

**INTERNAL AUDIT REPORT
OF MOKAMA NAGAR PARISAD**

**FINANCIAL
YEAR
2015-16**

INTERNAL AUDIT REPORT

OF MOKAMA NAGAR PARISAD

For The Period 2015 to 2016

INTERNAL AUDIT CONDUCTED BY

M/s Chanakya Ashok & Co.

Chartered Accountants

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Fraser Road Patna- 800001

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From 11-06-2016 to 23-06-2016

REPORT ISSUED ON 26-06-2016

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

Name of Auditor: Chanakya Ashok & Co.			Name of ULB:- Mokama Nagar Parisad
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, 2, 3 and 4 of Part B of Detailed Audit Report Under Head Lack of internal control measures at Page no 30.
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 29 and Para 1 of page no 30.</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 27 and Para 1, 2 of page no 28.</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 1 of Part A of detailed audit report at Page no 22 and para 1 of page 24.</p> <p>b) Complied in para no 1, 2 of Part B of detailed audit report at Page no 32 and para 1 of page 33.</p>
4	4.6	Report in a separate chapter on 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	Complied in para no C of Part A of detailed Audit Report at Page no 25.



Name of Auditor: Chanakya Ashok & Co.			Name of ULB:- Mokama Nagar Parisad
Sl. No.	Relevant Clause of Scope of Work of the Contract		Compliance (Mention the para no & Page no of audit report)
	Clause No.	Description	
		in each quarter and reported variations, if any, in PTRs and Actuals as per internal audits;	
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 25. And Complied in para no 1 of Part B of Detailed Audit Report at Page no 27.
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 27.
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 3 of Part B of Detailed Audit Report at Page no 33.
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 4 of Part 4 of Excutive Summary at Page no 6 to 11.
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 4 of Part 4 of Excutive Summary at Page no 6 to 11.



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Executive Summary

1. Introduction:

- Name of the Municipality: Mokama Nagar Parisad.
- Period covered under current audit: 01-04-2015 to 31-03-2016.
- Name of Chief Municipal Officer for the period under audit: Dr. B.N Singh.

2. Results and Findings:

➤ Strengths observed during the audit engagement:

- (a) Vouchers are serially arranged, numbered and authorized by competent authority and kept properly by the Nagar Parisad.
- (b) Separate files of the parties to whom payments are made are properly maintained. Proper documentation process in respect of parties has been followed.
- (c) Board Meetings of Mokama Nagar Parisad are held regularly and problems faced in the smooth operation are resolved by passing resolutions.

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

- (a) Statutory deductions like TDS, VAT, Labor Cess, Royalty have not been deposited on stipulated time by the Nagar Parisad and return filing of TDS & VAT has not been made on stipulated time. Details are given in detailed audit report.
- (b) Statutory deduction like TDS and VAT has not been properly deducted where TDS and VAT are applicable. TDS has been deducted @ 2.25% instead of 2% in case of payment to contractor (Company). Details are given in detailed audit report.



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- (c) A lot of irregularities in procurement process have been observed. Details are given in detailed audit report.
- (d) A lot of staff advance and scheme advance has not been adjusted till 31.03.2016. Details are given in detailed audit report.
- (e) Fixed assets register has not been maintained at Nagar Parisad level. Details of fixed assets have not been available at Nagar Parisad.
- (f) Stock register has not been properly maintained. Only receipt quantity has been entered in stock register. Issue quantity and balance quantity has not been shown in the stock register.
- (g) Huge amount of grant allotted to Nagar Parisad but against these allotments, few UCs submitted. Details are given in detailed audit report.
- (h) There is no reconciliation between Treasury cash book balances with Treasury.
- (i) Accounting process adopted by Mokama Nagar Parisad is Single Entry System based on cash basis of accounting. It is not as per Bihar Municipal Accounting Manual. Bihar Municipal Accounting Manual requires adoption on Accrual Basis Double Entry System of Accounting.
- (j) The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited in to the bank on the same day of the collection. The same process is not followed. Tax collector hands over the collected cash to the cashier 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 cashier in next month which is ultimately recorded in the next financial year. It leads to violation of accounting policy. Due to this, an amount of **Rs. 4,22,970/-** which had been collected from holding tax Receipt are not deposited till the date of audit. Amount of **Rs. 65,350/-** which are collected from miscellaneous Receipts are not deposited till the date of audit. Details have been given in detailed audit report.



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- (k) A lot of Tower tax and renewal charges have not been collected. Details are given in detailed audit report.
- (l) Mokama Nagar Parisad is not in practice to prepare monthly receipt and payment account and the trial balance.
- (m) There is a 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.
- (n) Backward regions grant fund (BRGF) scheme cash book has not been up to date so balance as per cash book and pass book not tallied.
- (o) As per AG audit report of 2013-2014 compliance in respect of sairat of footpath shop is not made after 2009.
- (p) **Security Pension Scheme:** - After verification of all vouchers of security pension, we observed that excess payment of Rs. 2,800/- to Muneshwar Prasad Singh (Tax Collector) and less payment of Rs. 2,800/- to Suresh Das (Tax collector). Details are given in detailed audit report.
- (q) **Security Pension Scheme:** - Under Security Pension Scheme, all the payment like bridha pension, biklang pension, vidhwa pension has been given to beneficiary but we observed that eligibility criteria on which beneficiary are selected are not available at Nagar Parishad. Document related to selection of beneficiary are not available. It shows lack of internal control.
- (r) Extra payment of Rs. 1,196/- to Vindeshwar Paswan by Voucher no-142. Total no of days leave earned is 74 but payment made for 76 days @ 597.86 per day.
- (s) **Thirteen & Fourteen Finance Commission:** -After verification of all files from which payment has been made we observed some deficiency like-(1) estimated amount is equal to actual amount. (2) All material purchased from same vendor (3) labour payment details are not available



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(4) In many cases payment has been given as an advance but work has not been started till the date of audit (5) No time limit given for completion of work (6) Many works have not been completed till the date of Audit. Details are given in detailed audit report.

- (t) **Diversion Of fund:-** From the test scrutiny of scheme register of the works of 13th FC, BRGF for the period under audit revealed that many schemes executed were not for the said purpose resulting in diversion/irregular expenditure.
- (u) Labour Payment has not been made on muster roll and Motation register, Grant register has not been prepared at ULB.
- (v) **Dustbin Purchase:-**As per advertisement in newspaper it is clearly mentioned that small dustbin should be purchased on the basis of demand requisition but demand requisition not available. As on 14-11-2015, Chief executive officer decided that to purchase 10 piece of 600 liter dustbin and 200 piece of 240 liter dustbin from penthar unit infrastructure on lowest amount of three quotations received. But we observed that only 240/260 liter dustbin quotation is received and on the basis of quotation of 240/260 liter dustbin ULB purchased 600 liter dustbin. Total amount of expenditure on 600 liter dustbin is Rs 289500.
- (w) **Deficiency Related to Property survey and assessment:-**(1) List of Prime Main road, Main Roads & other roads along with no of holdings on each of them may in accordance to provisions of rule 3 may be furnished. (2) As per rule 9 all the vacant lands within the jurisdiction of municipality shall be taxed. It may be pointed out to audit. What steps has be taken and what amount has be collected on this account. (3) Holding tax shall be assessed on the basis of percentage of annual rental value allowed under section 127 of the Bihar municipal act 2007, The percentage of annual rental value on the basis of which holding tax has to be assessed may be furnished at the earliest.

