

# **INTERNAL AUDIT REPORT**

## **OF**

### **SUPPORT PROGRAMME FOR URBAN REFORMS IN BIHAR (SPUR)**

**ULB : JEHANABAD**

**FOR THE PERIOD**

**(01-04-2014 TO 31-03-2015)**

**Audited By :**

U. S. Prasad & Co.  
*Chartered Accountants*

4<sup>th</sup> Floor, 34, Kavi Raman Path,  
Nageshwar Colony, Boring Road,  
Patna 800001

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Internal Audit Report of Nagar Parishad Jehanabad

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To,

The Secretary, UD & HD  
Urban Development and Housing Dept.  
Govt. of Bihar  
101, 1st Floor, Vikash Bhawan  
New Secretariat  
Bailey Road  
Patna – 800 015 (BIHAR)

Dear Sir,

**Sub: Internal Audit Report of NAGAR PARISHAD, JEHANABAD for the Period 01.04.2014 to 31.03.2015.**

We are submitting the audit report of Nagar Parishad, Jehanabad for the period starting from 01-04-2014 to 31.03-2015 in reference to our appointment as Internal Auditor for Group 9 issued by support programme for urban reforms in Bihar (SPUR), Patna vide Notice to proceed No. SPUR-PMU/194/IA-140ULBs&SLMA/S-3/USP/2016/139/36 Dated 05<sup>th</sup> April 2016.

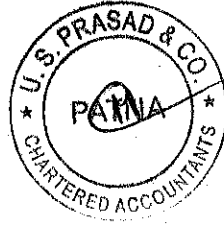
Our scope of audit covers the requirement of specific points as spelled out in contract agreement entered with the management of SPUR.

*for* U. S. Prasad & Co.  
Chartered Accountants



CA. Manoj Kumar  
Partner  
M. No.: 418631

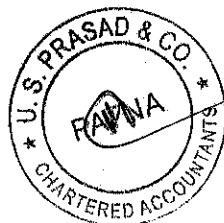
PLACE - PATNA  
DATE - 28/8/16



**NAGAR PARISHAD, JEHANABAD**  
**INTERNAL AUDIT REPORT OF F.Y.2014 - 15**

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## **Executive Summary**

### **1. Introduction:-**

**Name of Municipality:- NAGAR PARISHAD, JEHANABAD**

**Period covered under current audit: - 01-04-2014 to 31-03-2015.**

**Name of the chief municipal officer for the period under audit:- Sanjeev Kumar**

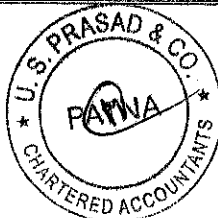
### **2. Results and Findings**

#### **Strength observed during the audit engagement**

1. Subsidiary Cash Book has been written.
2. All Vouchers were passed properly and signed by the authorised person.
3. All vouchers have supporting documents.
4. Office infrastructure is sufficient for operation.

#### **Weaknesses observed in the functioning of office, maintenance of records etc. Observed during the audit engagement**

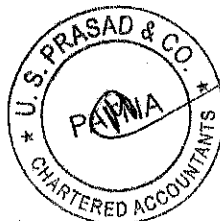
1. Response from officer & clerk are un satisfactory.
2. General Cash Book has been not properly maintained. i.e Balance of General Cashbook is not tallied with subsidiary Cashbook.
3. Subsidiary Cashbook is not properly written. i.e Allotment is not properly entered in relevant cashbook, payment made in cashbook without any narration, on lots of places white fluid, over writing, correction were found without initialization of concern authority.
4. Fixed Assets Register is not maintained
5. Advance Register is not properly maintained.
6. Stock Register is maintained but not provided during the audit even after many calls.
7. Allotments were not properly entered in relevant cashbook.
8. Expenditure made in cashbook without any narration.
9. Daily collection register are maintain but separate daily collection register (Revenue receipt wise) are not maintained.



