

**INTERNAL AUDIT REPORT**

**OF**

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

**ULB: RAFIGANJ**

**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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[carkthakur@gmail.com](mailto:carkthakur@gmail.com)

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)**

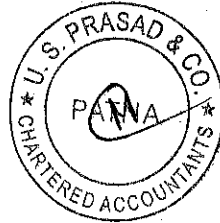
Dear Sir,

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

We are submitting the audit report of Nagar Panchayat, Rafiganj 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



Place - PATNA  
Date - 26/8/16

CA. Manoj Kumar

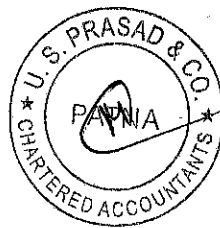
Partner

M. No.: 418631

**NAGAR PANCHAYAT, RAFIGANJ**  
**INTERNAL AUDIT REPORT OF F.Y. 2014-15**

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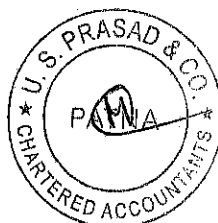
## **Executive Summary**

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

- **Name of Municipality: - NAGAR PANCHAYAT, Rafiganj**
- **Period covered under current audit: - 01-04-2014 to 31-03-2015.**
- **Name of the chief municipal officer for the period under audit: -Md. ShahabYahya**

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

- **Strength observed during the audit engagement**
  1. Subsidiary Cash Book has been written.
  2. Annual Budget has been prepared.
  3. Office Infrastructure is sufficient for operation.
  4. Response from officers & Clerks are satisfactory.
- **Weaknesses observed in the functioning of office, maintenance of records etc. Observed during the audit engagement**
  1. Main Cash Book has not been written.
  2. Fixed Assets Register has not been maintained.
  3. Advance Register has not been maintained.
  4. Stock Register has not been updated.
  5. In most of cases payments to contractors have been made without deducting VAT, Labour Cess. In some cases deducted TDS and VAT has not been deposited till due date.
  6. Board do not adopt new holding rate due to which heavy revenue loss has been

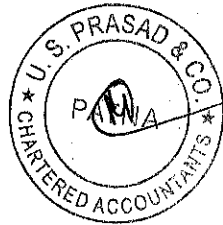


Internal Audit Report of Nagar Panchayat, Rafiganj

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occurred.

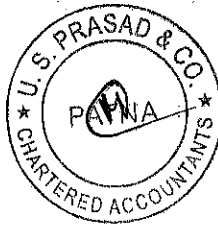
7. Deformity in Tender:- In year 2014-15, allotment of Charka Bazar to UpendraYadav for amount Rs. 1,07,000.00 and in this respective stamp duty of Rs. 3210/-has not been yet collected.
8. Total amount of Holding Tax of Rs.7.20 lakh is due as on 31/03/2015.
9. Due to absence of supporting document we are unable to give exact lacuna in Shop rent collection. But as per provided books, outstanding amount of shop rent as on 31<sup>st</sup>March,2015 is Rs.9,47,334.00
10. The ULB has 9 Bank Account but Bank Reconciliation Statement has not been prepared for any Bank Account.
11. UC of any fund has not provided to us.
12. Log Book for Motor Vehicle and Generator have not maintained.
13. No Separate Grant register is being maintained; hence it is difficult to find out the amount of unutilized grant at any point of grant.
14. Municipal Accounts Committee has not been constituted.
15. Daily collection amount not timely deposited into bank account as per the procedure prescribed by the BMA, 2007.
16. Tower tax has not been collected since 2012 even though number of tower is 15 as on 31-03-2015. Thus total outstanding tax amount is Rs. 14,76,701/- as on 31/03/2015



### 3. Opinion

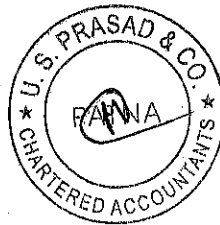
Core Municipal functions are performed by the ULB. So far the ULB is concerned they are not working properly, even internal control is poor. ULB has not maintained proper cash book and other books of accounts which are required. Revenue collection of the ULB is very poor it may be increased multiple of time by considering these points:-

- Adopt revised rate of property tax of 2013 and properly follow the guideline to recover dues taxes against those who do not pay the taxes on time.
- All cash collection from own source should be deposited on the same day or next working day.
- Bank reconciliation statement should be done monthly basis.
- The Books of Accounts must be maintained as prescribed by BMA.
- Fee and charges for the different categories cover under Sairat should be collected on due date,
- Statutory deduction and deposit thereof should be strictly followed such as VAT, Royalty, TDS , Labour Cess Etc.