3. Overall opinion of audit team about the functioning of Municipality: -



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The Nagar Parisad functioning is not up to mark rather it has lots of scope of improvement. The Nagar Parisad is required to improve a lot in the field of

- a. Preparation of Accounts, Ledger, Books, Bank Reconciliation Statement, Various Registers and Records as required.
- b. It requires to Improved its Internal Control Procedures with regards to Demand, Collection of Revenue, and deposit of collected revenue in the Banks.
- c. Due to non-implementation of Double Entry Accounting System and following of Cash basis of Accounting, proper recognition of Income and expenses are not possible in accounts.
- d. There is a 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.
- e. It requires to improved compliance of provision of statutory requirement.
- f. There is a much scope of improvement in the procurement process. After being inquiry, it is being found that procurement process is not running effectively.
- g. Adjustment of any type of advance has not been satisfactory and submission of UCs of grants is also not satisfactory.
- h. Compliance of AG Audit Report required at Municipality.

4. Audit Recommendations: -

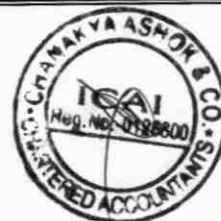
Observed Weaknesses	Audit Recommendations
Statutory deduction like TDS, VAT, Labor cess, Royalty has not been deposited on stipulated time by the Nagar Parisad and	Non-compliance of statutory provisions would lead to levying of interest and penalty charges. Resulting in loss to



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return filling of TDS & VAT has not been made on stipulated time. Details are given in detailed audit report.	Mokama Nagar Parisad. So, the ULB must strictly adhered to with the compliance of statutory provisions mainly with respect to TDS, VAT etc.
Statutory deduction like TDS and VAT has not been properly deducted where TDS and VAT are applicable. TDS has been deducted @ 2.25% instead of 2% in case of payment to contractor (Company). Details are given in detailed audit report.	It should be properly deducted and deposited as per the law of the land.
A lot of staff advance and scheme advance has not been adjusted till 31.03.2016. Details are given in detailed audit report.	If Advances are not adjusted on time, then there is loss of interest on advance amount and proper utilization of such amount can't be made during the year. So, advances must be adjusted on time and further advances shall be provided to unless all the previous advances have been adjusted.
Fixed assets register has not been maintained at Nagar Parisad level. Details of fixed assets have not been available at Nagar Parisad.	If fixed assets register has not been maintained, then there is very Difficulty to identify quantity of each class of fixed assets and chances of theft of fixed assets occur. So, Fixed assets register is required to be prepared at the Nagar Parisad level.
Stock register has not been properly maintained. Only receipt quantity has been entered in stock register. Issue quantity and balance quantity has not been shown in stock register.	If stock register is not being maintained properly, then there is very Difficulty to identify quantity of each class of stock and chances of theft of stock may occur. So, the ULB should Maintain a price store ledger properly.
Huge amount of grant allotted to Nagar Parisad but against these allotments few UCs submitted. Details are given in detailed audit report.	Generally, Grants are allotted on the basis of submission of UCs, if UCs are not submitted, further allotment of grant is not made. So, the ULB is required to submit the UCs timely and



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	properly to get the further grant.
There is no reconciliation between Treasury cash book balances with Treasury.	If reconciliation between Treasuries cash book balances with Treasury is not made, then chances of cash defalcation arises. There must be reconciliation on monthly basis between treasury cash book balances with Treasury.
Accounting process adopted by Mokama Nagar Parisad 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.	Double-entry accounting system helps in easy preparation of financial statements. It presents 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. It prevents fraud in a simpler way than single entry accounting system because it makes it difficult to manipulate accounts. You can easily detect account manipulation by examining the initial entries and comparing them to their impact on different accounts. So, Double entry accounting system must be implemented at ULB as soon as possible.
The amount of tax collected by the Tax collector is required to be handed over to the cashier next day of the collection. The same process is not followed. Tax collector hands over the collected cash to the cashier 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 cashier in next month which is ultimately recorded in	If collected cash are not deposited on time, then chances of Misappropriation of cash arises. So, collected amount must be deposited on the same day on which it is being collected.



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the next financial year. It leads to violation of accounting policy. Due to this reason Amount Rs 422970 Which are collected from holding tax receipt are not deposited till the date of audit. Amount Rs 65350 Which are collected from mislaneous receipt are not deposited till the date of audit. Details are given in detailed audit report.	
A lot of Tower tax and renewal charges have not been collected. Details are given in detailed audit report.	If Tower tax and renewal charges have not been collected on time, then a chance of loss of revenue arises and huge amount of interest may be lost on this amount. So, a strict step should be adopted for collection of tower tax.
Mokama Nagar Parisad is not in practice to prepare monthly receipt and payment account and the trial balance.	It is required to prepare monthly receipt and payment account and the trial balance at Nagar Parisad level for easily identification of receipt position and expense position under different accounting head.
There is a 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.	If levy and collection process of tax is not running effectively then revenue of Nagar Parisad will not increase. So, a strict step should be adopted for collection process.
Backward regions grant fund (BRGF) scheme cash book has not been up to date so balance as par cash book and pass book not tallied.	The cash book of Backward regions grant fund (BRGF) scheme must be updated at the earliest. If balances are not tallied, then chances of defalcation arise.
As per AG audit report of 2013-2014 compliance in respect of sariat of footpath shop is not made after 2009.	Compliance of AG Audit Report Required.
Security Pension scheme:- After verification of all vouchers of security	It should be recovered and paid as soon as possible to concerned person.



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<p>pension we observed that excess payment of Rs 2800 to muneshwar Prasad singh (Tax Collector) and less payment of Rs 2800 to suresh das (Tax collector).</p>	
<p>Security Pension scheme:- Under security pension scheme all the payment like bridha pension, biklang pension, vidhwa pension has been given to beneficiary but we observed that eligibility criteria on which beneficiary are selected are not available at nagar parisad. Document related to selection of beneficiary are not available. It shows lack of internal control.</p>	<p>It should be paid to only eligible beneficiary after verification of document related to selection of beneficiary.</p>
<p>Retirement Benefit:- Extra payment of Rs 1196 to Vindeshwar paswan by Voucher no-142. Total no of days leave earned is 74 but payment made for 76 days @ 597..86 per day.</p>	<p>It should be recovered as soon as possible by concerned person.</p>
<p>Thirteen & Fourteen Finance Commission:- After verification of all files from which payment has been made we observed some deficiency like:- (1) estimated amount is equal to actual amount. (2) All material purchased from same vendor (3) labour payment details are not available (4) Many cases payment has been given as an advance but work has not been started till the date of audit (5) No any time limit given for completion of work (6) Many works has not been complete till the date of Audit.</p>	<p>It should be required to take proper care in respect of this type of deficiency.</p>
<p>Diversion Of fund:- From the test scrutiny of scheme register of the works</p>	<p>In our recommendations allotted grants should be used in same scheme.</p>



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UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250

Received by
Mr. [Name]
[Address]
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Dear Mr. [Name]:
I am pleased to inform you that your application for [Title]
has been approved. The [Agency] has reviewed your qualifications
and found them to be satisfactory.