## Internal Audit Report of Nagar Parishad Jehanabad

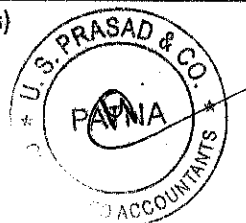
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10. T.D.S has been deducted for the F.Y 2014-15 but not deposited till date. Therefore TDS Return has not filled till date.
11. Annual budget has not been prepared by the ULB for the financial 2013-14 and budget for the financial year 2014-15 has not been approved by the state government
12. Holding tax rate has not been revised on any property thus tax has been collected by old rate.
13. Tower tax has not been properly collected, As per records maintained by the ULB number of tower is 31 as on 31-03-2015. Total outstanding tax amount is Rs. 4, 22,150/- For registration fee and renewal thereof.
14. Daily collection amount has neither recoded in the cashbook nor deposited into bank on timely as per the procedure prescribed by the BMA, 2007.
15. Municipal Accounts Committee has not been constituted till date.
16. Budget has not been sanctioned by the state government
17. Section 84 of the Bihar Municipal Act, 2007. Provides that Municipality shall submit its budget intimates for the ensuring year to the State Govt. by 15<sup>th</sup> of the March. But information furnished by the Nagar Parishad revealed that budget estimates were not passed on time by the board, which resulted into delay transmission of the same to the State Government
18. Amount of vat, Tds and royalty not deposited to the concern department for the F.Y 2014-15.
19. Labour cess has not been deducted by the ULB.
20. No procurement register has been maintained by the ULB.
21. Separate bank account has not been maintained for the separate scheme.
22. Amount of 13<sup>th</sup> finance has not been utilised as par prescribed ratio
23. No monthly progress report has prepared by the ULB.
24. Utilisation certificate has not been provided during the audit.
25. File related with issue of Money Receipt has not been proper maintained.
26. Money Receipt related with various revenue sources not provide by the ULB after recall of so many times
27. Vouchers related with adjustment of advance are not provided during the audit on continuously demand.
28. No Separate Grant register is being maintained; hence it is difficult to find out the amount of unutilised grant at any point of grant.



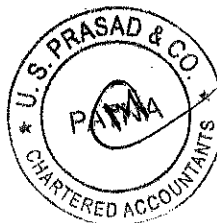
### 3. Opinion

Core Municipal functions are performed by the ULB. So far the ULB is concerned they are not working properly, even internal control is poor. Revenue collection of the ULB is very poor it may be increased to much higher level. All cash collection from source of revenue is not deposited in the bank on same day. Due to lack of man power there is delay in performing day to day work and holding tax is collected by fourth grade staff. There should be proper segregation of duties to perform day to day work in efficient manner. Bank reconciliation should be done monthly basis. We find that rules and regulation are there but ULB is not following them properly. Most of the Books of Accounts as prescribed by BMAR are not maintained by the ULB. There are serious lapses in deduction and deposit of statutory dues, such as VAT, Royalty, TDS, Labour Cess Etc. Separate Bank Account should be maintained for each Scheme.



**4. Audit Recommendations**

- i) Fixed Assets Register should be maintained.
- ii) Advance Register should be maintained properly.
- iii) Stock Register should be maintained properly.
- iv) Daily Collection Register separately for each head should be maintained.
- v) TDS deduction & deposit thereof and e filling of TDS return should be made timely and proper manner.
- vi) Tax amount should be collected from Mobile tower.
- vii) Daily collection amount should be deposited into cash section and bank account as prescribed in BMA 2007.
- viii) Municipal Accounts Committee should be appointed.
- ix) Budget prepared by the ULB should be approved by the state government.
- x) Timely passing of budget by board and onwards submission to the government.
- xi) Book of accounts are verified by EO on regular interval.
- xii) Separate bank account should be maintained for every scheme.
- xiii) Procurement register should be maintained.
- xiv) Utilisation certificate should be prepared.



Internal Audit Report of Nagar Parishad Jehanabad

5. Comments from Management

The audit report has been discussed with us; we will try our best to remove the irregularities pointed out in the audit report.

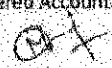
  
For, Nagar Parishad Jehanabad  
(Executive Officer.)

6. Acknowledgement

We thank Mr. Sanjeev Kumar (Executive Officer), for his support during the period of our audit. We are also thankful to accountant and other staff of the Nagar Parishad for their co-operation during the period of audit.

for, U. S. PRASAD & CO.  
Chartered Accountants



  
Manoj Kumar  
(Partner)  
M. No: 418631

PLACE - PATNA  
DATE - 20/8/16



## **Detailed Audit Report**

### **1) Introduction**

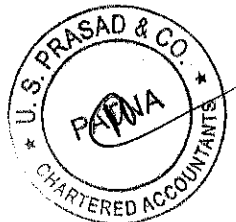
The Internal audit of **Nagar Parishad, Jehanabad** covering the period from **01-04-2014 to 31-03-2015** was conducted by following persons under guidance of CA Manoj Kumar

- i) Mr. Ashish Kumar
- ii) Md. Intesar Hussain

### **2) Administration**

The present body of ULB has taken charge on 01-06-2012. The incumbency in the key administrative and executive positions was as under:

- Smt. Devkali Devi chief counsellor From 01/06/2012 to till date.
- Shri Sanjeev Kumar, Executive Officer From 26/08/2015 to till date.

