

INTERNAL AUDIT REPORT
OF
BERHAMPUR MUNICIPAL CORPORATION

For the 3rd & 4th Quarter ending
from-01-10-2017 to 31-03-2018

Conducted & Prepared By

PAMS and Associates

Chartered Accountants

Plot No.506, Behind of Bayababa Math

Unit-IX, Bhubaneswar-751022

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I. STATUTORY RELATED

1. GST

Observations:

- We have verified all accounting transactions related to GST for last 6months of financial year 2017-18 and found that the ULB has many different revenue sources which is covered under GST rhythm namely 1. 1101101- Advertisement Tax - Land Hoardings, 2. 1301002- Rent from Shopping Complexes, 3. 1301003- Rent from Community Halls, 4. 1302001- Rent from Office Building, 5. 1303002- Rent from Guest House, 6. 1401101- Trade license fees, 7. 1401107- Fees from Casual Vendors, 8. 1404001- Advertisement fees, 9. 1405015- User Fees, 10. 1504101- Hire charges on road rollers etc. But ULB has raised and collected from only 4 revenue sources namely Revenue from Parking fees, Revenue from Kalyan Mandap & Town Hall and Revenue from Sale of Tender Paper. We found that all collection of GST amount has been deposited both in Central and State Government Treasury within due date also filed GSTR-3B and GSTR-1 within due date. From our verification also we found that ULB has not taken the INPUT of GST while availing monthly return. As a result ULB has suffered huge loss of amounting **Rs. 1,01,01,931.62** for last 6months of financial year 2017-18. (Reffer to Table 1). It's a Statutory Compliance of ULB that even if GST bills are not raised to respective above revenue sources parties, ULB has to deposit such tax from its collected amount as back calculated after considering all inputs which is purchased/expenses incurred by the ULB during this period. The details of input GST and Back Calculated of GST (Output) are given here under for your ready reference.

Table-1

| STATEMENT SHOWING INPUT GST (OCTOBER 2017 TO MARCH 2018) | | | | | | |
|---|------------------|--------------------------------------|-----------------|-------------------|-------------------|------------------------|
| MONTH | VOUCH. NO | PARTY NAME | BILL AMT | INPUT CGST | INPUT SGST | TOTAL INPUT GST |
| OCTOBER-2017 | 1386/10 | SAI TIRUMULA | 1,553,690.00 | 127,845.00 | 127,845.00 | 255,690.00 |
| | 1582/10 | HOTEL HINDUSTAN INTERNATIONAL | 4,189.00 | 319.50 | 319.50 | 639.00 |
| | 1588/10 | DEVBAS MULTIMEDIA | 37,610.00 | 3,182.00 | 3,182.00 | 6,364.00 |
| | 1589/10 | SAI SPORTS | 29,830.00 | 2,275.00 | 2,275.00 | 4,550.00 |
| | 1592/10 | MS UB MANPOWER AND SEREVICES PVT LTD | 85,408.00 | 6,580.00 | 6,580.00 | 13,160.00 |
| | 1598/10 | NIKHIL PAWAN KALYAN | 134,120.00 | 1,463.00 | 1,463.00 | 2,926.00 |
| | 1615/10 | POWER MAX | 459,672.00 | 39,733.50 | 39,733.50 | 79,467.00 |
| | 1650/10 | ASHIRBAD PRAKASHAN PVT LTD | 9,896.00 | 236.00 | 236.00 | 472.00 |
| | 1684/10 | EXPRESS PUBLICATIONS MADURAI LTD | 3,150.00 | 75.00 | 75.00 | 150.00 |
| | 1685/10 | EXPRESS PUBLICATIONS MADURAI LTD | 10,187.00 | 248.00 | 248.00 | 496.00 |
| | 1708/10 | EASTERN MEDIA LIMITED | 9,827.00 | 239.00 | 239.00 | 478.00 |
| | 1709/10 | MEDIA ANUPAM LIMITED | 10,500.00 | 500.00 | 500.00 | 1,000.00 |

