Internal Audit Report

NAGAR PANCHAYAT NAUBATPUR

For the period from 1/04/2015 to 31/03/2016

Internal Audit conducted by

M/S Chanakya Ashok & Co.

Chartered Accountants,

409-502, Hem Plaza, Fraser road

Patna-800 001

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From 18/08/2016 to 29/08/2016
Report issued on 27/09/2016

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

Name of Auditor: Chanakya Ashok & Co.			Name of ULB:- Naubatpur 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 2 of Part B of Detailed Audit Report Under Head Lack of internal control measures at Page no 21.
2	4.2 & 4.3	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; 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 □ Rule 22: All moneys to be brought to account □ Rule: 27: Collections to be deposited into Bank on the same day □ Rule 69: Grant Related Compliance □ Rule 120-121: Monthly Receipt & Payment Account and Trial Balance □ Rule 130: Audit to be completed & reported within 6 month	a) Complied in para no 1 of Part B of Detailed Audit Report (Non Compliance of Act and rule) at Page no 21. b) Complied in para no 2 of Part B of Detailed Audit Report (Non compliance of directives by UD&HD, Government of Bihar) at Page no 20.
3	4.4 & 4.5	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; 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;	a) Complied in para no 3 of Part A of detailed audit report at Page no 13 to 14. b) Complied in para no 3 of Part B of detailed audit report at Page no 21.
4	4.6	Report in a separate chapter on implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment	Complied in para no C of Part A of detailed Audit Report at Page no 17.

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Name of Auditor: Chanakya Ashok & Co.			Name of ULB:- Naubatpur 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	
		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;	
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 4 of Part A of Detailed Audit Report at Page no 15 to 16. And Complied in para no 1 of Part B of Detailed Audit Report at Page no 19.
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 1 of Part B of Detailed Audit Report at Page no 20.
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 23.
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 4.
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 4.

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Executive Summary

1. Introduction:

- **Name of the Municipality: Naubatpur Nagar Panchayat**
- **Period covered under current audit: 01-04-2015 to 31-03-2016.**
- **Name of Chief Municipal Officer for the period under audit: Rajeev Kumar Singh**

2. Results and Findings:

➢Strengths observed during the audit engagement:

(a) We found that collection of other fees & fines increases from Rs. 26,680.00 to 87,945.00 in comparison to the previous financial year 2014-15.

(b) Naubatpur Nagar Panchayat is in practice to prepare Cash book of each scheme.

(c) Separate files of the parties to whom payments are made are properly maintained. Proper documentation process in respect of parties has been followed.

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

(a) Bank Reconciliation Statements are not being prepared by the ULB.

(b) Accounting process adopted by ULB is Single Entry System based cash – basis of accounting. It is not as per Accounting Manual.

(c) Municipal accounts committee has been constituted as on 17-08-2013 but, no meetings have been held till 31-03-2015.

(d) No budget has been prepared by the ULB.

(e) Assessment and survey of property has not been done by the ULB.

(f) Collection of mobile tower tax, shop rent has not been made by the ULB.

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(g) Statutory compliance such as TDS, VAT, Labor Cess, and Royalty has not been deposited on stipulated time by the ULB. Moreover, return filling of TDS, VAT etc have not been made by the ULB.

(h) Labor Cess has not been collected by the ULB from Contractors.

(i) Computerized Accounting System has not been implemented by the ULB as yet.

(j) ULB is not in practice to prepare monthly receipt and payment account.

(k) Lots of fund received in the previous years remain unutilized with respect to fund received for different schemes.

(l) Various registers, books of records etc are not being prepared by the ULB. Such as, Fixed Assets Register, Stock Register, Advance & Recovery Register, Demand Register, Collection Register, Statutory Register with regards TDS, VAT, Royalty etc.

(m) Amount collected from own source revenue has not been deposited by the ULB on the same date as required.

(n) The ULB is not in practice to prepare summary of Daily collection in Form GEN-13.

3. <u>Opinion:</u>

The functioning of ULB is not up to mark rather it has lots of scope of improvement. The ULB 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 improving 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.

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 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. Meetings of Municipal Account Committee are required to be held regularly to analyze the progress of various activities and accounting procedures.

d. Annual Budget is required to be prepared by the ULB and presented to the Government of Bihar for its approval.

e. ULB shall make survey and assessment of Property / Holdings so that proper and correct tax can be levied and collected.

f. ULB must collect mobile tower tax, advertisement tax, shop rent etc which are under its Jurisdiction.

g. ULB must file return and deposit TDS, VAT etc on timely basis.

h. Labour Cess must be deducted from the bills of Contractor and ULB should start doing this.

i. 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.

j. ULB should prepare receipts and payment account on monthly basis due, to which it becomes very easy to find out how much fund has

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been received by the ULB and whether its utilization has been made properly or not.

k. ULB must have to refund the unutilized amount to the Urban Development & Housing Department.

l. ULB must maintain all the Books of Account, Register, Records etc as prescribed in Bihar Municipal Accounts Act, Manual and Rules.

m. ULB shall deposit all collections from own source of revenue in to the bank account on the same date on which it has been received.

n. ULB must have to prepare summary of Daily collection in Form GEN-13.

5. Comments from Management:

Sl No.	Observations	Management Remarks
1.	Bank Reconciliation statement is not being prepared by the ULB.	It will be prepared in future.
2.	Accounting process adopted by ULB is Single Entry System based cash – basis of accounting. It is not as per Accounting Manual.	Double Entry Accounting System will be adopted soon.
3.	No budget has been prepared by the ULB.	It will be prepared in coming year.
4.	Assessment and survey of property has not been done by the ULB.	Self assessment has been done from F.Y 2015-16.
5.	Statutory compliance such as TDS, VAT, Labor Cess, and Royalty has not been deposited on stipulated time by the ULB also return filling of TDS & VAT has not been made by the ULB.	It will be deposited soon.
6.	Labor Cess has not been collected by ULB from Contractors.	It will be deducted soon.
7.	Computerized accounting system has not been implemented by the ULB as yet.	Due to lack of technical staff it has not been adopted till now.
8.	ULB is not in practice to prepare monthly receipt and payment account.	It will be prepared soon.
9.	Lots of fund received in the previous year remain unutilized with respect to fund received for different schemes.	Administrative approval given by board.
10.	Various registers, books of records etc are not being prepared by the ULB. Such as, Fixed Assets	It will be maintained in future.

