

SPUR-PMU (Samvaran)

No. 1138

In Coming Date 31/01/17

Internal Audit Report

Of

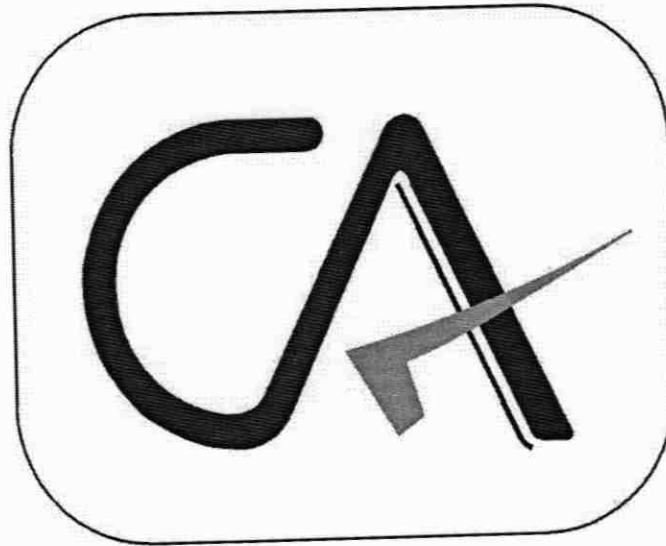
NAGAR PANCHAYAT RAJGIR

For the period from 01/04/2015 to 31/03/2016

Internal Audit conducted by

Mr. Nishedh Kumar Pawar

Under the guidance of CA Chanakya Shree



M/S RN Singh & Co.

Chartered Accountants,

208, Hem Plaza, Fraser Road

Patna-800 001

Ph No: -0612-2202876, 9431019502

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From 13/07/2016 to 18/07/2016
Report Issued on 25/07/2016

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

| Name of Auditor: R N Singh & Co. | | | Name of ULB:- Rajgir 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 (Lack of internal control measures) at Page no 14. |
| 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 2 of Part B of Detailed Audit Report (Non Compliance of Act and rule) at Page no 14</p> <p>b) Complied in para no 1 of Part B of Detailed Audit Report (Non compliance of directives by UD&HD, Government of Bihar) at Page no 14.</p> |
| 3 | 4.4 & 4.5 | <p>a) Report and quantify all major Own revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairat etc;</p> <p>b) Check on audit trail of all collection of Taxes and Non-Taxes either through staff or outsourced agency and report of any lapses in controls, if any and also advise recommendations to strengthen the prevailing processes;</p> | <p>a) Complied in para no 3 of Part A of detailed audit report at Page no 10 and para 1 of page 11.</p> <p>b) Complied in para no 4 of Part B of detailed audit report at Page no 14.</p> |
| 4 | 4.6 | Report in a separate chapter on | Complied in para no C of Part A of detailed Audit |



| Name of Auditor: R N Singh & Co. | | | Name of ULB:- Rajgir Nagar Panchayat |
|----------------------------------|--|---|---|
| Sl. No. | Relevant Clause of Scope of Work of the Contract | | Compliance (Mention the para no & Page no of audit report) |
| | Clause No. | Description | |
| | | implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment procedures to check any in-consistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actuals as per internal audits; | Report at Page no 11& 12. |
| 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 11. And Complied in para no 1 of Part B of Detailed Audit Report at Page no 13. |
| 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 13. |
| 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 2 of Part B of Detailed Audit Report at Page no 15. |
| 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 3 of Part 4 of Excutive Summary at Page no 3. |
| 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 3 of Part 4 of Excutive Summary at Page no 3. |



Executive Summary

1. Introduction:

- **Name of the Municipality: Nagar Panchayat, Rajgir**
- **Period covered under current audit: 01-04-2015 to 31-03-2016.**
- **Name of Chief Municipal Officer for the period under Audit:**

| Name | Period |
|----------------------------------|--------------------------|
| Smt. Shakuntala Devi (Chairman) | 01/04/2015 to 31/03/2016 |
| Sri Shiv Shankar Prasad (EO) | 01/04/2015 to 21/08/2015 |
| Sri Mu. Ahmad Buland Akhtar (EO) | 21/08/2015 to 31/03/2016 |

2. Results and Findings:

- **Strengths observed during the audit engagement:**
 - a) Vouchers are serially numbered, arranged and properly kept.
 - b) Receipts for Peshakar has been increased from last year to this year by Rs.1,13,625 (Rs.8,90,695- Rs.7,77,070).
 - c) The Collection of Holding tax of the unit of ULB has been improved. The Holding tax collection has increased from Rs.5,91,925/- in F.Y 2014-15 to Rs.17,03,997/- in F.Y 2015-16.
 - d) Interest earned on S/B Accounts of Nagar Panchayat, Rajgir has increased From Rs.5,23,776/- in F.Y 2014-15 to Rs.16,58,239/- in F.Y 2015-16 i.e. by Rs.11,34,463/-.
 - e) Budget for Interest Earned on S/B Accounts for F.Y 2015-16 Made For Rs.25,00,000/-. However, actual Interest Earned is Rs.16,58,239/-.
- **Weaknesses observed in the functioning of office, maintenance of records etc.: -**
 - a. Budget has not been prepared in the format BMAR 75 to 80 Bihar Municipal Accounts Rule 2014.
 - b. Bank Reconciliation Statements are not being prepared by the ULB.
 - c. Accounting process adopted by ULB is Single Entry System based (i.e. Cash basis of Accounting). It is not as BMAM & Rules.
 - d. Huge collection of Mobile tower tax including Arrears has not been collected by the ULB.
 - e. No Municipal Accounts Committee has been constituted till 31/03/2016.
 - f. Computerized accounting system has not been implemented by the ULB.