**4. Audit Recommendations**

- i) Fixed Assets Register should be maintained.
- ii) Advance Register should be maintained.
- iii) Stock Register should be up to date on time.
- iv) Daily Collection Register separately for each head should be maintained.
- v) TDS deduction & deposit thereof and e-filing of TDS return should be made timely and proper manner.
- vi) Tax amount should be collected from Mobile tower. Appropriate action should be taken if tower annual fee not submitted.
- vii) Daily collection amount should be deposited into bank account as prescribed in BMA 2007.
- viii) Municipal Accounts Committee should be constituted.
- ix) Budget prepared by the ULB should be approved by the state government.
- x) Budget should be passed timely by the board and onwards submission to the government.
- xi) Book of accounts should be verified by EO on regular interval of time.



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 Panchayat, Rafiganj  
(Executive Officer.)  
आयुक्त पदाधिकारी  
नगर ईशान्यत, रफीगंज  
\* (बीरगंज)

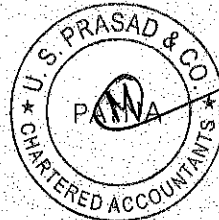
6. Acknowledgement

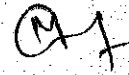
We thank Md. ShahabYahya (Executive Officer), for his support during the period of our audit. We are also thankful to accountant and other staff of the Nagar Panchayat for their co-operation during the period of audit.

for U. S. Prasad & Co.

Chartered Accountants

Place - PATNA,  
Date - 26/8/16





CA. Manoj Kumar

Partner

M. No. : 418631



## **Detailed Audit Report**

### **1) Introduction**

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

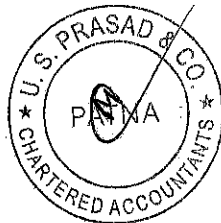
- i) Mr. Dharmendra Kumar
- ii) Mr. Girish Kumar

### **2) Administration**

The present body of the ULB has taken charge on 01.04.2012. The incumbency in the key administrative and executive position was as under:

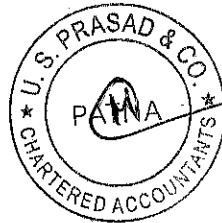
Smt. Merikha Darkhasan , Chairman from 01-04-2012 to till date.

Md. Shahab Yahaya, Commissioner / Executive Officer from 07-09-2015 to till date.



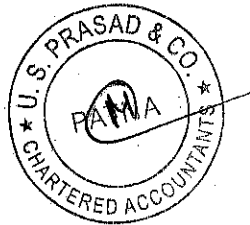
**3) Review of outstanding audit paras: Status of Audit Observations is as under:**

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 compliance of audit report
1	CAG Dated- 29/02/2016	25	25	11	0	Nil	25	No compliance reported till reporting date



**Deficiency Pointed Out in AG Audit Report**

1. High mast light of Rs. 4,90,000/- has been purchased without deducting VAT of Rs.23,332/-
2. Sodium vapor lamp of Rs. 20,92,715/- has been purchased without deducting VAT of Rs. 2,82,517/-
3. Amount of Rs. 85,728/- (received by DD No. 110884 and 110887 dated 27/12/2014 of Rs. 60,720/- and 25,008/-) on account of bandobasti of bus stand awarded to Upendra Yadav has not been deposited into bank account.
4. Total outstanding of Rs. 9.47 Lakh on account of shop rent for financial year 2014-15.
5. Total outstanding Rs 14.76 Lakh due on account of mobile tower.
6. Total outstanding Rs 13.35 Lakh due on account of holding tax.
7. Vouchers and bill of Rs. 1,80,393 related to fuel expenses has not been produced.
8. Labour cess of Rs 210841/-has been deducted but not deposited till audit date.
9. Misc Receipt of Rs 108864/- has neither recorded in cashbook nor deposited in bank account.
10. Government Grant received by ULB of Rs 8, 53, 69,957/- in financial year 12-13 to 14-15 but not recorded in grant register.
11. Fixed asset register has not been maintained by the ULB.
12. Municipal accounts committee has not been constituted.