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	Register, Stock Register, subsidiary cash book of Swaksh Bharat Mission, BRGF & Revenue receipt Advance & Recovery Register, Demand Register, Collection Register, Statutory Register with regards TDS, VAT, and Royalty etc.	
11.	Amount collected from own source revenue has not been deposited by the ULB on the same date as required.	It will be directed to deposit it on time.
12.	We observed that a sum of Rs. 10,606.00 (Receipt Voucher no. 1401 to 1464) has been collected by the ULB from January 2016 to March 2016 but, neither amount has been deposited in to Bank nor it has been recorded in to cash book till 31st March 2016.	It will be recovered and will be deposit very soon.
13.	Loss of Rs.3,20,000.00 has been made to the ULB for non-collection of annual fee from installed transmission tower in the jurisdiction of ULB.	It will be recovered soon.
14.	We observed that there is loss of interest to the ULB due to keeping of amount in such bank account from where no interest is being received to the ULB. **Account No.** / **Name of Bank** / **Closing balance as on 31-06-2016** 4235 / BOB / 3,99,857.92 0906 / PNB / 8,06,345.00 0924 / PNB / 5,30,750.92 0003 / BOI / 20,97,305.00 0915 / PNB / 3,92,505.92	It will be transfer to saving A/C very soon.
15.	We observed that stamp duty @ 3% has not been collected by the ULB for sairat agreement made for the financial year 2015-16. Agreement for sairat has not been made on stamp paper. **Location** / **Name Of Bidder** / **Agreement Value** / **Stamp duty @3% not collected.** Naubatpur / Ritesh kumar / 10,70,000 / 32,100 Nisarpura / Badrinath Tiwari / 2,39,500 / 7,185 **Total** / / **9,93,200** / **39,285**	It will be collected in future.
16.	An amount of Rs. 2,000.00 has been collected from Amrendra Kumar by Mr. Ritesh Kumar for map approval but, amount not entered in cash book. Receipt Voucher No 1033 dated 08-06-2015. It is required to be recovered from Mr. Ritesh Kumar.	It will be recovered soon.
17.	We observed that Rs. 4,58,230.00 has been excess deposited by the Accountant Mr. Ritesh Kumar from the collection made through internal sources.	Mr. Ritesh Kumar had cash balance and amount deposited by him.
18.	We observed that supporting document (Bills) regarding expenses of Rs. 3,91,778.00 are not available with the ULB Naubatpur.	Proper action will be taken soon.

<table>
<tr><td>19.</td><td>We observed that file has not been provided by the ULB Naubatpur in relation to payment made for construction work. The details are provided here in below:
<table>
<tr><th>Payment Date as Per Cash Book</th><th>Payment To</th><th>Payment Amount (Rs.)</th></tr>
<tr><td>18/04/2015</td><td>Devraj Sharma</td><td>3,74,840.00</td></tr>
<tr><td>18/04/2015</td><td>Sanjeev Kumar</td><td>6,79,661.00</td></tr>
<tr><td>27/04/2015</td><td>Birendra kumar</td><td>2,74,724.00</td></tr>
<tr><td>27/04/2015</td><td>Sanjeev Kumar</td><td>4,74,019.00</td></tr>
<tr><td>27/04/2015</td><td>Sanjeev Kumar</td><td>3,46,840.00</td></tr>
<tr><td>21/04/2015</td><td>Samuhik Vikash Samiti</td><td>30,00,000.00</td></tr>
<tr><td>13/05/2015</td><td>Samuhik Vikash Samiti</td><td>15,00,000.00</td></tr>
<tr><td>Total</td><td></td><td>66,50,084.00</td></tr>
</table></td><td>Files will be recovered very soon from the concerned person.</td></tr>
<tr><td>20.</td><td>We observed that three Godrej have been purchased by the ULB as on 18-03-2016, cheque no. 18511 for Rs. 72,410.00 but, quotation have not been taken by the ULB from at least three shops.</td><td>No need to take quotation in purchase of Godrej as per government direction.</td></tr>
<tr><td>21.</td><td>We observed that bill, vouchers have not been serially arranged and also not been properly kept.</td><td>It will be arranged & properly kept in future.</td></tr>
<tr><td>22.</td><td>Same as point no. 10.</td><td>It will be maintained in future.</td></tr>
<tr><td>23.</td><td>We observed that measurement book has not been found in some of the cases. Such as,
<table>
<tr><th>Yojna No./Scheme</th><th>Particular</th></tr>
<tr><td>60/2014-15/IHSDP</td><td>For construction of PCC road from the house of Sri Yograj (Ward No. 9) to the Devi Sthan</td></tr>
<tr><td>63/2014-15/IHSDP</td><td>For construction of PCC road from the house of Laddu Paswan to the house of Vikash kumar</td></tr>
</table></td><td>It will be found very soon.</td></tr>
<tr><td>24.</td><td>We observed that work for solid waste management has been allotted to Devraj Sharma from October 2015 without passing any tender. Previous agreement made with Devraj Sharma had expired as on 01/08/2015. (Work has been allotted to Mr. Devraj Sharma from Oct. 2015 through holding of Standing Committee Meeting.)</td><td>Due to election period and code of conduct, it will not possible to go for new tender.</td></tr>
<tr><td>25.</td><td>We observed that payment of Rs. 9,57, 000.00 has been made in cash to the beneficiaries of Kabir Anteyesthi.</td><td>Payment will be made as per rules and regulations in future.</td></tr>
<tr><td>26.</td><td>Log book is not properly maintained and consequently its analysis is not possible.</td><td>It will be properly maintained in future.</td></tr>
<tr><td>27.</td><td>We observed that loss of interest of Rs. 15,77,932.383 has been made to ULB for keeping municipal fund in to the PLA account.</td><td>In future funds will be kept as per guidelines given by the department.</td></tr>
</table>

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28.	As per records & data available by the ULB a sum of Rs. 1,54,382.00 as TDS, Rs. 2,64,937.00 as VAT & Rs. 94,017.00 as Royalty for the F.Y 2015-16 has been deducted but not deposited by the ULB.	It will be deposited soon.
29.	Utilization certificates have been shown by the ULB but, UC of F.Y 2015-16 have not been submitted till the date of audit.	It will be submitted in future.
30.	Cash book has not been regularly authorized by the Executive officer.	It will be regularly authorized by executive officer in future.
31.		Proper action will be taken soon.