- g. Statutory Deduction such as Sales Tax, TDS, Labor Cess etc. has not been deposited on stipulated time and there is non-filing of return of TDS and Sales tax by the ULB.
- h. Amount collected from own source revenue i.e. Holding tax has not been deposited on the same day as required by the Act.
- i. Various registers, books of records etc are not being prepared by the ULB. Such as, Fixed Assets Register, Stock Register, Advance & Recovery Register, Statutory Register with regards TDS, VAT, Royalty and Labor Cess etc.

3. Opinion:

The ULB is required to improvement in the following areas :

- a. Preparation of Accounts, Ledger, Registers, Bank Reconciliation Statement, Various Registers and Records as required.
- b. It requires improving its Internal Control Procedures with regards to Demand of mobile tower tax, collection of revenue and depositing the collected revenue in the concerned bank accounts.
- c. The ULB is not able to present the actual Income and Expenditure due to cash basis of accounting system. Hence, the ULB should maintain Double Entry Accounting System.
- d. The ULB is not effective in Collection of Assigned Revenue. Hence the ULB should improve efficiency with regards to collection of the Assigned Revenue.

4. Audit Recommendations:

- a. The ULB must prepare Budget in accordance with the section 75 to 80 of Bihar Municipal Accounting Rule, 2014.
- b. The ULB must prepare Bank Reconciliation Statements on monthly basis.
- c. The ULB should constitute Municipal Accounts Committee and hold the meeting regularly to analyse the progress of various activities and accounting procedure.
- f. ULB must collect property tax, mobile tower tax, advertisement tax, shop rent etc efficiently which are under its jurisdiction.
- g. ULB must deposit TDS, VAT etc and file the required return on timely basis.



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

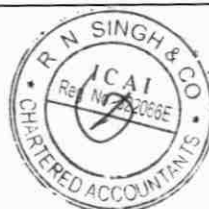
i. ULB must maintain all the Books of Account, Register, Records etc as prescribed in Bihar Municipal Accounting Act, Manual and Rules.

j. ULB should adopt computerized accounting system. It provides automatic ledger entries, accuracy and speed of automatic calculation, automatic production of trial balance from ledger to create customized reports and provide additional analysis.

k. The ULB should prepare Income and Expenditure Accounts to present the actual figure of income And Expenditure during the concern Financial Year.

5. Comments from Management:

| Observations | Comments from management |
|--|---|
| (A) Short credit of Holding tax by tax collector Manohar Kumar By Rs. 8,018/ collected through Receipt No. 4301 to 4305. | The Amount of Holding tax would be collected from concerned Tax Collector and will be Deposited in the concerned Madh. |
| (B) Payment made through Cash book for following taxes for 2014-15, which has not been Checked Through Challan as challan was not available. 4 th Finance Commission- Rs. 1,18,883/- Municipal Fund - Rs. 1,37,075/- | The following taxes have been made to the concerned Tax Department through cheque /Demand Draft. Challan shall be shown in next Audit. |
| (C) Interest on Mobile tower tax in Arrear Rs. 19,27,000 till 31/03/2016 has not been charged @1.5% per month. This is revenue loss to the ULB. | Notice sent to the Manager of all mobile towers under jurisdiction of the Nagar panchayat for realisation of mobile tower tax including interest. |
| (D) Payment made to NGO- Basanti Devi, Mahila Bal Kalyan Sangathan, Bhojpur under 4 th Finance Commission for Rs. 29,99,575/- on which TDS @ 2% has not been deducted. The amount of TDS not deducted is Rs.59,992/- u/s 194C of IT Act 1961. | TDS @2% would be deducted in future. |
| (E) Salary payment to city manager for Rs. 68,000/- made through MF but no entry made in subsidiary cashbook of MF. | Adjustment has been made on 31/03/2016. |



