal audit are as follows:

- 1. The effectiveness of accounting system. .
- 2. Compliance with the legal and statutory requirements.
- 3. Risk-based review and evaluation of the Internal Control.
- 4. Compliance of Bihar Municipal Act.
- 5. Compliance of Bihar Municipal Accounting Manual.

Moreover, our scope of examination also covered the requirements of the specific points as spelled out by the management of the Urban Development & Housing Department. The result and recommendations of our internal audit are set out in Scope, Observations and Annexure of our report.

The statutory auditor of the Urban Development & Housing Department 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 constructed as our opinion on the financial statements.

ForThakurBhuwanesh& Associates

Chartered Accountants

FRN: 019690Na

(CA. Rajesh Kumar Jhay)

Partner

M.NO. 412318

Date:

Executive Summary

1. Introduction

Name of the Municipality

: Nagar Panchayat – GogriJamalpur

Period covered under current audit

: 01.10.2016 to 31.10.2016

Name of Chief Executive Officer for the

period under Audit

: Mrs.PoonamKumari

2. Results and Findings

Strength observed during the audit engagement	 The following records are available: ✓ Cash Book with Subsidiaries ✓ Cheque receipt register ✓ Remittance Register ✓ Log Book of Vehicle ✓ Salary Register ✓ Daily collection Register of Taxes/user charges /Fees & Fines Staff Cooperation during the Audit period is satisfactory. Physical verification of movable Fixed Assets has been carried out during performance audit.
Weakness observed in the functioning of office, maintenance of records etc. observed during the audit engagement.	 Cashier cash book is not available. Tax Collector generally deposits the collection amount with the interval of 3-7 days. As per Rule 27 of BMAR it should be deposited on daily basis otherwise a sum of Rs. 500/- per day may be imposed for delayed deposit. Some cash expenditure has been made against cash collection. There are some lapses in internal control w.r.t collection of taxes. Demand collection Register has not prepared. Dues from Tower tax has not been collection.

on time.

- Interest @1.5% not imposed on delay payment of Tower registration fees and annual fees beyond 30 days. After 5 years there should be increase by 25% in renewal fee has not been demanded.
- Periodical checking of Books of accounts by Chairman or vice chairman has not been done.
- There is lack of internal control on deposit of various taxes. Due to cash basis accounting liability of Taxes has not been accounted for hence it is difficult to ascertain tax payable at any point of time. Taxes such as VAT, I.T. Royalty etc are collected from time to time but its payments are made on yearly basis which is not proper. Taxes should be remitted to the Govt. account on timely basis otherwise penal action may be taken by the concerned department for delayed deposit of taxes.Rs. · 7120 excess TDS amount paid for A.Y. 14-15. Liability of TDS for A.Y 15-16 has not been paid till date. Quarterly TDS return not shown to us.
- Grant Register is not being maintained hence it is difficult to find unutilized grant at any point of time.
- Bank Reconciliation Statement is not prepared hence it is difficult to monitor possible fraud, if any.
- Advance Register is not prepared hence it is difficult to monitor for advances given and adjustment thereof.
- P.F Act has not been followed by the office, Only6% P.F has been deducted from employees and 6 % P.F. contributed by Office. The same amount not remitted to Recognised Provident Fund Commissioner.
- Budget has not been prepared before the F.Y. 2014-15.

3. Opinion

Overall opinion of the Audit team about the functioning of the Municipality

The overall functioning of the Municipality is very poor due to the following reasons:

- Most of the prescribed Books of accounts are not maintained
- Internal Control w.r.t. collection of taxes, monitoring of grant, monitoring of advances, monitoring of schemes etc. is very poor.
- Collection from own sources is very poor.
- Grant received for various purposes are not utilized on timely basis.
- There are serious lapses in deduction and deposit of statutory dues such as TDS, VAT, Royalty, Labour cess etc.

4. Audit Recommendations

The recommendations Audit team on the observed weakness

We recommend the followings:

- All the prescribed books of accounts and Registers should be prepared on real time basis
- Bank reconciliation Statement should be prepared on monthly basis
- Cashier Cash Book should be maintained and written on daily basis.
- Collection by tax collector should be deposited on daily basis.
- Grant Register should be prepared
- All the statutory dues should be deposited on timely basis and returns prescribed under the statute should also be deposited on (

	basis.
. `	 Demand Collection Register of all the wards should be prepared.
	 Property tax register should be prepared as per new assessment.
	Collection from own sources should be improved.

5. Comments from Management

Comment from Management	The audit report has been discussed with us; we will try our best to remove the irregularities pointed out in the audit report.
	For Nagar Panchayat – GogriJamalpur
	(Executive Officer)

6. Acknowledgment

We are thankful to Mrs PoonamKumari (Executive Officer) andMr.Manoranjan Kumar Dwivedi (Head Clerk) for their support during the period of our audit. We are also thankful to the support staffs of the municipality for their cooperation extended to us during the period of our audit.

ForThakurBhuwanesh& Associates

Chartered Accountants.

FRN: 019690N

(CA. Rajesh Kumar Jha)

Partner

M.NO. 412318

Date:

Detailed Audit Report

1. Introduction

The Internal audit of Nagar Panchayat covering period from 1st October 2016 to 31st December, 2016 was conducted by following persons under guidance of CA. B.K. Thakur

- i. Mr.Amit Kumar
- ii. Md. Parwez

2. Administration

The present body of the ULB has taken charge on 3rd July 2012. The incumbency in the key administrative and executive position was as under:

Smt. RanjitaKumariNishad, Chairman from 03.07.2012 to till date, Mrs.PoonamKumariExecutive officer from 03.09.2015 to till date.

3. Review of outstanding audit paras : Status of Audit Observations are as under: Audit Report of AG not shown to us, the following details as per Compliance report send by Office,

SI.No.	Particulars	Total	Total No. of	Total No.	Total	Total	Total No. of	No. & date
	of Audit	No.	audit paras	of audit	No. of	amount	outstanding	of
E	and date	of	where	paras	audit	of	paras	Compliance
	of report	Audit	necessary	where	paras	Recovery	where no	report
		Paras.	improvement/	recovery	where		action has	
			corrective	of cash is	recovery		been taken	
			measure is	proposed	has			
			required		been			
					made			
1.	Audit report No.	24	14	Nil	Nil	Nil	00	10/03-01- 2015
:	02/12-13							2013

B. Status of Audit Observation is as under: Internal Audit 2015-16

Sl. No. Particulars of audit and date of report		Audit Observation	Compliance
1.	Annual Audit Report 2015- 16	Total collection of holding tax is Rs. 1470985.00 against total demand of Rs. 1479951.00	
2.	-Do-	Mobile Tower	No Compliance



		No collection in this	
3.	-Do-	Rs. 1430000.00 is outstanding on account of Rent for communication tower. (Detail Attached)	No collection in this quarter

4. Finance

Budgetary provisions and expenditure for the last three years ı.

