

SPUR-PMU (Samvardhan)

No. 1204

In Coming Date. 23/09/17

Internal Audit Report -Nagar Panchayat- Dhaka | F.Y- 2015- 2016

# INTERNAL AUDIT REPORT OF NAGAR PANCHAYAT- DHAKA (EAST CHAMPARAN)

For the period from 01.04.2015 to 31.03.2016



Internal Audit Conducted by:

**GKSUREKA & Co.**  
Chartered Accountants

2<sup>nd</sup> Floor, Nathani Market, Sutapatty,

Muzaffarpur-842001 (Bihar).

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**Audited conducted From: June 26, 2016 to July 27, 2016**

**Report Issued on: September 08, 2016**

**NAGAR PANCHAYAT – DHAKA (EAST CHAMPARAN)****INTERNAL AUDIT REPORT OF F.Y.2015-16**

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**Internal Audit Report of Financial year 2015- 2016**

**Section A: Audit Methodology and Approach**

**Audit Methodology**

We have conducted the internal audit of Nagar Panchayat – Dhaka (East Champaran), for the year ending on 31<sup>st</sup> March , 2016 (as per TOR). We familiarized ourselves with N.P. documents, 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 N.P. in order to plan and perform our audit.

We reviewed transaction 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 N.P. financial management systems, including internal controls for entire audit period. We applied necessary tests and controls, as we considers necessary under the circumstances.

During the course of our audit we reviewed the below mentioned documents and registers:

- General Cash Book & Subsidiary Cash Book for the period from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016 maintained manually in the N.P. ;
- Vouchers (Cash, Bank, Journal etc)along with supporting documents;
- Receipt Books
- Other necessary records and registers

The major observations, in respect of the N.P. have been discussed with the Executive Officer & Accountant of the N.P.

**Audit Approach**

Our approach to the internal audit started with an overview of activities through a study and documentation of the existing systems and procedures. We then identified, evaluated and tested the adequacy, efficiency and effectiveness of internal controls including standard policies and procedures laid down by the management (where applicable), for each of the areas included in the Scope of Work.

Testing of internal controls was carried out by checking a sample of transactions for the period covered by the audit.

Apart from the test of controls and samples we also carried out various types of analytical reviews to understand as well as highlight unusual or significant trends in the Income & Expenditure.

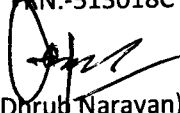


Our observations, resulting from the audit tests performed on a sample of transactions, are set out under “Part-A, Part-B & Part-C” of the audit report and include our recommendations for addressing these observations.

Place : Muzaffarpur  
Date : September 08,2016

For G.K.Sureka & Co.  
Chartered Accountants  
FRN.-513018C



  
(CA. Dhrub Narayan)  
Partner  
M.N.- 501415

## Executive Summary

## 1. Introduction

Name of the Municipality	N.P. Dhaka (East Champaran)
Period Covered under Current Audit	01.04.2015 to 31.03.2016
Name of the Chief Municipal Officer for the period under Audit	Sh. Manoj Kumar

