

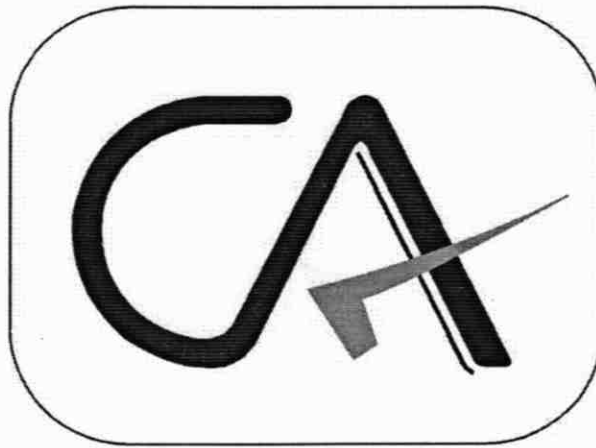
URBAN DEVELOPMENT & HOUSING DEPARTMENT

*Internal Audit Report
Of
Mohania Nagar Panchayat
for the period from 01-04-2015 to 31-03-2016*

Internal Audit conducted by

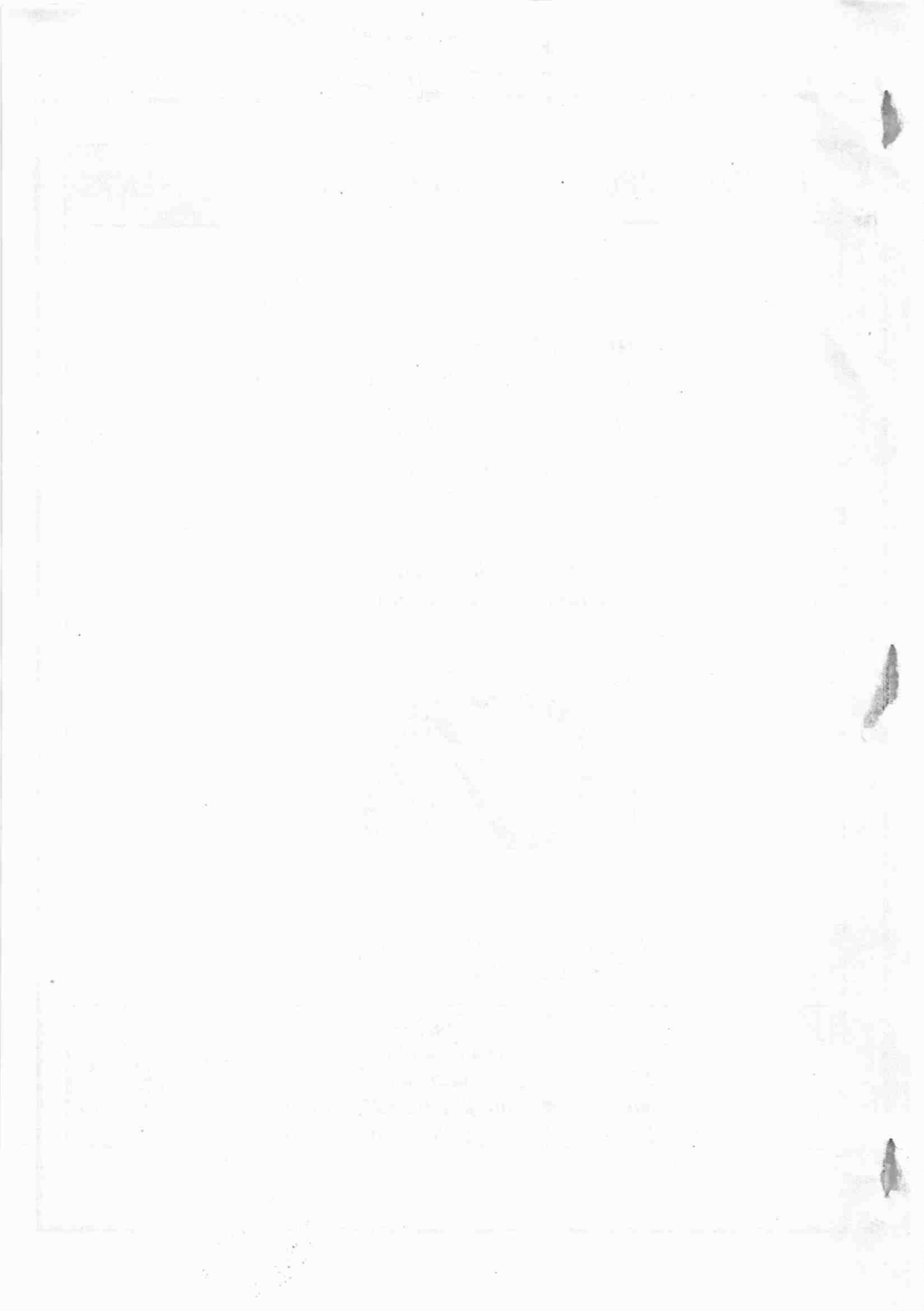
*Mr. Krishna Singh
under the guidance of CA Chanakya Shree*

*From:-
M/s R N Singh & Co.
Chartered Accountants*



*From: - 18-07-2016 to 22-07-2016.
Report issued on - 28-07-2016.*

*M/s R N Singh & Co.
Chartered Accountants
208, Hem Plaza, Fraser Road, Patna - 01
Phone number :- 0612- 2202876, 9431019502
E-mail :- chanakya@leomanagement.in*



Compliance Report for the scope of work as per the Contract with Internal Auditor

Name of Auditor: R N Singh & Co.			Name of ULB:- Mohaniya Nagar Panchayat
Sl. No.	Relevant Clause of Scope of Work of the Contract		Compliance (Mention the para no & Page no of audit report)
	Clause No.	Description	
1	4.1	Internal Audit should undertake risk-based review and evaluation of the internal control as discussed in Bihar Internal Control Manual. Internal Audit should devote particular attention to any aspects of the internal control environment affected by significant changes to the ULBs's risk environment.	Complied in para no 1 of Part B of Detailed Audit Report (Lack of internal control measures) at Page no 27.
2	4.2 & 4.3	<p>a) Internal Auditor should see the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD. In its report there must be a separate section for non-compliance of rules/directives of UD&HD, GoB;</p> <p>b) Report on compliance of Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR</p> <p><input type="checkbox"/> Rule 22: All moneys to be brought to account</p> <p><input type="checkbox"/> Rule 27: Collections to be deposited into Bank on the same day</p> <p><input type="checkbox"/> Rule 69: Grant Related Compliance</p> <p><input type="checkbox"/> Rule 120-121: Monthly Receipt & Payment Account and Trial Balance</p> <p><input type="checkbox"/> Rule 130: Audit to be completed & reported within 6 month</p>	<p>a) Complied in para no 1 of Part B of Detailed Audit Report (Non Compliance of Act and rule) at Page no 23 to 26.</p> <p>b) Complied in para no 3 of Part B of Detailed Audit Report (Non compliance of directives by UD&HD, Government of Bihar) at Page no 22.</p>
3	4.4 & 4.5	<p>a) Report and quantify all major Own revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairat etc;</p> <p>b) Check on audit trail of all collection of Taxes and Non-Taxes either through staff or outsourced agency and report of any lapses in controls, if any and also advise recommendations to strengthen the prevailing processes;</p>	<p>a) Complied in para no 3 and 4 of Part A of detailed audit report at Page no 13 and para 1 of page 14.</p> <p>b) Complied in para no 3 of Part B of detailed audit report at Page no 27.</p>
4	4.6	Report in a separate chapter on	Complied in para no C of Part A of detailed



