

INTERNAL AUDIT REPORT OF NAGAR PANCHAYAT- MEHSI (EAST CHAMPARAN)

For the period from 01.04.2014 to 31.03.2015



Internal Audit Conducted by:

GKSureka & Co.
Chartered Accountants

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Audited conducted From: April 26, 2016 to April 27, 2016

Report Issued on: May 02, 2016

NAGAR PANCHAYAT – MEHSI (EASTCHAMPARAN)**INTERNAL AUDIT REPORT OF F.Y.2014-15****INDEX**

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Internal Audit Report of Financial year 2014- 2015

Section A: Audit Methodology and Approach

Audit Methodology

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

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

During the course of our audit we reviewed the below mentioned documents and registers:

- General Cash Book for the period from 1st April 2014 to 31st March 2015 maintained manually in the N.P. ;
- Vouchers (Cash, Bank, Journal etc)along with supporting documents;
- Receipt Books
- Other necessary records and registers

The major observations, in respect of the N.P. have been discussed with the Executive Officer & Accountant of the N.P.

Audit Approach

Our approach to the internal audit started with an overview of activities through a study and documentation of the existing systems and procedures. We then identified, evaluated and tested the adequacy, efficiency and effectiveness of internal controls including standard policies and procedures laid down by the management (where applicable), for each of the areas included in the Scope of Work.

Testing of internal controls was carried out by checking a sample of transactions for the period covered by the audit.

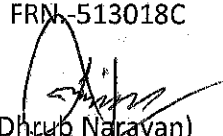
Apart from the test of controls and samples we also carried out various types of analytical reviews to understand as well as highlight unusual or significant trends in the income & expenditure.



Our observations, resulting from the audit tests performed on a sample of transactions, are set out under “Part-A, Part-B & Part-C” of the audit report and include our recommendations for addressing these observations.

Place : Muzaffarpur
Date : May 02,2016

For G.K.Sureka & Co.
Chartered Accountants
FRN-513018C


(CA. Dhruv Narayan)
Partner
M.N.- 501415



Executive Summary

1. Introduction

Name of the Municipality	N.P. Mehsi (East Champaran)
Period Covered under Current Audit	01.04.2014 to 31.03.2015
Name of the Chief Municipal Officer for the period under Audit	Sh. Ashok Kumar

2. Results and Findings

Strength observed during the audit engagement	<ul style="list-style-type: none"> ➤ General Cash Book has been written but Subsidiary Cash Book has not been written ➤ Staff Cooperation during the Audit period was very good.
Weakness observed in the functioning of office, maintenance of records etc. observed during the audit engagement.	<ul style="list-style-type: none"> ➤ Budgets has not been prepared and passed by the N.P. ➤ Property tax register had not been prepared by the N.P. till 31.03.2015. ➤ Collection of property tax has not been started by the N.P. till 31.03.2015. ➤ There are lack of internal control w,r,t collection of taxes. ➤ Demand collection Register has not been prepared hence it is not possible to ascertain total arrear of taxes ➤ Taxes/ user charges collected by tax collector are not deposited on daily basis we observed that it is being after significant which is not proper. As per Rule 27 of BMAR it should be deposited on daily basis otherwise a penalty up to Rs. 5000/- may be imposed for delayed deposit. ➤ Tower tax dues are not collected on time basis.



	<ul style="list-style-type: none"> ➤ Tender of Ghat, Crematorium, Gate, Palm trees and lands are not done on yearly basis. ➤ 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 has not been prepared properly, hence it is difficult to monitor for advances given and adjustment thereof. ➤ There is lack of internal control on deduction and deposit of various taxes. On deduction of taxes, liability is not created hence it is difficult to ascertain tax payable at any point of time. Taxes such as an 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.
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3. Opinion

<p>Overall opinion of the Audit team about the functioning of the Municipality</p>	<p>The functioning of the Municipality is very weak due to following reasons:</p> <ul style="list-style-type: none"> • Most of the prescribed Books of accounts are not maintained • Budgets has not been prepared and passed by the N.P. • Property tax register has not been prepared. • Collection of property tax has not been started till date. • 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.
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4. Audit Recommendations