## 2. Results and Findings

Strength observed during the audit engagement	<ul style="list-style-type: none"> <li>➤ General Cash Book &amp; Subsidiary Cash Book has been written</li> <li>➤ Staff Cooperation during the Audit period was very good.</li> </ul>
Weakness observed in the functioning of office, maintenance of records etc. observed during the audit engagement.	<ul style="list-style-type: none"> <li>➤ Amount collected for issue of Birth/death certificate during the financial year 2015-16 amounting to Rs. 1710/- by Sh. Rajiv Ranjan (Vikas Mitra) had not been deposited till the date of our audit. On our objection the same deposited on 30.06.2016</li> <li>➤ Amount collected by Sh. Ram Bihari Prasad, Accountant-cum-Nazir during the financial year 2015-16 vide receipt No. 1556 to 1563 amounting to Rs. 5,15,515 was deposited on 29.04.2016.</li> <li>➤ Tower tax is not being collected on timely basis as more than Rs. 9.30 lacs is receivable as tower tax.  (Details of Tower Tax dues is annexed in Annexure)</li> <li>➤ There are lack of internal control w,r,t collection of taxes.</li> <li>➤ Demand collection Register has not been prepared hence it is not possible to ascertain total arrear of taxes</li> <li>➤ Taxes collected by tax collector are on deposited on daily basis we observed that it is being deposited at interval of more than 6 months which is not proper. As per Rule 27 of BMAR it should be deposited on daily basis otherwise a penalty up to Rs. 5000/- may be imposed for delayed deposit.</li> <li>➤ Accounting for collection of taxes is being done in the year of deposit not in the year of collection. In our opinion taxes should be accounted for in the year of collection and if not deposited, should be shown as</li> </ul>



	<p>cash in hand.</p> <ul style="list-style-type: none"> <li>➤ Tower tax dues are not collected on time basis.</li> <li>➤ Tender of Ghat, Crematorium, Gate, Palm trees and lands are not done on yearly basis.</li> <li>➤ Grant Register is not being maintained hence it is difficult to find unutilized grant at any point of time.</li> <li>➤ Bank Reconciliation Statement is not prepared hence it is difficult to monitor possible fraud, if any.</li> <li>➤ Advance Register is not prepared hence it is difficult to monitor for advances given and adjustment thereof.</li> <li>➤ There is lack of internal control on deduction and deposit of various taxes. On deduction of taxes liability is not created hence it is difficult to ascertain tax payable at any point of time. Taxes such as VAT, I.T. Royalty etc are collected from time to time but its payments are made on yearly basis which is not proper. Taxes should be remitted to the Govt. account on timely basis otherwise penal action may be taken by the concerned department for delayed deposit of taxes.</li> </ul>
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**3. Opinion**

<p><b>Overall opinion of the Audit team about the functioning of the Municipality</b></p>	<p>The functioning of the Municipality is very weak due to following reasons:</p> <ul style="list-style-type: none"> <li>• Most of the prescribed Books of accounts are not maintained</li> <li>• Internal Control w.r.t. collection of taxes, monitoring of grant, monitoring of advances, monitoring of schemes etc. is very poor.</li> <li>• Collection from own sources is very poor.</li> <li>• Grant received for various purposes are not utilized on timely basis.</li> <li>• There are serious lapses in deduction and deposit of statutory dues such as TDS, VAT, Royalty, Labour cess etc.</li> </ul>
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**4. Audit Recommendations**

<p><b>The recommendations of Audit team on the observed weakness</b></p>	<p><b>We recommend the followings:</b></p> <ul style="list-style-type: none"> <li>✓ All the prescribed books of accounts and Registers should be prepared on real time basis</li> <li>✓ Bank reconciliation Statement should be prepared on monthly basis</li> <li>✓ Cashier Cash Book should be written on daily basis.</li> <li>➤ Accounting for collection of taxes is being done in the year of deposit not in the year of collection. In our opinion taxes should be accounted for in the year of collection and if not deposited, should be shown as cash in hand.</li> <li>✓ Collection by tax collector should be deposited on daily basis.</li> <li>✓ Grant Register should be prepared</li> <li>✓ All the statutory dues should be deposited on timely basis and returns prescribed under the statute should also be deposited on timely basis.</li> <li>✓ Demand Collection Register of all the wards should be prepared.</li> <li>✓ Property tax register should be prepared as per new assessment.</li> <li>✓ Collection from own sources should be improved.</li> </ul>
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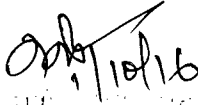
<p><b>5. Compliance of Terms of Contract as per scope of work</b></p>	<p>Terms of Internal Audit Contract as per scope of work has been complied with and a report of compliance of terms of the contract is attached in Annexure.</p>
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<p><b>6. Compliance of Previous Internal Audit Report</b></p>	<p>Audit report of F.Y. 2014-15 has been submitted after completion of the financial 2015-16 hence possibility of compliance of previous year's report in the current financial year does not arise.</p>
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7 **Comments from Management**