Name of Auditor: R N Singh & Co.			Name of ULB:- Mohaniya Nagar Panchayat
Sl. No.	Relevant Clause of Scope of Work of the Contract		Compliance (Mention the para no & Page no of audit report)
	Clause No.	Description	
		implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment procedures to check any in-consistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actuals as per internal audits;	Audit Report at Page no 15 to 21.
5	4.7	Vouch on all payments above Rs. 10,000 and report on adequacy and appropriateness of its documentation, approvals, compliance of procedures etc.	Complied in para no B of Part A of Detailed Audit Report at Page no 14 to 15. And Complied in para no 1 of Part B of Detailed Audit Report at Page no 21.
6	4.8	Report on Procurement made including through E-Tendering and E-Auction indicating exceptions, if any and whether a register is kept for all Procurements with value above Rs. 15,000/-	Complied in para no 2 of Part B of Detailed Audit Report at Page no 22.
7	4.9	Internal auditor shall also report on presence or absence of a system of issuance of utilization certificate for the different schemes for any utilisation made during the reporting period; Where there is no system for issuance of U/Cs, the Internal Audit report shall prepare Utilisation Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	Complied in para no 1 of Part B of Detailed Audit Report at Page no 29.
8	4.10	Internal Audit can also, provide recommendations to help the ULB management improve the ULB's internal control environment;	Complied in para no 1 of Part 4 of Excutive Summary at Page no.
9	4.11	Internal Audit should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	Complied in para no 1 of Part 4 of Excutive Summary at Page no 5..



Executive Summary

1. Introduction:

- **Name of the Municipality: Mohania Nagar Panchayat**
- **Period covered under current audit: 1st April, 2015 to 31st March, 2016.**
- **Name of Chief Municipal Officer for the period under audit: Shri Rakesh Kumar.**

2. Results and Findings:

➤ Strengths observed during the audit engagement:

- a) Mohania Nagar Panchayat is in practice to prepare Cash Book of each scheme and a separate cash book of receipt from Own Source. Also, a consolidated cash book of the entire scheme is made which is termed as General Cash Book.
- b) Cash book of the schemes are maintained properly. Proper identifications are given for easy identification of the details of payment and receipt.
- c) All vouchers are serially arranged, binded, authorized by the competent authority and kept properly by the ULB.
- d) Separate files of the parties to whom payments are made are properly maintained. Proper documentation process is followed.
- e) Board meetings of Mohania Nagar Panchayat are held regularly and problems faced in smooth operation are resolved by passing resolutions.
- f) Mohania Nagar Panchayat is in practice to prepare various registers like Bank Account Cheque Issue Register, Treasury Account Cheque Issue Register, Honorarium Payment Register, Salary Register, UC Register, Tax Collection Register, Allotment Register etc.
- g) Property tax collected during the year 2015-16 has increased by Rs. 246608/- as compared to property tax collected during the year 2014-15. Property tax collected in the year 2014-15 is Rs. 611740/- and in the year 2015-16 is Rs. 858348/-.

➤ Weaknesses observed in the functioning of office, maintenance of records etc.: -

- (a) We observed that Bank Reconciliation Statements are not being prepared by the Mohania Nagar Panchayat.



- (b) Mohania Nagar Panchayat has adopted Single Entry Accounting System which is not as per Bihar Municipal Accounting Manual.
- (c) Compliance of statutory matter is not done i.e. deposit of TDS on stipulated time, filling of e-TDS return, deposit of VAT amount, filling of VAT return, deposit of Labour Cess and Royalty amount. Non-compliance of such provisions would lead to imposition of interest and penalty charges. Imposition of such charges would be a loss to Mohania Nagar Panchayat.
- (d) Computerized Accounting System has not been implemented by the Mohania Nagar Panchayat.
- (e) Mohania Nagar Panchayat is not in practice to prepare Monthly Receipt and Payment Account and Trial Balance.
- (f) As per Bihar Municipal Accounting Manual, the amount of tax collected by the Tax Inspector is required to be handed over to the Nazir and deposited in the bank on the same day. The same process is not being followed. Tax Inspector hands over the collected cash to the Nazir after a time gap of 15 to 30 days. Also, in some cases amount collected in the month of March is handed over to the Nazir in next month which is ultimately recorded in the next financial year. It leads to violation of accounting policy and loss of income.
- (g) Various registers, books of records etc. are not being prepared by the Mohania Nagar Panchayat. Such as Demand Register, Collection Register, Statutory Register with regards to TDS, VAT, Labour Cess and Royalty, Vehicle and Generator log book, Assessment register of Property Tax, Record & Revision of taxes and rent, Rent register of shop, Survey register/files of hoardings, Monthly Receipt & Payment.
- (h) Holding taxes are not collected from the government properties which results in to loss of revenue. Also, holding tax collected on other than government properties are not totally collected as per demand. However, the uncollected amount is carried forward to the next year.
- (i) Mohania Nagar Panchayat has total of 15 mobile towers available under its jurisdiction. Out of 15, only 5 towers have paid registration charges of Rs. 30000/-. They are required to pay Rs. 8000/- as renewal charges per year. But the renewal charges are due from every mobile tower.



- (j) Assessment of property tax has not been done by the ULB for the financial year 2015-16. However, assessment report of October, 2015 has been provided by the ULB.
- (k) PF & ESIC with respect to contractual employees are not paid to the concerned department.
- (l) Mohania Nagar Panchayat has a negative variance in budgeted and actual expenditure amount for the year 2015-16. Amount budgeted for expenditure is Rs. 4,15,01,000/- but actual expenditure made is Rs. 5,94,92,754/- which results in negative variance of Rs. 1,79,91,754/-.