Yojana No./Scheme Name	53/2014-15 IHSDP(Infrastructure)
Purpose of Work	Construction of Nala in Ward no. 2
Date of Agreement	02/02/2015
Time given for completion of Work	3 Months
Date of Completion	11/05/2015 For final entry made in MB by J.E.
Name of Contractor	Krishna Kumar Pandey
Work value as per MB	Rs. 7,33,936.00
Estimated Cost	Rs. 7,45,300.00
Delay time in completion of Scheme	9 days (11/05/15-02/02/15)

As per condition of contract, contractor shall pay @1/2% on the amount of estimated cost for every day of delay subject to maximum of 10% on estimated cost. A sum of Rs. 33,538.50 (7,45,300x1/2%x9days) should be deducted from contractor amount but, we observed that Rs. 33,538.50 has not been deducted by the ULB.

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 Accountant

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

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Detailed Audit Report

1. Introduction:-

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

i. Shri Abhishek Kumar
ii. Shri Krishna Kumar

2. Administration:-

The present body of the ULB has taken charge on 30th March 2015. The incumbency in the key administration and executive was as under:
Shri Kaushal Kaushik, Mayor, from 30th March 2015 to till date.
Shri Rajeev kumar singh Executive Officer from 07th September 2015 to till date.

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	AG Audit for the 2010-2015	21	19	02	01	Rs. 33,000/-	Nil	29/05/2016
2	Internal Audit for the Year 2014-2015	13	13	00	00	00	13	Not Complied.

Detailed Report on Compliance of Previous Internal Audit Report:-

Audit Observation	Nature of Irregularities	Complied/Non-Complied
Bank Reconciliation Statements are not being prepared by the ULB.	Persisting since last year	Not Complied
Accounting process adopted by ULB is Single Entry System based cash - basis of accounting. It is not as per Accounting Manual.	Persisting since last year	Not Complied
Municipal accounts committee has been constituted as on 17-08-2013 but, no meetings have been held till 31-03-2015.	Persisting since last year	Not Complied
No budget has been prepared by the ULB.	Persisting since last year	Not Complied
Assessment of property tax has not been done by the ULB.	Persisting since last year	Not Complied
Collection of property tax (Holding tax), mobile tower tax has not been made by the ULB.	Persisting since last year	Not Complied
Statutory compliance such as TDS, VAT, Labor Cess, Royalty has not been deposited on stipulated time by the ULB also return filling of TDS & VAT has not been made by the ULB.	Persisting since last year	Not Complied
Labor Cess has not been collected by ULB from Contractors.	Persisting since last year	Not Complied
Computerized accounting system has not been implemented by the ULB as yet.	Persisting since last year	Not Complied
ULB is not in practice to prepare monthly receipt and payment account.	Persisting since last year	Not Complied

Various registers, books of records etc are not being prepared by the ULB. Such as, Fixed Assets Register, Stock Register, Advance & Recovery Register, Demand Register, Collection Register, Statutory Register with regards TDS, VAT, Royalty etc.	Persisting since last year	Not Complied
Amount collected from own source revenue has not been deposited by the ULB on the same date as required.	Persisting since last year	Not Complied
The ULB is not in practice to prepare summary of Daily collection in Form GEN-13.	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	Not Prepared	Not Prepared	Not Prepared
Actual Expenditure	2,78,25,907.70	16,37,09,567.35	7,27,80,027.72
Savings(+)/Excess(-)	(2,78,25,907.70)	(16,37,09,567.35)	(7,27,80,027.72)

II. Volume of transaction: -

Period	Budgeted	Previous year (For one Year)	Corresponding period of previous year	Current period	Cumulative for the current period
Opening balance	Nil	7,83,12,259.30	7,83,12,259.30	7,91,57,071.95	7,91,57,071.95
Receipts	Nil	16,45,54,380.00	16,45,54,380.00	13,50,27,554.00	13,50,27,554.00
Total	Nil	24,28,66,639.30	24,28,66,639.30	21,41,84,626.00	21,41,84,626.00
Net expenditure	Nil	16,37,09,567.35	16,37,09,567.35	7,27,80,027.72	7,27,80,027.72
Closing balance	Nil	7,91,57,071.95	7,91,57,071.95	14,14,04,598.20	14,14,04,598.20

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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 which are given below. Bank Reconciliation Statements are not being prepared by the ULB.

Item	Name of Bank	Acct. No.	Balance as per Cash book	Balance as per Pass book	Difference	Remarks
E-governance	IDBI	28893	3,96,931.00	2,13,567.00	1,83,364.00	Not Reconciled.
IHSDP (housing)	IDBI	29908	5,78,41,545.35	2,01,99,452.00	Nil	
	BOI	0005		3,14,32,365.35		
	BOB	2952		62,09,728.00		
SBM	IDBI	8918	26,78,611.00	26,78,611.00	Nil	
14th Finance	PNB	0906	58,04,542.00	29,27,833.00	28,76,709.00	Not Reconciled.
SJSRY	BOB	4235	3,99,857.92	3,99,857.92	Nil	
IHSDP (infrastructure)	IDBI	7559	1,05,08,637.00	1,05,08,637.00	Nil	
4th Finance	PNB	0915	1,39,69,280.00	3,92,505.92	1,35,76,774.08	Not Reconciled.
Pension	IDBI	7566	44,83,678.00	44,83,678.00	Nil	
13th Finance	PNB	0906	7,90,842.92	8,06,345.00	15,502.08	Not Reconciled.
BRGF	Canera Bank	41224	77,434.00	37,542.00	39,892.00	Not Reconciled.
Nikay Madh	PNB	0924	26,22,563.77	5,30,750.92	5,492.15	Not Reconciled.
	BOI	0003		20,97,305.00		
Kabir Anteyesthi	PNB	0924	Nil	Nil	Nil	
Revenue Receipt	PNB	0933	32,258.92	32,258.92	Nil	

Note: - Some of the schemes such as E- governance, 14th finance, 4th finance & 13th scheme have also been maintained through PLA.