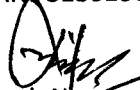
<p><b>Comment from Management</b></p>	<p>The audit report has been discussed with us; we will try our best to remove the irregularities pointed out in the audit report.</p> <p style="text-align: center;">               For Nagar Panchayat Dhaka              (Executive Officer)         </p>
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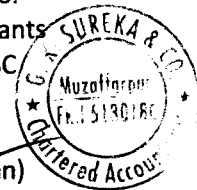
8. **Acknowledgment**

We thank Mr. Manoj Kumar (Executive Officer), for his support during the period of our audit. We are also thankful to Accountant, Tax Daroga and support staffs of the municipality for their cooperation extended to us during the period of our audit.

Place : Muzaffarpur  
 Date : September 08,2016

For G.K.Sureka & Co.  
 Chartered Accountants  
 FRN -513018C

  
 (CA. Dhrub Narayan)  
 Partner  
 M.N.- 501415





**Detailed Audit Report**

**1. Introduction**

The Internal audit of N.P.- Dhaka (East Champaran) 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. Dhruv Narayan

- i. Navin Kumar
- ii. Naresh Kumar

**2. Administration**

The present body of the ULB has taken charge on 9<sup>th</sup> September, 2014. The incumbency in the key administrative and executive position was as under:

Smt. Samulan Khatun, Chairman from 09.09.2014 to till date , Shri Manoj Kumar Executive officer from 08.09.2015 to 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

**No A.G. Audit has been conducted since the date of completion of our previous audit for the F.Y. 2014-15**



## 4. Finance

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

Year	2013-14	2014-15	2015-16
Final/ Revised Budget	2,23,71,049	5,73,85,000	9,48,70,000
Actual Expenditure	NA	4,57,58,332.50	11,54,39,962
Savings (+)/ Excess (-)	NA	1,16,26,667.5	(-) 2,05,69,962

*Cash Book for the period from 13/10/2012 to 05/11/2013 is not available hence it is not possible to give actual expenditure figure for the F.Y.2012-13 & 2013-14*

## 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	0	45160269.51	45160269.51	72827953.68	72827953.68
Receipts	94870000	73426016.67	73426016.67	105803255.00	105803255.00
TOTAL	94870000	118586286.18	118586286.18	178631208.68	178631208.68
Net Expenditure	101325000	45758332.50	45758332.50	115439962.00	115439962.00
Closing Balance	-6455000	72827953.68	72827953.68	63191246.68	63191246.68

Cash Book for the period from 13/10/2012 to 04.11.2013 was not available with the Nagar Panchyat. Cash Book has been written from 05/11/2013 by taking pass book balance as opening balance. Cash Book balance as on 13/10.2012 was Rs. 1,06,885.23 however opening balance taken as on 05/11/2013 from pass book is Rs. 3,27,12,463.51



**III. Bank Reconciliation**

Details of Bank Accounts and their reconciliation position are as under:

Sl.No	Name of Bank	Account No.	Balance as on 31.03.2016	Name of Scheme	Reconciliation position
1	C.B.I	2316853505	47429	Various schemes	Un-reconciled
2	C.B.I	2183922089	53012	Various schemes	Un-reconciled
3	C.B.I	2183902404	131531.40	Various schemes	Un-reconciled
4	S.B.I	11708448969	3042385.86	Various schemes	Un-reconciled
5	S.B.I	11708448970	18989.15	Various schemes	Un-reconciled
6	S.B.I	33765686856	6189279	Various schemes	Un-reconciled
7	C.B.I	3489861315	5600000	Various schemes	Un-reconciled
8	Central Coop. bank	834001100573	68189.67	Various schemes	Un-reconciled
9	PLA		48405445.35	Various schemes	Un-reconciled
	<b>TOTAL</b>		<b>63556261.43</b>		
	<b>Total as per C.B</b>		<b>63191246.68</b>		
	<b>Difference</b>		<b>365014.75</b>		

Bank Reconciliation Statements have not been prepared by the N.P. There is a difference of Rs. 365,014.75 between Cash Book and consolidated balance as per pass book of all accounts.