| | |
|--|---|
| (F) Payment made for Stationary expenses for Rs. 2,73,500/- which has not been recorded in subsidiary cash book of Municipal Fund. Thus, there is difference arises in cash book. | Adjustment has been made on 31/03/2016. |
| (G) Payment made to Advocate for professional services for Rs. 92,500/-, no TDS @10% has been deducted amounting to Rs. 9,250/-. | TDS would be Deducted in future. |
| (H) There is difference between PLA and subsidiary cash book of municipal fund by Rs. 3,13,400/-. This has been continuously coming since long. | The difference has been continuously arisen previously in PLA Account. |
| (I) There is loss of interest @4% p.a on Municipal Fund which has been kept in PLA Account. | The amount of Municipal Fund will be transferred to Bank A/C in future. |
| (J) Diversion of fund from 4 th Finance Commission to Municipal Fund for Rs. 61,29,673/- without Standing Committee Approval. However, there is enough balance in Municipal Fund. | The Amount of Rs. 61,29,673/- had been used for payment of salary expense under 4 th Finance. Hence, the amount has been transferred to Municipal Fund for payment of salary to Employees. |
| (K) On 14/01/2016, Payment made to Contractor Anil Kumar For Rs. 2,50,000/- under 13 th Finance Commission. However, amount has not been specified in Treasury cheque leaf in Receipt side of Cheque. | The amount has not specified in receipt side of cheque. However, specified on other side of cheque and cash book. |

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 RN Singh & Co.
Chartered Accountants

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



Detailed Audit Report

1. Introduction:

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

i. Mr. Nishedh Kumar Pawar

2. Administration:

The present body of the ULB has taken charge on 21st August 2015. The incumbency in the key administration and executive was as under:

Sri Mu. Ahmad Buland Akhtar (EO)-21/08/2015 to 31/03/2016

3. Review of Outstanding Paras: Status of audit Observation is as under:

| S. No | Particulars of audit and date of Report | Total No. of Audit paras. | Total No. of Audit paras where necessary improve ment/ Correctiv e measure is required | Total No. of audit paras where recovery of cash is proposed | Total No. of audit paras where recovery has been made | Total Amount of Recovery | Total No. of outstan ding paras where no action has been taken | No. & Date Of Compliance Report |
|-------|---|---|--|---|---|--------------------------|--|---------------------------------|
| 1. | AG audit for the 2012-15 on 28/04/2016 | PART-II Para 1 to 9 and PART-III para 1 to 13 Total=22 | 20 | PART-II Para 1 to 9 Total=7 | Part-II Para 1 and 5 Total=2 | Rs.1,39,017 | 00 | 12/07/2016 |
| 2 | Internal Audit Report 2014-2015 | 8 | 8 | 1 | 0 | 0 | 8 | Not Complied |



Detailed Report on Compliance of Previous Internal Audit Report:-

| Audit Observation | Nature Of Irregularities | Complied/Not-Complied |
|---|-----------------------------------|-----------------------|
| <p>The Functioning of the Unit is very slow in every aspect with regards to observations of AG Report:</p> <ol style="list-style-type: none"> a. Amount recovered at the instance of AG audit is nil. b. Amount suggested for recovery- Rs. 28,19,338/= but no recovery made till date. c. Amount held under objection – Rs. 9,84,048/= but no action taken so far for the same. | <p>Persisting Since Last Year</p> | <p>Not-Complied</p> |
| <p>Collection of demand for Arrear of Holding Tax, Mobile tower tax etc. is not made on time as a results huge amount of arrear exist in the books.</p> | <p>Persisting Since Last Year</p> | <p>Not-Complied</p> |
| <p>During the course of audit, it was found that diversion of 13th Finance Commission fund has been made even though the funds are available in the concerned fund as a result shortage of fund in 13th Finance Commission.</p> | <p>Persisting Since Last Year</p> | <p>Not-Complied</p> |
| <p>Statutory returns like Quarterly TDS Returns, Vat Returns are required to be made within the prescribed due dates.</p> | <p>Persisting Since Last Year</p> | <p>Not-Complied</p> |
| <p>The Statutory Dues like PF, ESIC, TDS, VAT, Royalty etc. are not properly deducted and deposited on timely basis.</p> | <p>Persisting Since Last Year</p> | <p>Not-Complied</p> |
| <p>Non-deduction of Compensation for late completion of schemes that makes irregularities in utilization of fund for the scheme.</p> | <p>Persisting Since Last Year</p> | <p>Not-Complied</p> |
| <p>Accounting and Financial Management system of ULB is not Satisfactory and following reasons can be quoted for the same:</p> <ol style="list-style-type: none"> a. Accounting process adopted by ULB is Single Entry | <p>Persisting Since Last Year</p> | <p>Not-Complied</p> |



| | | |
|---|----------------------------|--------------|
| <p>System based cash - basis of accounting. It is not as per Accounting Manual.</p> <p>b. The Bank Reconciliation Statement is not being prepared.</p> <p>c. Monthly as well as annual Trial / Receipt & Payment Account is not being prepared.</p> <p>d. Demand Register, Collection Register, Fixed Assets Registers and Various other registers as required are not being prepared.</p> <p>e. There is no system of verification of Closing Cash balance with physical cash in hand.</p> | | |
| Non-Realization of License fee causing revenue loss to the ULB. | 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 | 19,40,08,784 | 30,56,36,000 | 25,70,29,500 |
| Actual Expenditure | 18,76,2,7490 | 3,35,33,663 | 9,51,46,890 |
| Saving(+)/Excess(-) | 63,81,294 | 27,21,02,337 | 16,18,82,610 |