Year	2014-15	2015-16	2016-17
Final/ Revised Budget	Rs. 6,33,50,000	76520000	
Actual Expenditure	Rs. 2,16,90,463	56374931	11752946.52
Savings (+)/ Excess(-)	Rs. 4,16,59,537	20145069	

II. · Volume of transactions

Period	Budgeted (F.Y.16-17)	Previous year (F.Y. 15-16)	Corresponding period of previous year (F.Y. 15-16)	Current Period (F.Y. 16-17) Q3	Cumulative for the current period (F.Y. 16-17) Q3
Opening Balance	146745595	14,67,45,596	146986463.00	165357949	137059377
Receipts	289997105	46688712	13366549	192301	52582541
TOTAL	436742700	193434308	160353012	165550250	189641918
Net Expenditure	436742300	56374931	4418090	3311995	27403663
Closing Balance	400	13,70,59,377.00	155934922	162238255	162238255

III. **Bank Reconciliation**

Preparation of Bank Reconciliation Statement is not in practice; however we have verified the cashbook balance and pass book balance and found the same in order, Scheme wise Bank Account has not been maintained:

It is suggested that Nagar Panchayatshould prepare Bank Reconciliation Statements on monthly basis.

IV. **Revenue Receipts**

Period	Budgeted	Previous year (For One year) 2015-16	Correspondi ng period of previous year 2015- 16	Current Period 2016-17	Cumulative for the current period 2016-17
A.Own Source					
Property Tax	1738605	1470985	1470985	192301	994609
Assigned revenue	8177000				10827067
Others (Fees & User Charges)	11181300	402995	402995		494247
(b) Administrative Grant					
Salary	2659000	960000	960000		558068
State Government	187955000	24525375	24525375		
Central government	76360000	2100000	2100000		
Other government agencies	5000000	·			
13th Finance Commission Grant		4655665	4655665		Q
14th Finance		8963062	8963062		6183769

Commission				
Grant				
BRGF		1907630	1907630	79529
Housing				4000000
Swachh Bharat				19728000
Mission				
Pension	83000			9223005
Administrative	2265000	1280000	1280000	
espenses				
Operation &	14526000	600000	600000	558068
Maintenance				
Fixed assets	323934500	43080000		
Capital Works	91058000	28200000	28200000	
Others	1150000	5226000	5226000	

Status of Implementation of Double Entry Accounting System ٧.

Till date Double Entry Accounting System is not operational in the Nagar Panchayat.

M/S MukharjeeBiswas and Pathak, Chartered Accountants have been appointed by the UD & HD for implementation of Double Entry Accounting System in the Nagar Panchayat, Work in progress, actual status not explain to us.

VI. 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 N.P. till the date of our audit.

5. Audit Observations

I. PART- A

ULBs

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

a. Leakage of own source revenue either	II-11' T
due to wrong assessment or non- levy of property tax, mobile tower tax, rent on municipal properties, advertisement tax fees etc.	Total collection of holding tax is Rs.
	Mobile Tower
	Rs. 94000.00 loss is assessed on non-demand of Renewal fee at increased rate of 25% of installation. (Detail Attached)
	Rs. 1482000.00 is outstanding on account of Rent for communication tower. (Detail
	Attached)
b. Excess payment against bill, lack of	We have checked the expenditure
prudence in payment against voucher,	are experientel
inefficiency in controls resulting loss to	any objectionable thing noticed.

c. Report on findings of field survey of Property Tax of minimum 20 high value properties

Field survey of 20 high value properties has been conducted by us a report thereon is attached in Annexure



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 –

 Non- maintenance of books of accounts , subsidiary registers The Nagar Panchayat is maintaining only Cash Book/ Bank Book

As per Bihar Municipal Accounting Manual Following primary Books of accounts are required to be maintained:

- 1. Cash Book (Form Gen-IA)
- 2. Bank Book (Form Gen-IB)
- 3. Journal Book (Form Gen-2)
- 4. Ledger (Form Gen-3)

Journal Book and Ledger are not maintained.

In addition to above following other General Registers and forms are required to be maintained but the same are not being maintained.

- 1 Receipt GEN-8
- 2 Receipt Register GEN-9
- 3 Statement on Status of Cheques Received GEN-10
- 4 Collection Register GEN-11
- 5 Memorandum of Collection GEN-12
- 6 Summary of Daily Collection GEN-13
- 7 Register of Bills for Payment GEN-14
- 8 Payment Order GEN-15
- 9 Cheque Issue Register GEN-16
- 10 Register of Advance GEN-17
- 11 Register of Permanent Advance GEN-18
- 12 Deposit Register GEN-19
- 13 Summary Statement of Deposits Adjusted GEN-20
- 14 Demand Register GEN-21
- 15 Bill for Municipal Dues GEN-22
- 16 Summary Statement of Bills Raised GEN-23
- 17 Register of Notice Fee, Warrant Fee, Other Fees GEN-24
- 18 Summary Statement of Notice Fee, Warrant Fee, Other Fees GEN-25
- 19 Register of Refunds, Remissions and Write-offs GEN-26
- 20 Summary Statement of Refunds and Remissions GEN
- 21 Summary Statement of Write-Offs GEN-28
- 22 Statement of Outstanding Liability for Expenses GEN-29
- 23 Documents Control Register/Stock Account of

	Receipt/Cheque Book GEN-30 24 Register of Immovable Property GEN-31 25 Register of Movable Property GEN-32 26 Register of Land GEN-33 27 Function-wise Income Subsidiary Ledger GEN-34 28 Function-wise Expense Subsidiary Ledger GEN-35 29 Asset Replacement Register GEN-36 30 Register of Public Lighting System GEN-37
b. Irregularity in procurement process	No major irregularity observed
c. Non-compliance of directives by UD & HD , GOB	Non compliance of the direction issued by UD & HD, GOB vide letter no. 3/UIG- Ref 10/2012-1251 dated 12.07.2013 in respect of Solid Waste Management. No consumer tax has been imposed.
d. Non Compliance of Act & Rules	Various books of accounts and records, as provided in the Act and Rules are not maintained.
e. Lack of internal Control measures	 There are some lapses in internal control w.r.t collection of taxes. Demand collection Register has not been prepared. Dues from Tower tax has not been collected on time. Interest @1.5% not imposed on delay payment of Tower registration fees and annual fees beyond 30 days. After 5 years there should be increase by 25% in renewal fee has not been demanded. Periodical checking of Books of accounts by Chairman or vice chairman has not been done. There is lack of internal control on deposit of various taxes. Due to cash basis accounting liability of Taxes has not been accounted for hence it is difficult to ascertain tax payable at any point of time. Taxes such as VAT, I.T. Royalty etc are collected from time to time but its payments are made on yearly basis which is not proper. Taxes should be remitted to the Govt. account on timely basis otherwise penal action may be taken by the concerned department for delayed deposit of taxes.Rs. 7120 excess TDS amount paid for A.Y. 14-15. Liability of TDS for A.Y 15-16 has not been paid till date. Quarterly TDS return not shown to us. Grant Register is not being maintained hence it is difficult to find unutilized grant at any point of

