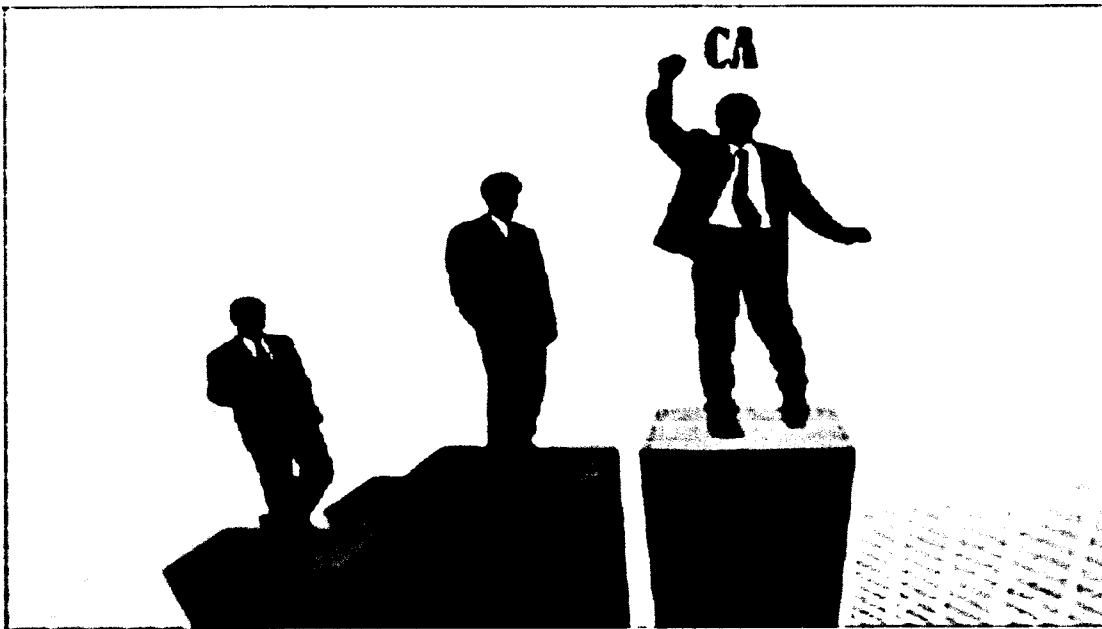


# INTERNAL AUDIT REPORT

(SPUR-PMU/194/IA-140ULBs & SLMA/G-14/SJA/2016/134/39)

## OF NAGAR PANCHAYAT BAIRGANIA

FOR THE F.Y. 2015-16



*Conducted by:*

**M/s R.SHAH & Co.**

2ND FLOOR, VYAPAR BHAWAN

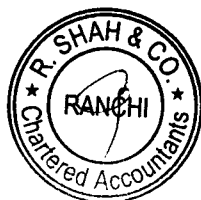
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**AUDIT METHODOLOGY AND APPROACH****Audit Methodology**

We have conducted the internal audit of Nagar Panchayat – Bairgania, for the year ending on 31<sup>st</sup> March, 2016 (as per TOR). We familiarized ourselves with documents of Nagar Panchayat, the internal guidelines and circulars applicable during this period under review. We also reviewed the working of the Nagar Panchayat and evaluated the accounting systems and related controls of the Nagar Panchayat in order to plan and perform our audit.

We reviewed transactions from April 01, 2015 to March 31, 2016. Our objective was to check all transactions and to design procedures to detect omissions. We also applied procedures to assess the adequacy of the Nagar Panchayat financial management systems, including internal controls for entire audit period. We applied necessary tests and controls, as we considers necessary under the circumstances.