II. Volume of transactions

| 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 |
|-----------------|--------------------|---------------------------------------|---------------------------------------|--------------------------|-----------------------------------|
| Opening Bal | 2,30,95,039 | 8,072,5,211.63 | 8,072,5,211.63 | 9,48,68,780 | 9,48,68,780 |
| Receipts | 26,86,19,850 | 3,62,07,631 | 3,62,07,631 | 13,60,78,902 | 13,60,78,902 |
| Total | 29,17,14,889 | 11,69,32,842.63 | 11,69,32,842.63 | 23,09,47,682 | 23,09,47,682 |
| Net Expenditure | 25,70,29,500 | 3,35,33,663 | 3,35,33,663 | 9,51,46,890 | 9,51,46,890 |
| Closing Balance | 3,46,85,389 | 8,33,99,179.63 | 8,33,99,179.63 | 13,58,00,792 | 13,58,00,792 |

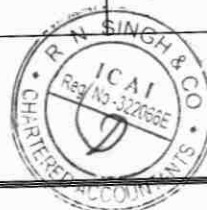


III. Bank Reconciliation Statement

| Particulars | Bank name | Account no. | Balance as per Cash book as on 31/03/2016 (Rs.) | Balance as per Passbook as on 31/03/2016 (Rs.) | Difference (Rs.) | Remarks |
|--|------------------|----------------|---|--|------------------|----------------|
| Treasury | Treasury PLA A/C | 8448001020001 | 8,03,76,496 | 8,03,76,496 | 00 | Reconciled |
| Malmas Mela | CBI | 6074 | 1,36,40,478 | 1,36,43,244 | 2,766 | Not Reconciled |
| Municipal Fund 13 th Finance Commission 14 th Finance Commission | PNB | 12288 | 1,36,83,612 | 1,43,70,103 | 6,86,491 | Not Reconciled |
| 13 th Finance Commission | PNB | 47619 | 14,44,764 | 14,63,553 | 18,789 | Not Reconciled |
| Holding Tax Mobile Tower Tax Property Tax | PNB SBI | 47284 69176 | 29,88,823 | 29,88,823 | 00 | Reconciled |
| BRGF | CBI | 8803 | 2,17,556 | 10,25,452 | 8,07,896 | Not Reconciled |
| SJSRY 12 th Finance Commission | CBI | 9698 | 46,77,316 | 46,77,316 | 00 | Reconciled |
| Prashasnik Bhawan | CBI HDFC | 32241 4755 | 10,54,025 | 10,54,025 | 00 | Reconciled |
| Kabir Antyeshti | SBI | 7121 | 65,243 | 65,243 | 00 | Reconciled |
| BOQ Samajik Suraksha Pension 13 th Finance Commission | SBI | 67569 | 1,03,57,465 | 1,03,57,465 | 00 | Reconciled |
| E-Governance | PNB | 61451 | 69,521 | 69,521 | 00 | Reconciled |

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 Source | | | | | |
| Property Tax | 56,60,850 | 18,61,251 | 18,61,251 | 17,03,997 | 17,03,997 |
| Assigned Revenue | 2,33,00,000 | 7,19,487 | 7,19,487 | 1,39,800 | 1,39,800 |
| Others (Fee & User Charges) | 2,50,000 | 47,45,275 | 47,45,275 | 00 | 00 |
| Interest Earned | 25,00,000 | 8,24,869 | 8,24,869 | 16,58,239 | 16,58,239 |
| (b) Administrative Grant. | 1,74,01,500 | 31,48,100 | 31,48,100 | 16,56,896 | 16,56,896 |



| | | | | | |
|------------------------------------|---------------------|--------------------|--------------------|---------------------|---------------------|
| Annexure-I | | | | | |
| (C) Specific Grant. Annexure-II | 21,95,07,500 | 52,4,1665 | 52,4,1665 | 13,09,19,970 | 13,09,19,970 |
| Total | 26,86,19,850 | 1,65,40,647 | 1,65,40,647 | 13,60,78,902 | 13,60,78,902 |

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: There is no Municipal Accounting Committee has been formed in the ULB. No information has been provided with regard to preparation of Municipal Accounts Committee.

5. Audit Observations:

I. Part - A

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

- a. Leakage of own source revenue either due to wrong assessment or non-levy of property tax, mobile tower tax, rent on municipal properties, advertisement tax, fee etc.:**

1. Holding Tax short credit by Rs. 8,018

| S. No. | Receipt No. | Date of Collection | Amount Collected (Rs.) | Amount Deposited (Rs.) | Short amount (Rs.) | Remarks | Name of Collector |
|--------|--------------|--------------------------|------------------------|------------------------|--------------------|---------------|-------------------|
| 1 | 4301 to 4305 | 16/01/2016 to 05/03/2016 | 8,018 | 00 | 8,018 | Not Deposited | Manohar Kumar |
| | Total | | 8,018 | 00 | 8,018 | | |

The tax collector- Manohar Kumar has collected Holding tax Total Rs. 8,018 but not deposited in concerned A/C. Short credit of Rs. 8,018/- must be recovered from Mr. Manohar Kumar.