 Bank Reconciliation Statement is not prepared
 hence it is difficult to monitor possible fraud, if any. Advance Register is not prepared hence it is difficult to monitor for advances given and adjustment thereof. Budget has not been prepared before the F.Y. 2014-15. Advance Register is not prepared hence it is difficult to monitor for advances given and adjustment thereof. i) Tax deducted at source of Income Tax. ii) VAT& Royalty are deposited on yearly basis which is not proper it should be deposited within the due date prescribed under the respective statute. lii) We observed that Income Tax, VAT, Royalty & labour cess for whole financial year has been deposited in the month of March 2015. Taxes should be remitted to the Govt. account on timely basis otherwise penal action may be taken by the concerned department for delayed deposit of taxes
The pay-roll system does not contain leave details of employee. P.F Act has not been followed by the office, Only 6% P.F has been deducted from employees and 6 % P.F. contributed by Office. The same amount not remitted to Recognised Provident Fund Commissioner, all the deductions of PF contribution are being deposited in a separate account opened by the municipality.
Grant Register has not been prepared hence it is difficult to ascertain unutilized grant at any particular time. As explained to us Utilization certificates up to 31.03.2016 has been sent to the Government but copy of the same could not be provided to us.
Inventory/Store Register has not been prepared and physical verification of inventory/stores has also not been done.
Advance Register has not been prepared hence it severy difficult to monitor advances, their research and adjustment.

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



I. Part – C

General observations: Auditor should report the deficiencies noticed during their audit and recommendation ULB management to improve internal systems.

,		•
	Particulars Particulars	Comments
	Whether the postings for the entries in the books	No Ledger accounts have not been present
	of original entry have been correctly made in the	by the N.P.
-	respective ledger accounts	
	Whether all the books of accounts and	No, except General Cash Book and
	supplementary registers that are prescribed in	Subsidiary Cash Book and domand
	the Accounts Manual / other applicable	collection register no other beats of
	regulations have been properly maintained by	accounts have been maintained.
-	the ULB;	
	Whether the Quarterly Financial Statements	No quarterly Financial Statements have been
	have been compiled on the basis of the actual	prepared by the N.P.
-	entries in the books of accounts;	
	Whether the period end and reconciliation	No, period end and reconciliation
	procedures prescribed have been carried out.	procedures as prescribed have not been
\vdash	TAIL II. II. IIAI	carried out.
	Whether the Bank Reconciliation statements	No, Bank Reconciliation Statements have not
-	have been prepared and are appropriate	been prepared by the N.P.
	Whether all grants from Government have been	Yes, all grants from Government have been
Ľ	accounted at gross value with proper entries to	accounted at gross value but all transactions
	various accounts	are not correctly classified with sufficient
}	Whathar all transaction (details.
١,	Whether all transactions (incomes, expenditures,	No all transactions have been classified as
ľ	assets and liabilities) are correctly classified and stated in sufficient detail;	incomes and expenditure only assets and
		liabilities have not been recognized.
1	Whether all grants sanctioned or received by the	Grant received during the year has been
2	nunicipality during the year, have been accounted properly, and where any deduction is	properly accounted for. Information about
ı	nade out of such grants towards any dues of the	grant sanctioned and deductions made out
I	JLB? Whether such deductions have been	of such grant is not available with the ULB.
r	properly accounted;	
	Whether any Special Funds have been created as	N. C. i.i.c. iii
ŗ	per the provision of any statute and whether the	No Special fund has been created by the ULB.
Ŝ	pecial Funds have been utilized for the	ULD.
p	surposes for which they have been created;	
Ī	3 MOST and - () 1	On our took shall 111
d	iiring the recom	On our test check we did not notice any
d	eviations from the sanctioned plans and the	major deviation.
e	stimates without the sanction of the competent	
a	uthority;	
		mesh

Particulars	Comments
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.
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.
Whether physical verification has been conducted by the ULB at reasonable intervals in respect of stores;	No, physical verification of stores has been conducted by the ULB at reasonable intervals.
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
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 has been carried out during the audit period.
Whether proper procedures are in place to identify any unserviceable or damaged stores and whether provision for the loss in this respect, if any, has been made in the accounts;	No there is no procedures are in place to identify any unserviceable or damaged stores
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.
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?	There is no case loans and advances other than advance to staff for expenditure.
Whether advances given to municipal employees and interest thereon are being regularly recovered; Whether there exists an advances are desired.	Advance Register has not been mainted so we are unable to verify where is being recovered regularly or not. No there does not exist any internationtrol
,	arry Internation

Details of Sairat During the year 2015-16& 2016-17

Name of Sairat	15-16	2016-17
Jamal Pur Hat	255000	227000
Tikani Hat	5500	6500
Laxmi Nagar Hat	29800	32664
Gogri Hat	49500	101775
Public Toilet	3500	Not Done
Total	343300	367939



Detail of due from communication Tower

SI. No.	Company	Location	Year of Estb.	Annual Fee due for	Add. Fee @ 25%
1	Vodafone	WN 1	2007.00	enhancement	
2			2007-08	2014	6000
	Vodafone	WN 11	2007-08	2014	6000
3	Vodafone	WN 19	2007-08	2014	6000
4	Airtel	WN 01	2006	2012	
5	Airtel	WN 08	2009		10000
6	Airtel	WN 08	2005	2015	2000
7	Airtel			2011	12000
8		WN 15	2006	2012	10000
	BSNL	WN 11	2001	2007	12000
9	Reliance	WN 15	2005	2011	
10	Vodafone	WN 19	2008		12000
		Total	2006	2014	6000
———— <u>—</u>		ı viai			94000