3. Opinion:

The function of ULB is satisfactory. But still, it has lots of scope of improvement. The ULB is required to improve in the following fields:

- a. It requires improvement in Preparation of Accounts, Ledger Books, Bank Reconciliation Statement, various Registers and Records as per requirement.
- b. It requires improving its Internal Control Procedures with regards to Demand, Collection of Revenue, and Deposit of Collected revenue in the Banks on scheduled time.
- c. It requires improvement in preparing the Bank Reconciliation Statement of different accounts. Preparation of Bank Reconciliation helps in easy identification of any fraud committed in bank transactions.
- d. It requires improvement in depositing the TDS & VAT deducted on timely basis. Also, the return of the tax deducted should be filed on timely basis.
- e. It requires improvement in depositing the Labour Cess and Royalty deducted from the party payment on timely basis.
- f. It requires improvement in properly levy and collection of different taxes which are its source of income. Penalty charges for the late payment of such taxes should be charged.
- g. There is much scope of improvement in the tax collection process. After being inquiry, it is being found that the levy and collection process is not running effectively.



4. Audit Recommendations:

- a. ULB must prepare Bank Reconciliation Statement on monthly basis.
- b. ULB should adopt Double Entry Accounting System. Double-entry accounting allows accounting departments to prepare financial statements easily. Double entry accounting system present accurate report of accounts on the income statement, balance sheet, cash flow statement and other financial statements and reports. It provides checks and balances, which prevent fraudulent activity and reduces errors. Double-entry accounting system prevents fraud in a greater way than single-entry accounting because it makes it difficult to manipulate accounts. You can easily detect account manipulation by examining the journal entries and comparing them to previous journal entries for the same or similar transactions.
- c. ULB shall make yearly survey and assessment of Property / Holdings so that proper and correct tax can be levied and collected.
- d. ULB shall keep the records of new holdings added during the financial year. The bifurcated list should be kept for easy analysis of new holdings added.
- e. ULB should collect property tax, mobile tower tax, advertisement tax, shop rent etc. on timely manner which are under its jurisdiction.
- f. Statutory deductions like TDS, VAT, Royalty and Labour Cess must be deposited to the concerned department on timely basis.
- g. ULB should adopt computerized accounting system. It provides automatic ledger entries, accuracy and speed of automatic calculation, automatic production of trial balance from ledger entries, potential to create customized reports and provide additional analysis.
- h. ULB should prepare Receipts & Payment Account on monthly basis, due to which it becomes very easy to find out that how much fund has been received by the ULB and whether its utilization has been made properly or not.
- i. ULB must maintain all the Books of Account, Register, Records etc. as prescribed in Bihar Municipal Accounting Act, Manual and Rules.



- j. ULB shall deposit all collections from own source of revenue into the bank account on the same date on which it has been received.

5. Comments from Management:

As per discussion with Executive Officer and Head Clerk, he has ensured that they are looking into the matter and proper action will be taken for all the observations coming out from audit.

6. Acknowledgement:

We have received satisfactory co-operation and support from the officials and staffs of the ULB. We convey our sincere thanks to them for the same.

For R N Singh & Co.
Chartered Accountants



CA Chanakya Shree
(Partner)
Mem No: 079322
FRN: 322066E



Detailed Audit Report

1. Introduction:

The internal audit of **Mohania Nagar Panchayat** covering the period from **01st April 2015 to 31st March 2016** was conducted by following persons under guidance of **CA Chanakya Shree:**

i. **Krishna Singh**

2. Administration:

The present body of the ULB has taken charge on **09-06-2012**. The incumbency in the key administration and executive was as under:

Chairman: - Shri Ajney Vikram Singh from **09-06-2012** to **present**.

Executive Officer: - Shri Rakesh Kumar from **09-09-2015** to **present**.

3. Review of Outstanding Paras:

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 recover has been made	Total amount of recovery	Total No. of outstanding para where no action has been taken	No. & date of compliance report
1	Internal Audit for the Year 2014-2015, dated 29.06.2016	29	24	5	0	0	29	No compliance has been made.
2	Internal Audit 2014-15	15	15	0	0	0	15	Not Complied.

Detailed Report on Compliance of Previous Internal Audit Report:-

Audit Observation	Nature of Irregularities	Complied/Not-Complied
TDS and VAT deducted by the Mohania Nagar Panchayat for the financial year 2014-15 has not	Persisting Since Last Year	Not-Complied



been deposited yet.		
Royalty and Labour Cess deducted at the time of contractor payment is also not deposited to the concerned department.	Persisting Since Last Year	Not-Complied
Scheme - BRGF, Tender No. - 02/2014, Yojan No. - 08/2013-14, Yojna Name - Mittikaran from kachari road to mandir via school, Party name - Sachidanand Pandey, Tender amount - 99700. Agreement to conduct the work was entered on 03/03/2014. Tenure to complete the work was one month. Last date of completion of work was 02/04/2014. But as per MB, work is completed on 02/06/2015. As per norms, 10% penalty charges is required to be deucted from the payment amount. But still payment is made Rs. 74,264/- without deduction of penalty charges of RS. 7,426/-.	Persisting Since Last Year	Not-Complied
Scheme - 13th Finance, Purchase of CLF street light done on 13-12-2014 for Rs. 680000/- from Aditya Traders, Bhabua. No tender was invited for supply of street light.	Persisting Since Last Year	Not-Complied
Scheme - 13th Finance, Purchase of fogging machine for Rs. 726000/- and chemical used in Fogging machine for Rs. 270000/- done on 22-01-2015 from Aditya Traders, Bhabua. No tender was invited for purchase.	Persisting Since Last Year	Not-Complied
Accounting process adopted by Mohania Nagar Panchayat is Single Entry System based on cash basis of accounting. It is not as per Bihar Municipal Act Manual. Bihar Municipal Act Manual requires adoption on Accrual Basis Double entry system of Accounting.	Persisting Since Last Year	Not-Complied
Compliance of statutory matter is not done i.e deposit of TDS on stipulated time, filling of e-TDS return, deposit of VAT amount, filling of VAT return, deposit of Labour Cess and Royalty amount. Non-compliance of such provisions	Persisting Since Last Year	Not-Complied



would lead to attraction of interest and penalty charges. Attraction of such charges would be a loss to Mohania Nagar Panchayat.		
Mohania Nagar Panchayat does not prepare the Bank Reconciliation Statement of the schemes having bank account. This should be implemented so that the balance as per cash book is tallied with the pass book balance. Any discrepancy in bank transaction is easily identified by preparing bank reconciliation statment.	Persisting Since Last Year	Not-Complied
As per Bihar Municipal Act Manual, the amount of tax collected by the Tax Inspector is required to be deposited in to bank on the same day. The same process is not followed. Tax Inspector hands over the collected cash to the Nazir after a time gap of 15 to 30 days. Also, in some cases amount collected in the month of March is handed over to the Nazir in next month which is ultimately recorded in the next financial year. It leads to violation of accounting policy and loss of income.	Persisting Since Last Year	Not-Complied
Holding taxes are not collected from the government properties which results to loss of revenue. Also, holding tax collected on other than government properties are not totally collected as per demand. However, the uncollected amount is carried forward to the next year.	Persisting Since Last Year	Not-Complied
Mohania Nagar Parishad has total of 15 mobile towers available in its jurisdiction. Out of 15, only 5 towers have paid registration charges of Rs. 30000/-. They are required to pay Rs. 8000/- as renewal charges per year. But the renewal charges is due from every towers.	Persisting Since Last Year	Not-Complied
Mohania Nagar Panchayat have not constituted Municipal Accounts Committee.	Persisting Since Last Year	Not-Complied



