

INTERNAL AUDIT REPORT

SPUR-PMU (Samvardhan)

No. 1148

In Coming Date. 06/02/17

OF

LAKHISARAI NAGAR PARISHAD

FOR THE FINANCIAL YEAR 2015-16

INTERNAL AUDIT CONDUCTED BY:-

A.K. SALAMPURIA & ASSOCIATES

CHARTERED ACCOUNTANTS

1ST FLOOR, ABOVE MICA SALES, EXHIBITION ROAD

PATNA- 800 001

FROM 27th JULY-28th JULY 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 Parishad - Lakhisarai** 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.

for A. K. Salampuria & Associates

Chartered Accountants
Firm Regn. No. - 004285C

Place: Patna
Date : 24.09.2016


(CA. Anand Dokania)

Partner
M. No. - 400822



Executive Summary

1. Introduction

- Name of the Municipality :- **Nagar Parishad Lakhisarai**
- Period Covered under current audit :- **01.04.2015 to 31.03.2016**
- Name of Chief Municipal Office for the Period Under Audit :- **Shri Santosh Kr. Rajak**

2. Result & Findings

- Strengths observed during the audit engagement:-
 - a. Man-Powers at the concerned ULB is found to be competent.
 - b. Area under jurisdiction of the concerned ULB seems potential.
 - c. Office Infrastructure is sufficient for operation.
- Weaknesses observed in the functioning of office, Maintenance of records etc. Observed during the audit engagement :-
 - a. Huge untraceable difference (Rs. 13,27,25,861.23) between Cash-Book and Bank Statement as on 31.03.2016.
 - b. Failed to Collect Holding/Property Tax properly for eg. Rs.3,50,04,000.00 of Property Tax is due to be collected up to 31.03.2016.
 - c. Non-Collection of Market/Shop Rent and Non imposition of late fine there on and Rs.4,17,610.00 is due to be collect from Shop Owner up to 31.03.2016.
 - d. Failed to Collect Mobile Tower Tax/Fees of Rs.68,78,400.00 up to 31.03.2016.
 - e. Non Maintenance of prescribed books of accounts (ref. point(i) of part-b) especially Demand and Collection Register
 - f. Procurement Files were also not maintained properly.
 - g. Failed to comply certain rules and directives of UD & HD.
 - h. Unavailability of information and files relating to TDS, Vat, Royalty & Labour Cess.
 - i. Cash Books were not properly maintained i.e. Bank wise opening and closing balances were not bi-furcated.
 - j. Vouchers were not properly kept and arranged.
 - k. BRS are not prepared on regular intervals.

