

**URBAN DEVELOPMENT & HOUSING DEPARTMENT (GOVT) OF BIHAR)**

**INTERNAL AUDIT REPORT**

**OF  
BETTIAH NAGAR PARISHAD**

**FOR THE PERIOD FROM 01/04/2014 TO 31/03/2015**

**Report Issued On July 16, 2016**

**Conducted by:  
P. JYOTI & CO.  
(Chartered Accountants)**

**201, Kedar Bhawan, Near Federal Bank, S.P.Varma Road, Patna - 800001  
Mobile No.: +91-9431245241, E-mail: pjyotica@gmail.com.**



**P. Jyoti & Co.**

Chartered Accountants

To,

The Director,  
UD & HD  
VikashBhawan New Secretariat,  
Patna (Bihar)

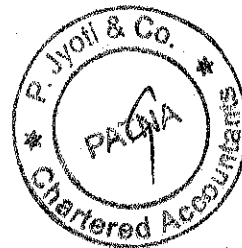
**MANAGEMENT REPRESENTATION LETTER**

Dear Sir,

This representation letter is provided in connection with the Internal audit of the financial statements of **Bettiah Nagar Parishad** for the Financial Year ended on **MARCH 31, 2015** in accordance with the Appointment Letter issued by you and other guidelines provided to us from time to time For the purpose of expressing an opinion as to whether the effectiveness of accounting, financial and other operations and controls as an aid to management to achieve its goals of delivering its various objectives. By constant review and appraisal of the workings of the systems and procedures introduced, Internal Audit enables management to control and utilize widespread resources properly. It acts as eyes and ears of management in implementing its plans and decisions since most management decisions have financial implications on its affairs.

PLACE: PATNA  
DATE: 16.07.2016

FOR P. JYOTI & CO.  
[Chartered Accountants]  
FRN: 010237C



*G. K. Sinha*

[CA. G. K. SINHA]  
Partner

Membership No.: 426588

**• PATNA • SAMASTIPUR • NEW DELHI • RANCHI • MUZAFFARPUR**

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## EXECUTIVE SUMMARY

### 1. Introduction:

#### BRIEF DETAILS OF AUDITEE AND AUDITOR

Name of the Municipality	Nagar Parishad Bettiah
Period covered under current audit	01.04.2014 to 31.03.2015
Name of Chief Municipal Officer for the period under Audit	01/04/2014 to 06/09/2014:- Ajay Kumar Singh 07/09/2014 to 31/03/2015:- Akhileshwar Prasad Verma
Name & Address of Audit Team:	P. JYOTI & CO. (Chartered Accountants), 201, Kedar Bhawan, S.P. Verma Road, Patna

### 2. Results and Findings:

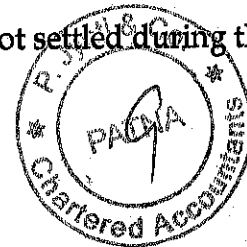
#### Strengths observed during the audit engagement:-

Nil

#### Weaknesses observed in the functioning of office, maintenance of records etc.

#### Observed during the audit engagement:-

- 1) Assessment Register is not maintain and ULB has no record regarding number of Holding in its municipal area.
- 2) Holding tax is not collected from Govt./Semi-Govt Holding.
- 3) Outstanding Mobile Transmission tower tax of Rs. 84,849,436.
- 4) Estimated loss of revenue up to 31/03/2015 from shop rent from Located at Power house, Bus stand, Jabah Khana, Alok, Alok Bharti is Rs. 505,449.00 due to non collection.
- 5) Service tax is not paid by ULB.
- 6) Following files are not provided:
  - a) Procurement Register
  - b) Advance Register- Advances given to employee are not settled during the year.
  - c) Scheme wise Register
- 7) TDS is not deposited on due date.
- 8) Bank Reconciliation is not prepared.
- 9) Lack of Staff for proper Functioning.



- 10) Scheme wise subsidiary book has not been maintained.
- 11) Separate scheme wise Ledger not maintained.
- 12) Properly voucher not maintained for collection of property tax.

**3. Opinion:**

a) We have obtained all the information and explanations, which to the best Of our knowledge and belief were necessary for the purpose of our audit.

b) In our opinion, no proper books of account have been kept by the ULB so far it appears from our examinations of those books, and

c) In our opinion and to the best of our information and according to the explanation given to us, the detailed report annexed with report gives true and fair view.