Budget for the year 2014-15 is not prepared by the Mohania Nagar Panchayat.	Persisting Since Last Year	Not-Complied
Mohania Nagar Panchayat is not in practice to prepare monthly receipt and payment account and the trial balance.	Persisting Since Last Year	Not-Complied
Mohania Nagar Panchayat have not made the field survey and assessment of the property.	Persisting Since Last Year	Not-Complied

4. Finance:

I. Budgetary provisions and expenditure for the last three years:

Year	2013-14	2014-15	2015-16
Final/Revised Budget	0.00	0.00	4,15,01,000.00
Actual Expenditure	85,38,339.00	1,88,47,222.00	5,94,92,754.00
Savings(+)/Excess(-)	(85,38,339.00)	(1,88,47,222.00)	(1,79,91,754.00)

II. Volume of transaction:

Period	Budgeted (2015-16)	Previous year (For one Year) (2014-15)	Corresponding period of previous year (2014-15)	Current period (2015-16)	Cumulative for the current period (2015-16)
Opening balance	4,87,88,984.00	4,87,88,984.00	4,87,88,984.00	5,28,39,800.00	5,28,39,800.00
Receipts	4,18,26,100.00	2,28,98,038.00	2,28,98,038.00	9,01,69,194.00	9,01,69,194.00
Total	9,06,15,084.00	7,16,87,022.00	7,16,87,022.00	14,30,08,994.00	14,30,08,994.00
Net expenditure	4,15,01,000.00	1,88,47,222.00	1,88,47,222.00	5,94,92,754.00	5,94,92,754.00
Closing balance	4,91,14,084.00	5,28,39,800.00	5,28,39,800.00	8,35,16,240.00	8,35,16,240.00



III. Bank Reconciliation:

We observed that ULBs has maintained different cash book and pass book for different scheme. Cash book and pass book of some schemes are tallied and some are not tallied. Bank reconciliation statement has not been prepared by the ULB.

Scheme	Bank & A/c Detail	Balance as per pass book	Balance as per cash book	Difference
BRGF	Central Bank of India General - 3305565793 SC - 3305569174 ST - 3305569902	3,94,991.00	4,02,345.00	(7,354.00)
SJSRY	Central Bank of India A/c - 3215068250	20,13,908.70	19,400.00	19,94,508.70
13 th Finance	Punjab National Bank A/c - 2696000100177029	1,40,943.00	11,79,392.00	(10,38,449.00)
14 th Finance	Bank of Baroda A/c - 00070100022634	15,43,756.00	14,15,949.00	1,27,807.00
Own Source	Bank of Baroda A/c - 00070100020441	5,22,050.00	6,02,716.00	(80,666.00)



IV. Revenue Receipts:

Period	Budgeted (2015-16)	Previous year (2014-15)	Correspondin g period of previous year (2014-15)	Current Period (2015-16)	Cumulative for the current period (2015-16)
(a) Own source					
Property Tax	17,50,000.00	6,11,740.00	6,11,740.00	8,58,348.00	8,58,348.00
Assigned Revenue	60,00,000.00	7,42,950.00	7,42,950.00	7,27,603.00	7,27,603.00
Others (Fees & user charges)	33,76,100.00	3,20,404.00	3,20,404.00	49,21,539.00	49,21,539.00
(b) Administrat ive grant	80,00,000.00	0.00	0.00	2,74,73,700.00	2,74,73,700.00
• Kabir Antyosthi	0.00	0.00	0.00	7,25,000.00	7,25,000.00
• Samajik Suraksha Pension	0.00	0.00	0.00	87,60,630.00	87,60,630.00
• Addt. Stamp Duty	0.00	0.00	0.00	1,53,97,670.00	1,53,97,670.00
• Nagrik Suvidha Scheme	80,00,000.00	0.00	0.00	25,90,400.00	25,90,400.00
(c) Specific Grant (Scheme wise)	2,27,00,000.00	2,12,22,944.00	2,12,22,944.00	5,61,88,004.00	5,61,88,004.00
• 13 th Finance	40,00,000.00	33,96,595.00	33,96,595.00	23,80,547.00	23,80,547.00
• 14 th Finance	0.00	0.00	0.00	35,82,341.00	35,82,341.00
• 5 th Finance	0.00	0.00	0.00	1,24,68,821.00	1,24,68,821.00
• Rajya Yojna	0.00	31,35,000.00	31,35,000.00	3,40,31,000.00	3,40,31,000.00
• Ward Parshad Bhatta	1,50,000.00	1,41,600.00	1,41,600.00	1,37,932.00	1,37,932.00
• Peshakar Yojna	8,00,000.00	6,46,119.00	6,46,119.00	7,99,863.00	7,99,863.00
• Swacch Bharat Mission	0.00	0.00	0.00	27,87,500.00	27,87,500.00
• 4 th Finance	1,10,00,000.00	1,22,78,052.00	1,22,78,052.00	0.00	0.00



• BRGF	20,00,000.00	12,35,578.00	12,35,578.00	0.00	0.00
• E-Governance	2,50,000.00	3,90,000.00	3,90,000.00	0.00	0.00
• SJSRY	45,00,000.00	0.00	0.00	0.00	0.00

V. Status of implementation of Double Entry Accounting System:

Mohania Nagar Panchayat has not implemented the Double Entry Accounting System.

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

Municipal Accounts Committee has not being constituted by the Mohania Nagar Panchayat. However, Municipal Standing Committee has taken charge of Municipal Accounts Committee.

5. Audit Observations:

I. Part - A

All Audit objections / irregularities which have monetary implications, particularly in following areas are provided here in below:

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, fee etc.:

- i. We observed that the collection of Property Tax (Holding tax) is very poor and the collected amount is not deposited on timely basis in the respective account of government in the financial year 2015-16.

In Mohania Nagar Panchayat, there are 5700 holdings in its all 16 wards and demand raised for Rs. 22,84,447.00 including previous arrears of Rs. 7,90,300.00 out of which only Rs. 8,58,348.00 has been collected during the financial year 2015-16 and remaining amount of Rs. 14,26,099.00 is due. It means only 37.57% has been collected during this financial year.

The uncollected amount of Rs. 14,26,099.00 is required to be recovered.