On [Date], you will receive a letter from the [Agency]
regarding the [Details]. Please contact the [Person]
at [Phone Number] if you have any questions.

Very truly yours,
[Signature]
[Title]

Enclosed for you are [Number] copies of the [Document].
If you need any further information, please contact the [Person].

Sincerely,
[Signature]
[Title]
[Agency]
[Address]
[City, State, Zip]

I enclose for you [Number] copies of the [Document].
If you need any further information, please contact the [Person].



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of 13 th FC, BRGF for the period under audit revealed that many schemes executed were not for the said purpose resulting in diversion/irregular expenditure.	
Labour Payment has not been made on muster roll and Mutation register, Grant register has not been prepared at ULB.	Labour payment should be made on muster roll. Mutation and grant register should be prepared at ULB.
Dustbin Purchase:- As per advertisement in newspaper it is clearly mentioned that small dustbin should be purchased on the basis of demand requisition but demand requisition not available. As on 14-11-2015, Chief executive officer decided that to purchase 10 piece of 600 liter dustbin and 200 piece of 240 liter dustbin from penthar unit infrastructure on lowest amount of three quotation received. But we observed that only 240/260 liter dustbin quotation is received and on the basis of quotation of 240/260 liter dustbin ULB purchased 600 liter dustbin. Total amount of expenditure on 600 liter dustbin is Rs 289500.	Irregularity in procurement process attract to loss of revenue. So, all the procurement should be made as per the guidelines as envisaged in the Bihar municipal accounting manual, Bihar municipal accounting rules and Bihar municipal accounting Act.
Deficiency Related to Property survey and assessment:- (1) List of Prime Main road, Main Roads & other roads along with no of holdings on each of them may in accordance to provisions of rule 3 may be furnished. (2) As per rule 9 all the vacant lands within the jurisdiction of municipality shall be taxed. It may be pointed out to audit. What steps has be taken and what amount has be collected on this account.	It should be required to take proper care in respect of this type of deficiency.



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5. Comments from Management: -

Observed Weaknesses	Comment from Management
Statutory deduction like TDS, VAT, Labor cess, Royalty has not been deposited on stipulated time by the Nagar Parisad and return filling of TDS & VAT has not been made on stipulated time. Details are given in detailed audit report.	From now onwards the deducted amount is being deposited within the time limit prescribed by the statute.
Statutory deduction like TDS and VAT has not been properly deducted where TDS and VAT are applicable. TDS has been deducted @ 2.25% instead of 2% in case of payment to contractor (Company). Details are given in detailed audit report.	According to auditor's suggestion statutory deduction is being made as per the rate prescribed by the statute.
A lot of staff advance and scheme advance has not been adjusted till 31.03.2016. Details are given in detailed audit report.	After completion of work, advance is being adjusted. Staff advance is being adjusted from their monthly salary.
Fixed assets register has not been maintained at Nagar Parisad level. Details of fixed assets have not been available at Nagar Parisad.	It is being maintained.
Stock register has not been properly maintained. Only receipt quantity has been entered in stock register. Issue quantity and balance quantity has not been shown in stock register.	It is being proper maintained.
Huge amount of grant allotted to Nagar Parisad but against these allotments few UCs submitted. Details are given in detailed audit report.	After completion of work, UCs submitted.
There is no reconciliation between Treasury cash book balances with Treasury.	It will be reconciled in the next audit.



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Accounting process adopted by Mokama Nagar Parisad 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.	Double entry system of Accounting is in process.
The amount of tax collected by the Tax collector is required to be handed over to the cashier next day of the collection. The same process is not followed. Tax collector hands over the collected cash to the cashier 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 cashier in next month which is ultimately recorded in the next financial year. It leads to violation of accounting policy. Due to this reason Amount Rs 422970 Which are collected from holding tax receipt are not deposited till the date of audit. Amount Rs 65350 Which are collected from mislaneous receipt are not deposited till the date of audit. Details are given in detailed audit report.	Collected amount is being deposited.
A lot of Tower tax and renewal charges have not been collected. Details are given in detailed audit report.	Step taken for collection of tower tax.
Mokama Nagar Parisad is not in practice to prepare monthly receipt and payment account and the trial balance.	Future reference.
There is a 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	Due to lack of staff.



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effectively.	
Backward regions grant fund (BRGF) scheme cash book has not been up to date so balance as per cash book and pass book not tallied.	It is being Maintained and reconciled.
As per AG audit report of 2013-2014 compliance in respect of sariat of footpath shop is not made after 2009.	As per state government order, it is exempt from tax.
Security Pension scheme:- After verification of all vouchers of security pension we observed that excess payment of Rs 2800 to muneshwar Prasad singh (Tax Collector) and less payment of Rs 2800 to suresh das (Tax collector).	Excess paid amount is being collected from concerned person.
Security Pension scheme:- Under security pension scheme all the payment like bridha pension, biklang pension, vidhwa pension has been given to beneficiary but we observed that eligibility criteria on which beneficiary are selected are not available at nagar parisad. Document related to selection of beneficiary are not available. It shows lack of internal control.	Future reference.
Retirement Benefit:- Extra payment of Rs 1196 to Vindeshwar paswan by Voucher no-142. Total no of days leave earned is 74 but payment made for 76 days @ 597..86 per day.	Excess paid amount is being collected from concerned person.
Thirteen & Fourteen Finance Commission:- After verification of all files from which payment has been made we observed some deficiency like:-(1) estimated amount is equal to actual	Future reference.



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amount. (2) All material purchased from same vendor (3) labour payment details are not available (4) Many cases payment has been given as an advance but work has not been started till the date of audit (5) No any time limit given for completion of work (6) Many works has not been complete till the date of Audit.	
Diversion Of fund:- From the test scrutiny of scheme register of the works of 13 th FC, BRGF for the period under audit revealed that many schemes executed were not for the said purpose resulting in diversion/irregular expenditure.	Future reference.
Labour Payment has not been made on muster roll and Mutation register, Grant register has not been prepared at ULB.	Future reference.
Dustbin Purchase:- As per advertisement in newspaper it is clearly mentioned that small dustbin should be purchased on the basis of demand requisition but demand requisition not available. As on 14-11 2015, Chief executive officer decided that to purchase 10 piece of 600 liter dustbin and 200 piece of 240 liter dustbin from penthar unit infrastructure on lowest amount of three quotation received. But we observed that only 240/260 liter dustbin quotation is received and on the basis of quotation of 240/260 liter dustbin ULB purchased 600 liter dustbin. Total amount of expenditure on 600 liter dustbin is Rs 289500.	Future reference.