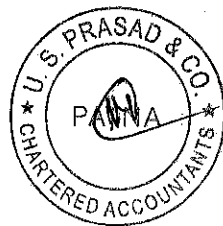
4) Finance :-

I. Budgetary Provisions and expenditure for the last three years:-

Year	2012-13	2013-14	2014-15
Final / Estimated Budget	1,224,740,000.00	293,950,000.00	303,100,000.00
Actual Expenditure	28,491,750.00	25,602,402.00	29,689,386.95
Savings(+)/Excess(-)	1,196,248,250.00	268,347,598.00	273,410,613.05

II Volume of transactions (2014-15)

Period	Budgeted	Previous Year (For one year) 2013-14	Corresponding Period of Previous Year	Current Period 2014-15	Cumulative for the current period
	2014 -15				
(A) Opening Balance	Budgeted				
		33,669,956.34	N O T A P P L I C A B L E	49,140,425.34	N o t A p p l i c a b l e
(B) Total Receipts	24,95,00,000	41,072,871.00		40,765,710.00	
(C) Total (A +B)	-	74,742,827.34		89,906,135.34	
(D) Total Expenditure	8,40,00,000	25,602,402.00		29,689,386.95	
(E) Closing Balance (C -D)	16,55,00,000	49,140,425.34		60,216,748.39	



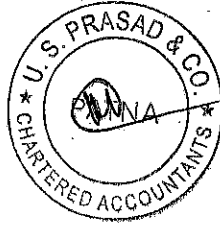
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III. Bank Reconciliation

Bank Reconciliation Statement has not been prepared. However, bank balance as on 31<sup>st</sup> March 2015 has been given below-

List of Account maintained by Panchayat, Rafiganj (AURANGABAD)

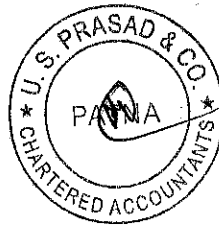
Sl. No.	Name of Bank	Account Number	Balance As On 31 <sup>st</sup> March 2015		Scheme Name	Types of Accounts
			Bank Statement	Cash Book		
1	PNB, Rafiganj	0841000101273072	40,97,980.00	40,90,810.00	13 <sup>th</sup> Finance	Saving
2	PNB, Rafiganj	0841000101273063	86,68,612.00	86,68,612.00	Sahay Anudan (State plane)	Saving
3	PNB, Rafiganj	0841000101294206	15,96,529.45	15,96,529.45	4 <sup>th</sup> Finance	Saving
4	PNB, Rafiganj	0841002100000358	14,80,780.67	14,54,217.52	Municipal Fund	Saving
5	PNB, Rafiganj	0841000100103701	2,79,91,136.00	2,79,91,136.00	General A/c	Saving
6	SBI, Rafiganj	31591400061	38,79,186.00	37,76,663.00	Misc. Account	Saving
7	Indian Bank, Sihuli	765154019	34,17,258.00	34,12,518/-	BRGF	Saving
8	SBI, Aurangabad	P/L Account 245	2,79,91,136.00	2,79,91,136.00	Govt. A/C	Govt.



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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
Property Tax	2,924,325.00	249,594.00		2,14,762.00	
Assigned Revenue	70,000.00	4,98,091.00		6,21,635.00	
Other Charges	54,75,000.00	31,82,336.00		35,21,990.00	
<b>Total(RS) A</b>	<b>84,69,325.00</b>	<b>39,30,021.00</b>		<b>43,58,387.00</b>	
b) Administrative Grant	36,700,000.00	5,228,585.00		7,387,597.00	
c) Specific Grant Received (Scheme wise)					
14 /13 the Financial		3,588,000.00		2,975,612.00	
PLA		9,715,860.00		25,292,279.00	
State Plan		3,000,000.00		-	
4th Financial		14,691,372.00		-	
B R G F		238,718.00		1,324,473.00	
Backward Area Development Fund		255,623.00		1,197,710.00	
Miscellaneous		70,800.00		6,596,309.00	
<b>Total(RS) B</b>	<b>36,700,000.00</b>	<b>3,67,88,958.00</b>		<b>4,47,73,980.00</b>	
<b>Total (RS) (A+B)</b>	<b>4,51,69,325.00</b>	<b>4,07,18,979.00</b>		<b>4,91,32,367.00</b>	