- ii. **As per rules, if any tower has been installed under the jurisdiction of ULB, then they should give an application to the ULB and take the No Objection Certificate (NOC) and required to deposit registration fee of Rs. 30,000 and renewal charges of Rs. 8,000 per annum. If it has not taken registration or renewal on time, then they will have to pay 1.5% interest per month as penalty. But in this respect, we found that there are 15 mobile towers**



installed in Mohania Nagar Panchayat but they have neither taken registration nor renewal charges paid on timely basis. The details of amount due and required to be recovered are provided here in below:

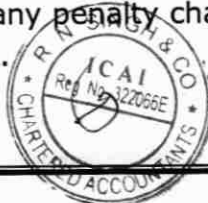
Si. No.	Tower Name	Address	Year of installation	Amount due
1.	Airtel	Ward No. - 7	2012	24,000.00
2.	Airtel	Ward No. - 15	2012	24,000.00
3.	Airtel	Ward No. - 15	2012	24,000.00
4.	Airtel	Ward No. - 15	2012	24,000.00
5.	A.T.S	Ward No. - 12	2012	0.00
6.	BSNL	Ward No. - 11	2013	46,000.00
7.	Idea	Ward No. - 10	2013	46,000.00
8.	Reliance	Ward No. - 15	2012	54,000.00
9.	BSNL	Ward No. - 15	2013	46,000.00
10.	Tata Docomo	Ward No. - 16	2013	46,000.00
11.	Vodafone	Ward No. - 3	2013	46,000.00
12.	Idea	Ward No. - 6	2013	46,000.00
13.	Reliance	Ward No. - 10	2012	54,000.00
14.	Tata Docomo	Ward No. - 10	2013	46,000.00
15.	A.T.S	Ward No. - 12	2013	46,000.00
Total				5,72,000.00

iii. We observed that the collection of Shop Rent Tax is very poor and the collected amount is not deposited on timely basis in the respective account of government in the financial year 2015-16. Also, Mohania Nagar Panchayat is not in practice to prepare the demand for Shop rent. However, Rs. 31750/- has been collected by the Mohania Nagar Panchayat for Shop Rent tax. The basis of levy and collection of Shop Rent tax is also not made available by the Mohania Nagar Panchayat.

b. Excess payment against bill, lack of prudence in payment against voucher, inefficiency in controls resulting loss to ULBs.

- During the year 2015-16, Sairat agreement for Rs. 4,04,200/- has been made but 3% stamp duty has not been collected on amount of Rs. 4,04,200/-. Due amount of 3% stamp duty is Rs. 12,126/- which is a loss of revenue to the ULB. The amount of Rs. 12,126/- is required to be recovered from the concerned parties.
- Tender No. - 03/2014, Yojna No. - 09/2014-15, Yojna Name - Soling road from house of Usha Devi to house of Basanti Kunwar, Party Name - Umesh Singh, Estimated amount - 172000/-, Head - 4th Finance.

Work order issued on 02-01-2015. Work need to be completed in 30 days. However, the work got completed on 22-06-2015. There was a delay of 4 months in completion of work but no any penalty charges for late completion of work was deducted from paid amount.



- iii. Tender No. - 01/2015, Yojna No. - 13/2015-16, Yojna Name - PCC and Drainage construction from house of Ramlal Paswan to the house of Jhagur Paswan, Party Name - Sachidanand Pandey, Estimated amount - 151000/-, Head - 4th Finance.

Work order issued on 14-07-2015. Work need to be completed in 45 days. However, the work got completed on 07-03-2016. There was a delay of 6 months in completion of work but no any penalty charges for late completion of work was deducted from paid amount.

- iv. Tender No. - 07/2014, Yojna No. - 13/2014-15, Yojna Name - PCC road from the house of Ramayan Singh to the boundary wall of Electricity Department, Party Name - Sachidanand Pandey, Estimated amount - 287963/-, Head - Rajya Yojna.

Work order issued on 28-02-2015. Work need to be completed in 30 days. However, the work got completed on 10-09-2015. There was a delay of 6 months in completion of work but no any penalty charges for late completion of work was deducted from paid amount.

j. Report on findings of field survey of property tax of minimum 20 high value properties:

Field survey of property and assessment had been conducted in October, 2015. As per survey report, total 5700 holdings are available under Mohania Nagar Panchayat jurisdiction. The details regarding new holdings added in the survey report are not ascertainable by the ULB. Also, the high value properties are not ascertained by the ULB under its jurisdiction. We have verified the survey report of October, 2015 provided by the ULB. We found that it is correctly done. However, as we have not accompanied the survey team, we cannot authenticate the measurement.

Moreover, details of October, 2015 survey report is collected which are as follows:-

Si. No.	Name of Land Lord	Ward No.	Area	Rate	Valuation	Tax (9%)	Remarks
1	Indravati Devi	14	1620	2	3240	292	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.



2	Tej Narayan Mishra	14	992	2	1984	179	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
3	Radhika Devi	14	1104	2	2208	199	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
4	Rakesh Kumar	14	680	2	1360	122	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
5	Devanti Devi	14	1494	2	2988	269	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
6	Hotel Kaimur Vihar	8	3480	20	69600	6264	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.



7	Kaimur Dairy	8	8324	20	166480	14984	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
8	Pashupalan Bibhag	8	1092	14	15288	1376	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
9	Dr. Avinash Kumar	8	1602	7	11214	1009	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
10	Dr. Tarun Kumar Keshri	8	3984	6	23904	2151	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
11	Karuna Singh	13	6844	20	136880	12320	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.



12	Nishant Verma	13	1824	7	12768	1150	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
13	Ajney Vikram	13	1980	7	13860	1247	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
14	Surendra Nath Choubey	13	1428	6	8568	771	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
15	Sanjay Kr. Singh	13	1476	6	8856	797	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
16	Renu Devi	5	1058	20	21160	1904	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.



17	Ramsati Devi	5	768	2	1536	138	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
18	Dobha Chaudhry	5	552	2	1104	100	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
19	Mukhlal Choudhary	5	558	6	3348	590	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
			160	20	3200		
20	Rambilash Singh	5	240	20	4800	432	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
21	Ramakant Chaudhary	6	1663.5	6	9981	1360	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
			256.5	20	5130		



22	Reeta Devi	6	864	2	1728	156	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
23	Nand Kishore Yadav	6	1789	2	3578	322	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
24	Mahendra Prasad Gupta	6	1300	20	26000	2340	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
25	Ram Jee Prasad Keshri	6	1868	20	37360	3363	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
26	Naban Singh	10	833	2	1666	150	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.



27	Pratap Singh	10	838	2	1676	151	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
28	Deepak Kr. Singh	10	673	2	1346	121	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
29	Pancham Narayan Singh	10	693	2	1386	125	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.
30	Bachchan Pandey	10	456	2	912	82	Last survey conducted in 2013-14 and after that the survey was conducted in October, 2015. We have verified the survey report. We found that it is correctly done. However, as we have not accompanied the survey report, we cannot authenticate the measurement.

II. Part – B

All Audit objections/irregularities which has no monetary implications, but significant violations of Act, Rules & directives of UD&HD. Mention the reference to Act & Rules wherein remedial measure is required.

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

We observed that following registers which are given below have not been maintained by the ULBs.