NOVEMBER-2017

| | | | | | |
|---------|--------------------------------------|--------------|------------|------------|--------------|
| 1761/11 | MS RAGHAVENDRA STEELS | 20,450.00 | 1,559.00 | 1,559.00 | 3,118.00 |
| 1762/11 | MS UMA STEELS, BERHAMPUR | 56,422.00 | 6,171.00 | 6,171.00 | 12,342.00 |
| 1763/11 | THE PRAJATANTRA | 3,417.00 | 81.00 | 81.00 | 162.00 |
| 1765/11 | PRABHAT STORES | 10,667.00 | 813.00 | 813.00 | 1,626.00 |
| 1768/11 | KANCHAN PLASTIC PVT LTD | 507,400.00 | 38,700.00 | 38,700.00 | 77,400.00 |
| 1769/11 | KANCHAN PLASTIC PVT LTD | 507,400.00 | 38,700.00 | 38,700.00 | 77,400.00 |
| 1770/11 | KANCHAN PLASTIC PVT LTD | 467,162.00 | 35,631.00 | 35,631.00 | 71,262.00 |
| 1771/11 | KANCHAN PLASTIC PVT LTD | 467,162.00 | 35,631.00 | 35,631.00 | 71,262.00 |
| 1772/11 | KANCHAN PLASTIC PVT LTD | 424,183.00 | 32,353.00 | 32,353.00 | 64,706.00 |
| 1774/11 | JAGADAMBA POLYMERS PVT LTD | 507,400.00 | 38,700.00 | 38,700.00 | 77,400.00 |
| 1775/11 | JAGADAMBA POLYMERS PVT LTD | 507,400.00 | 38,700.00 | 38,700.00 | 77,400.00 |
| 1776/11 | JAGADAMBA POLYMERS PVT LTD | 507,400.00 | 38,700.00 | 38,700.00 | 77,400.00 |
| 1777/11 | MS U B MANPOWER AND SERVICES PVT LTD | 84,793.00 | 5,598.50 | 5,598.50 | 11,197.00 |
| 1778/11 | MS U B MANPOWER AND SERVICES PVT LTD | 17,749.00 | 1,674.00 | 1,674.00 | 3,348.00 |
| 1788/11 | GENRES AD PVT LTD | 64,367.00 | 4,909.00 | 4,909.00 | 9,818.00 |
| 1809/11 | MS U B MANPOWER AND SERVICES PVT LTD | 80,746.00 | 5,329.00 | 5,329.00 | 10,658.00 |
| 1810/11 | MS U B MANPOWER AND SERVICES PVT LTD | 84,379.00 | 5,569.50 | 5,569.50 | 11,139.00 |
| 1811/11 | MS U B MANPOWER AND SERVICES PVT LTD | 24,936.00 | 1,647.00 | 1,647.00 | 3,294.00 |
| 1822/11 | ER SUDARSHAN PANDA | 170,506.00 | 13,004.00 | 13,004.00 | 26,008.00 |
| 1826/11 | GENRES AD PVT LTD | 174,457.00 | 13,306.00 | 13,306.00 | 26,612.00 |
| 1844/11 | SUDHIR ENTERPRISES | 17,423.00 | 349.50 | 349.50 | 699.00 |
| 1846/11 | THE SAMAY | 10,459.00 | 254.00 | 254.00 | 508.00 |
| 1850/11 | MS COMPUTER COLLECTIONS | 28,800.00 | 3,992.00 | 3,992.00 | 7,984.00 |
| 1851/11 | RASHMI ENTERPRISES | 12,349.00 | 6,174.00 | 6,174.00 | 12,348.00 |
| 1869/11 | THE NEW INDIA ASSURANCE CO LTD | 150,384.00 | 189.00 | 189.00 | 378.00 |
| 1872/11 | KALINGA AUTOMOBILES PVT LTD | 4,916,000.00 | 537,688.00 | 537,688.00 | 1,075,376.00 |
| 1873/11 | TRISHUL TREAD PVT LTD | 3,910,000.00 | 427,736.00 | 427,736.00 | 855,472.00 |
| 1874/11 | WIFE TECHNOLOGY | 4,005.00 | 229.00 | 229.00 | 458.00 |
| 1879/11 | GALAXY TOUR AND TRAVELS | 347,456.00 | 8,278.00 | 8,278.00 | 16,556.00 |
| 1880/11 | GALAXY TOUR AND TRAVELS | 115,896.00 | 2,762.00 | 2,762.00 | 5,524.00 |