Name of Auditor: M/s R.Shah& Co.		Name of ULB : Baruali	
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 risk environment.	Complied in Part 2 <b>Result &amp; Findings</b> ) of <b>Executive Summary</b> At Page no..6&7
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&amp;HD. In its report there must be a separate section for non-compliance of rules/directives of UD&amp;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> <ul style="list-style-type: none"> <li>Rule 22: All moneys to be brought to account</li> <li>Rule: 27: Collections to be deposited into Bank on the same day</li> <li>Rule 69: Grant Related Compliance</li> <li>Rule 120-121: Monthly Receipt &amp; Payment Account and Trial Balance</li> <li>Rule 130: Audit to be completed &amp; reported within 6 month</li> </ul>	<p>a)Complied in para no 2,3,4,5 of <b>Part B</b> of <b>Main Audit Report</b> at Page no ..17..</p> <p>b) Complied in para no 10,2,12, of <b>Part 2</b> of <b>Executive Summary</b> at Page no ..6..</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, Sairatetc;</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>	Complied in Para no. <b>Part A</b> of <b>Main Audit Report</b> at Page no ..15&16
4	4.6	Report in a separate chapter on implementation of SAS of	Complied in Para no. <b>Part</b>



		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 SASis received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actuals as per internal audits;	<b>A(Annexure B) of Main Audit Report at Page no .15..</b>
5	4.7	Voucher 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. 9 <b>(Vouching)</b> of Part 2of <b>Executive Summary</b> at Page no ..8..
6	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 6 of Part B of <b>Main Audit Report</b> at Page no ..18..
7	4.10	Internal Audit can also, provide recommendations to help the ULB management improve the ULB's internal control environment;	Complied in para no.5 of <b>Executive Summary</b> at Page no ..7. and <b>Part A of Main Audit Report</b> at page no.13&14.
8	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. <b>Part A</b> of <b>Main Audit Report</b> at Page no ..13,14,&15..



EXECUTIVE SUMMARY**1. Introduction**

Name of the Municipality	Bairgania Nagar Panchayat
Period Covered under Current Audit	1 <sup>st</sup> April 2015 to 31 <sup>st</sup> March 2016
Name of the Chief Municipal Officer for the period under Audit	Smt. Meera Kumari
Audit Conducted on	8-9 <sup>th</sup> June 2016, 28 <sup>th</sup> Sept 2016, 2 <sup>nd</sup> November 2016, 31 <sup>st</sup> Dec 2016, 25 <sup>th</sup> Feb 2017, 8 <sup>th</sup> April 2017, 17 <sup>th</sup> April 2017, 18 <sup>th</sup> April 2017

**2. Result and Findings**

The **major Weaknesses** and observations during the course of internal audit have been found & discussed with the Executive Officer & Accountant of the Nagar Panchayat.

1. Delay in Deposit of Collected Holding/Property Tax by the Tax Collector.
2. Daily Collection Register is not maintained by Tax Inspector, Tax Collector & Nazir.
3. Failed to Collect Mobile Tower Tax. Even Till date of audit the ULB has not prepared outstanding demand chart.
4. Vouchers were not properly kept and arranged and renumbered.
5. Bank Reconciliation Statement not Prepared by the ULB..
6. Lacking of Internal Control on Collection of Taxes.
7. Nagar Parishad has failed to comply with certain rules and directives of UD & HD.
  - a). Directives relating to forming a "Municipal Accounts Committee" have not been complied till date.
  - b). Directives relating to prepare a practical budget have not been complied with
8. There is no proper cash handling neither any locker was kept by the ULB.
9. Non Maintenance of Prescribed books of account.
10. Yes, All moneys have been brought to account.
11. No, Collections have not been deposited into Bank on the same day.
12. Monthly Receipt & Payment Account and Trial Balance is not being made.
13. No Self Assessment of property tax is being done.
14. Yes. there is no any system of issuance of utilization certificate for the different schemes for any utilisation made during the reporting period.



**3. Weakness observed in the functioning of office,maintenance of records etc. observed during the audit engagement**

1. There is a lack of internal control w,r,t collection of taxes.
2. Failed to Collect Mobile Tower Tax/Fees of Rs 769200/- **As per Annexure- B**
3. On deduction of taxes, liability is not created hence it is difficult to ascertain tax payable at any point of time.
4. Taxes collected by Tax Collector are not deposited on daily basis.
5. Demand and collection register is not properly prepared by the Nagar Panchayat.
6. There is no proper cash handling neither any locker was kept by the ULB.
7. Deduction and contribution of EPF and payment thereof has been made but such EPF has been deposited in the separate account instead of Employee Provident Fund A/c.
8. Fixed Assets Register is not maintained by the ULB.