2016-17 TOWER

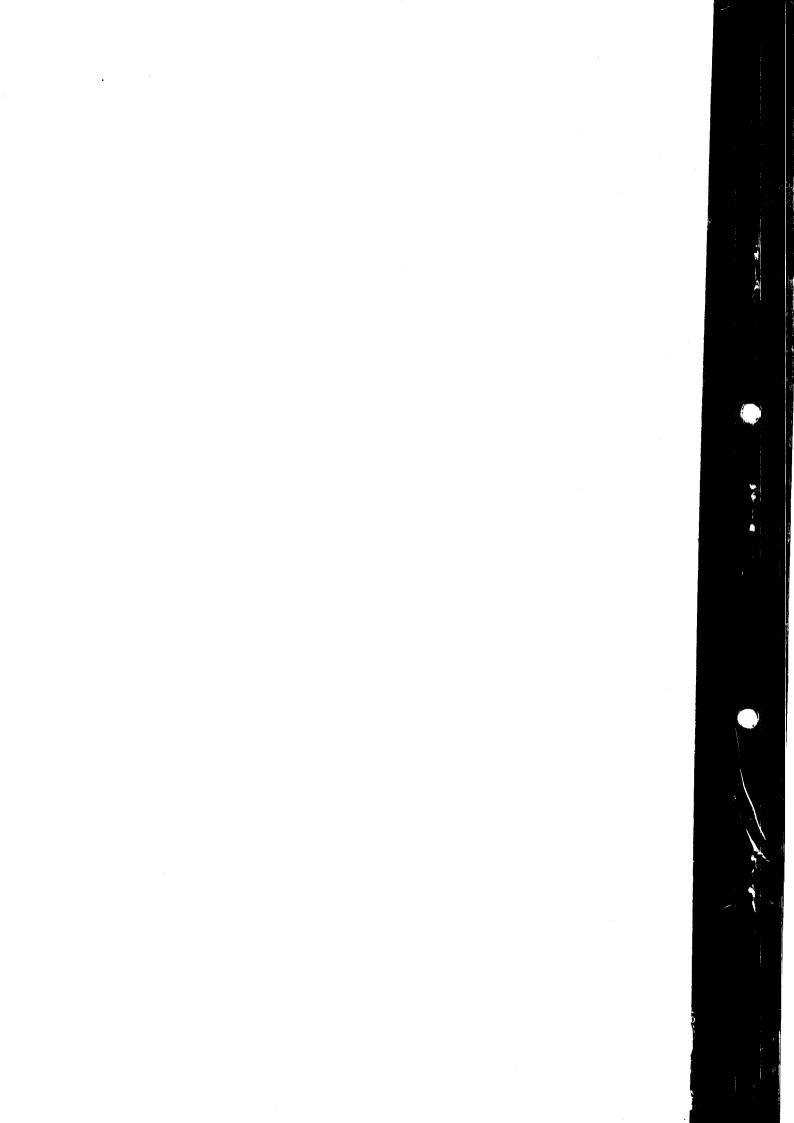
NAME OF TOWER	Due up to 2015- 16	2016-17	Due in 2016-17	Collection	Due
VODA	9000	10000	19000	8000	11000
AIRTEL	169000	10000	179000	0	179000
TATA INDCOM	169000	10000	179000	0	179000
BHARTIYE INFORT	159000	10000	169000	0	169000
RELIANCE JIO	24000	8000	32000	24000	8000
VODA	225000	10000	235000	0	235000
VODA	225000	10000	235000	0	235000
VODA	225000	10000	235000	0	235000
VODA	225000	10000	235000	0	235000
TOTAL DUE	1430000	88000	1518000	32000	1482000

20 High value property details

Nagar Panchayat -GogriJamalpur

Nagar Panchayat -GogriJamaipur								
SI.				Assessed				
No.	Ward	Name of The Holder	Father's/Husband's Name	Value	Observation			
1	15	Manju Devi	Sunil Kumar Narnolia	8199	Physical			
2	15	Manju Devi	Sunil Kumar Narnolia	8199	Physical			
3	15	Sanajy Kumar Singh	Ramanand Singh	779	Physical			
4	15	Smt. Mira Devi	Saw Kumar Agarwal	2535	Physical			
5	15	Urmila Devi	Satyanarayan Yadav	3276	Physical			
6	15	SawarmalChaudhary	MadanLalChaudhaury	1507	Physical			
7	15	Raj Kumar Chaudhary	ChhediLalChaudhary	1275	Physical			
8	15	GautamPansali	Om PrakashPansali	810	Physical			
9	15	GauravPansali	Om PrakashPansali	810	Physical			
10	15	GunjanPansali	Om PrakashPansali	810	Physical			
11	15	Om PrakashPansali	Ram al Pansali	2958	Physical			
12	15	RatanLalAgarwal	Ram lalAgarwal	3402	Physical			
13	15	Ashish Kumar	Ramji Shah	341	Physical			
14	15	Nirala Devi	Ramji Shah	882	Physical			
15	15	Manorma Devi	Narayan Shah	432	Physical			
,			Ghanshyam Thakur(61			
16	15	RekhaSenSaraswatiMandir	Principal)	7568	Physical			
17	15	AgrasenBhawan	Marwari Sangh	10887	Physical			
			Ghanshyam Thakur(
18	11	LokSikshaSamiti	Principal)	10044	Physical			
19	11	Laxmi Narayan Kejriwal	Mohan LalKejriwal	3159	Physical			
20	11	SatyendraNathSen	BijendraNathSen	3810	Physical			





INTERNAL AUDIT REPORT OF NAGAR PANCHAYAT - GOGRI JAMALPUR

For the Period from January- 2017 to March - 2017

INTERNAL AUDIT CONDUCTED BY

THAKUR BHUWANESH & ASSOCIATES

Chartered Accountants 2nd Floor, Nathani Market Sutapatti, Muzaffarpur Bihar-842001

Audit Conducted from:

Report Issued on

NAGAR PANCHAYAT - GOGRI JAMALPUR (KHAGARIYA) INTERNAL AUDIT REPORT FOR THE FINANCIAL YEAR (2016-17) Q3

INDEX

Contents	Page No.			
	From	То		
Audit Methodology and Approach				
Executive Summary				
Detailed Audit report				
Audit Observations – Part-A				
Audit Observations – Part-B				
Audit Observations – Part-C	<u> </u>			
Annexure to Audit report				
Report on Field Survey of 80 high value properties	-			
	Audit Methodology and Approach Executive Summary Detailed Audit report Audit Observations – Part-A Audit Observations – Part-B Audit Observations – Part-C Annexure to Audit report	From Audit Methodology and Approach Executive Summary Detailed Audit report Audit Observations – Part-A Audit Observations – Part-B Audit Observations – Part-C Annexure to Audit report		

INTERNAL AUDITOR'S REPORT

Joint Secretary and Additional Project Director Urban Development & Housing Department, Patna

We have conducted internal audit of the Books of Accounts and related document and vouchers of Nagar Panchayat – GogriJamalpur (ULB) for the period of 1-01-2017 to 31-03-2017 in terms of agreement with UD&HD dated 21.03.2016. These Books of Accounts and related document and vouchers are the responsibility of Management. Our responsibility is to express an opinion on the Books of Accounts and related document and vouchers based on our audit.