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Deficiency Related to Property survey and assessment:- (1) List of Prime Main road, Main Roads & other roads along with no of holdings on each of them may in accordance to provisions of rule 3 may be furnished. (2) As per rule 9 all the vacant lands within the jurisdiction of municipality shall be taxed. It may be pointed out to audit. What steps has be taken and what amount has be collected on this account.	Future reference.
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6. Acknowledgement: -

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

For Chanakya Ashok & Co.
Chartered Accountants



CA Ashok Kumar Pandey
Partner
Mem. No: 404207
FRN: 012680C



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Detailed Audit Report

1. Introduction: -

The internal audit of Mokama Nagar Parisad covering the period from 01st April 2015 to 31st March 2016 was conducted by following persons under guidance of CA Ashok Kumar Pandey.

i. Amit Ranjan

2. Administration: -

The present body of the ULB has taken charge on 9th June 2012. The incumbency in the key administration and executive was as under:
Shrimati Renu Devi, Chairman, from 9th June 2012 to till date.
Dr. B.N singh Executive Officer from 06th January 2014 to till date.

3. Review of Outstanding Audit Paras: - Status of Audit observations is 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 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	AG Audit for the 2014-2015	20	17	1	1	132628.02	Nil	29/05/2016
2	Internal Audit Report 2014-2015	14	14	0	0	0	14	No Compliance Report Provided



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1942
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ANNUAL REPORT OF MONMOUTH PARASOLS

THE YEAR REPORT

1942

The year 1942 was a year of great achievement for the company. We have increased our production of parasols by 25% and have also increased our sales by 30%. This is a record for our company and we are proud of it.

W. J. H. H.

CONCLUSION

We are proud of the achievements of our company in 1942. We have increased our production and sales and we are confident that we will continue to do so in the future. We are grateful to our customers and to our employees for their support and hard work.

Very truly yours,
W. J. H. H.

Item	1941	1942
Production	100,000	125,000
Sales	100,000	130,000
Profit	10,000	12,000
Assets	100,000	110,000
Liabilities	10,000	12,000
Equity	90,000	98,000

W. J. H. H.

W. J. H. H.

W. J. H. H.

W. J. H. H.

W. J. H. H.

W. J. H. H.

W. J. H. H.



INTERNAL AUDIT REPORT OF MOKAMA NAGAR PARISAD

**FINANCIAL
YEAR
2015-16**

Detailed Report on Compliance of Previous Internal Audit Report:-

Audit Observation	Nature of Irregularities	Complied/Non-Complied
Statutory compliance like TDS, VAT, Labor cess, Royalty has not been deposited on stipulated time by the Nagar Parisad and return filling of TDS & VAT has not been made on stipulated time. Details are given in detailed audit report.	Persisting since last year	Not Complied
Statutory deduction like royalty and labor cess has not been properly deducted where royalty is applicable. Details are given in detailed audit report. There is a lot of irregularity in procurement process. Details are given in detailed audit report.	Persisting since last year	Not Complied
A lot of staff advance and scheme advances have not been adjusted till 31.03.2015. The details are provided in detailed audit report.	Persisting since last year	Not Complied
Fixed assets register has not been maintained at Nagar Parisad level. Details of fixed assets have not been available at Nagar Parisad.	Persisting since last year	Not Complied
Stock Register has not been properly maintained. Only receipt quantity has been entered in stock register. Issue quantity and balance quantity has not been shown in stock register.	Persisting since last year	Not Complied
Huge amount of grant allotted to Nagar Parishad, but against these allotments few UCs submitted. Details are given in detailed audit report.	Persisting since last year	Not Complied



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There is no reconciliation between Treasury cash book balances with Treasury.	Persisting since last year	Not Complied
Accounting process adopted by Mokama Nagar Parisad is Single Entry System based on cash basis of accounting. It is not as per Bihar Municipal Accounting Manual. Bihar Municipal Accounting Manual requires adoption of Accrual Basis Double Entry System of Accounting.	Persisting since last year	Not Complied
The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited in the Bank on the same day of the collection. The same process is not followed. Tax collector hands over the collected cash to the cashier 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 cashier in next month which is ultimately recorded in the next financial year. It leads to violation of accounting policy and loss of income. Due to this reason, huge amount not deposited.	Persisting since last year	Not Complied
A huge amount with respect to Tower tax and its renewal charges have not been collected.	Persisting since last year	Not Complied
Mokama Nagar Parisad is not in practice to prepare monthly receipt and payment account and the trial balance.	Persisting since last year	Not Complied



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There is a 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.	Persisting since last year	Not Complied
Backward regions grant fund (BRGF) scheme cash book has not been up to date. So, balance as per cash book and pass book not tallied.	Persisting since last year	Not Complied
As per AG audit report of 2013-2014 compliance in respect of sairat of footpath shop is not made after 2009.	Persisting since last year	Not Complied

4. 1. Budgetary provisions and expenditure for the last three years :-

Year	2013-14	2014-15	2015-16
Final/Revised Budget	75488664	882973724	899129947
Actual Expenditure	33583368	270399492	447860090
Savings(+)/Excess(-)	41905296	612574232	451269857

ii. Volume of transactions: -

Period	Budgeted	Previous year(2014-15)	corresponding previous year	Current period(2015-16)	Cumulative for the current period
Opening Balance	0	185415044	185415044	266702439	266702439
Receipts	899339947	351686887	351686887	407384819	407384819
Total	899339947	537101931	537101931	674087258	674087258



INTERNAL AUDIT REPORT OF MOKAMA NAGAR PARISAD

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Net expenditure	899129947	270399492	270399492	447860090	447860090
Closing Balance	210000	266702439	266702439	226227168	226227168

iii. Bank Reconciliation:-

All balance of cash book of each scheme are tallied and reconciled except backward region grant fund (BRGF) with pass book of each scheme.

Si No	Particulars	Bank Name & A/C Number	Balance as per Cash book as on 31/03/2016 (Rs.)	Balance as per Passbook as on 31/03/2016 (Rs.)	Difference (Rs.)	Remarks
1	BRGF	Canara Bank (0286101028230)	---	---	---	Cash book of BRGF not up to date till the date of audit. So we are unable to comment on it.

iv. Revenue Receipts: -

Period	Budgeted (2015-16)	Previous Year (For one year) (2014-15)	Corresponding Period of Previous Year	Current Period (2015-16)	Cumulative for the Current Period
(a) Own					



INTERNAL AUDIT REPORT OF MOKAMA NAGAR PARISAD

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2015-16**

source					
Property Tax	34373400	4109970	4109970	5236917	5236917
Assigned Revenue	3386000	0	0	0	0
Others (Fees & user charges)	225000	0	0	0	0
Interest	0	15052197	15052197	5971212	5971212
(b) Administrative grant	1124176000	91174824	91174824	175905824	175905824
(c) Specific Grant (Scheme wise)					
13 th FC	80000000	6808162	6808162	4025770	4025770
14 th FC	30000000	26554918	26554918	8034496	8034496
Swachh bharat mission	2800000	0	0	4000000	4000000
SJSRY	0	130758	130758	0	0
I.H.S.D.P.HOUSING	550000000	78268164	78268164	187687000	187687000
I.H.S.D.P.Infrast ructure		39828965	39828965	0	0
Social security pension	20000000	16894939	16894939	14612600	14612600
e - governance	1000000	510000	510000	330000	330000
Kabir antyosti	1000000	363000	363000	1581000	1581000

V. Status of implementation of Double Entry Accounting System:

The Double Entry Accounting System has not been implemented at the ULB.