**4. Opinion**

As referred above and detailed in 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 by the Officers of concerned ULB. Record Keeping is not proper.

**5. Audit Recommendation**

The concerned officers should explore other areas of Revenue Generations by surveying their area has Tower Tax, Advertisement Tax ,Holding Fee, Trade License Fees, Others Fees and Taxes. Record keeping should done properly that any document can 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 making the system perfect.

**6. Fixed Assets Register**

- I. The procurement of fixed assets is not proper and non-maintenance of Fixed Asset Register would lead to failure of determining the replacement cost.
- II. There is lack of knowledge in respect of maintaining fixed assets register amongst the ULB personals.
- III. Any loss and obsolescence of fixed assets during the year has not been reported to us.

**7. Bank Reconciliation Statement:-**

- I. Bank Reconciliation statement not prepared by ULB, thus we are unable to comment on Difference between Balance of Cash book & Bank Book.
- II. During the discussion we are suggest for the preparation of BRS on monthly basis for each schemes.

**8. Vehicle Log Book:-** No any vehicle in the ULB.



**9. Vouching:-** in ULB there is no system of preparation of vouchers and payment has been done only though Bill/Invoices there is no where mention the voucher no. not even on the Bill/invoices and without a voucher no. it is a tough task to identify any particular day vouchers and Bill/Invoices.

**10. Opinion**

**We suggest the followings: Audit Recommendations**

1. All the prescribed books of accounts and Registers should be prepared on real time basis.
2. TDS should be deducted from salary, if applicable.
3. Bank reconciliation Statement should be prepared on monthly basis.
4. Demand & Collection Register of all the wards should be prepared as per BMAM format and calculation should be done as per new assessment.
5. Collection from own sources should be improved.
6. Collection by tax collector should be deposited on daily basis.
7. Compliance of AG audit report should be made as early as report is received.
8. Cashier I Cash Book should be maintain.
9. New staff should be equipped with regular training to run the ULB smoothly.

**Acknowledgment**

We thank Mrs. Meera Kumari(Executive Officer)for his support during the period of our audit We are also thankful to Mr. Sonu Ray (Accountant)Tax Daroga,Computer Operator and support staffs of the municipality for their cooperation extended to us during the period of our audit.

Place: Ranchi  
Date: 31.03.2017

**For R. Shah & Co.**  
Chartered Accountants  
FRN No.- 502010C



*Neetu Jeani*  
**CA. Neetu Jeani**  
(Partner)  
M.N.- 406561



**MAIN AUDIT REPORT****1. Introduction**

The Internal audit of Nagar Panchayat Bairgania covering period from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March, 2016 was conducted by following persons under guidance of CA Neetu Jejani.

- i. Rana Burha Gohain
- ii. Ajay Singh
- iii. Anjali Singh

**2. Administration**

The present body of the ULB is functioning since March 2015. The incumbency in the key administrative and executive position was as under:

1. Shri Md Basir Ansari, Chairman from 06/09/2012 to till date.
2. Smt. Merrra KLumari, Executive officer from Sept 2015 till date.

**3. Review of outstanding audit paras : Status of Audit Observations are as under:**

Sl. No.	Particulars of Audit and date of report	Total No. of Audit Paras.	Total No. of audit paras where necessary improvement/ corrective measure is required	Total No. of audit paras where recovery of cash is proposed	Total No. of audit paras where recovery has been made	Total amount of Recovery	Total No. of outstanding paras where no action has been taken	No. & date of Compliance report
1	AG Audit Date( 12/03/2013	21	21	04	0	0	12	NIL

**Particulars of outstanding audit paras is given below:-**

No Current Audit have been conducted by the N.P. Audit observation – As per our last Audit Report.