**4. Audit Recommendations:**

- a) Proper books of accounts should be maintained in double entry system.
- b) There should be proper internal control.
- c) Assessment of Property should do at regular interval.
- d) Proper action should be taken against irresponsible employee.
- f) Statutory compliance should be done.

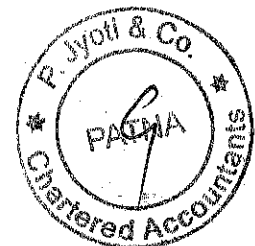
**5. Comments from Management:**

Discussion Note is attached as Annexure-1

**6. Acknowledgement:**

We acknowledge our responsibility for expressing a professional opinion on the effectiveness of the overall financial management and to verify and review the activities of all cost centers so as to assist them in seeing,

- a. that the assets of the entity are properly protected and accounted for,
- b. that current transactions are promptly and completely recorded,
- c. that faulty, inefficient or fraudulent operations are revealed, and
- d. that the entity is adequately protected against waste, fraud and loss.



## DETAILED AUDIT REPORT

### 1. INTRODUCTION :

The Internal audit of Bettiah Nagar Parishad covering period from 01-04-2014 to 31-03-2015 was conducted by following person Under Guidance of CA. GOVIND KUMAR SINHA

- i) Sudhir Kumar Sinha, Audit manager
- ii) Dhiraj Kumar, Audit Executive
- iii) Aniket Kumar, Audit Executive
- iv) Niraj Kumar, Audit Executive

### 2. ADMINISTRATION :

The present body of ULB has taken charge on June 6, 2012 .The incumbency in the key in the key administrative and executive position was as under:-

Sri Janak Sah, Chairman.

Shri Ajay Kumar Singh, Executive Officer, From 01/04/2014 to 06/09/2014

Shri Akhileshwar Prasad Verma, Executive Officer 07/09/2014 to 31/03/2015

### 3. REVIEW OF OUTSTANDING AUDIT PARAS: Status of Audit Observation is as under :

Sl no	Particulars of Audit & 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. & dated of compliance report
1	C&AG Report of the Financial Year 2013-14 to 2014-15	26	15	6	Nil	Nil	15	Compliance Report is not provided till 18 <sup>th</sup> feb 2016



**Particular of Outstanding Paras of AG Audit is given below:**

S. No.	Particulars
Part- 1 (Point- 14)	Differences in Cash book and pass book and Bank reconciliation is not made properly
Part II (Point - 1)	Irregularity in procurement of Rikshaw, Thela and Dustbin
Part II (Point - 2)	Outstanding of Mobile Tower Transmission Tax of Rs 848.49 Lakh
Part II (Point - 3)	Less/Non collection of holding Tax or misc. Tax of Rs 285607.00
Part II (Point - 4)	Irregularity in Collection Sairat (a) Loss of Rs 16.67 Lakh due to endowment (b) Non/Less Collection of Stamp Duty (c) Non-Clearance of Sairat endowment of Rs 57.21 Lakh
Part II (Point - 5)	Re-appointment of Suspended employee Mr Abhay Chandra Kumar and Mr. Harendra Patel without proper approval.
Part II (Point - 6)	Irregularity in fixation of increment of salary
Part II (Point - 7)	Pending of adjustment of "Kabeer Antyeshthi Fund" of Rs 861000/-
Part II (Point - 8)	Outstanding Shop Rent is not deposited of Rs 4.85 Lakh
Part III (Point -1)	Nagar Parishad has not maintaining S. No. of Tax Challan book
Part III (Point -2)	Inventory Book is Not maintained properly
Part III (Point -3)	Irregularity in Issue of Fuel Coupon
Part III (Point -4)	Irregularity in Log-Book

**4. FINANCE:**

**i) Budgetary provisions and expenditure for the last three years:-**

Year	2011-2012	2012-2013	2013-2014
Final Revised Budget	124445000	116944400	185768880
Actual Expenditure	Not Provided	Not Provided	90135372
Savings (+)/Excess(-)	Not Provided	Not Provided	95633508

Note:- Budget for Financial Year 2011-12, 2012-13 & 2013-14 not provided to us from Concerned Authorities.