The recommendations of Audit team on the observed weakness	We recommend the followings:
	<ul style="list-style-type: none"> ✓ All the prescribed books of accounts and Registers should be prepared on real time basis ✓ Budget must be prepared and passed by the N.P. on annual basis within the prescribed time. ✓ Property tax register, demand collection register should be prepared on immediate basis and collection of holding tax should be started immediately. ✓ Bank reconciliation Statement should be prepared on monthly basis ✓ Cashier Cash Book should be 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 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

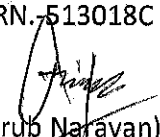
Comment from Management	The audit report has been discussed with us; we will try our best to remove the irregularities pointed out in the audit report. For Nagar Panchayat, Mehsi (Executive Officer)
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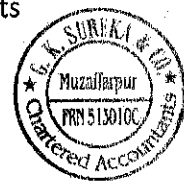
6. Acknowledgment

We thank Mr. Ashok Kumar (Executive Officer), Mr. Amit Kumar (Head Clerk) and Mr. Sachin Kumar (Accountant) for their support during the period of our audit. We are also thankful to Tax Daroga and support staffs of the municipality for their cooperation extended to us during the period of our audit.

Place : Muzaffarpur
Date : May 02, 2016

For G.K.Sureka & Co.
Chartered Accountants
FRN- 513018C


(CA. Dhruv Narayan)
Partner
M.N.- 501415



Detailed Audit Report

1. Introduction

The Internal audit of N.P.-Mehsi (East champaran) covering period from 1st April 2014 to 31st March, 2015 was conducted by following persons under guidance of CA, Dhrub Narayan

- i. Shri Lalan Kumar
- ii. Vikash kumar

2. Administration

The present body of the ULB has taken charge on 25th July 2014. The incumbency in the key administrative and executive position was as under:

Smt. Naseema khatun, Chairman from 25.07.2014 to till date ,Shri Ashok Kumar(Executive officer) from 11.04.2016 to till date.

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

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.	It is explained to us that AG Audit has not been conducted since its formation.							

4. Finance

I. Budgetary provisions and expenditure for the last three years

Year	2012-13	2013-14	2014-15
Final/ Revised Budget	N.A	N.A	N.A
Actual Expenditure	21370387	29768397	22248886
Savings (+)/ Excess (-)	N.A	N.A	N.A



II. Volume of transactions

Period	Budgeted	Previous year (For One year)	Corresponding period of previous year	Current Period	Cumulative for the current period
Opening Balance	0	27764147	27764147	42484863	42484863
Receipts	0	29768397	29768397	22248886	22248886
TOTAL	0	57532544	57532544	64733749	64733749
Net Expenditure	0	15079601	15079601	13512182	13512182
Closing Balance	0	42452943	42452943	51221567	51221567

III. Bank Reconciliation

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

Sl.No	Name of Bank	Account No.	Balance as on 31.03.2015	Name of Scheme	Reconciliation position
1	S.B.I	31561282189	4622813	BRGF,13 th &14 th Finance	Un-reconciled
2	S.B.I	31561275397	765358	Kabir Antyesti Yojna	Un-reconciled
3	S.B.I	30976884951	4848524	Municipal-Fund,Social Security Pension,BRGF,13 th Finance, etc.	Un-reconciled
4	U.B.G.B	100188103000 4177	3627538	Census, SJSRY,Sairat	Un-reconciled
5	PLA	193	39260030	4 th Finance, Entired fund , park development fund , water supply etc.	Un-reconciled
6	P.N.B	597400016000 0024	337476	Sairat , 13 th & 14 th Finance, BRGF	Un-reconciled
	TOTAL		53461739		
	Total as per Cash Book		51221567		



	Difference		2240200		
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Bank Reconciliation Statements have not been prepared by the N.P. There is a difference of Rs. 22,40,200 between Cash Book and consolidated balance as per pass book of all accounts.