Vi. Status of Municipal Accounts Committee:

There is a Municipal Accounting Committee has been formed at the ULB. Meeting of the Board has been held and Resolution for the proper implementation of Double Entry Accounting System has been passed but no action has been taken till date. Municipal



INTERNAL AUDIT REPORT OF MOKAMA NAGAR PARISAD

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Accounting Committee formed on 30.07.2014 on twenty-four meeting by proposal number six.

5. Audit Observations: -

I Part-A

- 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.

(1) Property tax: - The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made. The same process is not followed. Tax collector hands over the collected cash to the cashier 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 cashier in next month which is ultimately recorded in the next financial year. It leads to violation of accounting policy. Due to this, an amount **Rs. 4,22,970/-** which is collected from holding tax receipt are not deposited till the date of audit. An amount **Rs. 65,350/-** which are collected from miscellaneous receipt are not deposited till the date of audit. Details are given below: -

Si. No	Ward No	Receipt No	Amount Collected	Amount Not Deposited
1	26	631 to 646	12641.76	12641.76
2	28	745 to 757	8470.51	8470.51
3	24	8095 to 8100	1777.08	1777.08
4	24	1701 to 1720	20378.84	20378.84
5	25	9586 to 9600	14977.98	14977.98
6	25	1801 to 1818	12698.99	12698.99
7	27	1115 to 1133	15358.68	15358.68
8	04	7976 to 7992	11405.36	11405.36
9	03	523 to 530	2196.65	2196.65
10	06	1908	2225.87	2225.87
11	07	9850 to 9864	16962.10	16962.10
12	08	913 to 920	5317	5317
13	09	1018 to 1027	6358.36	6358.36



1448

INTERNAL AUDIT REPORT OF MOKAMA NAGAR PARISAD

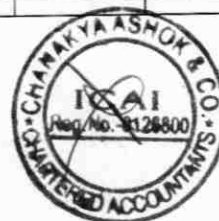
**FINANCIAL
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2015-16**

14	14	440 to 444	6642.36	6642.36
15	05	1501 to 1520	10513.40	10513.40
16	15	153 to 164	14833.96	14833.96
17	17	235 to 254	14095.16	14095.16
18	16	32 to 59	23020.04	23020.04
19	18	367 to 399	102164.84	102164.84
20	2	8958 to 8961	2007.40	2007.40
21	23	9294 to 9300	6583.58	6583.58
22	23	1601 to 1608	2243.88	2243.88
23	20	9661 to 9671	5623	5623
24	21	1402 to 1422	15788.27	15788.27
25	19	816 to 846	20236.33	20236.33
26	22	9183 to 9200	22569.92	22569.92
27	01	1211 to 1218	11265.80	11265.80
28	01	1223 and 1225 to 1236	13944.82	13944.82
29	10	8388 to 8392	2622	2622
30	11	1314 to 1326	9967.72	9967.72
31	12	7680 to 7690	6783.91	6783.91
32	13	9977 to 9980	1292.44	1292.44
33	Misc-Receipt	1401 to 1492	64850	64850
34	Misc-Receipt	1359 to 1397	500	500
Total			488320	488320

- (2) **Tower tax:** - As per notification of Bihar Government, The Governor of Bihar made the rules for the mobile tower under the Act. Operator of the mobile has to apply to the ULB for operation of the mobile tower in the concerned area with the Requisite fees of Rs. 40,000/- per Tower and the Renewal fee is Rs. 10000/- per year. As per verification of records and document during the course of audit and according to the cash book produced by the ULB, it was found that only Rs. 4,27,000/- was realized from the Tower Company till 31.03.2016, resulting in loss of Rs. 20,43,000 /-

It is suggested to the ULB that outstanding mobile tower fees amounting to Rs. 20,43, 000/- shall be recovered at the earliest.

Si.No	Name of Company	Establishment fee	Renewal	Total	Amount Collected	Amount Due
M/s Chanakya Ashok & Co. Chartered Accountants						



INTERNAL AUDIT REPORT OF MOKAMA NAGAR PARISAD

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2015-16**

1	Airtel	40000	90000	130000	30000	100000
2	Airtel	40000	90000	130000	15000	115000
3	Airtel	40000	90000	130000	15000	115000
4	Airtel	40000	100000	140000	15000	125000
5	Airtel	40000	110000	150000	15000	135000
6	Airtel	40000	90000	130000	15000	115000
7	Reliance	40000	30000	70000	50000	20000
8	Reliance	40000	30000	70000	50000	20000
9	Tata Teleserve	40000	120000	160000	30000	130000
10	Tata Teleserve	40000	110000	150000	0	150000
11	Tata Teleserve	40000	110000	150000	0	150000
12	Idea	40000	90000	130000	25000	105000
13	Idea	40000	90000	130000	20000	110000
14	Idea	40000	90000	130000	0	130000
15	Aircel	40000	90000	130000	0	130000
16	Aircel	40000	90000	130000	15000	115000
17	Reliance Jio Info	40000	30000	70000	40000	30000
18	Reliance Jio Info	40000	30000	70000	40000	30000
19	Reliance Jio Info	40000	30000	70000	4000	66000
20	Reliance Jio Info	40000	30000	70000	40000	30000
21	Reliance Jio Info	40000	20000	60000	4000	56000
22	Reliance Jio Info	40000	30000	70000	4000	66000
Total		880000	1590000	2470000	427000	2043000

b. Excess Payments against bill, lack of produce in payments against voucher, inefficiency in the control resulting loss to ULBs.



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- (1) After verification of all vouchers of security pension we observed that excess payment of **Rs 2800** to Muneshwar Prasad singh (Tax Collector) and less payment of **Rs 2800** to suresh das (Tax collector).
- (2) Retirement Benefit:-Extra payment of **Rs 1196** to Vindeshwar paswan by Voucher no-142. Total no of days leave earned is 74 but payment made for 76 days @ 597.86 per day.

c. Report on Findings of the field survey of property tax of minimum 20 high value properties.