IV. Revenue Receipts:-

Period	Budgeted	Previous year (For one year)	Corresponding period of previous year	Current Period	Cumulative for the current period
(a) Own source					
Property Tax	Nil	Nil	Nil	Nil	Nil
Assigned Revenue	Nil	27,38,857.00	27,38,857.00	20,71,250.00	20,71,250.00
Others (Fees & user charges)	Nil	26,680.00	26,680.00	87,945.00	87,945.00
Interest Earned	Nil			21,92,110.00	21,92,110.00

(b) Administrative grant	Nil	9,40,396.00	9,40,396.00	15,53,016.00	15,53,016.00
(c) Specific Grant					
Peyjal Aapurti	Nil	Nil	Nil	23,93,870.00	23,93,870.00
13th Finance		26,34,277.00	26,34,277.00	19,83,633.00	19,83,633.00
4th Finance		1,04,62,124.00	1,04,62,124.00	16,662.00	16,662.00
E – Governance		3,30,000.00	3,30,000.00	2,10,000.00	2,10,000.00
Nagrik Subidha		83,76,985.00	83,76,985.00	Nil	Nil
BRGF		7,45,116.00	7,45,116.00	1,458.00	1,458.00
IHSDP (Infra)		3,10,02,154.00	3,10,02,154.00	24,70,000.00	24,70,000.00
Bridha Pension		77,00,168.00	77,00,168.00	62,23,700.00	62,23,700.00
IHSDP (Housing)		9,64,62,623.00	9,64,62,623.00	8,66,24,000.00	8,66,24,000.00
Prashashnik Bhawan		31,35,000.00	31,35,000.00	Nil	Nil
Swaksh Bharat Mission		Nil	Nil	28,30,000.00	28,30,000.00
14th Finance		Nil	Nil	57,98,404.00	57,98,404.00
5th Finance		Nil	Nil	1,01,90,716.00	1,01,90,716.00
Rajya Yojana Path Puliya Nirman		Nil	Nil	17,62,990.00	17,62,990.00
Rajya Yojana Nagrik Subidha		Nil	Nil	86,17,800.00	86,17,800.00
Total	**Nil**	**16,45,54,380.00**	**16,45,54,380.00**	**13,50,27,554.00**	**13,50,27,554.00**

V. Status of implementation of Double Entry Accounting System:-

The ULB has not implemented the Double Entry Accounting System.

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

Municipal accounts committee has been constituted on 17-08-2013 but no meetings has been held till 31-03-2016.

5. <u>Audit Observations:-</u>

I. <u>Part - A</u>

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.:-

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i. We observed that mobile tower tax, shop rent has not been collected by the ULB Naubatpur for the financial 2015-16 resulting in:

a. We observed that a sum of Rs. 10,606.00 (Receipt Voucher no. 1401 to 1464) has been collected by the ULB from January 2016 to March 2016 but, neither amount has been deposited in to Bank nor it has been recorded in the cash book till 31st March 2016.

b. Loss of Rs.3,20,000.00 has been suffered to the ULB for non-collection of annual fee from installed transmission tower in the jurisdiction of ULB. Details are provided here in below:

Sl. No	Name of the mobile company	Place of installation /site ID	Date of Installation	Registration fee to be realized.	Total registration fee realized till 31-03-16	Annual fee to be realized from 01-04-2010 since creation of ULB	Annual fee realized till 31-03-2016.	Loss due to non - collection of annual fee
1.	Idea	Ward no.6	2008	30,000.00	0	48,000.00	0.00	78,000.00
2.	Idea (Vyom)	Ward no. 9 Nisarpura	2012	30,000.00	0	32,000.00	0.00	62,000.00
3.	Airtel	Ward no.7 Silhauri	2013	30,000.00	30,000.00	24,000.00	0.00	24,000.00
4.	Reliance	Ward no.7Silhauri	2007	30,000.00	0	48,000.00	0.00	78,000.00
5.	BSNL	Ward no. 7	2001	30,000.00	0	48,000.00	0.00	78,000.00
		Total						**3,20,000.00**

ii. We observed that there is loss of interest to the ULB due to keeping of amount in such bank account from where no interest is beihas come to the ULB.

Account No.	Name of Bank	Closing balance as on 31-06-2016
4235	BOB	3,99,857.92
0906	PNB	8,06,345.00
0924	PNB	5,30,750.92
0003	BOI	20,97,305.00
0915	PNB	3,92,505.92

iii. We observed that stamp duty @ 3% has not been collected by the ULB for sairat agreement made for the financial year 2015-16. Agreement for sairat has not been made on stamp paper.

Location	Name of Bidder	Agreement Value	Stamp due @ 3% not collected
Naubatpur	Ritesh Kumar	10,70,000.00	32,100.00
Nisarpura	Badrinath Tiwari	2,39,500.00	7,185.00
	Total	**9,93,200**	**39,285.00**

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iv. We observed that, payment of sairat has not been made by sairat holder on timely basis.

Location	Name of Holder	Period of Holding	Amount to be paid	Amount Paid till March 2016	Outstanding till March 2016
Naubatpur	Ritesh Kumar	1st May 2015 to 31st March 2016	10,70,000.00	7,70,000.00	3,00,000.00
Nisarpura	Badrinath Tiwari	1st May 2015 to 31st March 2016	2,39,500.00	1,00,000.00	1,39,500.00
Total			**13,09,500.00**	**8,70,000.00**	**4,39,500.00**

Balance amount Rs. 3, 00, 000.00 and Rs. 1, 39,500.00 has been paid by Mr. Ritesh Kumar and Mr. Badrinath Tiwari in the financial year 2016-17.

v. An amount of Rs. 2,000.00 has been collected from Amrendra Kumar by Mr. Ritesh kumar for map approval but, amount not entered in cash book. Receipt Voucher No 1033 dated 08-06-2015. It is required to be recovered from Mr. Ritesh kumar.

vi. We observed that Rs. 4,58,230.00 has been excess deposited by the Accountant Mr. Ritesh Kumar from the collection made through internal sources. It indicates that there is something amiss and required to be investigated properly from all the angles. Details are given below.