4. Finance

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

Year	2015-16	2014-15	2013-14
Final/ Revised Budget	124402471.00	179754660.00	192673971.00
Actual Expenditure	64874135.90	29683843.78	22503755.00
Savings (+)/ Excess (-)	(+)59528335.10	(+) 150070816.22	(+) 170170216.00

## II. Volume of transactions

Period	Budgeted (15-16)	Previous year(14-15)	Corresponding Period of Previous year (14-15)	Current Period (15-16)	Cumulative for the currentperiod (15-16)
Opening Balance		47787246.78	47787246.78	47963381.00	47963381.00
Receipts	124402471.00	29859978.00	29859978.00	80426693.48	80426693.48
<b>TOTAL</b>	124402471.00	77647224.78	77647224.78	128390075.26	128390075.26
Net Expenditure	64874135.90	29683843.78	29683843.78	64874135.90	64874135.90
<b>Closing Balance</b>	<b>59528335.10</b>	<b>47963381.00</b>	<b>47963381.00</b>	<b>63515940.14</b>	<b>63515940.14</b>



**Recommendation:**

There should be proper monitoring and further steps are required to be taken for Registration and collection of Power Tax by concerned ULB at the earliest.

**Trade License:-** As per section 342 of Bihar Municipal Act,2007,Trade license fee is to be collected from different types of Trader, who are trading in Concerned ULB's area but during the F.Y.2015-16 Trade license fee has not been collected..

Survey for Assess of Trade License not provided to us during the course of audit.

**Advertisement Tax:-**chapter XVII of the Bihar Municipal Act,2007 requires license for advertisement of any hording, etc. as per the act Every Person who erects, exhibits, fixes or retains upon or over any land, building ,wall, boarding, frame, post, kiosk, structure, vehicle, neon-sign or sky-sign any advertisement, or display any advertisement to public view in any manner whatsoever (including any advertisement exhibited by means of cinematograph),visible from a public street a public place in any location in a municipal area including airport or a port or a railway station ,shall pay or every advertisement, which is so erected ,exhibited, fixed or retained or so displayed to public view, a tax calculated at such rate as may be determined regulations. it requires payment of certain fee for advertisement. No record regarding the same has been made available to us during the course of Audit.

**Maintenance of Cash Book:-**

- I. Cash book is not closed on daily basis and signed by Accountant and officer on monthly basis.
- II. Cash collected during the day has not been remitted to the bank on the next working day.

**Statutory Deductions****Tax Deducted at Source(TDS):-**

- I. TDS has been deducted at the rate 2.26 % in all contractor Payment (Construction Works).
- II. TDS has not been paid to Concerned Govt. Department within stipulated Due date.
- III. TDS for whole financial year has been deposited at the year end.This is not proper.Quarterly Return has not been filed till date of our audit. As per Sec.234E Of Income Tax Act,1961 late fees of RS.200 Per day is imposed if the return is not filed within the Due date. Due date from F.Y. 2016-17 is for 1<sup>st</sup> quarter is 31<sup>st</sup> July,for 2<sup>nd</sup> quarter 31<sup>st</sup> October,for 3<sup>rd</sup> quarter 31<sup>st</sup> January and for 4<sup>th</sup> quarter is 31<sup>st</sup> May.

- 1) **VAT, Royalty &Labour Cess:-** These taxes are deducted from different type of Contractors & Suppliers. these taxes are deducted on the payment to contractor and deposited in appropriate Govt. of different Department as like Bihar Commercial Taxes Dept. Mining Dept & Labour Dept. these taxes are required to be deducted at the time of accrual or payment whichever is earlier but in the concerned ULB all taxes paid to the appropriate Govt. Account after the Stipulated Due Date.



Taxes such as Sales Tax(VAT), Royalty, and Labour Cess etc are collected from time to time but payments were made after due date which is not proper.

**Pay-Roll Register:-** During the course of Audit the Pay-roll system is functioning satisfactorily, but ESI, PF contribution, LTA have not been deducted from salary. Only TDS has been deducted from EO salary.

**Inventory/Stores Register:-**Inventory/Stores Register has been maintained but not proper.

**Grant Register & Utilization Certificates:-** Grant Register has been maintained by the ULB and upon enquiry of status of Utilization certificate, the E.O. and Head Clerk has explained to us that all Utilization certificates relating to financial year 2015-16 and prior period has already been submitted to concerned office.

Summary of utilization certificates given to us.