| | | | | | | |
|---------------|--------------|-------------------------------------|----------------|------------|------------|--------------|
| | 1894/11 | SAI TIRUMULA | 69,481.00 | 8,808.00 | 8,808.00 | 17,616.00 |
| | 1940/11 | THE PRAJATANTRA | 13,080.00 | 311.00 | 311.00 | 622.00 |
| | 1941/11 | NITIDINA | 10,000.00 | 238.00 | 238.00 | 476.00 |
| | 1942/11 | THE EASTERN MEDIA LIMITED | 26,741.00 | 637.00 | 637.00 | 1,274.00 |
| | 1948/11 | SAI TIRUMULA | 130,570.00 | 10,741.00 | 10,741.00 | 21,482.00 |
| DECEMBER 2017 | 1981/12 | JAGANNATH OFFSET | 8,136.00 | 396.00 | 396.00 | 792.00 |
| | 1986/12 | HINDUSTAN CONSERVANCY | 158,810.00 | 10,075.00 | 10,075.00 | 20,150.00 |
| | 1988/12 | EASTERN MEDIA LIMITED | 10,938.00 | 260.00 | 260.00 | 520.00 |
| | 1998/12 | MID WAY MOTORS PVT LTD | 15,067.00 | 1,592.00 | 1,592.00 | 3,184.00 |
| | 2010/12 | GENRES AD PVT LTD | 161,837.00 | 12,343.50 | 12,343.50 | 24,687.00 |
| | 2118/12 | THE NEW INDIA ASSURANCE CO LTD | 99,856.00 | 1,715.00 | 1,715.00 | 3,430.00 |
| | 2132/12 | SKOCH CONSULTANCY SERVICES PVT LTD | 118,000.00 | 9,000.00 | 9,000.00 | 18,000.00 |
| | 2135/12 | THE NEW INDIA ASSURANCE CO LTD | 33,122.00 | 1,263.00 | 1,263.00 | 2,526.00 |
| | 2142/12 | SRI AUTO MOBILES | 2,700,000.00 | 72,320.00 | 72,320.00 | 144,640.00 |
| | JANUARY-2018 | 2158/01 | WEFE BROADBAND | 1,505.00 | 115.00 | 115.00 |
| 2176/01 | | THE EASTERN MEDIA LIMITED | 27,271.00 | 593.00 | 593.00 | 1,186.00 |
| 2178/01 | | EXPRESS PUBLICATIONS MADURAI LTD | 37,575.00 | 692.00 | 692.00 | 1,384.00 |
| 2192/01 | | BENZFAB TECHNOLOGIES PVT LTD | 68,601.00 | 2,097.00 | 2,097.00 | 4,194.00 |
| 2205/01 | | SURGIPLAST | 10,124.00 | 537.00 | 537.00 | 1,074.00 |
| 2210/01 | | MAA BHUBANESWARI SUPPLY AGENCIES | 267,992.00 | 10,071.00 | 10,071.00 | 20,142.00 |
| 2248/01 | | BRIDGE & ROOF CO | 16,449,425.00 | 881,219.00 | 881,219.00 | 1,762,438.00 |
| 2248/01 | | BRIDGE & ROOF CO | 16,688,896.00 | 894,048.00 | 894,048.00 | 1,788,096.00 |
| 2264/01 | | SRUTI | 2,000.00 | 100.00 | 100.00 | 200.00 |
| 2271/01 | | SAI TIRUMULA | 1,230,150.00 | 93,825.00 | 93,825.00 | 187,650.00 |
| 2284/01 | | ANNAPURNA DECORATES | 35,440.00 | 2,703.00 | 2,703.00 | 5,406.00 |
| 2287/01 | | MS ARYABHATT DOOR DARSHNA | 767,100.00 | 79,051.00 | 79,051.00 | 158,102.00 |
| 2296/01 | | HINDUSTAN STEEL WHEELS | 153,800.00 | 16,821.00 | 16,821.00 | 33,642.00 |
| 2303/01 | | MS U B MARKETING & SERVICES PVT LTD | 112,585.00 | 7,442.50 | 7,442.50 | 14,885.00 |
| 2305/01 | | MS U B MARKETING & SERVICES PVT LTD | 37,208.00 | 2,457.00 | 2,457.00 | 4,914.00 |
| 2309/01 | | MS SUCHITRA PRINTERS | 19,037.00 | 1,198.00 | 1,198.00 | 2,396.00 |
| 2311/01 | AB TRACTORS | | | | | |