Collection Date as per Cash Book	Amount(Rs.)	Deposit Date in Bank	Amount (Rs.)	Balance Amount to be Deposited during the F.Y 2015-2016
28-04-2015	2,50,000.00	29-04-2015	2,00,000.00	50,000.00
14-05-2015	2,000.00	25-05-2015	50,000.00	(46,000.00)
25-05-2015	2,000.00			
26-05-2015	4,000.00	29-05-2016	33,000.00	(4,62,230.00)
27-05-2015	2,000.00	30-05-2016	4,35,000.00	
		01-06-2016	230.0	
16-06-2016 to 22-02-2016	18,99,195.00	16-06-2016 to 01-03-2016	18,99,195.00	NIL
TOTAL				**4,58,230.00**

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

i. We observed that supporting document (Bills) regarding expenses of Rs. 3,91,778.00 are not available with the ULB Naubatpur. The details are provided here in below:-

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Payment Date as per Cash Book	Payment Date as per Pass Book	Cheque No.	Payment To	Purpose of Payment	Amount (Rs.)
			NIKAY MADH		
12/5/15	12/05/15	18411	Hare Ram	-	19,950.00
-	28/05/15	18143	Pratayush News Paper	Advertisement	14,192.00
-	29/05/15	18412	New Bihar Media Pvt. Ltd	Advertisement	14,192.00
-	11/06/15	18414	Ritesh Kumar	Office Expenses	20,000.00
-	18/03/16	18512	Bihar Oriental Store	Honda Genset	29,500.00
-	12/11/15	18494	Pushpendra Kumar	Hyrum Pipe & Nali Nirman	23,349.00
Total (a)					**1,21,183.00**
			4th FINANCE		
	19/10/15	287513	Pushpendra Kumar	-	50,000.00
	26/10/15	287516	Pushpendra Kumar	-	70,000.00
	26/10/15	287517	Pushpendra Kumar	-	39,500.00
07/12/15	-	287553	Vivek Kumar	Vehicle Repair	10,035.00
30/10/15	-	287547	New Sinha Electric	Vehicle Repair	91,060.00
21/08/15	-	287543	Vivek Kumar	Daily Cleaning	10,000.00
Total (b)					**2,70,595.00**
Grand Total (a+b)					**3,91,778.00**

ii. We observed that file has not been provided by the ULB Naubatpur in relation to payment made for construction work. The details are provided here in below.

Payment Date as Per Cash Book	Payment To	Payment Amount (Rs.)
18/04/2015	Devraj Sharma	3,74,840.00
18/04/2015	Sanjeev Kumar	6,79,661.00
27/04/2015	Birendra kumar	2,74,724.00
27/04/2015	Sanjeev Kumar	4,74,019.00
27/04/2015	Sanjeev Kumar	3,46,840.00
21/04/2015	Samuhik Vikash Samiti	30,00,000.00
13/05/2015	Samuhik Vikash Samiti	15,00,000.00
Total		**66,50,084.00**

iii. We observed that three Godrej have been purchased by the ULB as on 18-03-2016, cheque no. 18511 for Rs. 72,410.00 but, quotation have not been taken by the ULB from at least three shops.

iv. We observed that bill, vouchers have not been serially arranged and also not been properly kept.

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c. Report on findings of field survey of property tax of 20 high value properties:-

Field survey of property has not been done by the ULB. However, self assessment has been done by the property owner.

Details of 20 High Value Property
For The Financial Year 2015-16
(Property tax has been collected by ULB without survey of property)

Sl No.	Ward No.	Name of Owner	Particulars of Property		Type of Construction	Taxable Area	Rate	Annual Rent	Annual property tax @ 9%	Remarks
			Type of Road	USE of Property						
1	7	Pawan Kumar	Primary Main Road	Completely Commercial	R.C.C roof	80	14 X1.5	1680	151.20	Rate should be Rs. 22 per sq ft but, taken as Rs. 14
2	7	Arjun Kumar	Primary Main Road	Completely Commercial	R.C.C roof	96	22 X1.5	3168	285.12	
3	9	Saryug Prashad	Other	Completely Residential	R.C.C roof	910	2	1820	163.80	
4	9	Meena Devi	Primary Main Road	Completely Residential	R.C.C roof	560	7	3920	352.80	
5	9	Rajmari Devi	Other	Completely Residential	R.C.C roof	1382.5	2	2765	248.85	
6	9	Lal Babu	Other	Completely Residential	R.C.C roof	571.2	2	1142.4	103	

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7	2	Pintu Kumar	Primary Main Road	Completely Residential	R.C.C roof	1050	7	7350	661.5	
8	3	Krishna Kant Kumar	Other	Completely Residential	R.C.C roof	350	2	700	63	
					Khaprail	350	2	700	63	
9	9	Sidheswar Prashad	Other	Completely Residential	R.C.C roof	700	2	1400	126	
10	15	Pawan Ranjan Kumar	Main Road	Completely Residential	R.C.C roof	294	5	1470	132.30	
11	12	Ashok Kumar	Main Road	Completely Residential	R.C.C roof	1470	5	7350	661.50	
12	15	Neeraj Kumar	Other	Completely Residential	R.C.C roof	567	2	1134	102.06	
13	5	Nauratan Kumar Nirala	Other	Completely Residential	R.C.C roof	2740	2	5480	493.20	
14	15	Kiran Gupta	Other	Commercial	R.C.C roof	859.2	7	6014.4	541.296	
				Residential	R.C.C roof	125.3	2	250.6	22.554	
15	1	Raj Kishore	Main Road	Commercial	R.C.C roof	120	14	1680	151.20	
				Residential	R.C.C roof	510	5	2550	229.50	
16	2	Ravi Bhushan Sharma	Other	Completely Residential	Corrugated/ cement sheet	420	2	840	75.60	
17	15	Kunti Devi	Other	Completely Residential	R.C.C roof	518	2	1036	93.24	
18	5	Sanjay Kumar	Other	Completely Residential	R.C.C roof	470	2	940	84.60	
19	12	Uday Nat	Primary Main Road	Commercial	R.C.C roof	51.2	22 X1.5	1689.6	152.064	
				Residential	R.C.C roof	434	7	3038	273.42	
20	2	Ram Parwesh Singh	Other	Completely Residential	R.C.C roof	350	2	700	63	

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.