The N.P. is suggested to reconcile the above mentioned differences immediately and prepare B.R.S on monthly basis.



## 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	8320000	200053	200053	1914733	1914733
Assigned revenue	9000000	1410752	1410752	11758984	11758984
Others (Fees & User Charges)	2500000	819101	819101	972069	972069
(b) Administrative Grant	5600000				
© Specific Grant (Scheme wise)					
5th Finance Commission Grant				15629882	15629882
14th Finance Commission Grant				8893229	8893229
13th Finance Commission Grant	10000000	1965577	1965577	6983595	6983595
4th Finance Commission Grant	15000000	14499368	14499368	2985760	2985760
Grant for Water Supply		21530000	21530000	23600600	23600600
BRGF	5000000	1707492	1707492		
SJSRY	4000000				
Grant for construction of Building		12129500	12129500		
Kabir Anthesthi Yojna	1500000	129640	129640	146784	146784
Parivahan Grant		4976500	4976500	4976700	4976700
Grant for salary of City Manager					
Grant for Sal & Allow. Of CWC & VCWC		78000	78000		
M.M.K.V.Y		938000	938000		
Swasthya & Swatchta (Pipul)				4362600	4362600
Mukhmantri Pay				4718421	4718421



Niyojan Yojna					
Shach Bharat Mission		NA	NA	5600000	5600000
Grant for pension		12207800	12207800	11080800	11080800
Grant for E-Governance	90000	450000	450000	335392	335392

**V. Status of Implementation of Double Entry Accounting System**

Till date Double Entry Accounting System is not operational in the Nagar Panchayat.

Appointment of Chartered Accountant firms for implementation of Double Entry Accounting System in the Nagar Panchayat is in process but till date no C.A. firm has been appointed by the UD & HD.

**VI. Status of Municipal Accounts Committee; if meeting held**

As per section 98 of Bihar Municipal Act, 2007 it is necessary for the Municipality to constitute a Municipal Accounts Committee at its first meeting in each year or as soon as may be at any meeting subsequent thereto, but no Municipal Accounts Committee has been constituted by the N.P. till the date of our audit.



5. Audit Observations

I. PART- A

All audit objections/ irregularities which have monetary implication, particularly in following areas:

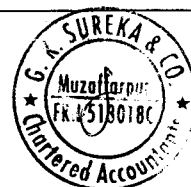
<p>a. Leakage of own source revenue either due to wrong assessment or non- levy of property tax, mobile tower tax, rent on municipal properties, advertisement tax fees etc.</p>	<p>Amount collected for issue of Birth/death certificate during the financial year 2015-16 amounting to Rs. 1710/- by Sh. Rajiv Ranjan (Vikas Mitra) had not been deposited till the date of our audit. On our objection the same deposited on 30.06.2016</p> <p>Amount collected by Sh. Ram Bihari Prasad, Accountant-cum-Nazir during the financial year 2015-16 vide receipt No. 1556 to 1563 amounting to Rs. 5,15,551 was deposited on 29.04.2016.</p> <p>Tower tax is not being collected on timely basis as more than Rs. 9.30 lacs is receivable as tower tax.</p> <p>(Details of Tower Tax dues is annexed in Annexure)</p>
<p>b. Excess payment against bill, lack of prudence in payment against voucher, inefficiency in controls resulting loss to ULBs</p>	<p>We did not observe any excess payment against bill, lack of prudence against vouchers etc.</p>
<p>c. Report on findings of field survey of Property Tax of minimum 20 high value properties per quarter</p>	<p>Field survey of 80 high value properties has been conducted by us a report thereon is attached in Annexure.</p>