**ii) VOLUME OF TRANSACTIONS:-**

Period	Budgeted	Previous Year (For one Year)	Corresponding Period of Previous Year	Current Period	Cumulative for the current Period
Opening Balance	7,58,50,041.00	16,01,98,945.00	16,01,98,945.00	139,187,451.35	139,187,451.35
Receipts	6,01,97,097.00	8,87,01,625.00	8,87,01,625.00	352,425,560.29	352,425,560.29

<b>Total</b>	<b>13,60,47,138.00</b>	<b>24,89,00,570.00</b>	<b>24,89,00,570.00</b>	<b>491,613,011.64</b>	<b>491,613,011.64</b>
Net expenditure	6,38,93,130.00	9,01,35,372.00	9,01,35,372.00	140,787,641.16	140,787,641.16
<b>Closing Balance</b>	<b>7,21,54,008.00</b>	<b>15,87,65,198.00</b>	<b>15,87,65,198.00</b>	<b>369017328.46</b>	<b>369017328.46</b>

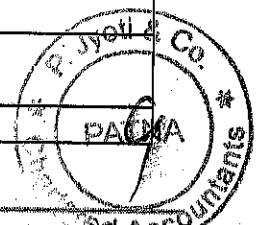
iii) **BANK RECONCILIATION :**

Bank Reconciliation is not prepared by the ULB.

"Here Scheme wise Cash Book Not Maintain By Bettiah Nagar Parishad only last of month of March, 2015 all the Bank Balance as on 31<sup>st</sup> March, 2015 show in Cash Book.

Detail of Bank Balance as on 31.03.2015 as below.

SI No	Name of Bank	A/C No	Balance as on 31.03.2015
1	Bank of Baroda	897	478533.60
2	Bank of Baroda	549	5619463.00
3	Axis Bank	417	1363072.12
4	Axis Bank	4050	1074937.00
5	Axis Bank	824	4595220.00
6	Axis Bank	468	3904252.00
7	Allahabad Bank	839	189670.00
8	Allahabad Bank	755	3117145.60
9	Allahabad Bank	252	2915186.00
10	Punjab National Bank	732	3847036.00
11	Punjab National Bank	4005	821497.00
12	Punjab National Bank	446	892564.00
13	Punjab National Bank	512	123078.00
14	Punjab National Bank	741	8649371.00
15	Punjab National Bank	9014	1944233.00
16	Central Bank Of India	6452	471418.00
17	Central Bank Of India	1173	1620604.00
18	Union Bank of India	547	69,13,408.00
19	Union Bank of India	559	4970.00
20	Union Bank of India	1129	97609.00
21	Union Bank of India	483	104824.00
22	Union Bank of India	693	13740.00



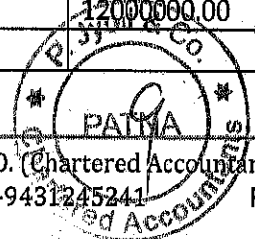
23	Union Bank of India	1300	73117.00
24	IDBI Bank	6713	10109581.00
25	Gramin Bank A/C	317	66859.00
26	Bank of India	703	353058.00
27	Uco Bank	1439	6677.00
28	Canara Bank	452	56548.00
29	GraminBank	4426	10964.00
30	State Bank of India	240	306550.00
31	State Bank of India	493	793979.00
32	State Bank of India	797	87885.00
33	State Bank of India	5155	1960236.00
34	United Bank Of India	665	2000000.00

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	5,36,38,000	4,08,12,550	4,08,12,550	3,33,66,669	3,33,66,669
Assigned Revenue	6,29,25,000	1,05,000	1,05,000	6,28,51,426	6,28,51,426
Other (Fee & User Charges)	5,15,35,000	4,63,11,206	4,63,11,206	28,48,30,016	28,48,30,016
(b) Administrative Grant					
(c) Specific Grant (Scheme Wise)					See below

Scheme wise detailed of Grant -in-Aid received are as follows:

Head of Specific Grant	Amount
4 <sup>th</sup> State finance	39474380.00
12 <sup>th</sup> Finance Commission	0
13 <sup>th</sup> Finance	21408279.00
State Plan	12000000.00
BRGF	





5. **AUDIT OBSERVATIONS:**

I. Part- A(a)

In this part, we have disclosed the details of All Audit objections/irregularities which have monetary implication, particularly in following areas:

1. **Non Collection of Holding tax**

**Audit Objective-** As per point no. 4.4 of TOR.

**Criteria-** Holding Tax is levied by the ULB on the Property located in municipal area. It is the largest sources of revenue for the ULB.

