

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

**INTERNAL AUDIT REPORT**  
**OF**  
**BETTIAH NAGAR PARISHAD**

**FOR THE PERIOD FROM 01/04/2015 TO 31/03/2016**

**Report Issued On**

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

**6/7, 1<sup>st</sup> Floor, Dukhan Ram Plaza, Exhibition Road, Patna - 800001**  
**Mobile No.: +91-9431245241, E-mail: pjyotica@gmail.com.**

To,

The Director,  
UD & HD  
Vikash Bhawan 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, 2016** 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:



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

[CA. G. K. SINHA]  
Partner

Membership No.: 426588

## EXECUTIVE SUMMARY

### 1. Introduction:

#### BRIEF DETAILS OF AUDITEE AND AUDITOR

Name of the Municipality	Nagar Parishad Bettiah
Period covered under current audit	01.04.2015 to 31.03.2016
Name of Chief Municipal Officer for the period under Audit	29/09/2014 to 30/08/2015:- Akhileshwar Prasad Verma.  31/08/2015 to 31/03/2016:- Dr. Bipin Kumar
Name & Address of Audit Team:	P. JYOTI & CO. (Chartered Accountants) , 6/7, 1 <sup>st</sup> Floor, Dukhan Ram Plaza, Exhibition Road, Patna-800001

### 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) Property tax collected but not deposited Rs 986153.
- 2) Holding tax is not collected from Govt./Semi-Govt Holding.
- 3) Misc Collection not deposited Rs. 201180.
- 4) Outstanding Mobile Transmission tower tax of Rs. 85,399,436.00
- 5) Service tax is not paid by ULB.
- 6) Rent collection and outstanding Rent details are not maintained properly.
- 7) 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
- 8) TDS is not deposited on due date and return is not filled.
- 9) TDS is deducted at higher rate @ 2.65% , where as it should be 1% and 2% for individual and other respectively.
- 10) Bank Reconciliation is not prepared.



- 11) Lack of Staff for proper Functioning.
- 12) Scheme wise subsidiary book has not been maintained.
- 13) Separate scheme wise Ledger not maintained.
- 14) Properly voucher not maintained for collection of property tax.
- 15) Difference between online property tax collection and total collection as per ULB is Rs.53614.

**3. Opinion:**

- a) We have not obtained all the information and explanations, which to the best Of our knowledge and belief were necessary for the purpose of our audit and provided to us.
- 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.
- e) Statutory compliance should be done.

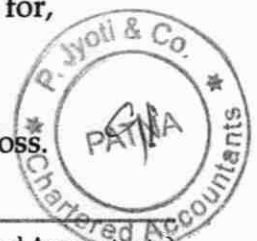
**5. Comments from Management:**

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**
- ii) **Dhiraj Kumar**

### 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 Akhileshwar Prasad Verma, Executive Officer, From 01/04/2015 to 31/08/2015.

Dr. Bipin Kumar, Executive Officer 01/09/2015 to 31/03/2016.

### 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	16/07/2016	4	4	2	0	0	4	

Particular of Outstanding Paras of AG Audit is given below:

S. No.	Particulars
1.	Non Collection of Holding Tax
2.	Outstanding Shop Rent from Shop
3.	Non collection of Mobile Transmission Tower Tax of Rs.84,849,436.
4.	Non-Collection of Holding Tax from Government & Semi-Government Property.



#### 4. FINANCE:

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

Year	2013-2014	2014-2015	2015-2016
Final Revised Budget	116944400	185768880	409389731
Actual Expenditure	Not Provided	90135372	86994969
Savings (+)/Excess(-)	Not Provided	95633508	322394762

##### ii) VOLUME OF TRANSACTIONS:-

Period	Budgeted	Previous Year (For one Year)	Corresponding Period of Previous Year	Current Period (upto dec)	Cumulative for the current Period
Opening Balance	77367041	139,187,451.35	139,187,451.35	381389582	381389582
Receipts	413554088	352,425,560.29	352,425,560.29	167404108	167404108
<b>Total</b>	<b>490921129</b>	<b>491,613,011.64</b>	<b>491,613,011.64</b>	<b>548793690</b>	<b>548793690</b>
Net expenditure	409389731	140,787641.16	140,787641.16	86994969	86994969
<b>Closing Balance</b>	<b>81531398</b>	<b>369017328.46</b>	<b>369017328.46</b>	<b>461798721</b>	<b>461798721</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, 2016 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	Axis Bank	417	19702690.12
2	Bank of Baroda	897	528276.00
3	Central Bank Of India	1173	4295816.00
4	State Bank of India	9498	Not Provided
5	State Bank of India	240	Not Provided