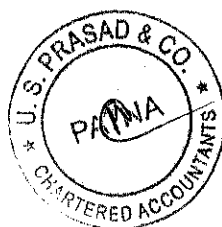


3) Review of outstanding audit paras : Status of Audit Observations is as under:

**Compliance of Previous Audit Report**

Compliance of previous audit report has not been done by the Nagar Panchayat Details are follows:-

S.No	Particulars of audit and date of report.	Total no. Of audit paras.	Total number of audit paras where necessary improvement/corrective measure is required.	Total number of audit paras where recovery of cash is proposed	Total number of audit paras where recovery has been made	Total of recovery	Total no. Of audit outstanding para of where no action has been taken.	No & date of complace of audit report
1	C.A.G Dated 31/03/2015	12	12	10	0	0	12	Compliance yet to be done



**Deficiency Pointed Out in AG Audit Report**

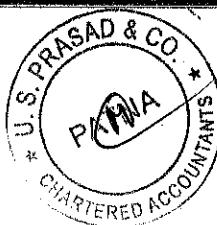
1. **Non collection of Various Trade Licence Fee** : During the Financial Year 2014-15 trade license of various trades like Saw mill, Atta chakki, Chimini, Leather works is not collected by the ULB
2. **Advances:** Advances of Rs- 25042200 raised in favour of Abhay Kumar, ManishKumar Verma and Dharmeshwar Sharma for various work& pension. But the amount has neither been adjusted nor recovered by the ULB.
3. **Service book:** Servicebook has not been updated of following staffs (1) Rajkishor Sharma (2)Phulmati Devi (3) Manish Kumar Verma (4) Vijay Kumar Singh and service book has not been issued for following Staff (1) RamEkbal Singh (2) Katua Ram (3) Rajendra Ram(4) Mishri Ram (5) Moti Yadav (6) Gaderiya Devi
4. **Holding Receipt :** Following Holding receipt were not provided in audit course

S.no	Receipt No	Issue date
1	4801 to 4900	01.06.2011
2	4901 to 5000	01.06.2011
3	901 to 1000	08.12.2012
4	2001 to 2100	03.02.2014
5	1303 to 1400	11.02.2014

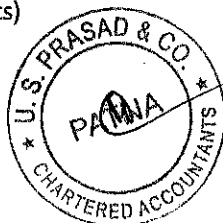
5. **Short/non deposit of cash into bank :** Following Money Receipt has not been deposited into bank:

Sl. No.	Receipt No.	Amount
1	7601 to 7800	815
2	8201 to 8400	776
3	8401 to 8600	845
4	8601 to 8800	795

6. Amount Received by Jitendra Pandey Rs - 95625 from bus stand is not deposited in cash section of the ULB.
7. Amount received by Ashok Kumar Singh of Rs - 6363.50 from Sabji Mandi is not deposited in cash section of ULB.
8. Total outstanding of Rs - 3,31000 due for registration, renewal, installation on mobile tower as on 31<sup>st</sup> March 2014



9. Amount of Rs - 535988 of health and education cess is not deposited to the concerned department.
10. Total outstanding of property tax was Rs - 27487412 as on 31<sup>st</sup> March 2014.
11. Security Deposit of Rs - 15938 has not been deducted from satish kumar by the ULB.
12. Amount of Rs - 30261 has short/non deposit in cash section by the tax collector.