Si.No	Ward No.	Holder Name	Area	Rate	Cost	Tax Amount	Auditor comment
1	1	Ramlakhan saw	1628	45 & 15	27780	2500.20	No Deficiency observed
2	2	Ramnandan singh	0	0	0	0	Vacant land tax not imposed
3	2	Hari kant singh	582.3234	12 & 8	6753.32	607.80	No Deficiency observed
4	3	Mithilesh devi	1548.7632	45 & 15	61204.34	5508.39	No Deficiency observed
5	3	Nagaswar singh	96	45	4320	388.80	No Deficiency observed
6	4	Mathura Das	531	8	4248	297.36	No Deficiency observed
7	4	Raj kumar saw	1159	45	52155	3650.85	No Deficiency observed
8	5	Hadish Khatun	380	8	3040	273.60	No Deficiency observed
9	4	Veena Devi	266.00	20.00	5,320.00	478.80	No Deficiency observed
10	16	Kanchan Devi	143.00	6.00	858.00	77.22	No Deficiency observed
11	16	Savita Devi	415.03	6.00	2,490.18	224.12	No Deficiency observed
12	16	Moti Devi	615.00	8.00	4,920.00	442.80	No Deficiency observed
13	16	Ganik Ram	144.00	8.00	1,152.00	103.68	No Deficiency observed



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2015-16**

14	1	Nand Kumar Singh	2,391.23	45 & 15	86,730.95	7,805.79	No Deficiency observed
15	2	Sunita Devi	596.92	8.00	4,775.37	429.78	No Deficiency observed
16	1	Ramnarayan Mistri	469.00	45.00	21,105.00	1,899.45	No Deficiency observed
17	1	Bani Das	304.00	4.00	1,216.00	109.44	No Deficiency observed
18	2	Rambriksh Singh	614.04	5.00	3,070.18	276.32	No Deficiency observed
19	3	Ramu Yadav	430.00	4.00	1,720.00	154.80	No Deficiency observed
20	4	Rameshwar Saw	180.00	4.00	720.00	50.40	No Deficiency observed

ii Part B

All Audit objections/regularities 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.

➤ **Non-maintenance of books of accounts, subsidiary registers: -**

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

- Mutation Register.
- Assets register.
- Grant Register.
- Records and revision of taxes and rent.
- Demand & collection register of mobile towers and registration files of mobile towers.
- Monthly receipt and payment account is not being prepared by the ULB.

➤ **Irregularity in procurement process: -**

A lot of irregularity in procurement process. Details are given here-



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- (a) **Dustbin Purchase:-** As per advertisement in newspaper it is clearly mentioned that small dustbin should be purchased on the basis of demand requisition but demand requisition not available. As on 14-11-2015, Chief executive officer decided that to purchase 10 piece of 600 liter dustbin and 200 piece of 240 liter dustbin from penthar unit infrastructure on lowest amount of three quotation received. But we observed that only 240/260 liter dustbin quotation is received and on the basis of quotation of 240/260 liter dustbin ULB purchased 600 liter dustbin. Total amount of expenditure on 600 liter dustbin is Rs 289500.

➤ **Non-compliance of directives by UD &HD, Government of Bihar-**

- Budget of Nagar parisad has not been prepared as per Bihar Budget Manual.
- As per Chapter 20 for period end and reconciliation procedure of Bihar Municipal Accounting Rules, following procedure should carried out daily but it has not conducted on daily basis:-

(a) Closing of daily cash book and bank book.

(b) Physical verification of cash balance with daily collection register and bank balances.

(C) Checking ledger account with books of original entries i.e. cash book, bank book and journal book.

- **Diversion of 13th FC Grant Rs.52858:-** As per Government instructions vide letter no. UD&HD- 4713 dated 17.08.2010 the grant of 13th F.C was to be spent on the following items:-

Minimum 50% of the grant on solid waste management.

Providing drinking water through pipe line including its maintenance.

Electricity bill of providing lightning facility on road and supply of drinking water.



FINANCIAL
YEAR
2012-13

STATE OF TEXAS
DEPARTMENT OF AGRICULTURE

The Department of Agriculture has the honor to acknowledge the receipt of your letter of the 10th inst. in relation to the above-captioned matter. The Department is currently reviewing the same and will advise you of the results of its action as soon as possible.

In the meantime, you are requested to continue to keep the Department advised of any developments in the matter. Your cooperation in this regard is appreciated.

Very truly yours,
[Signature]

Director, Department of Agriculture

Enclosed for your information are copies of the relevant portions of the Department's records.

Very truly yours,
[Signature]

Director, Department of Agriculture

Approved: _____
[Signature]



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Construction of old age home/ rain basera including maintenance.

But from the test scrutiny of scheme register of the works of 13th finance commission for the period under audit revealed that many schemes executed were not for the said purpose resulting in diversion/irregular expenditure of Rs. 52858/- out of 13th Finance Commission grant vide details in statement attached herewith.

Si No	Voucher No	Date	Amount	Particulars	Remarks
1	27/15-16	16.12.15	7000	Manjoor alam o/c kartik purnima	
2	28/15-16	16.12.15	5500	Ravi kumar ram o/c kartik purnima	
3	29/15-16	16.12.15	4000	Alamgir o/c kartik purnima	
4	30/15-16	26.12.15	7803	Ramakant singh Repair of tractor	
5	31/15-16	28.12.15	20400	Kamal Kishore for repair of high mast light	
6	59/15-16	18.02.16	7200	Ramakant singh for tractor maintenance	



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2015-16**

7	60/15-16	18.02.16	955	Ramakant singh for tractor maintenanc e	
---	----------	----------	-----	---	--

➤ Non- compliance of Act & Rules.

As per rules of ULB cash collected by Nagar parisad shall be deposited on the same day but cash collected by cashier has not deposited the same amount on same day it takes 10 days or more.

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.

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.

The ULB is not preparing following Financial Statement of the Preceding years as required under Rule 122 of the Bihar Municipal Accounts Rule, 2014:

- Receipt & Payment Accounts for the Year (BMAR Form No 71).
- Income & Expenditure Account for the Year (BMAR Form No 73).
- Balance Sheet as on 31st March of the Year (BMAR Form No 74).

➤ Lack of internal control measures:

- **Security Pension scheme:-** Under security pension scheme all the payment like bridha pension, biklang pension, vidhwa pension has been given to beneficiary but we observed that eligibility criteria on which beneficiary are selected are not available at nagar parisad. Document related to selection of beneficiary are not available. It shows lack of internal control.



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2015-16**

- There is not any reconciliation between Treasury cash book balances with Treasury.
- Backward regions grant fund (BRGF) scheme cash book has not been up to date so balance as per cash book and pass book not tallied.
- **Thirteen & Fourteen Finance Commission:-**After verification of all files from which payment has been made we observed some deficiency like:- (1) estimated amount is equal to actual amount. (2) All material purchased from same vendor (3) labour payment details are not available (4) Many cases payment has been given as an advance but work has not been started till the date of audit (5) No any time limit given for completion of work (6) Many works has not been complete till the date of Audit.

Many cases payment has been given as an advance but work has not been started till the date of audit. Details of such are given here..