We have conducted our audit in accordance with the Standard on Internal Audit (SIA) formulated by ICAI. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Books of Accounts and related document and vouchers are free from material misstatement. An audit includes examining, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our observations. The salient points of the scope covered by the internal audit are as follows:

- 1. The effectiveness of accounting system.
- 2. Compliance with the legal and statutory requirements.
- 3. Risk-based review and evaluation of the Internal Control.
- 4. Compliance of Bihar Municipal Act.
- 5. Compliance of Bihar Municipal Accounting Manual.

Moreover, our scope of examination also covered the requirements of the specific points as spelled out by the management of the Urban Development & Housing Department. The result and recommendations of our internal audit are set out in Scope, Observations and Annexure of our report.

The statutory auditor of the Urban Development & Housing Department 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 constructed as our opinion on the financial statements.

ForThakurBhuwanesh& Associates

Chartered Accountants.

FRN: 019690N

(CA. Rajesh Kumar Jha)

Partner

M.NO. 412318

Date:

Executive Summary

1. Introduction .

Name of the Municipality

: Nagar Panchayat – GogriJamalpur

Period covered under current audit

: 01.01.2017 to 31.03.2017

Name of Chief Executive Officer for the

period under Audit

: Mrs.PoonamKumari

2. Results and Findings

Strength observed during the audit	The following records are available:
engagement	✓ Cash Book with Subsidiaries
	✓ Cheque receipt register
• * •	✓ Remittance Register
	✓ Log Book of Vehicle
·	✓ Salary Register
	✓ Daily collection Register of
	Taxes/user charges /Fees & Fines
	Staff Cooperation during the Audit period is
	satisfactory.
	Physical verification of movable Fixed Assets
	has been carried out during performance
	audit.
	addit.
Weakness observed in the functioning	• ·
of office, maintenance of records etc.	Cashier cash book is not available.
observed during the audit engagement.	Tax Collector generally deposits the
	collection amount with the interval of 3-7
	days. As per Rule 27 of BMAR it should be
•	deposited on daily basis otherwise a sum of
	Rs. 500/- per day may be imposed for
	delayed deposit.
	Some cash expenditure has been made
	against cash collection.
	There are some lapses in internal control
	w.r.t collection of taxes.
	Demand collection Register has not been
	prepared.
	1 1 1 1 1 1 1 1 1 1 1 1

on time.

- Interest @1.5% not imposed on delay payment of Tower registration fees and annual fees beyond 30 days. After 5 years there should be increase by 25% in renewal fee has not been demanded.
- Periodical checking of Books of accounts by Chairman or vice chairman has not been done.
- There is lack of internal control on deposit of various taxes. Due to cash basis accounting liability of Taxes has not been accounted for hence it is difficult to ascertain tax payable at any point of time. Taxes such as VAT, I.T. Royalty etc are collected from time to time but its payments are made on yearly basis which is not proper. Taxes should be remitted to the Govt. account on timely basis otherwise penal action may be taken by the concerned department for delayed deposit of taxes.Rs. 7120 excess TDS amount paid for A.Y. 14-15. Liability of TDS for A.Y 15-16 has not been paid till date. Quarterly TDS return not shown to us.
- Grant Register is not being maintained hence it is difficult to find unutilized grant at any point of time.
- Bank Reconciliation Statement is not prepared hence it is difficult to monitor possible fraud, if any.
- Advance Register is not prepared hence it is difficult to monitor for advances given and adjustment thereof.
- P.F Act has not been followed by the office, Only6% P.F has been deducted from employees and 6 % P.F. contributed by Office. The same amount not remitted to Recognised Provident Fund Commissioner
- Budget has not been prepared before the

MUZAFFARPUR

F.Y. 2014-15.

3. Opinion

Overall opinion of the Audit team about the functioning of the Municipality

The overall functioning of the Municipality is very poor due to the following reasons:

- Most of the prescribed Books of accounts are not maintained
- Internal Control w.r.t. collection of taxes, monitoring of grant, monitoring of advances, monitoring of schemes etc. is very poor.
- Collection from own sources is very poor.
- Grant received for various purposes are not utilized on timely basis.
- There are serious lapses in deduction and deposit of statutory dues such as TDS, VAT, Royalty, Labour cess etc.

4. Audit Recommendations

The recommendations Audit team on the observed weakness

We recommend the followings:

- All the prescribed books of accounts and Registers should be prepared on real time basis
- Bank reconciliation Statement should be prepared on monthly basis
- Cashier Cash Book should be maintained and written on daily basis.
- Collection by tax collector should be deposited on daily basis.
- Grant Register should be prepared
- All the statutory dues should be deposited or timely basis and returns prescribed under the statute should also be deposited on time

basis.
 Demand Collection Register of all the wards should be prepared.
 Property tax register should be prepared as per new assessment.
Collection from own sources should be improved.



5. Comments from Management

Comment from Management	The audit report has been discussed with us; we will try our best to remove the irregularities pointed out in the audit report.
	For Nagar Panchayat – GogriJamalpur
	(Executive Officer)

6. Acknowledgment

We are thankful to Mrs PoonamKumari (Executive Officer) andMr.Manoranjan Kumar Dwivedi (Head Clerk) for their support during the period of our audit. We are also thankful to the support staffs of the municipality for their cooperation extended to us during the period of our audit.

ForThakurBhuwanesh& Associates

Chartered Accountants.

FRN: 019690N

(CA. Rajesh Kumarlin) MUZAFFARP Partner

M.NO. 412318

Date:

Detailed Audit Report

1. Introduction

The Internal audit of Nagar Panchayat covering period from 1st October 2016 to 31st December, 2016 was conducted by following persons under guidance of CA. B.K. Thakur

- Mr.Amit Kumar
- Md. Parwez ii.

2. Administration

The present body of the ULB has taken charge on 3rd July 2012. The incumbency in the key administrative and executive position was as under:

Smt. RanjitaKumariNishad, Chairman from 03.07.2012 to till date, Mrs.PoonamKumariExecutive officer from 03.09.2015 to till date.