**Deduction of PF:-**Deduction of PF have been made but payment have not been made due date.

**Report on findings of field survey of Property Tax of minimum 20 high value properties**

Field survey of 20 high value properties is attached herewith but property tax register is under preparation and demand & collection register were not updated and not maintain properly. So in this regard we checked 20high value property on the basis of available data.(Annexure – B)



**PART-B**

All audit objections/ irregularities which have no monetary implication, but significant violation of Act, Rules & directives of UD & HD. Mention the reference Act & Rules wherein remedial measures is required. In this part auditor should report in respect of –

**1. Non- maintenance of books of accounts , subsidiary registers**

**Maintenance of Books Of Accounts:** As per Bihar Municipal Accounting Manual following primary books of accounts are required to be maintained.

- 1. Cash Book (Form Gen-IA)**
- 2. Bank Book (Form Gen-IB)**
- 3. Journal Book (Form Gen-2)**
- 4. Ledger (Form Gen-3)**

The N.P. is maintaining General Cash Book, Subsidiary Cash Books/ Bank Book.

In addition to above following other General Registers and forms are required to be maintained but the same are not being maintained or not properly maintained-

- Receipt GEN-8
- Receipt Register GEN-9
- Statement on Status of Cheques Received GEN-10
- Collection Register GEN-11
- Memorandum of Collection GEN-12
- Summary of Daily Collection GEN-13
- Register of Bills for Payment GEN-14
- Payment Order GEN-15
- Cheque Issue Register GEN-16
- Register of Advance GEN-17
- Register of Permanent Advance GEN-18
- Deposit Register GEN-19
- Summary Statement of Deposits Adjusted GEN-20
- Demand Register GEN-21
- Bill for Municipal Dues GEN-22
- Summary Statement of Bills Raised GEN-23
- Register of Notice Fee, Warrant Fee, Other Fees GEN-24
- Summary Statement of Notice Fee, Warrant Fee, Other Fees GEN-25
- Register of Refunds, Remissions and Write-offs GEN-26
- Summary Statement of Refunds and Remissions GEN-27
- Summary Statement of Write-Offs GEN-28
- Statement of Outstanding Liability for Expenses GEN-29
- Documents Control Register-30
- Register of Immovable Property GEN-31
- Register of Movable Property GEN-32



- Register of Land GEN-33
- Function-wise Income Subsidiary Ledger GEN-34
- Function-wise Expense Subsidiary Ledger GEN-35
- Asset Replacement Register GEN-36
- Register of Public Lighting System GEN-37

## 2. Irregularity in procurement process

No major irregularity observed during the audit.

## 3. Non-compliance of directives by UD & HD , GOB

There are certain directives which are not being comply by the concerned ULB regularly ,list of non Complied directives are following:

- Directives relating to forming a "Municipal Accounts Committee" have not been complied till date.
- Directives relating to preparation of practical budget was not followed by the ULB.
- Directives relating to not to hire any individual as a daily wages worker by the UD & HD through letter no.-04-U.H./1/99/1986/U.D.D25/06/01,but the concerned ULB has failed to comply this directives.

It has been observed during the audit that the concerned ULB has been Failed to comply certain provisions of Bihar Municipal Act. with respect to Section 86 of Bihar Municipal Act,2007,Executive Officer of ULBs should prepare Income and Expenditure Accounts. Further as per Section 88, Executive Officer Should Prepare a financial statement Assets and Liabilities from the date of ending of Financial year. As per Section 89 he should prepare a comparative statement to "Standing Committee" for the approval ,but the concerned ULB has failed to do so.

## 4. Non Compliance of Act & Rules

Various books of accounts and records, as provided in the Bihar Municipal Accounting Act and Rules are not maintained.

## 5. Non-compliance of TDS, VAT and other relevant Statute

Tax deducted at source of Income Tax, VAT & Royalty are deposited on yearly basis which is not proper it should be deposited within the due date prescribed under the respective statute. We observed that Income Tax, VAT, Royalty & labour cess for whole financial year have been deposited end of the year.

## 6. Deficiency in Pay-roll System

The pay-roll system is functioning satisfactory. But ESI, Pension fund contribution, LTA have not been deducted from salary only TDS has been deducted from EO salary.