- (1). Statutory Registers.
- (2). Demand and collection register of all taxes/user charges/fees & fines.
- (3). Assessment register of property tax.
- (4). Bid register.
- (5). Vehicle & Generator log book.
- (6). Records and revision of taxes and rent.
- (7). Rent register of shop.
- (8). Survey registers/files of Hoardings.
- (9). Monthly receipt and payment account is not being prepared by the ULB.

b. Irregularity in procurement process: -

- i. Under E-Governance scheme, 7 laptops were purchased for female ward parshads on 15-07-2015 for Rs. 2,08,600/-. Procurement procedure was not followed. U K Computers was randomly selected who had supplied the same material to Nokha Nagar Panchayat.
- ii. Under 4th state finance scheme, 7 laptops were purchased for male ward parshads on 15-07-2015 for Rs. 208600/-. Procurement procedure was not followed. U K Computers was randomly selected who had supplied the same material to Nokha Nagar Panchayat.
- iii. Under 4th state finance scheme, Tractor was purchased from Swastik tractors for Rs. 5,20,450/- on 24-06-2015. Same party for purchase of tractor was selected from whom previous purchase was made in the year 2013-14. No procurement procedure was followed.
- iv. Under 4th state finance scheme, Suction Machine was purchased from Sinha Enterprises, Gaya for Rs. 7,60,000/- on 23-05-2015. No procurement procedure was followed.

c. Non-compliance of directives by UD &HD, Government of Bihar:

No such cases are found during the course of our audit.



d. Non- compliance of Act & Rules.

- i. The ULB is not preparing the Accounts and Financial Statement as per Section 86 & 88 of the Bihar Municipal Act, 2007. As required under section 88 of the said Act, the ULB is required to prepare within four months from the close of the year, Financial Statement Containing an Income & Expenditure Accounts and a Receipt and Payment Account for the previous year w.r.t. the accounts of the ULB.
- ii. The ULB is not preparing Fund Wise Receipts & Payments under BMAR Form No. 71 within 20th day of the subsequent months as per Rule 120 of the Bihar Municipal Accounts Rule 2014.
- iii. The ULB is not preparing following Financial Statement of the Preceding years as required under Rule 122 of the Bihar Municipal Accounts Rule, 2014:
 - a. Receipt & Payment Accounts for the Year (BMAR Form No 71).
 - b. Income & Expenditure Account for the Year (BMAR Form No 73).
 - c. Balance Sheet as on 31st March of the Year (BMAR Form No 74).
- iv. The ULB is not depositing the Collection of revenue from its own sources under different heads on the same day on which it is being collected. The details are provided here in below:

Sl. No.	Date of Collection		Receipt No	Amount(Rs.)	Date of Deposit
Shop Rent					
1.	02/05/2015 15/06/2015	to	49 to 51	18300.00	25/06/2015
2.	30/06/2015 08/07/2015	to	53 to 53	2250.00	23/07/2015
3.	08/09/2015		54 to 55	5250.00	30/10/2015
4.	11/12/2015 26/12/2015	to	56 to 57	2700.00	28/12/2015
5.	31/12/2015 31/03/2016	to	15	3250.00	31/03/2016
Pesha Sulk Tax					
1.	06/04/2015 09/04/2015	to	382 to 383	7200.00	10/04/2015
2.	13/04/2015 15/04/2015	to	384 to 385	2700.00	22/04/2015
3.	06/05/2015		386 to 391	10500.00	07/05/2015
4.	08/05/2015 14/5/2015	to	392 to 395	8769.00	05/06/2015
5.	06/06/2015		396	3000.00	23/07/2015



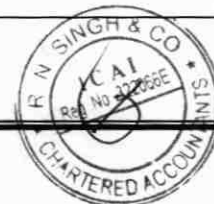
6.	25/07/2015 03/08/2015	to	397 to 399	12200.00	12/08/2015
7.	12/08/2015		400	1000.00	30/11/2015
8.	06/11/2015		901	9000.00	30/11/2015
9.	24/12/2015		1 to 4	3000.00	28/12/2015
10.	04/01/2016 08/02/2016	to	5 to 28	32700.00	23/02/2016
11.	27/02/2016 31/03/2016	to	29 to 30	9500.00	31/03/2016

Holding Tax

1.	25/04/2015 08/05/2015	to	3801 to 3953	13882.00	13/05/2015
2.	11/05/2015 08/06/2015	to	3954 to 4450	19390.00	22/06/2015
3.	08/06/2015 22/06/2015	to	4701 to 4746	7558.00	25/06/2015
4.	25/06/2015 06/07/2015	to	4747 to 5200 & 4051 to 4100	18058.00	31/07/2015
5.	20/07/2015 05/08/2015	to	5301 to 5350	8410.00	24/08/2015
6.	05/08/2015 08/09/2015	to	5951 to 6200	24234.00	28/09/2015
7.	09/09/2015 10/10/2015	to	6451 to 6672	16818.00	19/10/2015
8.	12/10/2015 25/11/2015	to	6673 to 6975	24920.00	05/12/2015
9.	07/01/2016 29/01/2016	to	6976 to 6989	7091.00	22/02/2016
10.	29/01/2016 29/03/2016	to	6990 to 7225	32057.00	31/03/2016
11.	21/05/2015 22/05/2015	to	3651 to 3700	10845.00	30/05/2015
12.	23/05/2015 22/06/2015	to	4201 to 4670	15330.00	25/06/2015
13.	23/06/2015 26/06/2015	to	4671 to 4676	1637.00	30/06/2015
14.	01/07/2015 24/07/2015	to	4677 to 5124	10037.00	25/07/2015
15.	27/07/2015 30/07/2015	to	5125 to 5852	4307.00	27/08/2015
16.	01/08/2015 20/08/2015	to	5853 to 5883	3689.00	28/08/2015
17.	24/08/2015 12/09/2015	to	5884 to 6250	13906.00	28/09/2015
18.	14/09/2015 05/10/2015	to	6251 to 6295	13591.00	30/10/2015
19.	30/10/2015 12/11/2015	to	6246 to 6656	16988.00	30/11/2015
20.	12/12/2015		6859	32666.00	17/12/2015