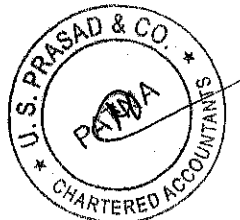


4) Finance :-

i Budgetary Provisions and expenditure for the last three years:-

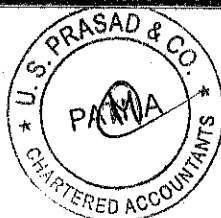
Year	2012-13	2013-14	2014-15
Final/Revised Budget	No Budget prepared by the ULB.		1046249700.00
Actual Expenditure	-	66547038.15	210232981.00
Savings(+)/Excess(-)	-		836016719.00

- Budget has not been prepared by the ULB for the 2013-13 and 2013-14
- Cash Book of Financial Year 2012-13 has not been provided by the ULB during the course of audit therefore actual expenditure cannot be ascertained.



ii) Volume of transaction:

Period	Budgeted 2014 -15	Previous Year (For one year) 2013-14	Corresponding Period of Previous Year 2012-13	Current Period 2014-15	Cumulative for the current period
	Budgeted				
(A) Receipts	No Budget prepared by the ULB.	223,177,670.00	NOT APPLICABLE	177,864,882.00	NOT APPLICABLE
(C) Total (A+B)		312,910,155.00		424,227,998.15	
(D) Expenditure		66,547,038.85		210,232,981.00	
(E) Closing Balance (C -D)		246,363,116.15		213,995,017.15	



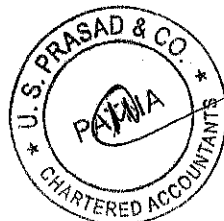
**III. Bank Reconciliation**

Since different scheme has been maintained in single cash book therefore segregation of balances of different Scheme as on 31 st March 2015 can not be determined.

Similarly since through one bank account different schemes are being operated the bank balance of a particular scheme on a particular date can not be determined.

The ULB has fifteen bank account but bank reconciliation statement has not been prepared for any bank account. Balance as Per Bank statement and Cash Book as on 31/03/2015 given below :-

Sl No	Name of bank	Name of bank A/C No	Balance as per Bank 31/03/2015	Balance as per cash book as on 31/03/2015	Type of A/C
1	MBGB	72040100231082	2,23,37,356.00	4,16,19,887	Savings
2	PNB	0228000100451652	2,11,43,522.90	2,11,43,536	Savings
3	PNB	0228000100227462	1,42,41,718.94	N.A	Savings
4	PNB	0228000100451625	14,54,167.75	N.A	Savings
5	MBGB	72040100231073	12,83,179.00	N.A	Savings
6	PNB	022800010092883	N.A	N.A	Savings
7	AXIS BANK	913010024470834	45,10,898.82	N.A	Savings
8	MBGB	72040100146942	1,17,82,401.67	1,07,97,606	Savings
9	AXIS BANK	913010024470494	14,00,57,801.00	13,63,42,727	Savings
10	AXIS BANK	914010031429440	4,62,76,482.00	N.A	Savings
11	HDFC	50100078630691	3,02,75,400.00	N.A	Savings
12	BOB	40190100002156	87,27,825.00	N.A	Savings
13	MBGB	72040100231091	14,07,412.00	N.A	Savings
14	PNB	0228000100453517	11,64,469.90	N.A	Savings
15	MBGB	72042100005935	1,55,879.00	N.A	Savings
<b>Total</b>					
<b>Difference of both books Amount</b>					

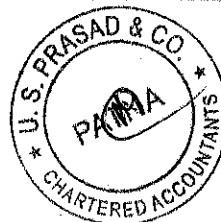


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IV. Revenue Receipts:-

Period	Budgeted 2014-15	Previous Year (For one year) 2013-14	Corresponding Period of Previous Year	Current Period 2014-15	Cumulative for the current period
<b>a) Own Source</b>					
Holding Tax	4,32,72,700.00	-	NOT APPLICABLE	1,05,93,433.00	NOT APPLICABLE
Assigned Revenue	25,00,000.00	15,58,640.00		19,48,562.00	
Fee & User / Other Charges	36,95,000.00	-		10,800.00	
<b>Total Rs - A</b>	<b>4,94,67,700.00</b>	<b>15,58,640.00</b>		<b>1,25,52,795.00</b>	
<b>Administrative Grant - (B)</b>					
<b>Specific Grant (Scheme wise) (C)</b>					
i) 13 /12th Financial		1,03,31,399.00		1,72,31,723.00	
ii) Rajya Fund		-		60,81,694.00	
iii) 4 th Financial		2,68,19,677.00		1,33,99,878.00	
iv) B R G F		-		-	
v) Samajik Suraksha		1,17,03,900.00		-	
vi) Water Supply		14,62,00,000.00		13,39,75,354.00	
vii) S J S R Y		-		-	
viii)Rajaswa Sangrahn		68,39,804.00	-		
ix) Nagar Palika fund(PLA)		2,12,82,890.00	-		
x) Miscellaneous		-	71,76,233.00		
<b>Total(RS) B</b>		<b>22,31,77,670.00</b>	<b>17,78,64,882.00</b>		
<b>Total (RS) (A+B)</b>	<b>4,94,67,700.00</b>	<b>22,47,36,310.00</b>	<b>19,04,17,677.00</b>		