3. Review of outstanding audit paras : Status of Audit Observations are as under: Audit Report of AG not shown to us, the following details as per Compliance report send by Office,

Sl.No.	Particulars	Total	Total No. of	Total No.	Total	Total	Total No. of	No. & date
	of Audit	No.	audit paras	of audit	No. of	amount	outstanding	of
	and date	of	where	paras	audit	of	paras	Compliance
	of report	Audit	necessary	where	paras	Recovery	where no	report
		Paras.	improvement/	recovery	where		action has	
			corrective	of cash is	recovery		been taken	
			measure is	proposed	has			
			required		been	\$		
		-		:	made			
1.	Audit	24	14	Nil	Nil	Nil	00	10/03-01-
	report No.					ļ		2015
	02/12-13							
								,
		<u> </u>			<u> </u>		- Compilar	esh & R

B. Status of Audit Observation is as under: Internal Audit 2015-16

Sl. No.	Particulars of audit and date of report	Audit Observation	Compliance
1. Annual Audit Report 2015- 16		Total collection of holding tax is Rs. 1470985.00 against total demand of Rs. 1479951.00	Collection is under progress
2.	-Do-	Mobile Tower Rs. 94000.00 loss is assessed on non-demand of Renewal fee at increased rate of 25% of installation. (Detail Attached)	No Compliance
3.	-Do-	Rs. 1430000.00 is outstanding on account of Rent for communication tower. (Detail Attached)	No collection in this quarter

4. Finance

Budgetary provisions and expenditure for the last three years

Year	2014-15	2015-16	2016-17
Final/ Revised Budget	Rs. 6,33,50,000	76520000	436742700
Actual Expenditure	Rs. 2,16,90,463	56374931	11752946.52
Savings (+)/ Excess(-)	Rs. 4,16,59,537	20145069	

Volume of transactions 11.

Period	Budgeted (F.Y.16-17)	Previous year (F.Y. 15- 16)	Corresponding period of previous year (F.Y. 15-16)	Current Period (F.Y. 16-17) Q4	for the current period (F.Y. 16-17) Q4
Opening Balance	146745595	14,67,45,596	146986463.00	162238255	137059377
Receipts	289997105	46688712	13366549	62238985	114885347
TOTAL	436742700	193434308	160353012	224477240	291944724
Net Expenditure	436742300	56374931	4418090	44558988	72026472
Closing Balance	400	13,70,59,377.00	155934922	179918252	179918252

Bank Reconciliation III.

Preparation of Bank Reconciliation Statement is not in practice; however we have verified the cashbook balance and pass book balance and found the same in order, Scheme wise Bank Account has not been maintained:

It is suggested that Nagar Panchayatshould prepare Bank Reconciliation Statements on monthly basis.

IV. **Revenue Receipts**

Period	Budgeted	Previous year (For One year) 2015-16	Correspondi ng period of previous year 2015- 16	Current Period 2016-17	for the current period 2016-17
A.Own Source					
	1700505			007045	1002524
Property Tax	1738605	1470985	1172120	887915	1882524
Assigned evenue	8177000 ·		8177000	1079192	11906259
Others (Fees & ser Charges)	11181300	402995	402995		494247
(b) dministrative rant					0
Salary	2659000	960000		181800	739868
State overnment	187955000	24525375		1578641	1578641
Central overnment	76360000	2100000	2023357		
Other overnment gencies	5000000				0
13th Finance ommission rant		4655665		•	0
14th Finance ommission		8963062	4105767	6139911	4000000
rant					12323680
BRGF		1907630	1907630		79529
5 th Comm.				31205175	31205175
Housing					300000
Swachh Bharat Iission					1 7 7 28000°

Pension	83000				9223005
KabirAntyesty		•		260000	260000
Administrative	2265000	1280000			0
penses Public Facility				763501	763501
Operation &	14526000	600000	272795		558068
Fixed assets	323934500	43080000	34186744		0
Capital Works	91058000	28200000	4649166	19488600	19488600
Others	1150000	5226000	234412	654250	654250

Status of Implementation of Double Entry Accounting System ٧.

Till date Double Entry Accounting System is not operational in the Nagar Panchayat.

M/S MukharjeeBiswas and Pathak, Chartered Accountants have been appointed by the UD & HD for implementation of Double Entry Accounting System in the Nagar Panchayat, Work in progress, actual status not explain to us:

VI. 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 N.P. till the date of our audit.

5. Audit Observations

PART- A I.

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

· · · · · · · · · · · · · · · · · · ·	
a. Leakage of own source revenue either	Holding Tax
due to wrong assessment or non-levy of property tax, mobile tower tax, rent on municipal properties, advertisement tax fees etc.	Total collection of holding tax is Rs. 1882524.00 against total demand of Rs. 2542622.00
	Mobile Tower
	Rs. 94000.00 loss is assessed on non-demand of Renewal fee at increased rate of 25% of installation. (Detail Attached)
	Rs. 1482000.00 is outstanding on account of Rent for communication tower. (Detail Attached)
1 7	TAT 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
b. Excess payment against bill, lack of prudence in payment against voucher, inefficiency in controls resulting loss to ULBs	We have checked the expenditure vouched all above Rs. 10000.00 but no any objectionable thing noticed except in annexure
c. Report on findings of field survey of	Field survey of 20 high value properties has
Property Tax of minimum 20 high value	been conducted by us a report thereon is attached in Annexure
properties	attached in Annexure

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 -

Nonmaintenance of books of accounts, subsidiary registers

The Nagar Panchayat is maintaining only Cash Book/ Bank Book

As per Bihar Municipal Accounting Manual Following primary Books of accounts are required to be maintained:

- 1. Cash Book (Form Gen-IA)
- 2. Bank Book (Form Gen-IB)
- 3. Journal Book (Form Gen-2)
- 4. Ledger (Form Gen-3)

Journal Book and Ledger are not maintained.

In addition to above following other General Registers and forms are required to be maintained but the same are not being maintained.