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

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

(1).Subsidiary cash book of Sawaksh Bharat Mission (SBM), BRGF & revenue receipt have not been written & subsidiary cash book of Nagrik subidha, Rajya Yojana Path Puliya Nirman & Rajya Yojana Nagrik Subidha have not been updatd till 31-03-2016.

(2). Demand and collection register of all taxes/user charges/fees & fines.

(3). Assessment register of property tax.

(4). Bid register.

(5). Assets register.

(6). Stock register.

(7). Demand and collection register of Shop Rent.

(8). Records and revision of taxes and rent.

(9). Rent register of shop.

(10.) Demand & collection register of mobile towers and registration files of mobile towers.

(11). Survey registers/files of Hoardings.

(12). Demand and collection register of Hoardings.

(13).Holding receipts, Misc. receipts, Trade license receipts, BOQs and other salable forms.

(14). Monthly receipt and payment account is not being prepared by the ULB.

(15).Main cash book for the financial year 2015-16 has not been prepared by the ULB Naubatpur.

(16).Budget has not been prepared by the ULB for the 2015-16.

b. Irregularity in procurement process: -

i. We observed that measurement book has not been found in some of the cases. Such as,

Yojna No./Scheme	Particular	Date	Cheque No.	Amount (Rs.)
60/2014-15/IHSDP	For construction of PCC road from the house of Sri Yograj (Ward No. 9) to the Devi sthan	20/05/15	007130	4,33,912.00
63/2014-15/IHSDP	For construction of PCC road from the house of Laddu paswan to the house of Vikash kumar	20/05/15	007130	1,77,224.00

ii. We observed that financial bid has not been found in some of the Yojna file. E.g Yojna no. 57/2014-15 & 66/2014-15.

iii. We observed that work for solid waste management has been allotted to Devraj Sharma from Octobor 2015 without inviting any tender. Previous agreement made with Devraj Sharma had expired as on 01/08/2015.

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

Yojana No./Scheme Name	53/2014-15 IHSDP(Infrastructure)
Purpose of Work	Construction of Nala in Ward no. 2
Date of Agreement	02/02/2015
Time given for completion of Work	3 Months
Date of Completion	11/05/2015 For final entry made in MB by J.E.
Name of Contractor	Krishna Kumar Pandey
Work value as per MB	Rs. 7,33,936.00
Estimated Cost	Rs. 7,45,300.00
Delay time in completion of Scheme	9 days (11/05/15-02/02/15)

As per condition of contract, contractor shall pay @1/2% on the amount of estimated cost for every day of delay subject to maximum of 10% on estimated cost. A sum of Rs. 33,538.50 (7,45,300x1/2%x9days) should have been deducted from contractor's amount but, we observed that Rs. 33,538.50 has not been deducted by the ULB.

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d. Non- compliance of Act & Rules:-

We observed that payment of Rs. 9,57,000.00 has been made in cash to the beneficiaries of Kabir Anteyesthi.

e. Lack of internal control measures:-

i. The ULB is not preparing Budgets as per the Rules framed under Bihar Municipal Accounts Rule 2014. It is also not following the Rule 132 regarding Public Participation in preparation of Budget. Moreover, as required under provisions of Rule 139, Mid -year review of Budget is not being made leading to huge deviations from Budget.

ii. During the course of our Audit, we have observed various discrepancies in the Cash Book, which are enumerated below:-
   - Head wise expenditure were not clearly entered and recorded.
   - The cash book balances are not reconciled with the Balances in Bank Pass Book.
   - Cash book has not been regularly authorized by the executive officer.

iii. Log book is not properly maintained and consequently its analysis is not possible.

iv. After analyzing operating control, it was observed that there is shortage of Man Power in ULB. Consequently, it is not functioning smoothly with respect to completion of works on time, provide and review the service efficiently which is the main function of ULB, preparation of books and records on time etc.

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

We observed that TDS, VAT & Royalty for the financial year 2015-16 has been deducted by the ULB but, not deposited by the ULB till the date of audit. Details are given below.

Yojna No.	Scheme Name	Name of Contractor	Date of Payment	Amount Paid	TDS	VAT	Royalty
			Quarter-1				
33/2014-15	IHSDP	Kamlesh Kr. Sharma	18/04/15	3,27,615	8,591	19,297	11,140
69/2014-15	IHSDP	Krishna Kr. Pandey	18/04/15	1,54,829	14,393	32,330	12,725

50/2014-15	IHSDP	Badrinath Tiwary	13/05/15	2,40,060	6,273	14,089	7,268
60/2014-15	IHSDP	Krishna Kr. Pandey	20/05/15	4,33,912	11,343	25,479	8,268
57/2014-15	IHSDP	Sanjeev Kumar	27/04/15	4,74,019	12,272	27,565	9,881
40/2014-15	IHSDP	Devraj Sharma	27/04/15	2,58,559	11,793	26,488	6,440
53/2014-15	IHSDP	Krishna Kr. Pandey	20/05/15	6,35,497	16,426	36,897	12,219
63/2014-15	IHSDP	Kamlesh Kr. Sharma	20/05/15	1,77,224	4,641	10,425	3,020
64/2014-15	IHSDP	Kamlesh Kr. Sharma	20/05/15	1,83,923	4,800	10,782	5,353
66/2014-15	IHSDP	Badrinath Tiwari	13/05/15	4,92,540	12,718	28,565	8,912
68/2014-15	IHSDP	Krishna Kr. Pandey	27/04/15	2,75,248	7,176	16,119	7,727
71/2014-15	IHSDP	Krishna Kr. Pandey	18/04/15	58,385	1,508	3,387	1,064
01/2014-15	13th Finanace	Devraj Sharma	06/04/15	2,00,045	4,554	-	-
01/2014-15	13th Finanace	Devraj Sharma	07/05/15	2,00,045	4,554	-	-
01/2014-15	13th Finanace	Devraj Sharma	13/06/15	2,00,045	4,554	-	-
06/2014-15	4th Finance	Devraj Sharma	28/04/15	2,37,226	6,016	13,514	-
Total (a)				**45,49,172**	**1,31,612**	**2,64,937**	**94,017**
			Quarter -2				
01/2014-15	13th Finance	Devraj Sharma	25/07/15	2,00,045	4,554	-	-
01/2014-15	13th Finance	Devraj Sharma	14/08/15	2,00,045	4,554	-	-
Total (b)				**4,00,090**	**9,108**	**-**	**-**
			Quarter – 3				
01/2014-15	13th Finance	Devraj Sharma	09/11/15	2,00,045	4,554	-	-
01/2014-15	13th Finance	Devraj Sharma	07/12/15	2,00,045	4,554	-	-
Total ©				**4,00,090**	**9,108**	**-**	**-**
			Quarter -4				
01/2014-15	13th Finance	Devraj Sharma	24/02/16	2,00,045	4,554	-	-
Total (d)				**2,00,045**	**4,554**		
Grand Total (a+b+c+d)				**55,49,397**	**1,54,382**	**2,64,937**	**94,017**

