

ANNEXURE-A

ULB – RANCHI MUNICIPAL CORPORATION

AUDIT OBSERVATIONS FOR FINANCIAL YEAR 2016-17

- 1. Bank /Cash Accounts** No physical verification has been done during the year for cash balances .PL register maintained at treasury and treasury balances were not reconciled.
- 2. Grants :-** Grants registers are not maintained in the format and method prescribed in the accounting manual .
- 3. Inventory Verification:-**Stock Register was not maintained properly by the ULB. The quantity and valuation Details of stock of Stationery were not made available to us. The store has not been Physically Verified by ULB during the year under Audit.
- 4. Internal Control:-**
During the audit we observed that the work of an employee is not cross checked or verified by some other official/s which may lead to manipulation, omission or commission of important records. Peer review or Cross verification is a wise practice to eliminate the mistakes made by many causes; such as excessive work load, negligence, lack of diligence, time constraints etc..
- 5. Fixed Assets:-**
Fixed Assets Register was not properly maintained as mentioned in Accounting Manual. It has been observed that forms relating to fixed Assets as mentioned in accounting Manual have only been maintained. We have verified the calculation of Accumulated Depreciation and Depreciation on the basis of such forms. Identification and Location of the Assets was not properly reflected in fixed Asset.

6.Statement of Government due payable:-

➤ **Service tax;**

As per Service Tax Act, Collected service tax should be paid by 6th day of next month from the month in which such amount has been collected, otherwise interest & penalty would be levied on such unpaid amount. During scrutiny of accounts, we found that the collected taxes are not paid within the stipulated time.

Details of Service Tax collection & Payment During the year 2016-17



(Data extracted from tally)

Particulars	Payment	Collection	Balance	Due date of Payment
Opening Bal.			6,971,999.93	31 March 2016
April	4,217,618.00	39,763.00	2,794,144.93	6 th May 2016
May		50,520.00	2,844,664.93	6 th June 2016
June		24,862.00	2,869,526.93	6 th July 2016
July	3,539,822.00	49,697.00	620,598.07	6 th August 2016
August		41,532.00	579,066.07	6 th September 2016
September		42,023.00	537,043.07	6 th October 2016
October		45,643.00	491,400.07	6 th November 2016
November		855,802.00	364,401.93	6 th December 2016
December		66,463.00	430,864.93	6 th January 2016
January		89,289.00	520,153.93	6 th February 2016
February		26,552.00	546,705.93	6 th March 2016
March		804,780.00	1,351,485.93	31 th March 2016
Grand Total	7,757,440.00	2,136,926.00	1,351,485.93	

➤ **TDS;**

As per Income tax Act, Tax deducted at source should be paid by 7th day of next month from the month in which such amount has been deducted; otherwise interest & Penalty would be levied on such unpaid amount. During scrutiny of accounts, we found that such liabilities have not been paid on timely basis.

Details of TDS Deducted & Payment During the year 2016-17

(Data extracted from tally)

TDS from Employee

Particulars	Payment	Deduction	Balance	Due date of payment
Opening Bal.			2,620,876.00	30th April 2016
April	2,711,022.00	2,124,955.00	2,034,809.00	7th May 2016
May	55,500.00	49,500.00	2,028,809.00	7th June 2016