2. Arrear of Mobile Tower tax of Rs. 16,35,000 till the 31/03/2016

Arrear on mobile tower tax is Rs. 16,35,000 till 31/03/2016 without including interest@1.5% p.a. However, no collection is made in F.Y 2015-16. This shows non-effectiveness in collection of mobile tower tax. The Detail has given in **Annexure-III**

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

1. Loss to the Govt. due to non deduction of TDS @2% u/s 194C of IT Act1961

Payment made to NGO- Basanti Devi, Mahila Bal Kalyan Sangathan, Bhojpur under 4th Finance Commission for Rs. 29,99,575 on which TDS @ 2% has not been deducted total Rs. 59,992 u/s 194C of IT Act 1961.

2. Discrepancies in Cash book

a) We observed during the audit that Salary Payment to city manager for Rs. 68,000/- made through MF but no entry made in subsidiary cashbook of MF thus, there is difference arised in Cash book.

b) We observed that Payment made for Stationary expenses for Rs. 2,73,500/- which has not been recorded in subsidiary cash book of Municipal Fund. Thus, there is difference arised. This is a very serious thing, payment to any person without recording in the books may cause double payment and defalcation of fund.

c) We observed that There is difference between PLA and subsidiary cash book of municipal fund by Rs. 3,13,400/-. This has been continuously coming since long. It means books are not properly written and may cause misappropriation of fund.

d) Interest on SJSRY for Rs. 89,667/- has not been recorded in subsidiary cash book of SJSRY.

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

Field survey of property and assessment has been done by the Nagar Panchayat, Rajgir. Detail has been given below:-

| S. N. | Name | Father/Husband's Name | Type Of Road | Use of Holding | Type of Holding | Area Sq. ft. | Rate Sq. Ft. | Total(Rs.) | Tax p.a (9% of Total) | Remarks |
|-------|-------------|-----------------------|--------------|----------------|-----------------|--------------|--------------|------------|-----------------------|-------------------|
| 1 | Shanti Devi | Satyendra Prasad | Main Road | Residential | RCC | 504 | 10 | 5040 | 453.6 | Correct Valuation |
| 2 | Motilal sav | Shyamlal sav | Main Road | Residential | RCC | 1949 | 10 | 19490 | 1754.1 | Correct Valuation |
| 3 | Ramdulari | Shravan Kumar | Main Road | Residential | Asbestos | 617 | 6 | 3702 | 333.18 | Correct Valuation |



| | Devi | | | | | | | | | |
|----|-------------------|-------------------------|----------------|-------------|----------|------|----|-------|---------|-------------------|
| 4 | Sheela Devi | Ramdev Prasad | Principal Road | Residential | RCC | 2117 | 15 | 31755 | 2857.95 | Correct Valuation |
| 5 | Rampravesh kumar | Late Arjun Singh | Main Road | Residential | RCC | 455 | 10 | 4550 | 409.5 | Correct Valuation |
| 6 | Satyendra Kumar | Chandeshwar sharma | Main Road | Commercial | RCC | 116 | 30 | 3480 | 313.2 | Correct Valuation |
| 7 | Satyendra Kumar | Chandeshwar sharma | Main Road | Residential | Asbestos | 98 | 6 | 588 | 52.92 | Correct Valuation |
| 8 | Shiv Prasad Sinha | Sideswar Pd. Sinha | Principal Road | Commercial | RCC | 320 | 36 | 11520 | 1036.8 | Correct Valuation |
| 9 | Shiv Prasad Sinha | Sideswar Pd. Sinha | Principal Road | Residential | RCC | 420 | 15 | 6300 | 567 | Correct Valuation |
| 10 | Virendra Prasad | Ramendra Sav | Principal Road | Residential | RCC | 364 | 15 | 5460 | 491.4 | Correct Valuation |
| 11 | Bhola Paswan | Late Shukra Paswan | other Road | Residential | Other | 420 | 2 | 840 | 75.6 | Correct Valuation |
| 12 | Savita Devi | Late Funeswar Rajvanshi | other Road | Residential | Other | 560 | 2 | 1120 | 100.8 | Correct Valuation |
| 13 | Sharda Devi | Bhog Yadav | Main Road | Residential | Asbestos | 280 | 6 | 1680 | 151.2 | Correct Valuation |
| 14 | Lalo Devi | Late Shivalak Yadav | Main Road | Residential | RCC | 280 | 10 | 2800 | 252 | Correct Valuation |
| 15 | Ganauri Sav | Badri Sav | other Road | Residential | RCC | 523 | 6 | 3138 | 282.42 | Correct Valuation |
| 16 | Kamla devi | Shriram Chaudhary | Main Road | Residential | RCC | 738 | 10 | 7380 | 664.2 | Correct Valuation |
| 17 | Sitaram Singh | Gauri Singh | Main Road | Residential | Asbestos | 310 | 6 | 1860 | 167.4 | Correct Valuation |
| 18 | Sitaram Singh | Gauri Singh | Main Road | Residential | Other | 210 | 3 | 630 | 56.7 | Correct Valuation |
| 19 | Nagina Yadav | Dhaneshwar Yadav | Main Road | Residential | RCC | 700 | 10 | 7000 | 630 | Correct Valuation |
| 20 | Naresh Prasad | Dhannu Prasad | Main Road | Residential | RCC | 210 | 10 | 2100 | 189 | Correct Valuation |
| 21 | Naresh Prasad | Dhannu Prasad | Main Road | Residential | Asbestos | 210 | 6 | 1260 | 113.4 | Correct Valuation |
| 22 | Devendra Kumar | late Chamari Singh | Main Road | Residential | RCC | 420 | 10 | 4200 | 378 | Correct Valuation |
| 23 | Bhushan Yadav | Jugal Yadav | Main Road | Residential | RCC | 490 | 10 | 4900 | 441 | Correct Valuation |
| 24 | Bhushan Yadav | Jugal Yadav | Main Road | Residential | Other | 420 | 3 | 1260 | 113.4 | Correct Valuation |
| 25 | Secretary | Jarasandh p. Bhawan | Main Road | Residential | RCC | 960 | 10 | 9600 | 864 | Correct Valuation |
| 26 | Champa Devi | Karu Prasad | Main Road | Residential | RCC | 350 | 10 | 3500 | 315 | Correct Valuation |
| 27 | Juveda Khatun | Md. Sallauddin | Principal Road | Commercial | RCC | 600 | 36 | 21600 | 1944 | Correct Valuation |
| 28 | Chinta Devi | Ramdev Paswan | Principal Road | Residential | Asbestos | 100 | 10 | 1000 | 90 | Correct Valuation |
| 29 | Chinta Devi | Ramdev Paswan | Principal Road | Residential | Other | 400 | 5 | 2000 | 180 | Correct Valuation |
| 30 | Manager | Vyas Muni | Main Road | Residential | RCC | 250 | 10 | 2500 | 225 | Correct Valuation |
| 31 | Gayatri Devi | Navin Nayan Prasad | Main Road | Residential | Other | 1524 | 3 | 4572 | 411.48 | Correct Valuation |
| 32 | Rakesh Yadav | Navin Yadav | other Road | Residential | Other | 315 | 4 | 1260 | 113.4 | Correct Valuation |
| 33 | Bipin Kumar | Late Rampravesh Singh | other Road | Residential | RCC | 571 | 6 | 3426 | 308.34 | Correct Valuation |
| 34 | Krishna Yadav | Late Putul Yadav | Main Road | Residential | RCC | 980 | 10 | 9800 | 882 | Correct Valuation |
| 35 | Mahendra Prasad | Chandan Ram | Main Road | Residential | RCC | 227 | 10 | 2270 | 204.3 | Correct Valuation |