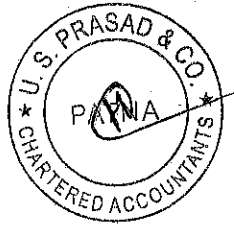


**V. Status of implementation of Double Entry Accounting System :**

Accounting of Nagar Panchayat, Rafiganj is being maintained based on Double Entry Accounting System.

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

Nagar Panchayat, Rafiganj is yet to constitute 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 :

#### i. Holding & Property Tax Collection

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

**Criteria** – Non-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. 720276/-.

**Consequence / Effect / Impact** - Due to non collection of Property/Holding Tax there is a major operational revenue loss to ULB and there is no record / register to know total current & arrear demand of holding tax. Demand / Collection & Arrear Register have also not been provided to us for verification.

**Cause** – This happens due to 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 updation of Demand & Collection Register on regular interval.

#### ii. 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 Panchayt is Rs. 30,000/- per tower and annual renewal fee is Rs. 8,000/- per annum per tower.

**Condition** –As per details provided to us there are total 15 (Fifteen) Mobile Towers registered with this ULB up to 31.03.2015 and **Rs. 14,76,701/-**, is due to be recovered from these tower operators on account of Tower Tax.

**Consequence / Effect / Impact** - Due to non collection of Tower Rent 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.

iii. **Market/Shop Rent Collection** –

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

**Criteria** – Non-Collection of Market/Shop Rent and imposition of late fine by the concerned ULB.

**Condition** – Total outstanding of Market/ Shop Rent is Rs. 9,47,334/- as on 31<sup>st</sup> March 2015.

**Consequence / Effect / Impact** - Due to non collection of Shop Rent 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 Rent which results in Revenue leakage.

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

iv **Advertisement Tax**

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

**Criteria** – Non – levied of advertisement tax by the ULB.

**Consequence / Effect / Impact** - Due to non - levied of collection of advertisement tax , there is a revenue loss to ULB.

**Cause** – This happens due to lack of awareness of imposition of advertisement tax of concerned person of the ULB.

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

v. **Stamp Duty**

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

**Criteria** – Non-Collection of Stamp Duty by the concerned ULB.

**Condition** – For the year 2014-15, bandobasti of sairat Charkava Bazar has been awarded to Upendra Yadav for Rs. 1,07,000/- on which stamp duty @3%, of Rs. 3210/- has not been collected.

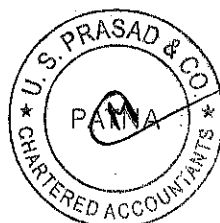
**Consequence / Effect / Impact** - Due to non collection of Stamp Duty there is a revenue loss to ULB.

**Cause** – This happens due to lack of proper mechanisms for supervision and monitoring of the procurement which results in Revenue leakage.

**Corrective Action / Recommendation** – The ULB should collect the outstanding stamp duty from the successful bidder immediately.

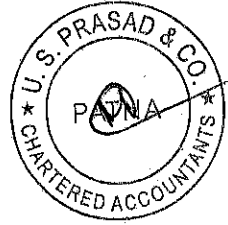
vi. **Property / Holding tax are assessed by the ULB. Property tax on minimum 20 high value properties as follow :-**

Sl. No.	Owner Property Name	Owner /Property address	Holding No.	Annual Property Tax	Housing / Commercial
1	PHC Health Centre	Rafiganj	242	4000/-	Commercial
2	Cooperative Bank	Rafiganj	112	780/-	Commercial
3	Police Station	Rafiganj	136	2000/-	Commercial
4	Md. Murfide	Md. Tafike Market Maharajaganj	296	4000/-	Commercial
5	Parmila Devi	Gopal Prasad	141	1850/-	Commercial
6	Rani Brezraj High School	Rafiganj	177	3500/-	Commercial
7	Girish Singh	Ram Shuhawansingh	179	7150/-	Commercial
8	Dr. Vijay Kumar Singh	College, Kasma Road Rafiganj	182	3000/-	Commercial
9	Dewarika Prashad	Late, Gulab Shaw, Bus Stand	272	2180/-	Commercial