| | | | | | | |
|---------------|--------------------------------------|---|------------|-----------|------------|-----------|
| | | 535,796.00 | 65,498.00 | 65,498.00 | 130,996.00 | |
| 2312/01 | SRI LAKSMI TRADERS | 78,670.00 | 12,000.00 | 12,000.00 | 24,000.00 | |
| 2344/01 | VOICETREE TECHNOLOGY PVT LTD | 382,320.00 | 29,160.00 | 29,160.00 | 58,320.00 | |
| 2353/01 | HINDUSTAN CONSERVANCY | 399,635.00 | 25,352.00 | 25,352.00 | 50,704.00 | |
| 2353/01 | GENRES AD PVT LTD | 8,260.00 | 630.00 | 630.00 | 1,260.00 | |
| 2358/01 | MS SUCHITRA PRINTERS | 36,288.00 | 1,944.00 | 1,944.00 | 3,888.00 | |
| 2362/01 | TRISHUL TREAD PVT LTD | 5,496.00 | 419.00 | 419.00 | 838.00 | |
| 2367/01 | KANCHAN PLASTIC PVT LTD | 1,014,800.00 | 77,400.00 | 77,400.00 | 154,800.00 | |
| 2368/01 | KR SECURITY | 48,460.00 | 3,696.00 | 3,696.00 | 7,392.00 | |
| 2369/01 | KR SECURITY | 135,847.00 | 10,361.00 | 10,361.00 | 20,722.00 | |
| 2370/01 | KR SECURITY | 59,000.00 | 4,500.00 | 4,500.00 | 9,000.00 | |
| 2374/01 | MS U B MARKETING & SERVICES PVT LTD | 79,959.00 | 5,265.50 | 5,265.50 | 10,531.00 | |
| 2429/01 | MS U B MARKETING & SERVICES PVT LTD | 20,000.00 | 2,592.00 | 2,592.00 | 5,184.00 | |
| 2430/01 | MS U B MARKETING & SERVICES PVT LTD | 20,000.00 | 2,592.00 | 2,592.00 | 5,184.00 | |
| 2453/01 | GALAXY TOUR AND TRAVELS | 8,000.00 | 200.00 | 200.00 | 400.00 | |
| 2453/01 | KALINGA AUTOMOBILES PVT LTD | 4,695.00 | 358.00 | 358.00 | 716.00 | |
| 2453/01 | PRATHI BROTHERS | 315.00 | 24.00 | 24.00 | 48.00 | |
| 2453/01 | MS BALAJI STEELS & PLY CENTRE | 1,520.00 | 115.00 | 115.00 | 230.00 | |
| 2453/01 | MS PRABHAT STORES | 577.00 | 14.00 | 14.00 | 28.00 | |
| 2453/01 | HIMALAYA HANDLOOMS | 3,100.00 | 73.81 | 73.81 | 147.62 | |
| 2499/01 | SRI GRAPHICS & BOOK STORE | 52,866.00 | 4,008.00 | 4,008.00 | 8,016.00 | |
| 2501/01 | THE PRAJATANTRA | 7,099.00 | 169.00 | 169.00 | 338.00 | |
| 2533/01 | GALAXY TOUR AND TRAVELS | 550,029.00 | 12,869.00 | 12,869.00 | 25,738.00 | |
| 2548/01 | MS U B MANPOWER AND SERVICES PVT LTD | 113,023.00 | 7,472.50 | 7,472.50 | 14,945.00 | |
| 2549/01 | MS U B MANPOWER AND SERVICES PVT LTD | 83,031.00 | 5,476.00 | 5,476.00 | 10,952.00 | |
| FEBRUARY-2018 | 2550/02 | MS U B MANPOWER AND SERVICES PVT LTD | 109,612.00 | 15,884.00 | 15,884.00 | 31,768.00 |
| | 2552/02 | MS U B MANPOWER AND SERVICES PVT LTD | 19,600.00 | 2,591.00 | 2,591.00 | 5,182.00 |
| | 2591/02 | MS U B MANPOWER AND SERVICES PVT LTD | 35,237.00 | 2,322.00 | 2,322.00 | 4,644.00 |
| | 2601/02 | EQUIPAGE INFRACORE | 35,293.00 | 2,625.00 | 2,625.00 | 5,250.00 |
| | 2605/02 | MS SREE BARAH LAXMI NRUSHINGHA SWAMI LIME | 50,000.00 | 1,143.00 | 1,143.00 | 2,286.00 |