The N.P. is suggested to reconcile the above mentioned differences immediately and prepare B.R.S on monthly basis.

IV. Revenue Receipts

Period	Budgeted	Previous year (For One year)	Corresponding period of previous year	Current Period	Cumulative for the current period
a) Own Source					
Property Tax	0	0	0	0	0
Assigned revenue	0	409878	409878	515745	515745
Others (Fees & User Charges)	0	345320	345320	663276	663276
(b) Administrative Grant	0	756149	756149	575723	575723
© Specific Grant (Scheme wise)	0				
13th Finance Commission Grant	0	3166405	3166405	2551905	2551905
4th Finance Commission Grant	0	10550754	10550754	10196350	10196350
Grant for Mukhyamantri yojna	0	127379	127379	0	0
BRGF	0	962112	962112	918632	918632
Grant for construction of Building	0	6140000	6140000	1788125	1788125
Kabir Anthesthi Yojna	0	495000	495000	97230	97230
Grant for Census	0	144000	144000	15000	15000
Grant for Sal & Allow. Of CWC & VCWC	0	69000	69000	207000	207000
Grant for Social	0	3599900	3599900	4389900	4389900



Security Pension					
Grant for Census (Teacher)	0	2500	2500		
Grant for SJSRY	0	3000000	3000000		
Grant for E-Governance	0	0	0	330000	330000

V. Status of Implementation of Double Entry Accounting System

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

Appointment of Chartered Accountant firms for implementation of Double Entry Accounting System in the Nagar Panchayat is in process but till date no C.A. firm has been appointed by the UD & HD.

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

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

<p>a. Leakage of own source revenue either due to wrong assessment or non- levy of property tax, mobile tower tax, rent on municipal properties, advertisement tax fees etc.</p>	<p>Holding tax had not been levied till 31st March, 2015. Tower tax had not been levied till 31.03.2015. Due to non-levy of taxes there are huge loss to the N.P.</p>
<p>b. Excess payment against bill, lack of prudence in payment against voucher, inefficiency in controls resulting loss to ULBs</p>	<p>We did not observe any excess payment against bill, lack of prudence against vouchers etc.</p>
<p>c. Report on findings of field survey of Property Tax of minimum 20 high value properties per quarter</p>	<p>Field survey of only 50 high value properties could be conducted by us (as details of other properties could not be provided to us as it is under preparation) and a report thereon is attached in annexure.</p>



PART-B

All audit objections/ irregularities which have no monetary implication, but significant violation of Act, Rules & directives of UD & HD. Mention the reference Act & Rules wherein remedial measures is required. In this part auditor should report in respect of –

<p>a. Non- maintenance of books of accounts , subsidiary registers</p>	<p>As per Bihar Municipal Accounting Manual Following primary Books of accounts are required to be maintained :</p> <ol style="list-style-type: none"> 1. Cash Book (Form Gen-IA) 2. Bank Book (Form Gen-IB) 3. Journal Book (Form Gen-2) 4. Ledger (Form Gen-3) <p>In addition to above following other General Registers and forms are required to be maintained but the same are not being maintained.</p> <ol style="list-style-type: none"> 1 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 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
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	<p>29 Asset Replacement Register GEN-36 30 Register of Public Lighting System GEN-37</p> <p><i>The N.P. is maintaining only Cash Book. Bank Book Journal Book Ledgers and other prescribed books of accounts are not maintained.</i></p>
b. Irregularity in procurement process	No major irregularity observed
c. Non-compliance of directives by UD & HD , GOB	<p>We observed several non compliances of directives of UD & HD, GOB such as :</p> <ul style="list-style-type: none"> i. non collection of various taxes required to be collected ii. Non maintenance of prescribed books of accounts iii. Non submission of UC and other reports on timely basis etc.
d. Non Compliance of Act & Rules	<p>As per Section 127 of the Bihar Municipal Act , the Municipality can levy the following taxes:-</p> <ul style="list-style-type: none"> (a) property tax on lands and buildings. (b) surcharge on transfer of lands and buildings, (c) tax on deficit in parking spaces in any non-residential building, (d) water tax, (e) fire tax, (f) tax on advertisements, other than advertisements published in newspapers, (g) surcharge on entertainment tax (h) surcharge on electricity consumption within the municipal area, (i) tax on congregations, (j) tax on pilgrims and tourists, and (k) toll – <ul style="list-style-type: none"> (i) on roads, bridges, ferries and navigable channel and (ii) on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles, within the meaning of the Motor Vehicles Act, 1988, plying on a public street. (l) Tax on profession <p><i>We observed that only toll tax, tower tax has been collected during the year other taxes have not been levied till date.</i></p> <p><i>The N.P. is suggested to start holding tax collection on immediate basis.</i></p>



