

**URBAN DEVELOPMENT & HOUSING DEPARTMENT (GOVT) OF BIHAR)**

**INTERNAL AUDIT REPORT**

**OF**

**NAGAR PARISHAD SITAMARHI**

**FOR THE PERIOD FROM 01/04/2015 TO 31/03/2016**

**Report Issued On**

**Conducted by:  
P. JYOTI & CO.  
(Chartered Accountants)**

**6/7,1<sup>st</sup> Floor, Dukhan Ram Plaza, Exhibition Road, Patna - 800001  
Mobile No.: +91-9431245241, E-mail: pjyotica@gmail.com.**

To,  
The Director,  
UD & HD  
Vikash Bhawan New Secretariat,  
Patna (Bihar)

### MANAGEMENT REPRESENTATION LETTER

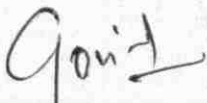
Dear Sir,

This representation letter is provided in connection with the Internal audit of the financial statements of **SITAMARHI NAGAR PARISHAD** for the Financial Year **ended on MARCH 31, 2015** in accordance with the Appointment Letter issued by you and other guidelines provided to us from time to time For the purpose of expressing an opinion as to whether the effectiveness of accounting, financial and other operations and controls as an aid to management to achieve its goals of delivering its various objectives. By constant review and appraisal of the workings of the systems and procedures introduced, Internal Audit enables management to control and utilize widespread resources properly. It acts as eyes and ears of management in implementing its plans and decisions since most management decisions have financial implications on its affairs.

PLACE: PATNA  
DATE: 13/07/2017



FOR P. JYOTI & CO.  
[Chartered Accountants]  
FRN: 010237C

  
[CA. G.K SINHA]  
Partner  
Membership No.: 426588

1945  
1946  
1947

STATE OF NEW YORK

IN SENATE  
January 15, 1947

REPORT OF THE  
COMMISSIONERS OF THE  
DEPARTMENT OF SOCIAL SERVICES  
ON THE  
ADMINISTRATION OF THE  
NEW YORK STATE  
WELFARE PROGRAM

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## EXECUTIVE SUMMARY

### 1. Introduction:

#### BRIEF DETAILS OF AUDITEE AND AUDITOR

Name of the Municipality	Sitamarhi Nagar Parishad
Period covered under current audit	01.04.2015 to 31.03.2016
Name of Executive Officer for the period under Audit	Shri Krishna Murari Shri Rohit kumar Shri Ajay Kumar Shri Tapaswar Prasad Shah
Name & Address of Audit Team:	P. JYOTI & CO. (Chartered Accountants) , 6/7, 1 <sup>st</sup> Floor, Dukhan Ram Plaza, Exhibition Road, Patna-800001

### 2. Results and Findings:

- **Strengths observed during the audit engagement.**
  - 1) Response of staff and officers are satisfactory.
  - 2) Office Infrastructure is sufficient for operation.
  
- **Weaknesses observed in the functioning of office, maintenance of records etc. observed during the audit engagement.**
  - 1) Cash collected but not deposited in bank Rs. 950740.96, which is directly utilized for ULB expenses.
  - 2) Total Outstanding Shop Rent is Rs.3710170.
  - 3) Very Delay in deposit of daily collection by Tax Collector.
  - 4) All the Mobile Tower are operating without NOC from ULB , exact number of tower can't be provided as the towers are not registered.
  - 5) Lack of Staff for proper Functioning.
  - 6) Books of Accounts are not maintained in double Entry System.
  - 7) Ledger Books are not Maintain.



- 8) Lack of Proper Filling system. Related files are not kept at single place and files are not readily available for verification, which consumes lot of time.
- 10) No entry is done in Tally System Software.
- 11) Assessment register is not prepared after year 1997 which is required to be prepared before collecting Tax.
- 12) No Advertisement tax is collected in the year 2015-16.
- 13) TDS deposited annually basis, not on due date.
- 14) Delay in Deposited of collected Property Tax by the collector in cash section.

**3. Opinion:**

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account has not been kept by the ULB so far it appears from our examinations of those books, and
- c) In our opinion and to the best of our information and according to the explanation given to us, there is a huge loss of revenue to the ULB.

**4. Audit Recommendations:**

- A) The proper officer should take proper action to stop leakage of revenue.
- B) There should be proper internal control.
- C) Books of Accounts should be maintained in Double Entry System.
- D) Assessment of Property should do at regular interval.
- E) Settlement of bus Stand should be done every year.

**a) Comments from Management:**

Discussion has been done with the official staff but still they are not given attested copy of the discussion note. Unsigned Discussion Note has been attached at the end of Report.

**b) Acknowledgement:**

We acknowledge our responsibility for expressing a professional opinion on



the effectiveness of the overall financial management and to verify and review the activities of all cost centers so as to assist them in proper Functioning, We would like to express our pleasure for the co-operations extended by the concerned ULB Management and Staff.

### DETAILED AUDIT REPORT

#### 1. INTRODUCTION :

The Internal audit of **Sitamarhi Municipal Corporation** covering period from 01-04-2014 to 31-03-2015 was conducted by following person Under Guidance of **CA. GOVIND KUMAR SINHA**

- i) **Sudhir kumar Sinha**
- ii) **Dhiraj Kumar**

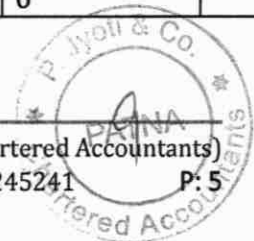
#### 2. ADMINISTRATION :

The present body of ULB has taken charge on 09/06/2012. The incumbency in the key in the key administrative and executive position was as under:-

Sri Subans Ray, Chairman from 01/04/2015 to 31/03/2016 and Shri Tapaswar Prasad Shah Executive officer from 01/04/2015 to 31/03/2016.

#### 3. REVIEW OF OUTSTANDING AUDIT PARAS: Status of Audit Observation is as under :

Sl no	Particulars of Audit & 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 Para where no action has been taken	No. & dated of compliance report
1		6	6	1	0	0	6	



Particular of Outstanding Paras of Audit is given below:

SL. No. of Paras	Particulars
1.	Delay in deposit of property tax and also no penalty is imposed.
2.	Non filing of self assessment form and taxes.
3.	Mobile tower tax irregularity.
4.	Very short collection of shop rent from shops.
5.	Non bidding of bus stands collection and low collection.
6.	Non collection from Advertisement.

4. FINANCE:

i) Budgetary provisions and expenditure for the last three years:-

Year	2013-14	2014-15	2015-16(upto Dec)
Final Revised Budget	29,76,01,000.00	32,11,71,000.00	36,73,32,500.00
Actual Expenditure	5,27,25,658.00	10,02,17,920.00	11,68,22,145.00
Savings (+)/Excess(-)	24,48,75,342.00	22,09,53,080.00	25,05,10,355.00

ii) VOLUME OF TRANSACTIONS:-

Period	Budgeted	Previous Year (For one Year)	Corresponding Period of Previous Year	Current Period(Upto Dec)	Cumulative for the current Period
Opening Balance	422928	200768358	200768358	230685264	
Receipts	367346158	130134826	130134826	102703483	
<b>Total</b>	<b>367769086</b>	<b>330903184</b>	<b>330903184</b>	<b>333388747</b>	
Net expenditure	367332500	100217920	100217920	116822145	
<b>Closing Balance</b>	<b>436586</b>	<b>230685264</b>	<b>230685264</b>	<b>216566602</b>	