| | | | | | | |
|------------|--------------|--|----------------------|---------------------|---------------------|----------------------|
| | 2606/02 | SUTAR PHARAMA CHEMICALS PVT LTD | 115,454.00 | 8,805.00 | 8,805.00 | 17,610.00 |
| | 2608/02 | MAA BHUBANESWARI SUPPLY AGENCIES | 128,998.00 | 6,910.00 | 6,910.00 | 13,820.00 |
| MARCH-2018 | 2668/03 | ER SUDARSHAN PANDA | 170,506.00 | 13,004.00 | 13,004.00 | 26,008.00 |
| | 2676/03 | BAJAZ ALLAINZ | 102,772.00 | 16,382.00 | 16,382.00 | 32,764.00 |
| | 2680/03 | THE NEW INDIA ASSURANCE CO LTD | 127,827.00 | 3,338.00 | 3,338.00 | 6,676.00 |
| | 2727/03 | GALAXY TOUR AND TRAVELS | 531,944.00 | 12,172.00 | 12,172.00 | 24,344.00 |
| | 2729/03 | TRISHUL TREAD PVT LTD | 64,016.00 | 4,882.00 | 4,882.00 | 9,764.00 |
| | 2729/03 | TRISHUL TREAD PVT LTD | 4,271.00 | 325.00 | 325.00 | 650.00 |
| | 2731/03 | MS CONSORTIUM AUTOMOBILES | 77,119.00 | 10,734.00 | 10,734.00 | 21,468.00 |
| | 2775/03 | UDAYA BANDHU MARKETING AND SERVICES PVT LTD | 86,453.00 | 5,710.50 | 5,710.50 | 11,421.00 |
| | 2776/03 | UDAYA BANDHU MARKETING AND SERVICES PVT LTD | 113,244.00 | 7,488.00 | 7,488.00 | 14,976.00 |
| | 2777/03 | UDAYA BANDHU MARKETING AND SERVICES PVT LTD | 25,330.00 | 1,674.00 | 1,674.00 | 3,348.00 |
| | 2784/03 | SUNY ENTERPRISES | 4,725.00 | 112.00 | 112.00 | 224.00 |
| | 2795/03 | WIFE TECHNOLOGY | 1,505.00 | 228.00 | 228.00 | 456.00 |
| | 2804/03 | UDAYA BANDHU MARKETING AND SERVICES PVT LTD | 20,000.00 | 2,591.00 | 2,591.00 | 5,182.00 |
| | 2815/03 | BRIDGE & ROOF CO | 18,061,535.00 | 967,582.00 | 967,582.00 | 1,935,164.00 |
| | 2829/03 | SANCHARA ODIYA DAILY | 6,000.00 | 150.00 | 150.00 | 300.00 |
| | 2840/03 | EXPRESS PUBLICATIONS MADURAI LTD | 3,600.00 | 90.00 | 90.00 | 180.00 |
| | 2854/03 | HINDUSTAN CONSERVANCY | 506,132.00 | 32,164.00 | 32,164.00 | 64,328.00 |
| | 2871/03 | M/S SUCHITRA PRINTERS | 53,748.00 | 3,809.00 | 3,809.00 | 7,618.00 |
| | 2873/03 | TILAK RAJ PUBLICATIONS (P) LTD | 4,200.00 | 100.00 | 100.00 | 200.00 |
| | 2884/03 | JOSH MEDIA VISION PVT LTD | 3,000.00 | 229.00 | 229.00 | 458.00 |
| 2906/03 | SAI TIRUMULA | 77,880.00 | 5,940.00 | 5,940.00 | 11,880.00 | |
| | TOTAL | | 80,202,381.00 | 5,050,965.81 | 5,050,965.81 | 10,101,931.62 |