21.	16/01/2016 20/02/2016	to	6860 to 6874	3163.00	29/02/2016
22.	07/12/2015 10/12/2015	to	6857 to 6858	728.00	08/03/2016
23.	28/03/2016 29/03/2016	to	6875 to 6883	3628.00	31/03/2016
24.	24/04/2015		3701 to 4176	21152.00	22/05/2015
25.	25/05/2015		4177 to 4511	12155.00	24/06/2015
26.	17/06/2015		4512 to 4534	7954.00	25/06/2015
27.	27/06/2015		4535 to 4912	9278.00	23/07/2015
28.	28/07/2015		4913 to 5602	3093.00	31/07/2015
29.	01/08/2015		5603 to 5641	8404.00	24/08/2015
30.	26/08/2015		5642 to 5683	8457.00	17/09/2015
31.	14/09/2015		5684 to 5700	6786.00	19/10/2015
32.	30/09/2015		6551 to 6559	75229.00	30/11/2015
33.	23/11/2015		6560 to 6581	9209.00	24/02/2016
34.	18/02/2016		6582 to 6593	2655.00	31/03/2016
35.	21/04/2015 08/05/2015	to	3551 to 3600	15401.00	30/05/2015
36.	11/05/2015 08/06/2015	to	3901 to 4400	22532.00	28/06/2015
37.	09/06/2015 22/07/2015	to	4601 to 5219	27505.00	30/07/2015
38.	26/07/2015 20/08/2015	to	5220 to 5731	25017.00	31/08/2015
39.	30/08/2015 23/09/2015	to	5901 to 5950	25411.00	28/09/2015
40.	24/09/2015 12/10/2015	to	6401 to 6450	14371.00	30/10/2015
41.	01/11/2015 26/11/2015	to	6751 to 6763	2443.00	30/11/2015
42.	16/12/2015 25/02/2016	to	6764 to 6786	9433.00	29/02/2016
43.	08/03/2016 30/03/2016	to	6787 to 6800	9712.00	31/03/2016
44.	22/04/2015 02/05/2016	to	3751 to 3872	10173.00	13/05/2015
45.	02/05/2016 16/05/2015	to	3873 to 4150	15828.00	30/05/2015
46.	18/05/2015 06/06/2015	to	4301 to 4500	19512.00	09/06/2015
47.	06/06/2015 19/06/2015	to	4551 to 4850	15863.00	25/06/2015
48.	19/06/2015 01/07/2015	to	4951 to 5035	28448.00	30/07/2015
49.	03/07/2015 15/07/2015	to	5051 to 5100	13297.00	08/08/2015
50.	20/07/2015 26/07/2015	to	5251 to 5400	21354.00	20/08/2015



51.	26/07/2015 11/08/2015	to	5401 to 6015	12372.00	24/08/2015
52.	12/08/2015 19/08/2015	to	6016 to 6039	23389.00	15/09/2015



53.	21/08/2015 31/08/2015	to	6040 to 6310	5217.00	29/09/2015
54.	31/08/2015 16/09/2015	to	6311 to 6621	15020.00	26/10/2015
55.	17/09/2015 30/10/2015	to	6622 to 6850	21746.00	04/12/2015
56.	04/12/2015 17/02/2016	to	7101 to 7132	9660.00	23/02/2016
57.	04/03/2016 19/03/2016	to	7133 to 7139	1137.00	31/03/2016
58.	08/08/2015 24/08/2015	to	6051 to 6100	3671.00	27/08/2015
59.	24/08/2015 31/08/2015	to	6101 to 6190	6238.00	15/09/2015
60.	31/08/2015 30/09/2015	to	6351 to 6400	16393.00	17/10/2015
61.	08/10/2015 09/10/2015	to	6701 to 6750	3063.00	30/11/2015
62.	09/10/2015 09/11/2015	to	6901 to 6950	12609.00	02/12/2015
63.	30/11/2015 08/12/2015	to	7001 to 7050	5700.00	26/12/2015
64.	10/12/2015 24/03/2016	to	7151 to 7167	3939.00	31/03/2016

e. Lack of internal control measures:

- i) During the course of our Audit, we have observed various discrepancies in the Cash Book, which are enumerated below:
 - a. Voucher numbers were not clearly mentioned through which payment was made.
 - b. Head wise expenditure were not clearly entered and recorded.
 - c. The cash book balances are not reconciled with the Balances in Bank Pass Book.
- ii) Log book is not properly maintained and consequently its analysis is not possible.

f. Non-compliance of TDS, VAT and other relevant statute.

- i. Statutory deductions like TDS, VAT, Royalty and labour cess has not been deposited to the concerned department. Also, TDS return is not filed.



- ii. TDS of Rs. 138858/-, VAT – Rs. 900227/-, Royalty – Rs. 165831/- and Labour Cess - Rs. 193398/- for the year 2015-16 is required to be deposited to the concerned department. Also, quarterly and annual filing of returns is required to be ensured.
- iii. ULB requires to deposit the TDS deducted amount till the 7th of the next month. No deposit or late deposit of the same amount attracts interest charges for late deposit at the rate of 1.5% per month.

Interest charges for late submission of TDS amount:-

Si. No.	Amount	Deducted Month	Delay (in months)	Rate (per month)	Interest
1.	4736.00	May-2015	14 months	1.5%	994.56
2.	7032.00	June-2015	13 months	1.5%	1371.24
3.	12816.00	July-2015	12 months	1.5%	2306.88
4.	13173.00	August-2015	11 months	1.5%	2173.55
5.	15526.00	October-2015	9 months	1.5%	2096.01
6.	4700.00	November-2015	8 months	1.5%	564.00
7.	16174.00	December-2015	7 months	1.5%	1698.27
8.	30467.00	January-2016	6 months	1.5%	2742.03
9.	18011.00	February-2016	5 months	1.5%	1350.83
10.	16223.00	March-2016	4 months	1.5%	973.38
Total					16270.74

- iv. ULB requires to file the quarterly TDS return till the 15th of the end of quarter for every quarter and by 15th May in the last quarter. None filing the same return attracts filing fee charges for non - filling of TDS return at the rate of Rs. 200/- per day subject to the maximum of TDS deducted.

Si. No.	TDS Amount	Month	Delay (in days)	Rate (per day)	Penalty (maximum to the amount of TDS deducted)
1.	11768.00	July-2015	381 days	200.00	11768.00
2.	25989.00	October-2015	290 days	200.00	25989.00
3.	36400.00	January-2016	198 days	200.00	36400.00
4.	64701.00	April-2016	92 days	200.00	18400.00
Total					92557.00

g. Deficiency in pay-roll system.

The Payroll system at the ULB is not satisfactory. The register, records relating to statutory deduction like PF, ESIC, Income Tax are not maintained. The PF, ESIC with



respect to contractual employees as well as regular employees are neither deducted nor paid to statutory authority.

h. Utilisation of grant and report on missing Utilisation Certificates.

Utilization of grant has been prepared by ULB. However, UCs related to grants received in 2015-16 are pending. UCs of grants related to previous year are submitted in financial year 2015-16.

i. Physical verification of inventory/stores.

Physical verification of stores and fixed assets has been carried out and one Samsung Galaxy Tab has been found missing which is kept by the previous Executive Officer Shri Bipin Kumar.

j. Advances, their adjustment & recovery.

No advance and recovery register is maintained by the Mohania Nagar Panchayat. So, we are unable to comment on the same.

h. Any other.

ULB has idle fund remaining in its account during the financial year 2015-16. If these funds be transferred to other account or utilised in other scheme, there would not be any blockage of fund. Mohania Nagar Panchayat has Rs. 19,400/- in SJSRY scheme remaining idle from 28-06-2013.