**Condition-** ULB is not collecting Holding tax from all Holding. ULB has not maintained any detail regarding number of holding, due to which it is not possible to estimate Holding Tax and to collect it.

**Consequence/Effect/Impact-** Due to non collection there is huge revenue loss to the ULB. Exact loss cannot be provided because we do not have whole detail of holding.

**Cause-** This happen due to lack of staff in the ULB.

**Corrective Action/ Recommendation-** Proper staff should be provided to the ULB so that whole tax could to collected.

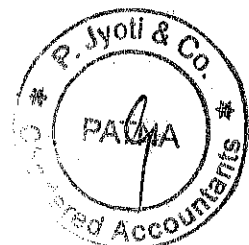
2. **Outstanding Shop Rent from Shop Located at Power house, Bus stand, Jabah Khana, Alok, Alok Bharti:**

**Audit objective-** As per point no. 4.4 of TOR.

**Criteria-** Rent on the property belonging to ULB should be collected by on due date otherwise on the late payment interest should be collected.

**Condition-** Rent is outstanding from many shops belonging to ULB from many years.

a) Shop rent outstanding from shop at Power House- Detail is given below:



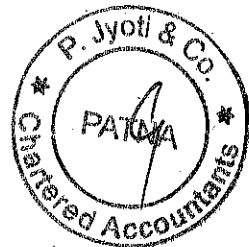
DFID	2359750.00
NULM	6065919.00
Construction of Samrath Ashok Bhawan	10,00,000.00
Road, Meter, Supply , Lighting etc	44,36,258.00
BijaleeVikash Allotment	1,63,18,430.00

v) **STATUS OF IMPLEMENTATION OF DOUBLE ENTRY ACCOUNTING SYSTEM:**

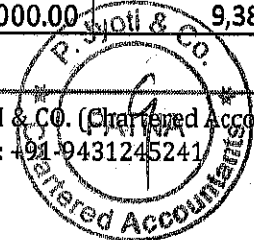
Double entry accounting system enforced from 1st April 2007 but in ULB double entry system is not implemented till now. Due to which accounts getting complicated.

**VI) No detail of meetings of municipal Accounts Committee:**

As per section 100 of the Bihar Municipal Act, The Municipality shall, at its first meeting in each year or as soon as may be at any meeting subsequent thereto, constitute a Municipal Accounts Committee, but in concerned ULB this committee is not yet formed.



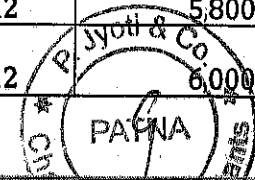
<b>SHOP AT POWER HOUSE :-</b>				
<b>NAME OF SHOP KEEPER</b>	<b>SHOP NO.</b>	<b>OUTSTANDING AMOUNT as on 31/03/2014</b>	<b>Estimated Rent for the Financial year 2014-15</b>	<b>Total Outstanding as on 31/03/2015 (Rs.)</b>
MR. HASAN	1	10,444.00	3,000.00	13,444.00
MD. AKTAR	2	11,696.00	3,000.00	14,696.00
ALOK KUMAR	5	7,788.00	3,000.00	10,788.00
MADAN MISTRI	9	7,689.00	3,000.00	10,689.00
RAJ KUMAR	10	4,800.00	3,000.00	7,800.00
VAKIL MAHTO	12	54,741.00	3,000.00	57,741.00
RAJENDRA PRASAD	13	3,724.00	3,000.00	6,724.00
SURENDRA PRASAD	14	15,882.00	3,000.00	18,882.00
BAGAR MAHTO	15	6,384.00	3,000.00	9,384.00
SMT. LAKHI DEVI	16	6,384.00	3,000.00	9,384.00
RAMCHANDRA PRASAD	17	12,351.00	3,000.00	15,351.00
SHANKAR PRASAD	18	8,152.00	3,000.00	11,152.00
CHOTELAL SAH	19	6,384.00	3,000.00	9,384.00
BHIKARI SHARMA	20	9,699.00	3,000.00	12,699.00
SANJAY KUMAR	21	798.00	3,000.00	3,798.00
KAPIL DEV SAH	22	3,192.00	3,000.00	6,192.00
KRIPA MISTRI	23	3,458.00	3,000.00	6,458.00
BIRENDRA PRASAD	25	12,351.00	3,000.00	15,351.00
NIRAJ KUMAR	28	5,852.00	3,000.00	8,852.00
SURENDRA KUMAR	29	11,025.00	3,000.00	14,025.00
SURESH PRASAD	30	6,384.00	3,000.00	9,384.00



OM PRAKASH	31	4,800.00	3,000.00	7,800.00
ANAND KISHORE	34	21,191.00	3,000.00	24,191.00
Total Outstanding as on 31/03/2015				304,169.00

b) Shop Rent Outstanding at Bus stand, Jabah Khana, Alok, Alok Bharti.