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 NAGAR PANCHAYAT RAJGIR:-

- (1). Assessment register of property tax.
- (2). Bid register.
- (3). Assets register.
- (4). Stock Register.
- (5). Demand & collection register of mobile towers.
- (6). Survey registers/files of Hoardings.
- (7). Income and Expenditure Account.
- (8). Bank Reconciliation Statement on monthly basis.
- (9). Log book of Vehicles.
- (10). Advance Register.
- (11). Proceeding Register.
- (12). Misc. receipts, Trade license receipts, BOQs and other salable forms.

b. Irregularity in procurement process: -

i. During the audit, we observed that cleaning Machine purchased for Rs. 57,720/- during the year 2015-16 through Municipal Fund. Neither quotation received nor proper procurement process has been made in purchase of cleaning Machine.

According to the rules, no quotation is required for purchase of goods upto Rs. 15,000/- but above Rs. 15,000/-, all the procurement must be made through proper procurement processes and by inviting proper quotation. In the above payment, no proper quotation has invited by the competent authority.



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

i. Blokage of fund of Rs. 46,77,316 under SJSRY-

While checking the status of unspent grants lying with the unit for the year, it is observed that Under SJSRY scheme, as per the Directive of the State Government, it had to be spent during the year 2015-16 for Program. But huge amount of Rs. 46,77,316/- still lying with the SJSRY scheme.

Non-Compliance Of Rules & Regulation:-

Not Any Observation Observed.

d. Lack of Internal measure

i. Budget has not been prepared in the format BMAR 75 to 80 Bihar Municipal Accounts Rule 2014.

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

iii. During our Audit, we have observed various discrepancies in the Cash Book, which are enumerated below:

a). Vouchers are not clearly mentioned in cash book through which payment has been made.

b). The cash book balances are not reconciled with the Balances in Bank Pass Book.

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

i. Payment made to Advocate for professional services during 2015-16 for Rs. 92,500/-, no TDS @10% has been deducted u/s 194J of IT Act 1961

ii. TDS Payment made and recorded in Cash Book for following fund for the 2014-15. However, the same couldn't be verified with the chalans as challan was not available with which has not been Checked Through Challan.

