

INTERNAL AUDIT REPORT

SPUR-PMU (Samvardhan)

No. 1148

In Coming Date. 06/02/17

OF

AMARPUR NAGAR PANCHAYAT

FOR THE FINANCIAL YEAR 2015-16

INTERNAL AUDIT CONDUCTED BY:-

A.K. SALAMPURIA & ASSOCIATES

CHARTERED ACCOUNTANTS

1ST FLOOR, ABOVE MICA SALES, EXHIBITION ROAD

PATNA- 800 001

09-10th AUGUST, 2016

INTERNAL AUDITOR'S REPORT

To,
The Principal Secretary
UD & HD, Govt. of Bihar
Patna

Dear Sir,

We have conducted Internal Audit of the Books of Accounts and related document and vouchers of **Nagar Panchayat Amarpur** for the Financial Year 2015-16 in terms of our appointment letter issued by the DMA cum Joint Secretary, UD & HD, Govt. of Bihar, Patna wide Letter No:-SPUR-PMU/194/IA-140ULBs & SLMA/G-12/AKS & A/2016/137/40, Dated:-05/04/2016.

The salient points of the scope covered by the Internal Audit are as follows:


1. The effectiveness of Internal Control System.
2. Compliance or Non-Compliance of Bihar Municipal Act along with their rules and regulations and related directives by UD & HD.
3. Sources of Revenues of ULBs and their proper collection or non collection with interest and penalty wherever applicable.
4. Status of Implementation of SAS of Property Tax in the ULB.
5. Vouching of payment above Rs.10,000.00 and their adequacy and appropriateness.
6. Verification of Procurement Process made by the UI Bs.
7. System of issuance of Utilization Certificate.
8. Compliance with the Legal and Statutory Requirements.

Moreover, our scope of examination also covered the requirements of the specific points as spelled out by the management of the UD & HD. The result and recommendations of our Internal Audit are set out in Scope, Observations and Annexures of our report.

The Statutory Auditor of the UD & HD expresses opinion as to the true and fair view of the financial statements. We have not expressed any opinion on the financial statements and accordingly, this report should not be constructed as our opinion on the financial statements.

for **A. K. Salampuria & Associates**
Chartered Accountants
Firm Regn. No. - 004285C

Place: Patna
Date : 26.08.2016


(CA. Anand Dokania)
Partner
M. No. - 400822



Executive Summary

1. Introduction

- Name of the Municipality :- **Nagar Panchayat, Amarpur**
- Period Covered under current audit :- **01.04.2015 to 31.03.2016**
- Name of Chief Municipal Office for the Period Under Audit :- **Shri Satendra Pd. Verma**

2. Result & Findings

- Strengths observed during the audit engagement:-
 - a. Man-Powers at the concerned ULB is found to be competent.
 - b. Area under jurisdiction of the concerned ULB seems potential.
 - c. Office Infrastructure is sufficient for operation
- Weaknesses observed in the functioning of office, Maintenance of records etc. Observed during the audit engagement :-
 - a. Untraceable difference (Rs.21,24,065.01) between Cash-Book and Bank Statement as on 31.03.2016.
 - b. Failed to Collect Holding/Property Tax properly for eg. Rs.20,02,651.08 of Property Tax is due to be collected up to 31.03.2016.
 - c. Failed to Collect Mobile Tower Tax/Fees of Rs.3,88,000.00 up to 31.03.2016.
 - d. Failed to Collect Holding/Property Tax on Govt. Building of Rs.56,60,191.00 up to 31.03.2016.
 - e. Non Maintenance of prescribed books of accounts (ref. point(i) of part-b) especially Demand and Collection Register
 - f. Procurement Files were also not maintained properly.
 - g. Failed to comply certain rules and directives of UD & HD.
 - h. Unavailability of information and files relating to TDS, Vat, Royalty & Labour Cess.
 - i. Vouchers were not properly kept and arranged.
 - j. BRS are not prepared on regular intervals.



3. Opinion

As referred above and detailed in the Audit Report, we are of the opinion that The Functions of concerned ULB is confined to collection of Holding Tax. There are many other sources of Revenue which are not explored and taken care of by the officers of concerned ULB. Record keeping is not proper. Transparency in Procurement is lacking due to non availability of proper documents.

4. Audit Recommendation

The concerned officers should explore other areas of Revenue Generation by surveying their area for Tower Tax, Trade Tax, Advertisement Tax, Hoarding Fee, other Fees and Taxes. Record keeping should be done properly so that any document can be traceable as and when required for any purpose. Procurement related documents and files should be made available for verification and transparency purposes. Cash Book should be maintained properly by making entries of balances of each Bank Account separately. Several Books and registers which are not maintained or maintained in improper manner should be done properly. BRS should be prepared and reconciled on regular intervals. Internal Auditor and Accountant should have adequate coordination between them for making the system perfect

5. Comments from Management

Discussion Note with Management has been attached separately as per *(Annexue-I)*

6. Compliance with TOR

In conducting the audit and preparation of report all the terms of the contract and TOR has been duly complied. (Compliance Report on terms of contract has been attached separately)

7. Acknowledgement

We would like to express our pleasure for the co-operations extended by the concerned ULB Management and Staff.

Place: Patna

Date: 26-08-2016

For A. K. Salampuria & Associates

Firm Regn. No. -0042850

Chartered Accountants



(CA. Anand Dokania)

Partner

M. No. 400822