<p>e. Lack of internal Control measures</p>	<ul style="list-style-type: none"> ➤ There are lack of internal control w,r,t collection of taxes. ➤ Demand collection Register has not been prepared hence it is not possible to ascertain total arrear of taxes ➤ Taxes/user charges collected by tax collector are on deposited on daily basis we observed delay of several days in collection and deposit of taxes which is not proper. As per Rule 27 of BMAR it should be deposited on daily basis otherwise a penalty up to Rs. 5000/- may be imposed for delayed deposit. ➤ Advertisement Tax is not being levied by the N.P as a result there is a loss to the N.P of advertisement tax amount. ➤ Tower tax had not been levied till 31.03.2015. ➤ Tender of Ghat, Crematorium, Gate, Palm trees and lands are not done on yearly basis. ➤ 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 advances given and adjustment thereof. ➤ There is lack of internal control on deduction and deposit of various taxes. On deduction of taxes liability is not created 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.
<p>f. Non-compliance of TDS, VAT and other relevant Statute</p>	<p>Tax deducted at source of Income Tax, VAT & Royalty are deposited on yearly basis which is not proper it should be deposited within the due date prescribed under the respective statute. We observed that Income Tax, VAT, Royalty & labour cess for whole financial year 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</p>



g. Deficiency in Pay-roll System	The pay-roll system does not contain leave details of employee. PF contribution and pension fund contribution of employees are deducted but municipal contribution is not being paid. PF account has not been opened with PF department all the deductions of PF contribution and pension fund contribution are being deposited in a separate account opened by the municipality.
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 31.03.2015 has been sent to the Government but copy of the same could not be provided to us. Details of UC sent to the Govt. (as provided to us by the N.P) is enclosed in Annexure
i. Physical verification of inventory/Stores	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.	Staff strength of accounts department needs to be increased



PART- C

General Observations: Auditor should report the deficiencies noticed during their audit and recommend ULB Management to improve internal systems.

Whether the postings for the entries in the books of original entry have been correctly made in the respective ledger accounts	No, Ledger accounts have not been prepared by the 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;	No, except General Cash Book no other books of accounts have been maintained.
Whether the Quarterly Financial Statements have been compiled on the basis of the actual entries in the books of accounts;	No quarterly Financial Statements have been prepared by the N.P.
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	No, Bank Reconciliation Statements have not been prepared by the N.P.
Whether all grants from Government have been accounted at gross value with proper entries to various accounts	Yes, all grants from Government have been accounted at gross value but all transactions are not correctly classified with sufficient details.
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 properly accounted;	Grant received during the year has been properly accounted for. Information about grant sanctioned and deductions made out of such grant is not available with the ULB.
Whether any Special Funds have been created as per the provision of any statute and whether the Special Funds have been utilized for the purposes for which they have been created;	No Special fund has been created by the ULB.



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;	We did not notice any major deviation.
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 done.
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 procedure 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.