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10	Sheyaram Singh	Late. Ram Prashad Singh	145	1450/-	Commercial
11	BSNL	Rafiganj	210	2420/-	Commercial
12	AbdulaShakrur	Md. Hussain, Main road Rafiganj	126	2620/-	Commercial
13	Showalal Jain	Late Surajmal Jain	212	1080/-	Commercial
14	Gopal PrashadChaurasiya	Late Kanaiya Prasad Chaurasiya	440	1580/-	Commercial
15	Nagandra Shahaya	Bajrangi Shahaya	96	7620/-	Commercial
16	Abid Hussain	Bakridan Miya	101	1000/-	Commercial
17	Abdul Rashid		102	1760/-	Commercial
18	Ramanand Prasad	Om Prakash Shaw	104	650/-	Commercial
19	Md. Abdul Sattar Shahaib	Azim	39	870/-	Commercial
20	Rampukar Prasad Shaudic	Bulkan Shaw	78	4600/-	Commercial
21	Md. Khurshid Allam	Md. Kalim	111	1485/-	Commercial

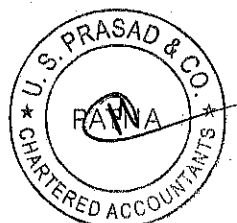


**II. Part - B**

- 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. As per Bihar Municipal Act, 2007, Holding Tax (residential, Commercial, Land etc.) should be revised after every five years, but Nagar Panchayat, Rafiganj failed to do so.
- D. In ULB, internal control are not in place and not properly 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.
  - 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 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 maintained in concerned ULB and in the absence of above register it is difficult to verify the same.
- I. Advance Register has not been maintained by the concerned ULB and in the absence of above register it is difficult to check or comments on adjustment and recovery of advances.

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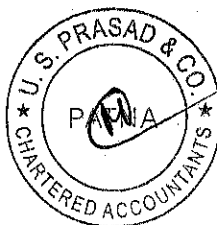
	situation of fixed assets; whether these fixed assets have been physically verified at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account.	
12	Whether in case of leasehold property given by the ULB, lease rentals are collected regularly by the ULB and that the lease agreements are renewed after their expiry.	No, leasehold property has been found.
13	Whether physical verification has been conducted by the ULB at reasonable intervals in respect of stores.	No, physical verification of store has been conducted by the ULB at reasonable intervals.
14	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, physical verification of store has not been done by Nager Panchayat.
15	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.	Since stock register has not been updated by the ULB therefore store verification was not carried out.
16	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, Procedures have been followed regarding damaged stores.
17	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 stock register has been found. Valuation of store has not been done.
18	Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the interest and if not, whether reasonable steps have been taken by the municipality for recovery of the Principal and interest?	Advance Register has not been prepared, so it is difficult to monitor advance given and adjustment thereof.
19	Whether advances given to municipal employees and interest thereon are being regularly recovered.	No advance register has been maintained so we are unable to verify whether it is being recovered regularly.
20	Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets?	Yes there exist an adequate internal control procedure for the purchase of stores, components and assets.
21	Whether applicable procurement rules and procedures are being followed and if so, significant deviations should be identified and reported.	<ol style="list-style-type: none"> <li>1. Allotment of Charka Bazar to Upendra Yadav for amount Rs. 1,07,000/- and in this respective stamp duty of Rs. 3210/-has not been yet collected.</li> <li>2. Payment to suppliers were made, generally, without deducting VAT.</li> </ol>
22	Whether the municipality is regular in depositing	No, The Nagar Panchayat is not regular in



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	statutory dues including tax deducted at source, 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.	depositing statutory dues. We observed that all such taxes deducted during the financial year have been deposited in the month of March 2015. But still some have to be paid.
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.	Yes, ULB regular in remittance of pension.
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 Panchayat 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, holding tax, bus stand, rent from shop, hut bazar, hazardous business.
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, royalty, 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. Payroll book has not been provided to us during the audit, so unable to comment on it.

Place - PATNA  
Date - 26/8/16



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

  
CA. Manoj Kumar  
Partner  
M. No. 418631