- 1 Receipt GEN-8
- 2 Receipt Register GEN-9
- 3 Statement on Status of Cheques Received GEN-10
- 4 Collection Register GEN-11
- 5 Memorandum of Collection GEN-12
- 6 Summary of Daily Collection GEN-13
- 7 Register of Bills for Payment GEN-14
- 8 Payment Order GEN-15
- 9 Cheque Issue Register GEN-16
- 10 Register of Advance GEN-17
- 11 Register of Permanent Advance GEN-18
- 12 Deposit Register GEN-19
- 13 Summary Statement of Deposits Adjusted GEN-20
- 14 Demand Register GEN-21
- 15 Bill for Municipal Dues GEN-22
- 16 Summary Statement of Bills Raised GEN-23
- 17 Register of Notice Fee, Warrant Fee, Other Fees GEN-24
- 18 Summary Statement of Notice Fee, Warrant Fee, Other Fees GEN-25
- 19 Register of Refunds, Remissions and Write-offs GEN-26
- 20 Summary Statement of Refunds and Remissions GEN-27
- 21 Summary Statement of Write-Offs GEN-28-
- 22 Statement of Outstanding Liability for Expenses G
- 23 Documents Control Register/Stock Account of PUR

		*	
			Receipt/Cheque Book GEN-30 24 Register of Immovable Property GEN-31 25 Register of Movable Property GEN-32 26 Register of Land GEN-33 27 Function-wise Income Subsidiary Ledger GEN-34 28 Function-wise Expense Subsidiary Ledger GEN-35 29 Asset Replacement Register GEN-36 30 Register of Public Lighting System GEN-37
	b.	Irregularity in procurement process	No major irregularity observed
	c.	Non-compliance of directives by UD & HD , GOB Non Compliance of Act & Rules	Non compliance of the direction issued by UD & HD, GOB vide letter no. 3/UIG- Ref 10/2012-1251 dated 12.07.2013 in respect of Solid Waste Management. No consumer tax has been imposed. Various books of accounts and records, as provided in the Act and Rules are not maintained.
	e.	Lack of internal Control measures	 There are some lapses in internal control w.r.t collection of taxes. Demand collection Register has not been prepared.
			 Dues from Tower tax has not been collected on time. Interest @1.5% not imposed on delay payment of Tower registration fees and annual fees beyond 30 days. After 5 years there should be increase by 25% in renewal fee has not been demanded. Periodical checking of Books of accounts by
			 Chairman or vice chairman has not been done. There is lack of internal control on deposit of various taxes. Due to cash basis accounting liability of Taxes has not been accounted for hence it is difficult to ascertain tax payable at any point of time. Taxes such as VAT, I.T. Royalty etc are
			collected from time to time but its payments are made on yearly basis which is not proper. Taxes should be remitted to the Govt. account on timely basis otherwise penal action may be taken by the concerned department for delayed deposit of taxes.Rs. 7120 excess TDS amount paid for A.Y. 14-15. Liability of TDS for A.Y 15-16 has not been paid till date. Quarterly TDS return not shown to us.
-		•	Grant Register is not being maintained hence it is difficult to find unutilized grant at any point of time.

		 Bank Reconciliation Statement is not prepared hence it is difficult to monitor possible fraud, if any. Advance Register is not prepared hence it is difficult to monitor for advances given and adjustment thereof. Budget has not been prepared before the F.Y. 2014-15. Advance Register is not prepared hence it is difficult to monitor for advances given and adjustment thereof.
f.	Non-compliance of TDS, VAT and other relevant Statute	 i) Tax deducted at source of Income Tax. ii) VAT& Royalty are deposited on yearly basis which is not proper it should be deposited within the due date prescribed under the respective statute.
		lii) We observed that Income Tax, VAT, Royalty & labour cess for whole financial year has been deposited in the month of March 2015. Taxes should be remitted to the Govt. account on timely basis otherwise penal action may be taken by the concerned department for delayed deposit of taxes
g.	Deficiency in Pay-roll System	The pay-roll system does not contain leave details of employee. P.F Act has not been followed by the office, Only 6% P.F has been deducted from employees and 6 % P.F. contributed by Office. The same amount not remitted to Recognised Provident Fund Commissioner, all the deductions of PF contribution are being deposited in a separate account opened by the municipality.
h.	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 Utilization certificates up to 31.03.2016 has been sent to the Government but copy of the same could not be provided to us.
i.	Physical verification of inventory/Stores	Inventory/Store Register has not been prepared and physical verification of inventory/stores has also not been done.
j.	Advances, their adjustment & recovery	Advance Register has not been prepared hence it is very difficult to monitor advances, their recovery and adjustment.

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

Part - C 1.

General observations: Auditor should report the deficiencies noticed during their audit and recommendation ULB management to improve internal systems.

Particulars Particulars	Comments
Whether the postings for the entries in the books of	No, Ledger accounts have not been prepared by
original entry have been correctly made in the	the N.P.
respective ledger accounts	
Whether all the books of accounts and	No, except General Cash Book and Subsidiary
supplementary registers that are prescribed in the	Cash Book and demand collection register no
Accounts Manual / other applicable regulations	other books of accounts have been maintained.
have been properly maintained by the ULB;	
Whether the Quarterly Financial Statements have	No quarterly Financial Statements have been
been compiled on the basis of the actual entries in	prepared by the N.P.
the books of accounts;	
Whether the period□end and reconciliation	No, period□end and reconciliation procedures
procedures prescribed have been carried out.	as prescribed have not been carried out.
Whether the Bank Reconciliation statements have	No, Bank Reconciliation Statements have not
been prepared and are appropriate	been prepared by the N.P.
Whether all grants from Government have been	Yes, all grants from Government have been
accounted at gross value with proper entries to	accounted at gross value but all transactions are
various accounts	not correctly classified with sufficient details.
Whether all transactions (incomes, expenditures,	No all transactions have been classified as
assets and liabilities)are correctly classified and	incomes and expenditure only assets and
stated in sufficient detail;	liabilities have not been recognized.
Whether all grants sanctioned or received by the	Grant received during the year has been
municipality during the year, have been accounted	properly accounted for. Information about grant
properly, and where any deduction is made out of	sanctioned and deductions made out of such
such grants towards any dues of the ULB? Whether	grant is not available with the ULB.
such deductions have been properly accounted;	N. C. i. I for all hos beam greated by the III R
Whether any Special Funds have been created as per	No Special fund has been created by the ULB.
the provision of any statute and whether the Special	
Funds have been utilized for the purposes for which	
they have been created;	On our test check we did not notice any major
In respect of contracts that are in existence during	deviation.
the year, whether there are any deviations from the sanctioned plans and the estimates without the	acviation.
sanction of the competent authority;	
Saliculoti of the competent authority,	Company .
	[Tan 1/2]

Particulars	Comments
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.
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.
Whether physical verification has been conducted by the ULB at reasonable intervals in respect of stores;	No, physical verification of stores has been conducted by the ULB at reasonable intervals.
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
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 has been carried out during the audit period.
Whether proper procedures are in place to identify any unserviceable or damaged stores and whether provision for the loss in this respect, if any, has been made in the accounts;	No there is no procedures are in place to identify any unserviceable or damaged stores
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;	
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?	advance to staff for expenditure.
Whether advances given to municipal employees and interest thereon are being regularly recovered;	we are unable to verify whether it is being recovered regularly or not.
Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets?	procedure for the purchase of stores, including