Daily cash Collection Register has not been properly maintained for the financial year 2013-14 and 2014-15 Therefore detail segregation of revenue has not been provided.



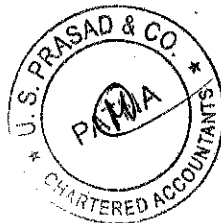


**V. Status of implementation of Double Entry Accounting System :**

Accounting of Nagar Parishad, Jehanabad not being maintained on the basis of Double Entry Accounting System for the F.Y – 2014-15.

**VI. Status of Municipal Accounts Committee: if meeting is held :**

Nagar Parishad, Jehanabad is yet to constituted Municipal Accounts Committee under section 98 of the Municipal Act, 2007.



## **Audit Observations**

### **I. Part - A**

All Audit Objections/Irregularities Which has Monetary Implication, Particularly in following areas :

#### **1. Holding & Property Tax Collection**

**Audit Objective** – As per Point No. – 4.4 of TOR

**Criteria** – Non/Short-Collection of Property Tax/Holding Tax by the concerned ULB.

**Condition** – Total Property tax outstanding as on 31<sup>st</sup> March 2015 is Rs. 11,54,1957.00/-.

**Consequence / Effect / Impact** - Due to non/short collection of Property/Holding Tax there is a major operational revenue loss to ULB.

**Cause** – This happens due to none revised of tax rate and lack of proper follow up and monitoring of activities of Tax Inspector / Collector by the concerned officers on regular interval.

**Corrective Action / Recommendation** – There should be day to day monitoring on Collection of Taxes and Also maintenance and updating of Demand & Collection Register on regular interval.

#### **2. Mobile Tower Collection – Irregularity:-**

**Audit Objective** – As per Point No. – 4.4 of TOR

**Criteria** – Tower Tax is taxes on Communication Tower & related structure as defined in BIHAR COMMUNICATION TOWERS AND RELATED STRUCTURES RULES, 2012. As per the rule, all operators are required to register with their concerned ULBs and pay registration fee & renewal charges on annual basis for communication tower erected within municipal area. Currently the registration fee for Nagar Parishad is Rs. 40,000/- per tower and annual renewal fee is Rs. 10,000/- per annum per tower.

**Condition** –As per details provided to us there are 31 (Thirty One) Mobile Towers registered with this ULB up to 31.03.2015 and Rs. 4, 22,150.00/- is due to be recovered from these tower operators on account of Tower Tax.

**Consequence / Effect / Impact** - Due to non collection of Tower Tax, there is a revenue loss to ULB.

**Cause** – This happens due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval. The ULB does not have proper mechanisms for supervision and monitoring of the Tower Rent due to which result in Revenue leakage.

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

**3 Holding & Property Tax Deposit – Irregularity :-**

**Audit Objective** – As per Point No. – 4.4 of TOR

**Criteria** – As per Rules 22(1) of Bihar Municipal Accounting Rules, 2014 Tax Collected has to be deposited on same day or latest before noon on the following working day.

**Condition** - Tax Amount is not deposited timely into Bank. In some cases, collected amount has been retained by the Tax Collectors for a period of 1-2 months from the date of collection of taxes.

**Consequence / Effect / Impact** - Due to non deposit of Tax on due time, ULBs is suffering from Revenue Loss in the form of Bank Interest which could have been earned on these Receipts. Further this is a lapse on Internal Control due to non submission of Counterfoil and record updation of assesses due.

**Cause** – This happens due to non follow up and monitoring of activities of Tax Collector by the concerned officer on regular interval.

**Corrective Action / Recommendation** – There should be day to day monitoring on Collection of Taxes by Tax Inspector/Collectors and deposit of collection into Bank either on same day or latest before noon on the following working day.