**6. Utilization of Grant and report on missing Utilization Certificates**

Grant Register has not been prepared hence it is difficult to ascertain unutilized grant at any particular time. As explained to us, details of unspent balance has been given to us and Utilization certificates up to 31.03.2016 has been sent to the Government A Summary of Utilization certificate provided to us during the course of audit has been attached at the end of report.

**7. Physical verification of inventory/Stores**

Store Register has been prepared but proper entry was not entered in proper way and physical verification of inventory/stores has not been done.

**8. Advances, their adjustment & recovery**

Advance Register has not been prepared hence it is very difficult to monitor advances, their recovery and adjustment. Hence, there is a possibility of defalcation of cash. As discussed with the Accountant there is no advance given to anyone for the financial year 2015-2016.

**9. Any other matters as may be prescribed in due course.**

Staff Accountant should be provided with necessary training to prepare the books for smooth operations ULB.



**PART- C**

**General Observations: Auditor should report the deficiencies noticed during their audit and recommend ULB Management to improve internal systems.**

**A. Whether the postings for the entries in the books of original entry have been correctly made in the respective ledger accounts**

No, Ledger accounts have not been prepared by the Nagar Panchayat.

**B. Whether all the books of accounts and supplementary registers that are prescribed in the Accounts Manual / other applicable regulations have been properly maintained by the ULB**  
List attached above .

**C. Whether the Quarterly Financial Statements have been compiled on the basis of the actual entries in the books of accounts**

No quarterly Financial Statements have been prepared by the N.P.

**D. Whether the period-end and reconciliation procedures prescribed have been carried out.**

No, period-end and reconciliation procedures as prescribed have not been carried out.

**E. Whether the Bank Reconciliation statements have been prepared and are appropriate.**

Bank reconciliation statement has not been prepared by the N.P.

**F. Whether all grants from Government have been accounted at gross value with proper entries to various accounts.**

Yes, all grants from Government have been accounted at gross value but all transactions are not correctly classified with sufficient details.

**G. Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated in sufficient detail.**

No, all transactions have been classified as incomes and expenditure Only. Assets and liabilities have not been recognized.

**H. Whether all grants sanctioned or received by them municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB? Whether such deductions have been properly accounted.**

Grant received during the year has been properly Accounted for. Information about grant sanctioned and deductions made out of such grant is not available with the ULB.

**I. Whether any Special Funds have been created as per the provision of any statute and whether the Special Funds have been utilized for the purposes for which they have been created.**

No Special fund has been created by the ULB.

**J. In respect of contracts that are in existence during the year, whether there are any deviations from the sanctioned plans and the estimates without the sanction of the competent authority.**

On our test check we did not notice any major deviation.





- K. Whether the ULB is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account.**  
No, record of fixed assets has not been maintained by the ULB. Physical verification of fixed assets has not been done during the financial year under audit.
- L. Whether in case of leasehold property given by the ULB, lease rentals are collected regularly by the ULB and that the lease agreements are renewed after their expiry.**  
As explained to us, no property of the ULB has been given on lease.
- M. Whether physical verification has been conducted by the ULB at reasonable intervals in respect of stores.**  
No, physical verification of stores has not been conducted by the ULB at reasonable intervals.
- N. Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate? If not, the inadequacies in such procedures should be reported.**  
No physical verification done.
- O. Whether any material discrepancies have been noticed on physical verification of stores as compared to book records, and if so, whether the same has been properly dealt with in the books of account.**  
No physical verification done.
- P. Whether proper procedures are in place to identify any unserviceable or damaged stores and whether provision for the loss in this respect, if any, has been made in the accounts.**  
No there are no procedures are in place to identify any unserviceable or damaged stores.
- Q. Whether the valuation of stores is in accordance with the accounting principles laid down in the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of such deviation, if material, should be reported.**  
No valuation of stores has been done.
- R. Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the interest and if not, whether reasonable steps have been taken by the municipality for recovery of the principal and interest?**  
There is no case loans and advances..
- S. Whether advances given to municipal employees and interest thereon are being regularly recovered.**  
Advance has not been given to employees by the ULB..
- T. Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets?**