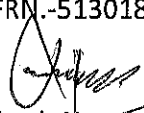
Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the interest and if not, whether reasonable steps have been taken by the municipality for recovery of the principal and interest?	There are no case loans and advances other than advance to staff for expenditure.
Whether advances given to municipal employees and interest thereon are being regularly recovered;	Advance Register has not been maintained so 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?	No there does not exist any internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets
Whether applicable procurement rules and procedures are being followed and if so, significant deviations should be identified and reported.	No significant deviation observed.
Whether the municipality is regular in depositing statutory dues including tax deducted at source, service tax, VAT, works contract tax, cess payable to the government etc., and if not, the nature and cause of such delay and the amount not deposited;	No, the municipality is not regular in depositing statutory dues including tax deducted at source, service tax, VAT, works contract tax, cess payable to the government etc. We observed that all such taxes deducted during the financial year has been deposited in the month of March 2015 only. We observed that VAT for the F.Y. 2013-14 amounting to Rs. 4,93,489 has been deposited on 31.03.2015. income tax deducted has not been deposited till date.
Whether the municipality is regular in remittance of pension and leave encashment contributions or any other amounts which the municipality is liable to remit towards the retirement dues of its employees, including employees on deputation;	The municipality is not giving any contribution to P.F or pension Fund employee contribution to P.F and pension fund is being deducted from the salary of the employee and are being deposited in a separate bank account opened for the purpose.
Whether any personal expenses have been charged to the municipality' s accounts; if so, the details thereof;	We did not notice 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;	Yes , we observed that all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget
Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis;	No, all revenues have not been 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 as are authorized by law;	No, tax collected by the tax collector are not deposited on daily basis . We observed that it is being deposited after significant intervals.
Whether in respect of all bills for charges on account of all works and other expenditure, proper certificates have been furnished in support of them and that no deviation has been made for the sanctioned plans and the estimates without the sanction of the competent authority;	Yes, we observed that all bills for charges on account of all works and other expenditure, proper certificates have been furnished in support of them and that no deviation has been made for the sanctioned plans and the estimates without the sanction of the competent authority
Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order;	Yes , we observed that amounts received as specific grants have been utilized for the purposes as stated in 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.	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 lave 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.

Place : Muzaffarpur
Date : May 02,2016

For G.K.Sureka & Co.
Chartered Accountants
FRN.-513018C


(CA. Dhruv Narayan)
Partner
M.N.- 501415



**STATEMENT SHOWING DETAILS OF UTILISATION CERTIFICATE
NAGAR PANCHAYAT (MEHSI), EAST CHAMPARAN
(FINANCIAL YEAR 2014-15)**

SERIAL NO.	GRANT NAME	LETTER NO.	DATE	ALOTMENT AMOUNT	UC SENT	BALANCE	FINANCIAL YEAR
1.00	E-GOVERNENCE	58	26.03.2012	78,979.00	76,099.00	2,880.00	2011-12
2.00	4RTH FINANCE (SALARY)	67	04.03.2013	2,346,904.00	2,346,904.00	-	2012-13
3.00	STATE PLAN	52	19.03.2012	2,326,970.00	2,093,882.00	233,088.00	2011-12
4.00	4RTH FINANCE	53	19.03.2012	2,000,000.00	1,841,367.00	158,633.00	2011-12
5.00	ALLOWANCE FOR COUNCELLORS	56	25.01.2012	69,000.00	69,000.00	-	2011-12
6.00	ALLOWANCE FOR COUNCELLORS	2031	20.04.2010	69,000.00	69,000.00	-	2010-11
7.00	STATE PLAN	2029	20.04.2010	2,300,000.00	1,980,000.00	320,000.00	2010-11
8.00	13TH FINANCE	4713	17.08.2010	800,000.00	800,000.00	-	2010-11
9.00	13TH FINANCE	13	04.08.2011	1,000,000.00	860,784.00	139,216.00	2011-12
10.00	13TH FINANCE	49	12.03.2012	1,016,000.00	549,872.00	466,128.00	2011-12
11.00	4RTH FINANCE	67	04.03.2013	1,561,680.00	344,596.00	1,217,084.00	2012-13
12.00	4RTH FINANCE	67	04.03.2013	2,000,000.00	1,551,492.00	448,508.00	2012-13
13.00	4RTH FINANCE	67	04.03.2013	705,819.00	414,547.00	291,272.00	2012-13
	TOTAL			16,274,352.00	12,997,543.00	3,276,809.00	