**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 –**

<p>a. Non- maintenance of books of accounts , subsidiary registers</p>	<p>As per Bihar Municipal Accounting Manual Following primary Books of accounts are required to be maintained :</p> <ol style="list-style-type: none"> <li>1. Cash Book (Form Gen-IA)</li> <li>2. Bank Book (Form Gen-IB)</li> <li>3. Journal Book (Form Gen-2)</li> <li>4. Ledger (Form Gen-3)</li> </ol> <p><b>In addition to above following other General Registers and forms are required to be maintained but the same are not being maintained.</b></p> <ol style="list-style-type: none"> <li>1 Receipt GEN-8</li> <li>2 Receipt Register GEN-9</li> <li>3 Statement on Status of Cheques Received GEN-10</li> <li>4 Collection Register GEN-11</li> <li>5 Memorandum of Collection GEN-12</li> <li>6 Summary of Daily Collection GEN-13</li> <li>7 Register of Bills for Payment GEN-14</li> <li>8 Payment Order GEN-15</li> <li>9 Cheque Issue Register GEN-16</li> <li>10 Register of Advance GEN-17</li> <li>11 Register of Permanent Advance GEN-18</li> <li>12 Deposit Register GEN-19</li> <li>13 Summary Statement of Deposits Adjusted GEN-20</li> <li>14 Demand Register GEN-21</li> <li>15 Bill for Municipal Dues GEN-22</li> <li>16 Summary Statement of Bills Raised GEN-23</li> <li>17 Register of Notice Fee, Warrant Fee, Other Fees GEN-24</li> <li>18 Summary Statement of Notice Fee, Warrant Fee, Other Fees GEN-25</li> <li>19 Register of Refunds, Remissions and Write-offs GEN-26</li> <li>20 Summary Statement of Refunds and Remissions GEN-27</li> <li>21 Summary Statement of Write-Offs GEN-28</li> <li>22 Statement of Outstanding Liability for Expenses GEN-29</li> <li>23 Documents Control Register/Stock Account of Receipt/Cheque Book GEN-30</li> <li>24 Register of Immovable Property GEN-31</li> <li>25 Register of Movable Property GEN-32</li> </ol>
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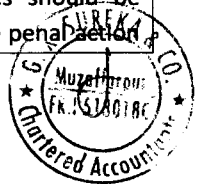


	<p>26 Register of Land GEN-33                  27 Function-wise Income Subsidiary Ledger GEN-34                  28 Function-wise Expense Subsidiary Ledger GEN-35                  29 Asset Replacement Register GEN-36                  30 Register of Public Lighting System GEN-37</p> <p><b>The N.P. is maintaining only Cash Book/ Bank Book, Journal Book , Ledger and other prescribed records are not maintained.</b></p>
b. Irregularity in procurement process	No major irregularity observed
c. Non-compliance of directives by UD & HD , GOB	As explained to us there is no non-compliance of directives of UD & HD, GOB but related correspondence could not be provided to us.
d. Non Compliance of Act & Rules	<p>As per Section 127 of the Bihar Municipal Act , the Municipality can levy the following taxes:-</p> <p>(a) property tax on lands and buildings.                  (b) surcharge on transfer of lands and buildings,                  (c) tax on deficit in parking spaces in any non-residential building,                  (d) water tax,                  (e) fire tax,                  (f) tax on advertisements, other than advertisements published in newspapers,                  (g) surcharge on entertainment tax                  (h) surcharge on electricity consumption within the municipal area,                  (i) tax on congregations,                  (j) tax on pilgrims and tourists, and                  (k) toll –                  (i) on roads, bridges, ferries and navigable channel and                  (ii) on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles, within the meaning of the Motor Vehicles Act, 1988, plying on a public street.                  (l) Tax on profession</p> <p>We observed that only property tax has been collected during the year other taxes have not been levied till date.</p> <p><b>New Assessment has not been done since 1993-94 and holding tax is being collected at old rates.</b></p> <p>The processes of self assessment of property are in progress but the progress is very slow.</p> <p>Tower Tax dues not recovered promptly</p>
e. Lack of internal Control measures	<ul style="list-style-type: none"> <li>➤ There are lack of internal control w,r,t collection of taxes.</li> <li>➤ Demand collection Register has not been prepared hence it is not possible to ascertain total arrear of taxes</li> </ul>