Si.No	Yojna Number	Scheme	Amount
1	12/15-16	Fourteen FC	100000
2	11/15-16	Fourteen FC	100000
3	10/15-16	Fourteen FC	65000
4	08/15-16	Fourteen FC	122000
5	17/15-16	Fourteen FC	100000
6	07/15-16	Fourteen FC	100000
7	01/15-16	Fourteen FC	100000
8	14/15-16	Fourteen FC	100000
9	58/15-16	Fourteen FC	122000
10	57/15-16	Fourteen FC	166000
11	35/15-16	Fourteen FC	100000
12	41/15-16	Fourteen FC	73700
13	42/15-16	Fourteen FC	70080
14	43/15-16	Fourteen FC	93200





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15	44/15-16	Fourteen FC	51000
16	45/15-16	Fourteen FC	73290
17	48/15-16	Fourteen FC	171990
18	01/15-16	Thirteen FC	100000
19	02/15-16	Thirteen FC	100000
20	03/15-16	Thirteen FC	100000
21	04/15-16	Thirteen FC	100000
22	05/15-16	Thirteen FC	100000
23	06/15-16	Thirteen FC	100000
24	07/15-16	Thirteen FC	100000
Total			2408260

**Many works has not been complete till the date of Audit.
Details of such are given here-**

Si.No	Yojana Number	Scheme	Status
1	24/15-16	Fourteen FC	Not Complete
2	25/15-16	Fourteen FC	Not Complete
3	26/15-16	Fourteen FC	Not Complete
4	27/15-16	Fourteen FC	Not Complete
5	28/15-16	Fourteen FC	Not Complete
6	29/15-16	Fourteen FC	Not Complete
7	30/15-16	Fourteen FC	Not Complete
8	31/15-16	Fourteen FC	Not Complete
9	01/15-16	Fourteen FC	Not Complete
10	02/15-16	Fourteen FC	Not Complete
11	03/15-16	Fourteen FC	Not Complete
12	04/15-16	Fourth FC	Not Complete
13	05/15-16	Fourth FC	Not Complete
14	06/15-16	Fourth FC	Not Complete
15	07/15-16	Fourth FC	Not Complete

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

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Statutory deduction like TDS, VAT, Labor cess, Royalty has not been deposited on stipulated time by the Nagar Parisad and return filling of TDS & VAT has not been made on stipulated time. Details are given here-

TDS

Si no	Date of deduction	Date of Deposit	Amount	Return date
1	Jan February 2016 (continued)	21-04-2016	391257	21-06-2016
2	February 2016	03-06-2016	111071	21-06-2016

VAT

Si no	Date of deduction	Date of Deposit	Amount
1	22-04-2016	22-04-2016	1311120

Statutory deduction like VAT has not been properly deducted where VAT are applicable. Details are given here-

Si No	Party Name	Voucher No	Gross Amount	Vat Amount
1	Madhub Enterprises	202	30800	1467
2	Krishna Agencies LMA		742400	35352
3	New I Comp Camp	340	84000	4000
4	New I Comp Camp	339	84000	4000



RECEIVED
JAN 10 1904

For the year ending
Dec 31 1903
Total \$100.00

RECEIVED
JAN 10 1904

For the year ending
Dec 31 1903
Total \$100.00

100

100

100

For the year ending
Dec 31 1903
Total \$100.00

100

100

100



For the year ending
Dec 31 1903
Total \$100.00

INTERNAL AUDIT REPORT OF MOKAMA NAGAR PARISAD

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PF and ESICs.

The Mokama Nagar Parisad is not complying with the provisions of PF and ESICs with regards to Contractual Employee. It may lead to imposition of Penalty by the Authority in this Regards.

➤ Deficiency in pay-roll system: -

Labour Payment has not been made on muster roll.

➤ Utilization of grant and report on missing Utilization Certificates'.

Huge amount of grant allotted to Nagar Parisad but against these allotments few UCs are received. Details are given here.

Si no	Particulars	Amount	UCs not submitted
1	Swachh Mission	4000000	4000000
2	Social Security Pension	14612600	14612600
3	e-Share	330000	330000
4	Kisan Kusti	1581000	1581000
5	Central Govt	1562700	1562700
6	State Govt	7209200	7209200
7	Central Govt	7921030	7209200
8	Central Govt	27902003	27902003
9	Central Govt	1948400	1948400

➤ Physical verification of inventory/stores.

Fixed assets register has not been maintained at Nagar Parisad level. Details of fixed assets have not been available at Nagar Parisad.

Stock register has not been properly maintained. Only receipt quantity has been entered in stock register. Issue quantity and balance quantity has not been shown in stock register.

➤ Advances, their admission & recovery.



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INTERNAL AUDIT REPORT
OF MOKAMA NAGAR PANCHAYAT

FINANCIAL
YEAR
2015-16

A lot of staff advance of year 2015-2016 has not been adjusted till date of audit. Details are given here-

Si No	Name	Designation	Amount
1	Prakash Kumar	Assistant Accountant	9000
2	Ram Chandra Singh	Sanitary Inspector	72491

➤ Any other matter as may be prescribed in due course.

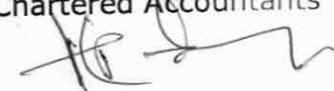
No such Matter

iii Part C

General Observations: -

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

For Chanakya Ashok & Co.
Chartered Accountants


CA Ashok Kumar Pandey
Partner
Mem No : 404207
FRN : 012680C



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Discussion Note
Period:-01-04-2015 to 30-06-2016

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Audit Observation	Management Comment
Statutory deduction like TDS, VAT, Labor cess, Royalty has not been deposited on stipulated time by the Nagar Parisad and return filing of TDS & VAT has not been made on stipulated time. Details are given in detailed audit report.	आगे से समय सीमा के अन्दर सम्बन्धित विभाज में कटौती की शर्ति जमा की जा रही है
Statutory deduction like TDS and VAT has not been properly deducted where TDS and VAT are applicable. TDS has been deducted @ 2.25% instead of 2% in case of payment to contractor (Company). Details are given in detailed audit report.	मुक्रान के अनुसार 2% अथ का की कटौती की जा रही है
A lot of staff advance and scheme advance has not been adjusted till 30.06.2016. Details are given in detailed audit report.	कार्य चल रहा है, अगले विषय की शर्ति से अग्रिम समायोजन किया जाएगा/कर्म के लेखन से किश्तवार समायोजन किया जा रहा है
Fixed assets register has not been maintained at Nagar Parisad level. Details of fixed assets have not been available at Nagar Parisad.	अगले ऑडिटिंग में उपकरण का दिखाया जाएगा।
Stock register has not been properly maintained. Only receipt quantity has been entered in stock register. Issue quantity and balance quantity has not been shown in stock register.	भंडार पंजी को अगले ऑडिट के समय सही ढंग से अद्यतन कर के प्रस्तुत किया जाएगा।
Huge amount of grant allotted to Nagar Parisad but against these allotments few UCs submitted. Details are given in detailed audit report.	शेष शर्ति का ७५ कार्य समायोजी के पश्चात् प्रस्तुत कर दिया जाएगा।
There is no reconciliation between Treasury cash book balances with Treasury.	मिलान करके अगले ऑडिटिंग में प्रस्तुत कर दिया जाएगा।

M/s Chanakya Ashok & Co.
Chartered Accountants

Armit Ranjan
23/07/16
Interim Auditor
Chanakya Ashok & Co.