SHOP AT BUS STAND, JABAH KHANA, ALOK BHARTI				
NAME OF SHOP KEEPER	SHOP NO.	LOCATION	OUTSTANDING SINCE	OUTSTANDING AMOUNT(Rs.)
PAYAR MISTRI	N.A	WD. NO.-35	27.01.2012	14,040.00
KANHAI MISTRI	4	WD. NO.-5	24.01.2012	14,040.00
NAGAD AHMAD	5	WD. NO.-13	21.01.2012	14,040.00
BALI RAM RAI	6	WD. NO.-38	21.01.2012	14,040.00
MD. EKRAMUDDIN	7	WD. NO.-12	27.01.2012	14,040.00
LAREMAN MISTRI	10	KHADDA NAITAN, WEST CHAMPARAN	24.10.2012	14,040.00
RAJEEV PANDEY	12	DAK BANGLA ROAD	21.01.2012	14,040.00
LALAN SAH	13	KARGAHIYA	26.09.2013	6,480.00
NAND KISHORE	4	HARIWATIKA	21.01.2012	14,040.00
PD. VERMA	5	HARIWATIKA	21.01.2012	14,040.00
ARUN KUMAR	8	KIP MUHHALA	11.02.2012	14,040.00
ALOK KUMAR VERMA	9	STATION CHOWK	21.01.2012	14,040.00
JAI PRAKASH VERMA	2	WARD NO. - 2	03.12.2013	5,760.00
MD. ALI	3	N.M.	10.10.2012	6,000.00
RAMESH CHANDRA	5	WARD NO. - 4	31.03.2013	4,800.00
MANOJ KUMAR	6	WARD NO. - 2	31.11.2012	5,800.00
SRI DEV MAHTO	7	KALI BAGH	10.10.2012	6,000.00



SHAMBHU PRASAD	8	EAST OF COLLECTRIAT	01.09.2012	6,000.00
GANESH MISHRA	13	EAST OF COLLECTRIAT	01.10.2012	6,000.00
<b>Total</b>				<b>201,280.00</b>

**Consequence/Effect/ Impact-** Estimated loss of revenue up to 31/03/2015 from shop rent from Located at Power house, Bus stand, Jabah Khana, Alok, Alok Bharti is Rs. 505,449.00.

**Cause -** This happen due to non follow up and monitoring of activities of concerned person by the concerned authorities /officer on regular interval. The ULB does not have proper mechanisms for the supervision and monitoring of Rent which result in revenue Loss.

**Corrective Action/Recommendation-** There should be proper monitoring and further steps are required be taken for the collection of shop rent by concerned ULB.

### **3. Non collection of Mobile Transmission Tower Tax of Rs.84,849,436:**

**Audit Objective-** As per point no. 4.4 of TOR.

**Criteria-** Tower tax is tax on mobile transmission tower & related structure as defined in Bihar Communication Tower and related structure Rules, 2012. As per the rule all operator are required to register with their concerned ULB and pay registration fee & renewal fee on annual basis for the tower erected within municipal area. Currently registration fee is Rs. 40000/- tower and annual renewal fee is Rs. 10000/- per annum per tower.

**Condition-** In the ULB mobile Tower tax is not collected. There is outstanding tower tax is Rs. 84849436. As detail provided in Annexure-1.

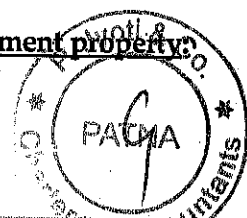
**Consequence/Effect/ Impact-** Due to non collection of tower tax there is huge loss to the ULB of estimated Rs.84,849736.

**Cause-** Lack of staff and non monitoring of work by the concerned officers.

**Corrective Action/Recommendation-** There should be proper monitoring and further steps are required to be taken for collection of Mobile Tower Tax.