4th Finance Commission- Rs. 1,18,883/-

Municipal Fund - Rs. 1,37,075/-

Total TDS of Rs. 2,55,958 has not been Checked through Challan.

iii. We observed that TDS for 2015-16 for Rs. 43,280/- has been deducted under various schemes. Payment for the TDS has not been deposited to the Concerned Tax Department till 30/06/2016.

iv. Detail for Penalty for non-Payment and Non-Return Filing till 30/06/2016 has been given in **Annexure-V & VI.**



v. Royalty for 2015-16 for Rs. 73,724/- has been deducted under various schemes, but not been deposited to the concerned department.

vi. VAT for 2015-16 for Rs. 99,751/- has been deducted under various schemes, which has not been deposited to the concerned tax Department.

vii. Labor cess for 2015-16 for Rs. 58,325/- has been deducted under various schemes, but not been deposited to the concerned department.

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

Utilization Certificate for 2015-16 has not been sent to the concerned Department till date. Hence no detail Has been provided to us.

g. Physical verification of inventory/stores.

Neither physical verification of Inventory is done nor Stock Register is prepared by ULBs.

h. Advances, their adjustment & recovery.

No Advance Register has been maintained for the Advance. Hence, we are unable to comment on the same.

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 RN Singh & Co.
Chartered Accountants

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



Annexure-I**Details of Administrative Grant**

| Sl No. | Name of Administrative Grant | Year 2015-16 (Rs.) |
|--------|------------------------------|--------------------|
| 1. | Kabir Antyeshti | 6,28,269 |
| 2. | Grant for Ward Member | 1,37,932 |
| 5. | Peshakar madh | 8,90,695 |
| | Total | 16,56,896 |

Annexure-II**Details of Specific Grant (Scheme wise)**

| Sl No. | Name of the Scheme | Year 2015-16 (Rs.) |
|--------|-------------------------------------|--------------------|
| 1. | SJSRY | 1,81,625 |
| 2. | 4 th Finance Commission | 1,13,94,980 |
| 3. | 13 th Finance Commission | 53,16,346 |
| 4. | 14 th Finance Commission | 53,70,338 |
| | Municipal Fund | 39,56,280 |
| | Malmas Mela | 40,685 |
| 4. | BRGF | 34,750 |
| 5. | Nagarik Subidha | 1,14,48,000 |
| | Prashashnik Bhawan | 2,17,298 |
| 7. | Path Puliya Nirman | 30,60,500 |
| 8. | Samrat Ashok Bhawan Nirman | 47,63,000 |
| 9. | Sivrage and Drainage | 3,61,45,000 |
| 10. | 5 th Finance Commission | 1,86,92,185 |
| 11. | Mukhya Mantri Peyjal | 43,23,432 |
| | E-Governance | 2,74,140 |



| | | |
|--|--|---------------------|
| | BOQ Samajik Suraksha Pension 13 th Finance Commission | 2,57,01,411 |
| | Total | 13,09,19,970 |

Annexure-V

Statement of TDS Deducted but not deposited

| Sl. No. | Name of Contractor | PAN | TDS | Due Date for Deposit | Deposit Date taken as 18/07/2016 i.e. the last date of audit for calculation of Interest | Delay in Month | Interest Per Month | Total Interest Till 18.07.2016 |
|--------------------|-----------------------|------------|------|----------------------|--|----------------|--------------------|--------------------------------|
| 1 | Santosh Kumar | CGWPK5466N | 2451 | 07/02/2016 | 18/07/2016 | 5.40 | 1.50% | 198.53 |
| 2 | Munna Kumar | BMETK2461Q | 2977 | 07/04/2016 | 18/07/2016 | 3.40 | 1.50% | 151.83 |
| 3 | Shankar Prasad | AVEPP5015D | 4429 | 07/03/2016 | 18/07/2016 | 4.43 | 1.50% | 294.53 |
| 4 | Prashant Kumar | BDYPK8741A | 1313 | 07/02/2016 | 18/07/2016 | 5.40 | 1.50% | 106.35 |
| 5 | Dhananjay Kumar Singh | BVLPF9897L | 1323 | 07/03/2016 | 18/07/2016 | 4.43 | 1.50% | 87.98 |
| 6 | Shankar Kumar | BPMPK2003B | 4569 | 07/04/2016 | 18/07/2016 | 3.40 | 1.50% | 233.02 |
| 7 | Shankar Kumar | BPMPK2003B | 1771 | 07/02/2016 | 18/07/2016 | 5.40 | 1.50% | 143.45 |
| 8 | MD. Hamid | ABWPH1647M | 2986 | 07/03/2016 | 18/07/2016 | 4.43 | 1.50% | 198.57 |
| 9 | Raunak Kumar | CYGPK0852R | 1570 | 07/03/2016 | 18/07/2016 | 4.43 | 1.50% | 104.41 |
| 10 | Omprakash Sinha | BUCPS2525M | 741 | 07/04/2016 | 18/07/2016 | 3.40 | 1.50% | 37.79 |
| 11 | Sanjeev Kumar singh | DYLPS4503J | 2587 | 07/03/2016 | 18/07/2016 | 4.43 | 1.50% | 172.04 |
| 12 | Prashant Kumar | DYLPS4503J | 1016 | 07/04/2016 | 18/07/2016 | 3.40 | 1.50% | 51.82 |
| 13 | MD. Hamid | ABWPH1647M | 2569 | 07/03/2016 | 18/07/2016 | 4.43 | 1.50% | 170.84 |
| 14 | Kanhaiya Kumar | CUEPK5719G | 2678 | 07/03/2016 | 18/07/2016 | 4.43 | 1.50% | 178.09 |
| 15 | Devkant Kumar | BNUPK5843F | 2677 | 07/03/2016 | 18/07/2016 | 4.43 | 1.50% | 178.02 |
| 16 | Ashok Kumar Sinha | BARPS8272A | 1872 | 07/05/2016 | 18/07/2016 | 2.40 | 1.50% | 67.39 |
| 17 | Anil Kumar | DONPK5074G | 983 | 07/02/2016 | 18/07/2016 | 5.40 | 1.50% | 79.62 |
| 18 | Sanjeev Kumar | BDMTK4684A | 741 | 07/04/2016 | 18/07/2016 | 3.40 | 1.50% | 37.79 |
| 19 | Jay Prakash Kumar | AXLPK9071B | 4027 | 07/04/2016 | 18/07/2016 | 3.40 | 1.50% | 205.38 |
| Grand Total | | | | | | | | 2697.43 |