**4. Advance Register has not been maintained properly by the ULB. However during the course of audit we have noticed that in following advances were made with irregularities.**

(i)	Om Electric & Electronics	Rs.2,00,000/-	Maintenance of high mast light
(ii)	Kumud Ranjan ojha	Rs. 10,532.00/-	Pay for data entry operator
(iii)	Abhay kumar	Rs. 1,82,33,143/-	Pay for various pensioners

All the advances mentioned above are not yet adjusted till date.

5. Irregularities in Cashbook:

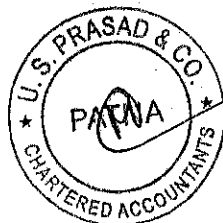
i. In Subsidiary cashbook of Sewerage & Naali the amount of receipt Rs – 415968 dated 12-12-2014 has not shown in bank account.

ii. In Subsidiary cashbook of misc. Fund following amount are not shown in bank account:

S.No	Date	Amount	Types of amount
1	13/03/2015	2214420.00	Receipt
2	00/08/2014	4091231.00	Receipt
3	25/08/2014	35675.00	Payment
4	30/06/2014	97203.00	Payment
5	19/07/2014	18400.00	Payment
6	19/07/2014	99750.00	Payment
7	24/10/2014	198000.00	Payment
8	03/11/2014	2600.00	Payment
9	02/01/2015	15000.00	Payment
10	02/02/2015	217753.00	Payment
11	13/03/2015	20000.00	Payment
12	23/03/2015	16505.00	Payment

iii. In cheque issue register of misc. Fund following cheques are not recorded in subsidiary cashbook :

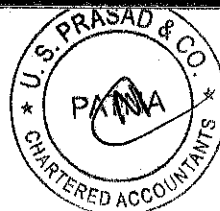
S.no	Date.	Cheque no.	Amount
1	02/04/2014	628540	1505.00
2	15/05/2014	628541	20000.00



3	22/05/2014	628542	20000.00
4	04/06/2014	628543	7500.00
5	06/06/2014	628544	50000.00
6	09/06/2014	628545	1480.00
7	12/06/2014	628546	30000.00
8	12/06/2014	628547	40000.00
9	13/06/2014	628548	75000.00
10	20/06/2014	628549	20400.00
11	20/06/2014	628550	6000.00
12	23/06/2014	628551	41400.00
13	26/06/2014	628552	26100.00
14	30/06/2014	628553	75258.00
15	04/07/2014	628554	50655.00
16	05/07/2014	628555	30000.00
17	09/07/2014	628556	121950.00
18	09/07/2014	628557	55500.00
19	06/01/2015	996192	118859.00
20	19/02/2015	996207	2237.00
21	27/02/2015	996208	28263.00
22	28/02/2015	996209	145875.00
23	21/03/2015	996210	25000.00

6. Property Tax on 20 high value properties :-

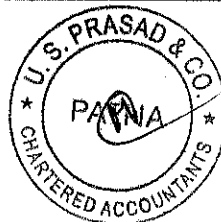
Sl. No.	Owner Property Name	Ward	Holding No.	Area (SQ/Ft.)	Annual Property Tax
1	Kamlesh Prasad Kamal	4	178	3926	2762
2	Usha Kumari	4	1180	14297.68	6434
3	Dev Nagina Welfare & Charitable Trust	4	330	20101	8442
4	Dev Nagina Welfare & Charitable Trust	4	551	18000	16200
5	Pratibha Pallavan Public School	14	206	21238	8920
6	Uma Devi	14	325	978.80	99990
7	Rakesh kumar Singh	8	307	3393	3640
8	Ranjana Devi	8	314	10420	2604
9	Prabhawati Devi	8	540	6430	2604
10	Arun kumar	8	284	5479	1808



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11	Father Incharge	9	714	20153	18138
12	Mahesh Sharma	9	1047	6499	7019
13	Balgovind Sibgh	26	621	3364	3028
14	Md. Sahweer	6	1020	6954	7105
15	Ajay Kumar Sharma	29	533	3008	2301
16	Dr. Dinanath Singh	29	681	15240	3284
17	Bindwasni Market	18	112	6619	7149
18	Baban Parasd	18	122	3758	3382
19	Ranjanam Singh	11	759/154	15800	1764
20	Ramjanam Singh	11	628/629	1663	1796