### **4. Non Collection of holding Tax from Government/Semi-government property:**

**Audit Objective-** As per point no. 4.4 of TOR.



**Criteria-** Holding Tax is levied by the ULB on the Property located in municipal area. It is the largest sources of revenue for the ULB.

**Condition-** Holding tax is not collected by the ULB on Govt. holding.

**Consequence/Effect/Impact-** Due to non collection of holding tax on govt. holding there is huge loss of revenue to the ULB.

**Cause-** Lack of proper monitoring and number of staff.

**Corrective Action/Recommendation-** Proper staff should be provided to the ULB so that whole tax could to collect.

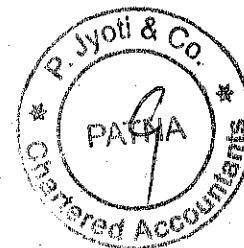
**Part-A(b)**

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

**Condition-** There is 3 procurements in the current Financial Year and following files are not provided to us. As per the Head clerk files got missed and they are not able to provide us.

Particular	Rate/ Unit	No. of Units	Comments
48 watt LED Street Light	40800	200	Case is pending on H.C
Garbage Rikshaw with F.R.P	53500	41	Fill is missing
H.D.P.E Injection model Garbage bin of capacity	18240	80	Fill is missing

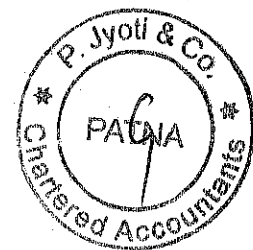
- Against the above invoice supplier claimed TDS- Rs. 36527 & VAT -Rs. 182635 as on 24/02/2016.
- Purchase Invoice are not available for this procurement.



Part-A(c)

Following Measurement for High Value of Commercial Place of Bettiah Nagar Parishad						
Sl. No.	Name	PID No./New Holding No.	Built up/Constructed Area as per Self Assessment Form (SQFT)	Built up/Constructed Area as per verification (SQFT)	Difference (SQFT)	Remarks (if any)
1	Rajendra Prasad	207004561	1088	2720	-68	
2	Geeta Devi	207004530	1564			
3	Madan Lal Goenka, Hero Showroom	3902007456	3840	12544	-8704	
4	Uttam Kumar Motani, Janta Cinema	207002321	11564	54600	-43036	
5	Vijay kr Prasad, Ajay Kumar Prasad, Krishna Kumar prasad	3902004853	3289	12696	-9407	
6	Vijay kr Prasad, Ajay Kumar Prasad, Krishna Kumar prasad	3902004552	10080	18540	-8460	
7	Hazarimull Dharmshala pvt Trust	207007233	39054	47616	-8562	
8	Parijeet Krishna	3902005562	2016	6240	-4224	
9	Parijeet Krishna	3902005563	1764	4588	-2824	
10	Ashok Kumar Jhunhunwala	3902006475	1120	6321	-5201	
11	Surya Complex	Not Available	Not Available	7480	-7480	Self Assessment form is not available due to non payment of holding Tax
12	Khadim's Showroom	BS:005:0003	Not Available	3081	-3081	Self Assessment form is not available due to non payment of holding Tax

13	Virendra Kuwanr	BS:005:0002	Not Available	11730	-11730	Self Assessment form is not available due to non payment of holding Tax
14	Narendra Sharma (Nutan Gas Agency)	BS:005:0001	Not Available	15410	-15410	Self Assessment form is not available due to non payment of holding Tax
15	Bharat Petroleum, Petrol Pump	Not Available	Not Available	6400	-6400	Self Assessment form is not available due to non payment of holding Tax
16	Hotel Mangal Shree	Not Available	Not Available	14880	-14880	Self Assessment form is not available due to non payment of holding Tax
17	BHOLA BABU MEMORIAL HOSPITAL	BE:009:0061	960	2494	-1534	Litigation due to family matter
18	Atulya Institute	BE:009:0057	Not Available	7452	-7452	Litigation due to family matter
19	BHOLA BABU VIVAH BHAWAN	BE:009:0062	Not Available	26592	-26592	Litigation due to family matter
20	BIKE ZONE	Not Available	Not Available	2046	-2046	Litigation due to family matter
21	BATA SHOWROOM	Not Available	Not Available	11340	-11340	Self Assessment form is not available due to non payment of holding Tax
22	SBI, MAIN BRANCH	BE:011:0005	Not Available	28400	-28400	Self Assessment form is not available due to non payment of holding Tax
23	ONIDA SHOWROOM	Not Available	Not Available	1800	-1800	Self Assessment form is not available due to non payment of holding Tax
24	AJANTA CINEMA HALL	BE:011:0007	Not Available	29370	-29370	Self Assessment form is not available due to non payment of holding Tax SINCE 2012