| Annexure-VI | | | | | | | |
|----------------------------------|-----------|--------------------|--|---------------|-----------------------------------|------------|-----------------------|
| Quarter | TDS (Rs.) | Due Date of Filing | Filing Date Taken as 18/07/2016 last date of Audit | Delay in Days | Late Filling Fee U/s 234E Per day | Total Fine | Subject to TDS Amount |
| 1st April 2015 to 30th June 2015 | - | 15/07/2015 | 30/06/2016 | 351 | 200 | 70,200.00 | - |
| 1st July 2015 to 30th Sep 2015 | - | 15/10/2015 | 30/06/2016 | 259 | 200 | 51,800.00 | - |
| 1st Oct 2015 to 31st Dec 2015 | - | 15/01/2016 | 30/06/2016 | 167 | 200 | 33,400.00 | - |
| 1st Jan 2016 to 31st March 2016 | 41,408.00 | 15/05/2016 | 30/06/2016 | 46 | 200 | 9,200.00 | 9,200.00 |
| Grand Total | | | | | | | 9,200.00 |



Observations

15

URC Company

① Short credit of Holding tax by ₹ 8018. by Manoj Kumar by Receipt No. 4301 to 4305

24. 12 2018
ने 24/12 2018
को भी जमावा है
होकर 24/12 2018
आवधिक

② Payment made in cash book for following taxes which has not been counter checked through challan.

उत्तरी के लिए कि 24/12
को माली माली समोर
को 24/12 2018
माली ने जमा
हुआ है कि 24/12
को माली माली समोर
को 24/12 2018
को माली माली समोर
को 24/12 2018

2018-19
AFC = ₹ 118883
MF = ₹ 137075
255958
total

③ Interest on mobile tower tax for ₹ ¹⁶¹³⁵¹⁰⁰⁰ 1427,000 i.e. arrears till 31/3/2016 has not been charged @ 1.5% per month which is Revenue Loan to the URB.

उत्तरी माली माली
को 24/12 2018
को माली माली समोर
को 24/12 2018
को माली माली समोर
को 24/12 2018

④ Payment made to NHO - BAHAMZ PERI, MATILIA BAL Kalyan Sanjatan, Bhojpur under 9th FC for ₹ 2999575. on which TDS @ 2% has not been deducted total ₹ 599915 u/s 194C.

माली ने 24/12
को माली माली समोर
को 24/12 2018

⑤ Salary payment to city manager for ₹ 68,000 made through PPA but no

24/12/18
को माली माली समोर
को 24/12 2018



⑥ payment made for stationary experts for ₹ 293,500 which has not been recovered in subson city bank of m.f. as a result

Adjust
in Balance

⑦ There is Balance Difference

⑧ payment made to Advocate for performing services for ₹ 92500 on which TDS @ 10% has not been deducted total ₹ 9250

Adjust in
subson

⑨ There is difference arising in municipal fund subsidiary book by ₹ 313400, which has been arising previously.

Adjust in P.L.A. account
₹ 313400/-
and it may
now be raised

⑩ There is loss of interest @ 4% p.a. on municipal fund which has been kept in treasury

Adjust in (M.F.)
to effect of 4%
annual loss
of interest
of ₹ 125000

⑪ Diversion of fund from A.P.C. to M.F. for ₹ 6129673 without standing committee approval. However there is enough balance in M.F.

Amount of ₹ 6129673
has been diverted
from A.P.C. to M.F.
without standing
committee approval
which is not correct
and it may be
reversed

Handwritten signature

Handwritten initials



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 ମାତ୍ର ୧୦ ଟଙ୍କା ମାତ୍ର
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The first part of the report
 describes the general situation
 of the country and the
 progress of the work.
 The second part contains
 a detailed account of the
 various expeditions and
 the results obtained.
 The third part is devoted
 to the description of the
 various objects discovered
 and the methods used for
 their examination.
 The fourth part contains
 a summary of the results
 and a list of the names
 of the persons who have
 taken part in the work.

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