Particulars •	Comments
Whether applicable procurement rules and	Not any significant deviation.
procedures are being followed and if so, significant	
deviations should be identified and reported.	
Whether the municipality is regular in depositing	No, the municipality is not regular in depositing
statutory dues including tax deducted at source,	statutory dues including tax deducted at source,
service tax, VAT, works contract tax, cess payable to	service tax, VAT, works contract tax, cess
the government etc., and if not, the nature and cause	payable to the government etc. Royalty and
of such delay and the amount not deposited;	labour cess for the year 2014-15 yet to be
	deposited.
Whether the municipality is regular in remittance of	The municipality is not giving any contribution
pension and leave encashment contributions or any	to P.F or pension Fund employee contribution to
other amounts which the municipality is liable to	P.F and pension fund.
remit towards the retirement dues of its employees,	
including employees on deputation;	
Whether any personal expenses have been charged	We did not notice any such expenses.
to the municipality's accounts; if so, the details	•
thereof;	Very sent total and all the
Whether all the expenditure incurred by the	Yes on our test check we observed that all the
Municipality are authorized by appropriate	expenditure incurred by the Municipality are authorized by appropriate provision in the
provision in the sanctioned budget, whether made	sanctioned budget
originally or subsequently and are in all cases such	sanctioned budget
as are authorized by law; Whether all revenue has been properly assessed,	No all revenues have not been properly
accounted for, collected and recovery action taken on	assessed, accounted for and collected. Recovery
timely basis;	action is also not taken on timely basis
Whether all sums due to and received by the	Some delay observed in collection and
Municipality have been brought to account within	accounting of taxes by tax collection agents.
the prescribed time limits and are in all cases such as	
are authorized by law;	
Whether in respect of all bills for charges on account	
of all works and other expenditure, proper	for charges on account of all works and other
certificates have been furnished in support of them	expenditure, proper certificates have been
and that no deviation has been made for the	furnished in support of them and that no
sanctioned plans and the estimates without the	deviation has been made for the sanctioned
sanction of the competent authority;	plans and the estimates without the sanction of
	the competent authority
Whether the amounts received as specific grants	Yes on our test check we observed that amounts
have been utilized for the purposes as stated in the	received as specific grants have been utilized for
grant sanction order;	the purposes as stated in the grant sanction
TATE of 12 12 12 12 12 12 13 14 15 15 15 15 15 15 15 15 15 15 15 15 15	order
Whether bio metric devices and payroll software	No, bio metric devices and payroll software are not used at the ULB. Pay roll system of the
are used at the ULB. If not whether there is	municipality is deficient as it does not contain
satisfactory system of pay otherwise mention the key deficiencies of the system.	leave records, details of deductions made etc.
Whether the grievance redressal mechanism for the	No, we did not observe any grevance rediessal
ULB is sufficient.	cell functioning at the ULB.

Details of Sairat During the year 2015-16& 2016-17

Name of Sairat	15-16	2016-17
Jamal Pur Hat	255000	227000
Tikani Hat	5500	6500
Laxmi Nagar Hat	29800	32664
Gogri Hat	49500	101775
Public Toilet	3500	Not Done
Total	343300.	367939

Detail of due from communication Tower

SI. No.	Company	Location	Year of Estb.	Annual Fee due for enhancement	Add. Fee @ 25%
1	Vodafone	WN 1	2007-08	2014	6000
2	Vodafone	WN 11	2007-08	2014	6000
3	Vodafone	WN 19	2007-08	2014	6000
4	Airtel	WN 01	2006	2012	10000
5	Airtel	WN 08	2009	2015	2000
6	Airtel	WN 08	2005	2011	12000
7	Airtel	WN 15	2006	2012	10000
8	BSNL	WN 11	2001	2007	12000
9	Reliance	WN 15	2005	· 2011	12000
10	Vodafone	WN 19	2008	2014	6000
		Total			94000

2016-17 TOWER

RELIANCE	Due up	2016-17	Due in	Collection	Due
	to 2015- 16		2016-17	langua Vanya	
VODA	9000	10000	19000	8000	11000
AIRTEL	169000	10000	179000	0	179000
TATA INDCOM	169000	10000	179000	0	179000
BHARTIYE INFORT	159000	10000	169000	0	169000
RELIANCE JIO	24000	8000	32000	24000	8000
VODA	225000	10000	235000	0	235000
VODA .	225000	10000	235000	0	235000
VODA	225000	10000	235000	0	235000
VODA	225000	10000	235000	0	235000
TOTAL DUE	1430000	88000	1518000	32000	1482000



20 High value property details

Nagar Panchavat -GogriJamalpur

Nagar Panchayat -dogmanarpur						
SI.				Assessed		
No.	Ward	Name of The Holder	Father's/Husband's Name	Value	Observation	
1	15	Manju Devi	Sunil Kumar Narnolia	8199	Physical	
2	15	Manju Devi	Sunil Kumar Narnolia	8199	Physical	
3	15	Sanajy Kumar Singh	Ramanand Singh	779	Physical	
4	15	Smt. Mira Devi	Saw Kumar Agarwal	2535	Physical	
5	15	Urmila Devi	SatyanarayanYadav	3276	Physical	
6	15	SawarmalChaudhary	MadanLalChaudhaury	1507	Physical	
7	15	Raj Kumar Chaudhary	ChhediLalChaudhary	1275	Physical	
8	15	Gautam Pansali	Om PrakashPansali	810	Physical	
9	15	Gaurav.Pansali	Om PrakashPansali	810	Physical	
10	15	GunjanPansali	Om PrakashPansali	810	Physical	
11	· 15	Om PrakashPansali	Ram al Pansali	2958	Physical	
. 12	15	RatanLalAgarwal	Ram lalAgarwal	3402	Physical	
13	15	Ashish Kumar	Ramji Shah	341	Physical	
14	15	Nirala Devi	Ramji Shah	882	Physical	
15	15	Manorma Devi	Narayan Shah	432	Physical	
16	15	RekhaSenSaraswatiMandir	Ghanshyam Thakur(Principal)	7568	Physical	
17	15	AgrasenBhawan	Marwari Sangh	10887	Physical	
18	11	LokSikshaSamiti	Ghanshyam Thakur(Principal)	. 10044	Physical	
19	11	Laxmi Narayan Kejriwal	Mohan LalKejriwal	3159	Physical	
20	11	SatyendraNathSen	BijendraNathSen	3810	Physical	