## II. Part-B

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

Followings Books and accounts are not maintain or not updated

Sl. No.	Particular	Status
1	Cashier's cash Book	Not Properly Maintain
2	Accountant's Cash Book	Not Properly Maintain
3	Subsidiary Cash Book	Not Maintain
4	Ledger Book	Not Maintain
5	Grant Register	Not Maintain
6	Schemes Register	Not properly Maintain
7	Advance Register	Not Maintain
8	Store Register	Not Maintain
9	Fixed Assets Register	Not Maintain
10	Payroll Register	Not properly maintain
11	Log Book	Not Maintain
12	Demand and Collection	Not maintain
13	Assessment Register	Not Maintain

### b. Irregularity in procurement process: Procurement fill are missing

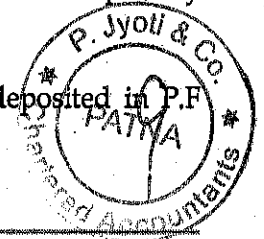
Particular	Rate/ Unit	No. of Units	Comments
48 watt LED Street Light	40800	200	Case is pending on H.C
Garbage Rikshaw with F.R.P	53500	41	Fill is missing
H.D.P.E Injection model Garbage bin of capacity	18240	80	Fill is missing

c. **Non-compliance of Act & Rules:** Some of the employee are appointed in improper way and salary are also paid to them.

d. **Lack of internal control measures:** No Internal control system is followed. The Nagar Parishad should implement Internal Control system for the better operation.

e. **Non-compliance of TDS, VAT and other relevant Statute:** Service Tax is not paid by ULB. TDS are not deposited on due date.

f. **Deficiency in pay-roll system:** Provident Fund deducted but not deposited in P.F Account.



**g. Utilisation of Grant and report on missing utilisation Certificates:** Grant Register is not upto date and no utilisation Certificates found.

**h. Physical verification of inventory/stores:** Inventory are kept in open area and no proper arrangement for keeping them in safe custody is present there.

**i. Advances, their adjustment & recovery:** Advances are given to employee and no records are kept. As per complies of some employees, advances adjustment are not made by the higher authorities also after many request of them.

### III. Part-C

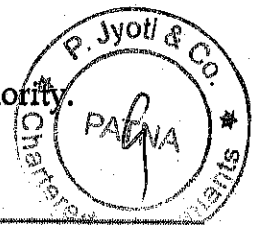
#### General Observations:

- Head Clerk is changed frequently due to which no person is ready to take responsibility of error and omission in books of Accounts.
- Concentration of power in the hands of some of the employee. Due to which chance of fraud is high.

### IV. Part-D

#### RECOMMENDATIONS/SUGGESTIONS:

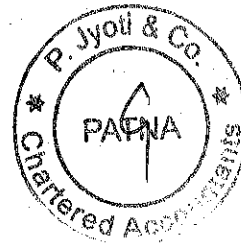
- Proper Filing system Should be arranged by the municipal Corporation. Related files are kept at single place and files should be readily available when it is require.
- Cash Book is prepared in adherence to the guideline. Opening and Closing of cash book kept in daily basis.
- Ledger book should be prepared.
- Assessment register of property tax should be prepared, which is required to be prepared before collecting Tax.
- File relating to registration and Tax collection of Mobile Tower should be maintained.
- Collected Amount of all type of collection by the Tax Collector should be deposited in cash section on same day or next working day.
- Supervision and inspection of advertisement by senior authority.



- Renewal and Demand Register related to Advertisement tax should be maintained by the municipal corporation.
- Bank Reconciliation Statement should be Prepared by the Municipal Corporation.
- TDS return should be filed as per Rule prescribed by the Income Tax Act.

FOR P. JYOTI & CO.  
[Chartered Accountants]  
FRN: 010237C

PLACE: PATNA  
DATE: 16.07.2016



*Govind*  
CA G. K. SINHA  
Partner  
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