REPORT ON FIELD SURVEY OF 50 HIGH VALUE PROPERTIES

NAME OF ULB : MEHSI
DATE OF SURVEY : 06.05.2016, 25.05.2016

Sl. No.	Name	Father's Name	Ward No.	Holding No.	Type of Construction	Type of Uses	Type of Road	Carpet Area	Annual Value	Annual Tax	Remarks of Auditor
1	MD ALI HASAN ANSARI	SW. HAJI MD YUSUF ANSARI	3	30090	RCC	COMMERCIAL	PRINCIPAL ROAD	105600	1858560	167270	On eye estimate no variation observed
2	LITILE FLAWER PUBLIC SCHOOL	SW. SADAKAT ANSARI	12	120258	RCC	COMMERCIAL		44408	4528003	45168	On eye estimate no variation observed
3	JAWED ANSARI	SW. SADAKAT ANSARI	3	030181	RCC	COMMERCIAL	PRINCIPAL ROAD	25200	443520	39916	On eye estimate no variation observed
4	IDGHA		7	070132	RCC	OTHER	MAIN ROAD	35200	280600	25344	On eye estimate no variation observed
5	PAPPUJI	JUBAIR AHMAD	7	070127	RCC+ASB	COMMERCIAL	PRINCIPAL ROAD	35350	197120	18190	On eye estimate no variation observed
6	DUR SANCHAR		5	050007	RCC	COMMERCIAL	PRINCIPAL ROAD	8800	154880	15620	On eye estimate no variation observed
7	SHESH NARAYAN SINGH		3	030086	RCC	COMMERCIAL	PRINCIPAL ROAD	10976	168850	15197	On eye estimate no variation observed
8	MAHATMA GANDHI COLLAGE		5	050009	RCC	COMMERCIAL	PRINCIPAL ROAD	9000	158400	14256	On eye estimate no variation observed
9	BHOJA ROY		4	040283				8800	154878	13939	On eye estimate no variation observed
11	THANA MEHSI		7	070118	RCC	OTHER	PRINCIPAL ROAD	35200	140800	12672	On eye estimate no variation observed
12	MD IRSAD	MD ALAUDIN	7	070046	RCC	COMMERCIAL	PRINCIPAL ROAD	7040	123904	11152	On eye estimate no variation observed
13	RAJ KUMAR MISHRA	SW. CHARNI MISHRA	3	030130	RCC	COMMERCIAL	PRINCIPAL ROAD	7040	123904	11152	On eye estimate no variation observed
14	SHIVJEE SINGH		4	040022	RCC	RESIDENCIAL+COMMERCIAL		8840	112334	10110	On eye estimate no variation observed
15	MANOJ KUMAR	SW. BHOLA PRASAD	13	130266				6735	111845	10066	On eye estimate no variation observed
16	MD LALBARU	MD YASIM	6	060472	RCC	RESIDENCIAL	PRINCIPAL ROAD	21120	103489	9384	On eye estimate no variation observed
17	ALI HASAN	MD. HAJI YUSUF ANSARI	4	040039	ASB	COMMERCIAL	MAIN ROAD	12320	98560	8870	On eye estimate no variation observed
18	SHEHSHWAR CHOBE		3	030103	RCC	COMMERCIAL	PRINCIPAL ROAD	5100	89760	8498	On eye estimate no variation observed
19	ARVIND MISHRA	SW. BAJU MISHRA	4	040113	RCC	COMMERCIAL	PRINCIPAL ROAD	5100	89760	8078	On eye estimate no variation observed
21	RUPA ROY	SW. RAJDEV ROY	4	040286				5000		7920	On eye estimate no variation observed
23	MANDIR		4	040287				2000		7200	On eye estimate no variation observed
24	KUMARI SWRNA	AMAR SINGH	10	100105	RCC	OTHER	MAIN ROAD	9800	78400	7056	On eye estimate no variation observed