(Signature)

कार्यपालक महाप्रबन्धी

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Period:-01-04-2015 to 30-06-2016

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Accounting process adopted by Mokama Nagar Parishad 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.	द्वितीय लेखांतरण प्रणाली की कार्यवाही की जा रही है
The amount of tax collected by the Tax collector is required to be handed over to the cashier next day of the collection. The same process is not followed. Tax collector hands over the collected cash to the cashier 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 cashier in next month which is ultimately recorded in the next financial year. It leads to violation of accounting policy. Due to this reason Amount Rs 422970 which are collected from holding tax rasid are not deposited till the date of audit. Amount Rs 6350 which are collected from miscellaneous rasid are not deposited till the date of audit. Details are given in detailed audit report.	जमा करायी जा रही है
A lot of Tower tax and renewal charges have not been collected. Details are given in detailed audit report.	100% बकूली की कार्यवाही का उद्योग जमा है
Mokama Nagar Parishad is not in practice to prepare monthly receipt and payment account and the trial balance.	कीसानी को प्रत्येक विहीन वर्ष में मासिक आगम-उत्पन्न लेखा प्रस्तुत किया जाता है
There is a 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	कर संग्रहण को उत्तम लोकहित अर्थ में चलाए रखने के अर्थों बकूली में बंसी आये हैं कमियों का अभाव है



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effectively.	
Backward regions grant fund (BRGF) scheme cash book has not been up to date & balance as per cash book and pass book not tallied.	शेकड़ वही को अंदाजत कर पाय बुक से मिलान कर अंगले अंवेक्षण में प्रस्तुत किया जाएगा।
As per AG audit report of 2013-2014 compliance in respect of sariat of footpath shop is not made after 2009.	शेकड़ वही से निमागीन अंगले के आलेखों में प्रमाणित हुआ करे जोन सेकर्स से भुगत किया गया है।
BRGF scheme:- After Verification of Canara Bank BRGF pass book we observed that Rs 56000 withdraw as on 07-04-2015 by cheque no-984561 and Rs 9310 withdraw as on 02-03-2016 by cheque no-984562 but not any justification are provided by the management in regard of amount withdrawal. It shows chances of fraud.	अंवेक्षण को चर्चा के दौरान वि. अंगलेन विपक्ष दिखाने संतुष्ट कर दिया गया है।
Security Pension scheme:- After verification of all vouchers of security pension we observed that excess payment of Rs 2800 to muneshwar Prasad Singh (Tax Collector) and less payment of Rs 2800 to suresh das (Tax collector). Details are given in detailed audit report.	अंगले की राशि को जमा एवं भुगतान कर दिया जाएगा।
Security Pension scheme:- Under security pension scheme all the payment like baba pension, biklang pension, vidhwa pension has been given to beneficiary but we observed that eligibility criteria on which beneficiary are selected are not available at nagar parisad. Document related to selection of beneficiary are not available. It shows lack of internal control.	आगे विवरण के दौरान सीधे पत्र की स्थिति प्रति संतुष्ट कर अंगले अंवेक्षण के दौरान दिखाने जाएगा।
Retirement Benefit:- Extra payment of	

Amir Raman

[Signature]

कार्यपालक पदाधिकारी



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Rs 1 to Vindeshwar paswan by Voucher no-142. Total no of days leave earned 74 but payment made for 76 days @ 77..86 per day.	दंडान की शक्ति से समाप्तोपन कर लिया जाएगा।
Thirteen & Fourteen Finance Commission:- After verification of all files in which payment has been made we observed some deficiency like:-(1) estimated amount is equal to actual amount (2) All material purchased from same vendor (3) labour payment details are not available (4) Many cases payment has been given as an advance but work has not been started till the date of audit (5) No any time limit given for completion of work (6) Many works has not been complete till the date of Audit.	आगे से किसे गले आपरि को दंडान में रखकर काम किया जाएगा।
SJSRY Scheme:- After Verification of PNB Bank SJSRY pass book we observed that Rs 6842 withdraw by bank as on 27-05-2016 so it is required to recover Rs 6842 from bank as soon as possible.	Recover करने हेतु बैंक को पत्र दिया गया है।
Diversification Of fund:- From the test scrutiny of scheme register of the works of 13 EC, Engg. works , INSEP, BRGF for the period under audit revealed that many schemes executed were not for the said purpose resulting in diversion/irregular expenditure.	नए प्रयोजनों अंशिक से चर्चा के दौरान शुरुआत कर दिया गया है।
Labour Payment has not been made on muster roll and Motation register, Grant register has not been prepared at ULB.	अंशिक आपरि को दंडान में रखकर सुधार कर लिया जाएगा।
Dustbin Purchase:- As per advertisement in newspaper it is clearly mentioned that small dustbin should be purchased on the basis of demand	अंशिक को उद्गमन विपत्र में खर्च शुरुआत कर दिया गया है।

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<p>required but demand requisition not available. As on 14-11-2015, Chief executive officer decided that to purchase 10 piece of 600 liter dustbin and 10 piece of 240 liter dustbin from unit infrastructure on lowest amount of three quotation received. But we observed that only 240/260 liter dustbin quotation is received and on the basis of quotation of 240/260 liter dustbin LB purchased 600 liter dustbin. Total amount of expenditure on 600 liter dustbin is Rs 289500.</p>	<p>अंकेक्षण के बाद मांग डूची सूचना में कट दिया जाएगा के धन के अंकेक्षण को संबंध कट दिया गया है</p>
<p>Deficiency Related to Property survey and assessment:- (1) List of Prime road, Main Roads & other roads along with no of holdings on each of the may in accordance to provisions of rule may be furnished. (2) As per rule of the vacant lands within the jurisdiction of municipality shall be taxed. It may be pointed out to audit. What steps to be taken and what amount has to be collected on this account. (3) Holding tax shall be assessed on the basis of percentage of annual rental value allowed under section 127 of the Bihar municipal act 2007, The percentage of annual rental value on the basis of which holding tax has to be assessed may be furnished at the earliest.</p>	<p>सर्वेक्षण की कार्यवाही आरम्भ कर दी गयी है</p>
<p>BRGF Scheme:- After verification of consolidated cash book/Treasury cash book it is observed that Rs 91397 shown as closing balance as on 31-01-2016 but this amount is shown as expenditure in</p>	<p>अंकेक्षण के अन्तर्गत विपत्र दिखाकर संबंध कट दिया गया है</p>

Discussion Note
Period:-01-04-2015 to 30-06-2016

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month of February 28-02-2016 but not
any justification provided by
management in regard of this
expense. Thereafter balance shown
as nil. It shows chances of fraud.

Je
23/07/2016

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TINARI



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