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,

CHANAKYA ASHOK & CO. ICAI Reg. No. 012680C CHARTERED ACCOUNTANTS

ESIC with respect to contractual employees are neither deducted nor paid to statutory authority.

h. Utilizations of grant and report on missing Utilizations Certificates:-

Utilizations certificates have been shown by the ULB but, Utilizations certificates of financial year 2015-16 have not been submitted to the Urban Development & Housing Department till the date of Audit.

i. Physical verification of inventory/stores:-

Physical verification of Inventory is neither done nor Stock Register prepared by ULBs.

j. Advances, their adjustment & recovery:-

No Payment of advances has been made in the financial year 2015-16.

k. Any other matter as may be prescribed in due course:-

We observed that loss of interest of Rs. 15,77,932.383 has been made to ULB for keeping municipal fund in to the PLA account.
Details are given below.

Date of credited in PLA account	Amount received (Rs.)	Expenditure through PLA account (Rs.)	Cumulative balance (Rs.)	No.of days for which balance remained in PLA	Interest @ 4%
01-04-15	3,95,42,691 (Op. balance)		3,95,42,691	27	1,17,003
28-04-15		4,01,726	3,91,40,965	139	5,96,229
14-09-15		96,073	3,90,44,892	35	1,49,761
19-10-15		50,00,000	3,40,44,892	41	1,52,969
29-11-15	28,70,571		3,69,15,463	1	4,046
30-11-15	50,39,874		4,19,55,337	101	4,64,382
11-03-16		1,76,267	4,17,79,070	5	22,989
16-03-16	1,37,932		4,19,17,002	12	55,124
28-03-16		3,84,173	4,15,32,829	2	9,104
30-03-16	1,61,90,716		5,77,23,545	1	6,326
31-03-16	23,93,870		6,01,17,415	0	0
Total					**15,77,933**

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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 Advance register, 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 Chanakya Ashok & Co.
Chartered Accountants

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

Discussion Note Naubatpur

For the Financial Year 2015-16.

Sl. No	Particulars	Management Remarks
1	Bank Reconciliation Statements are not being prepared by the ULB.	It will be prepare in future.
2	Accounting process adopted by ULB is Single Entry System based cash – basis of accounting. It is not as per Accounting Manual	Double Entry System will adopt soon.
3	No budget has been prepared by the ULB.	It will prepare in coming year.
4	Assessment and survey of property has not been done by the ULB.	Self assessment has been adopted from 2015-16
5	Statutory compliance such as TDS, VAT, Labor Cess, and Royalty has not been deposited on stipulated time by the ULB also return filling of TDS & VAT has not been made by the ULB.	It will be deposited soon.

CHANAKYA ASHOK & CO. ICAI Reg. No. 012800 REGISTERED ACCOUNTANTS

24/9/16

कार्यपालक पदाधिकारी
नगर पंचायत, नौबतपुर

6	Labor Cess has not been collected by ULB from Contractors	It will be deducted soon.
7	Computerized accounting system has not been implemented by the ULB as yet.	Due to lack of technical staff it has not been adopted till now.
8	ULB is not in practice to prepare monthly receipt and payment account.	It will be start soon.
9	Lots of fund received in the previous years remain unutilized with respect to fund received for different schemes.	No administrative approval given by board.
10	Various registers, books of records etc are not being prepared by the ULB. Such as, Fixed Assets Register, Stock Register, Advance & Recovery Register, Demand Register, Collection Register, Statutory Register with regards TDS, VAT, and Royalty etc.	It will be maintain in future.

SHOK & CO. GAI Reg. No.-012680D CHARTERED ACCOUNTANTS

27/9/16

कार्यपालक पदाधिकारी
नगर पंचायत, चंपतपुर

11	Amount collected from own source revenue has not been deposited by the ULB on the same date as required.	It will be instructed to do in time.
12	We observed that a sum of Rs. 10,606.00 (Receipt Voucher no. 1401 to 1464) has been collected by the ULB from January 2016 to March 2016 but, nor amount has been deposited in to Bank neither it has been entered in to cash book till 31st March 2016.	It will be received and will deposite very soon.
13	Loss of Rs.3,20,000.00 has been made to the ULB for non-collection of annual fee from installed transmission tower in the jurisdiction of ULB.	It will be recovered soon.

कार्यशालक पदाधिकारी
नगर पंचायत, बोबतपुर

We observed that loss of interest has made to the ULBs due to keeping of amount in such bank account from where no interest has come to the ULB.

Account No.	Name of Bank	Closing balance as on 31-06-2016
4235	BOB	3,99,857.92
0906	PNB	8,06,345.00
0924	PNB	5,30,750.92
0003	BOI	20,97,305.00
0915	PNB	3,92,505.92

It will soon be transfer in saving A/c.

15 We observed that stamp duty @ 3% has not been collected by the ULB for sairat agreement made for the financial year 2015-16. Agreement for sairat has not been made on stamp paper.