	<ul style="list-style-type: none"> <li>➤ Taxes collected by tax collector are on deposited on daily basis we observed that it is being deposited at interval of 2-3 months which is not proper. As per Rule 27 of BMAR it should be deposited on daily basis otherwise a penalty up to Rs. 5000/- may be imposed for delayed deposit.</li> <li>➤ Tower tax dues are not collected on time basis.</li> <li>➤ Reassessment of holding tax has not been done since long and holding tax is being collected at old rates.</li> <li>➤ Due collection of revenue on old rates there is significant loss the N.P. Quantification of loss is not possible at this point of time.</li> <li>➤ Advertisement Tax is not being levied by the N.P as a result there is a loss to the N.P of advertisement tax amount.</li> <li>➤ Tender of Ghat, Crematorium, Gate, Palm trees and lands are not done on yearly basis.</li> <li>➤ Grant Register is not being maintained hence it is difficult to find unutilized grant at any point of time.</li> <li>➤ Bank Reconciliation Statement is not prepared hence it is difficult to monitor possible fraud, if any.</li> <li>➤ Advance Register is not prepared hence it is difficult to monitor for advances given and adjustment thereof.</li> <li>➤ There is lack of internal control on deduction and deposit of various taxes. On deduction of taxes liability is not created hence it is difficult to ascertain tax payable at any point of time. Taxes such as VAT, I.T. Royalty etc are collected from time to time but its payments are made on yearly basis which is not proper. Taxes should be remitted to the Govt. account on timely basis otherwise penal action may be taken by the concerned department for delayed deposit of taxes.</li> </ul>
<p>f. Non-compliance of TDS, VAT and other relevant Statute</p>	<p>Tax deducted at source of Income Tax, VAY &amp; 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 &amp; labour cess for whole financial year has been deposited in the month of March 2016. Taxes should be remitted to the Govt. account on timely basis otherwise penal action</p>



	may be taken by the concerned department for delayed deposit of taxes
g. Deficiency in Pay-roll System	The pay-roll system does not contain leave details of employee. PF contribution and pension fund contribution of employees are deducted but municipal contribution is not being paid. PF account has not been opened with PF department all the deductions of PF contribution and pension fund contribution are being deposited in a separate account opened by the municipality.
h. 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 Utilization certificates up to 31.03.2015 has been sent to the Government but copy of the same could not be provided to us. Details of UC sent to the Govt. (as provided to us by the N.P.) is enclosed in Annexure.
i. Physical verification of inventory/Stores	Store Register has not been prepared and physical verification of inventory/stores has also not been done.
j. Advances, their adjustment & recovery	Advance Register has not been prepared hence it is very difficult to monitor advances, their recovery and adjustment.
k. Any other matters as may be prescribed in due course.	Staff strength of accounts department needs to be increased.



**PART- C**

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

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 N.P.
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;	No, except General Cash Book and Subsidiary Cash Book no other books of accounts have been maintained.
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.
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.
Whether the Bank Reconciliation statements have been prepared and are appropriate	No, Bank Reconciliation Statements have not been prepared by the N.P.
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.
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.
Whether all grants sanctioned or received by the 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.
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.



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;	We did not notice any major deviation.
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.
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.
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.
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
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.
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 is no procedures are in place to identify any unserviceable or damaged stores
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.

