

INTERNAL AUDIT REPORT

SPUR-PMU (Samvardhan)

No. 1148

In Coming Date 06/02/17

OF

NAGAR PANCHAYAT HAWELI KHARAGPUR

FOR THE FINANCIAL YEAR 2015-2016

INTERNAL AUDIT CONDUCTED BY:-

A.K. SALAMPURIA & ASSOCIATES

CHARTERED ACCOUNTANTS

1ST FLOOR, ABOVE MICA SALES, EXHIBITION ROAD

PATNA- 800 001

4th to 5th August, 2016

INTERNAL AUDITOR'S REPORT

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

Dear Sir,

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

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

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

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

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

Place: Patna
Date : 30.09.2016

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



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



Executive Summary

1. Introduction

- Name of the Municipality :- **Nagar Panchayat Haweli Kharagpur**
- Period Covered under current audit :- **01.04.2015 to 31.03.2016**
- Name of Executive Office for the period under Audit :- **Shri Ravi Shankar Singh**

2. Result & Findings

- Strengths observed during the audit engagement:-
 - a. Area under jurisdiction of the concerned ULB seems potential.
 - b. Office Infrastructure is sufficient for operation
 - c. Response from officers & Clerks are satisfactory.
 - d. Co-operation of officials is satisfactory
- Weaknesses observed in the functioning of office, Maintenance of records etc. Observed during the audit engagement :-
 - a. Untraceable difference (₹1,60,47,089.01) between Cash-Book and Bank Statement as on 31.03.2016.
 - b. Failed to Collect Holding/Property Tax properly of Rs.8,15,988.00 of Property Tax is due to be collected up to 31.03.2016.
 - c. Failed to Collect Mobile Tower Tax/Fees of Rs. 6,56,000.00 up to 31.03.2016.
 - d. Failed to Collect Shop Rent of Rs. 9,86,550.00 (as per sheet attached) up to 31.03.2016.
 - e. Failed to Collect Holding Tax on Govt. Building of Rs. 29,84,064.00 up to 31.03.2016.
 - f. Non Maintenance of prescribed books of accounts (ref. point(i) of part-b) especially Demand and Collection Register
 - g. Procurement Files were also not made available to us.
 - h. Failed to comply certain rules and directives of UD & HD.
 - i. Unavailability of information and files relating to TDS, Vat, Royalty & Labour Cess.
 - j. Vouchers were not properly kept and arranged.
 - k. BRS are not prepared on regular intervals.