Location	Name of Bidder	Agreement Value	Stamp due @ 3% not coll
Naubatpur	Ritesh Kumar	10,70,000.00	32,100.00
Nisarpura	Badrinath Tiwari	2,39,500.00	7,185.00
	Total	9,93,200	39,285.00

It will be collected in future.

16. An amount of Rs. 2,000.00 has been collected from Amrendra Kumar by Mr. Ritesh kumar for map approval but, amount not entered in cash book. Receipt Voucher No 1033 dated 08-06-2015. It is required to be recovered from Mr. Ritesh kumar.

It will be recovered no

17 We observed that Rs. 4,58,230.00 has been excess deposited by the Accountant Mr. Ritesh Kumar from the collection made through internal sources.

Mr. Ritesh Kr. had ex balance and amount deposited by him

CHANAKYA ASHOK & CO. CHARTERED ACCOUNTANTS ICAI Regd. No. 0126800

24/9/16

कार्यपालक पदाधिकारी
नगर पंचायत, नौबतपुर

18	We observed that supporting document (Bills) regarding expenses of Rs. 3,91,778.00 are not available with the ULB Naubatpur.	Proper action will be taken soon
19	We observed that file has not been provided by the ULB Naubatpur in relation to payment made for construction work. The details are provided here in below.	Files very soon will be received from the concerned person.

Payment Date as Per Cash Book	Payment To	Payment Amount (Rs.)
18/04/2015	Devraj Sharma	3,74,840.00
18/04/2015	Sanjeev Kumar	6,79,661.00
27/04/2015	Birendra kumar	2,74,724.00
27/04/2015	Sanjeev Kumar	4,74,019.00
27/04/2015	Sanjeev Kumar	3,46,840.00
21/04/2015	Samuhik Vikash Samiti	30,00,000.00
13/05/2015	Samuhik Vikash Samiti	15,00,000.00
Total		**66,50,084.00**

20	We observed that three Godrej have been purchased by the ULB as on 18-03-2016, cheque no. 18511 for Rs. 72,410.00 but, quotation have not been taken by the ULB from at least three shops.	No need of quotation in purchase of Godrej item as per Govt. direction

24/9/16

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21	We observed that bill, vouchers have not been serially arranged and also not been properly kept.	It will ~~take~~ be arranged & properly kept in future.
22	(1).Subsidiary cash book of Sawaksh Bharat Mission (SBM), BRGF & revenue receipt have not been written & subsidiary cash book of Nagrik subidha, Rajya Yojana Path Puliya Nirman & Rajya Yojana Nagrik Subidha have not been updatd till 31-03-2016. (2).Demand and collection register of all taxes/user charges/fees & fines. (3). Assessment register of property tax. (4). Bid register. (5). Assets register. (6). Stock register. (7). Demand and collection register of Shop Rent. (8). Records and revision of taxes and rent. (9). Rent register of shop. (10.) Demand & collection register of mobile towers and registration files of mobile towers. (11). Survey registers/files of Hoardings. (12). Demand and collection register of Hoardings. (13).Holding receipts, Misc. receipts, Trade license receipts, BOQs and other salable forms. (14). Monthly receipt and payment account is not being prepared by the ULB. (15).Main cash book for the financial year 2015-16 has not been prepared by the ULB Naubatpur.	will take proper attention and action on every points mentioned here.
23	We observed that measurement book has not been found in some of the cases. Such as,	It will be found very soon.

Yojna No./Scheme	Particular	Date	Cheque No.
60/2014-15/IHSDP	For construction of PCC road from the house of Sri Yograj (Ward No. 9) to the Devi sthan	20/05/15	007130

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	63/2014-15/IHSDP	For construction of PCC road from the house of Laddu paswan to the house of Vikash kumar	20/05/15	007130		1,77,224.00	
24	We observed that work for solid waste management has been allotted to Devraj Sharma from Octobor 2015 without passing any tender. Previous agreement made with Devraj Sharma had epired as on 01/08/2015. (Work has been alloted to Mr. Devraj sharma again. after holding through Standing committee. Meeting for this purpose was held as on 09/09/15.)						Due to election period and code of conduct it was not possible to go for new tender.
25	We observed that payment of Rs. 9,57,000.00 has been made in cash to the beneficiaries of Kabir Anteyesthi						Payment will be made as per rule and regulation in future
26	Log book is not properly maintained and consequently its analysis is not possible.						It will be properly maintained in future.
27.	We observed that loss of interest of Rs. 15,77,932.383 has been made to ULB for keeping municipal fund in to the PLA account.						In future funds will be kept as per guideline given by dept.
28.	As per records & data available by the ULB A sum of Rs. 1,54,382.00 as TDS , Rs. 2,64,937.00 as VAT & Rs. 94,017.00 as Royalty for the financial year 2015-16 has deducted but not deposited by the ULB.						It will be deposited soon.

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(29.) Utilizations certificates ~~and register~~ have been shown by the ULB but, UC of financial year 2015-16 have not been submitted ~~to the ULB~~. till the date of audit.

It will be supplied in future

(30.) Cash book has not been regularly authorized by the executive officer.

It will be regularly authorized by E.O. in future.

(31) Yojana No./Scheme Name :- 53/201415 IHSDP (Enfrg)
Purpose of work - construction of Nala in ward No. 2
Date of Agreement :- 02/02/2015.
Time given for completion of work :- 3 Months
Date of completion :- 11/05/15 for final entry made in MB. by J.E
Name of contractor :- Keisha kumar Pandey
Work value as per M.B - ₹ 7,33,936.00
Estimated cost :- ₹ 7,45,300.00
Delay time in completion of work - 9 days
(11/05/15 - 02/02/15)
As per condition of contract, contractor shall pay @ 1/2 % on the amount of estimated cost for every day of delay subject to maximum of 10% on estimated cost. A sum of ₹ 33,518.50 (7,45,300 × 1/2 % × 9 days) should be deducted from contractor amount. but, we observed that ₹ 33,518.50 has not been deducted by the ULB.

~~Proper action will be taken~~ Will take proper action soon.

24/9/16
Name & Sign