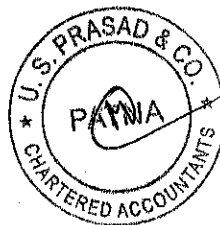


**II. Part - B**

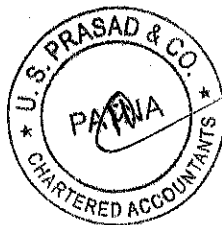
- A. As per Rule 136 of Bihar Municipal Accounting Manual 2014, every year budget should be prepared for receipts and expenditure in Performa 75, 77 and 80. It is not prepared as per prescribed Performa by the concerned ULB.
- B. As per Rule 18 of Bihar Municipal Accounting Manual 2014, voucher should be maintained serially for different schemes in different code, but it is not maintaining accordingly. Vouchers are not keeping in guard file and not systematically arranged.
- C. It has been noticed during the audit that the following Books of Accounts & Subsidiary Registers has not been maintained or not properly maintained (*Status as mentioned*).

Sl. No.	Particulars	Status
1	Cash Book	Not Maintained in Proper manner
2	Subsidiary Cash Book	Not Maintained in Proper manner
3	Ledger Book	Not Maintained
4	Grant Register	Maintained
5	Advance Register	Not Maintained in Proper manner
6	Pay-Roll Register	Not Maintained
7	Vehicle LOG Book	Not Maintained
8	Store Register	Not Maintained in Proper manner
9	Fixed Assets Register	Not Maintained
10	Demand & Collection Register of Property Tax, Mobile Tower Tax, Shop Rent etc.	Not Maintained in Proper manner

- D. In ULB, internal control are not in place and not working in respect of day to day working, payment of expenditure collection of revenue, tender etc.
- E. Non – compliance of TDS, VAT, Royalty & Labour cess relevant statute :-
- VAT and Labour Cess have not been deducted from any payment made to contractor for the F.Y 2014-15
  - TDS and Royalty has been deducted but the same could not be verified whether deposited or not due to non-availability of deposit slip or challan.



- F. Pay-Roll Register has not been shown to us during the period of internal audit, thus we are unable to comment on deficiency in pay-roll system.
- G. Grant Register has not been properly maintained by the concerned ULB and upon enquiry of status of utilization certificate, the concerned officials has failed to provide above information.
- H. Inventory/ Stores Register and Fixed Assets Register have not been provided by the concerned ULB and in the absence of above register it is difficult to verify the same.
- I. Advance Register has not been maintained properly by the concerned ULB and therefore it is difficult to check or comments on adjustment and recovery of advances.





Internal Audit Report of Nagar Parishad, Jehanabad

	service tax, VAT, works contract tax, cess payable to the government etc., and if not, the nature and cause of such delay and the amount not deposited.	taxes deducted during the financial year have been deposited in the month of March 2015.
23	Whether the municipality is regular in remittance of pension and leave encashment contributions or any other amounts which the municipality is liable to remit towards the retirement dues of its employees, including employees on deputation.	No any relevant Documents has been provided by the ULB.
24	Whether any personal expenses have been charged to the municipality' s accounts; if so, the details thereof.	We did not notice any such expenses.
25	Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget, whether made originally or subsequently and are in all cases such as are authorized by law.	Yes, on our test check we observed that all the expenditure incurred by the Nagar Parishad are authorized by appropriate provision in the sanction budget.
26	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis.	No, all revenues from own sources have not been properly assessed, accounted for and collected. For exp. – Mobile Tower & Stamp Duties
27	Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as are authorized by law.	No, The statutory liabilities are not within the prescribed time limits. For exp. – TDS, VAT etc.
28	Whether in respect of all bills for charges on account of all works and other expenditure, proper certificates have been furnished in support of them and that no deviation has been made for the sanctioned plans and the estimates without the sanction of the competent authority.	Yes, we observed that all bills for charges of account of all works and other expenditure, proper certificates have been furnished in support of them and that no deviation has been made for the sanctioned plans and the estimates without the sanction of the competent authority.
29	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order.	Yes, The amount received as specific grants have been utilized for the purposes as stated in the grant sanction order.
30	Whether bio-metric devices and payroll software are used at the ULB. If not whether there is satisfactory system of pay-roll accounting, otherwise mention the key deficiencies of the system.	No, bio-metric devices and payroll software system are not used by the ULB.

for U. S. Prasad & Co.

Chartered Accountants



CA. Manoj Kumar

Partner

M. No.: 418631



PLACE - PATNA

DATE - 26/8/16