III. Part C

General Observations: -

There are lots of scope for improvement with respect to maintenance of Records and Registers. The important and basic records like annual accounts, assets register were not maintained. Effective steps may be taken to improve the maintenance of accounts and increasing of its own sources of revenues.

For R N Singh & Co.
Chartered Accountants

CA Chanakya Shree
Partner
Mem No: 079322
FRN: 322066E



R N Singh & Co.		
Chartered Accountants		
Mohania Nagar Panchayat		
Mohania (Kaimur)		
Discussion Note (2015-16)		
Sl. No.	Audit Observations	Discussion Note
1	Mohania Nagar Panchayat does not have Municipal Accounts Committee.	
2	Mohania Nagar Panchayat is not in practice to follow Double Entry Accounting System. However, it has been assured that the same will be followed from the financial year 2015-16.	
3	The fixed assets of the Mohania Nagar Panchayat is verified randomly. One samsung tab is not found. After being inquiry, it has been found that samsung tab is kept by the previous Executive Officer Shri Bipin Kumar.	
4	Mohania Nagar Panchayat has 15 mobile towers under its jurisdiction. It is the responsibility of ULB to collect Mobile Tower Transmission Tax from those towers. But the same is not in practice effectively. No collection is made from the concerned towers in financial year 2015-16.	
5	Mohania Nagar Panchayat has 5700 holdings available in its 16 wards. Demand for holding tax for Rs. 1494147/- is prepared and there is opening balance for collection for Rs. 790300/-. But holding tax of only Rs. 858348/- is collected during the year 2015-16. The uncollected amount of Rs. 1426099/- is carried forward to the next year for collection.	
6	Mohania Nagar Panchayat has not conducted survey of Holding tax for the year 2015-16. However, survey was last conducted on October, 2015. Survey report has been provided by the ULB for the survied period.	
7	Mohania Nagar Panchayat has no detail of the high value properties under its jurisdiction.	
8	Mohania Nagar Panchayat is not in practice to prepare the Bank Reconciliation Statement of its account of different schemes.	
9	UC related to diifferent grants are verified. Some minor irregularities are found such as clerical errors and overwrtng. Moreover, no any discrepency found regarding UC.	
10	Mohania Nagar Panchayat is not in practice to deduct and deposit the EPF & ESIC of the regular as well as contractual employees.	




 17/11/16
 कार्यकारी अधिकारी
 ग्राम पंचायत मोहनिया (कैमूर)

11	Taxes collected by the different tax collectors of the Mohania Nagar Panchayat are not deposited to the concerned bank account on daily basis. There is an usual delay of 15 to 30 days in collection and deposit date.	हर शेड्यूलर द्वारा वसूलि कायफियत नाज़र के पास जमा किया जाता है।
12	Mohania Nagar Panchayat is not in practice to deposit the statutory dues like VAT, TDS, Royalty and Labour Cess to the concerned department which will lead to attraction of interest charges.	सभी प्रकार के Tax दस दिनों के अंदर अवश्य जमा करा दी जायेगी।
13	Mohania Nagar Panchayat is not in practice to file the quarterly return of the TDS and VAT deducted amount which will lead to attraction of penalty charges.	Quarterly Return जमा करा दी जायेगी।
14	Statutory dues for the financial year 2015-16 are TDS - Rs. 138828/-, VAT - Rs. 900227/-, Royalty - Rs. 165831/- and labour cess - Rs. 193398/-. This amount is required to be deposited to the concerned tax department.	
15	Mohania Nagar has idle fund in SJSRY scheme Rs. 19400/- from 28/06/2013. The same amount is required to be either utilised or transferred to the other concerned scheme for utilisation.	
16	Mohania Nagar Panchayat has not collected 3% stamp duty on the Sairat amount of Rs. 404200/- done during the financial year 2015-16.	
17	Hand trolley and Dustbin purchased from Sona Traders under scheme "Nagrik Suvidha Mad" on 14/12/2015. VAT deducted Rs. 86150/- is not deposited till audit date.	
18	Under E-Governance Scheme, 7 laptops are purchased for female ward parshads on 15/07/2015 for Rs. 208600/-. Procurement procedure is not followed. U K Computers of Nokha Nagar Panchayat is selected.	
19	Under 4th Finance Scheme, 7 laptops are purchased for male ward parshads on 15/07/2015 for Rs. 208600/-. Procurement procedure is not followed. U K Computers of Nokha Nagar Panchayat is selected.	
20	Laptops purchased under different schemes for ward parshads for Rs. 417200/- on 15/07/2015. VAT is not deducted on the above amount.	

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21	Under 4th Finance scheme, Tempo Tipper purchased from GAYA HARDWARE MART for Rs. 330182/- on 23/05/2015. VAT amount of Rs. 36930/- is not deducted. However, an application by the concerned party is given for non-deduction of VAT amount duly approved by Executive Officer stating that amount will be deposited by the party and challan will be send to the ULB. There is no challan available till audit date.	
22	Under 4th Finance Scheme, tractor is purchased for Rs. 520450/- on 24/06/2015. No procurement procedure is followed. Same party from whom tractor is purchased in year 2013-14 is selected.	
23	Under 4th Finance Scheme, tractor is purchased for Rs. 520450/- on 24/06/2015. VAT for Rs. 24783/- is not deducted on the above amount.	
24	Under 4th Finance Scheme, Suction machine is purchased from M/s Sinha Enterprises, Gaya for Rs. 760000/- on 23/05/2015. No procurement process is followed.	
25	Tender No. - 03/2014, Yojna No. - 09/2014-15, Yojna Name - Soling road from house of Usha Devi to house of Basanti Kunwar, Party Name - Umesh Singh, Tendered Amount - Rs. 172000/-, Head - 4th Finance Work order issued on 02/01/2015. Work need to be completed in 1 month. However, the work get completed on 22/06/2015. No penalty charges for delay completion of work has been deducted.	
26	Tender No. - 01/2015, Yojna No. - 13/2015-16, Yojna Name - PCC and Nala Construction from house of Ramlal Paswan to the house of Jhagur Paswan, Party Name - Sachidanand Pandey, Tendered Amount - Rs. 151000/-, Head - 4th Finance Work order issued on 14/07/2015. Work need to be completed in 45 days. However, the work get completed on 07/03/2016. No penalty charges for delay completion of work has been deducted.	
27	Tender No. - 07/2014, Yojna No. - 13/2014-15, Yojna Name - PCC road from house of Ramayan Singh to the boundary wall of Electricity Department, Party Name - Sachidanand Pandey, Tendered Amount - Rs. 287963/-, Head - Rajya Yojna Work order issued on 28/02/2015. Work need to be completed in 1 month. However, the work get completed on 10/09/2015. No penalty charges for delay completion of work has been deducted.	



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