Table-2

| STATEMENT SHOWING OUTPUT GST AS BACK CALCULATED (OCTOBER 2017 TO MARCH 2018) | | | | | | |
|---|-----------------------|--------------|-------------|-------------|-------------|---------------------|
| 1101101- Advertisement Tax - Land Hoardings | | | | | | |
| Month | Collection Amt | GST % | CGST | SGST | IGST | TOTAL |
| Oct.17 | 691,565.00 | 18 | 105,493.00 | 105,493.00 | - | 210,986.00 |
| Nov.17 | 201,000.00 | 18 | 30,661.00 | 30,661.00 | - | 61,322.00 |
| Dec.17 | 631,625.00 | 18 | 96,350.00 | 96,350.00 | - | 192,700.00 |
| Mar.18 | 925,000.00 | 18 | 141,102.00 | 141,102.00 | - | 282,204.00 |
| SUB TOTAL | | | | | | 747,212.00 |
| 1301002-Rent from Shopping Complexes | | | | | | |
| Month | Collection Amt | GST % | CGST | SGST | IGST | TOTAL |
| Oct.17 | 829,033.00 | 18 | 126,463.00 | 126,463.00 | - | 252,926.00 |
| Nov.17 | 1,571,695.00 | 18 | 239,750.00 | 239,750.00 | - | 479,500.00 |
| Dec.17 | 1,122,083.00 | 18 | 171,165.00 | 171,165.00 | - | 342,330.00 |
| Jan.18 | 1,083,977.00 | 18 | 165,352.00 | 165,352.00 | - | 330,704.00 |
| Feb.18 | 999,027.00 | 18 | 152,394.00 | 152,394.00 | - | 304,788.00 |
| Mar.18 | 1,790,586.00 | 18 | 273,140.00 | 273,140.00 | - | 546,280.00 |
| SUB TOTAL | | | | | | 2,256,528.00 |
| 1302001-Rent from Office Building | | | | | | |
| Month | Collection Amt | GST % | CGST | SGST | IGST | TOTAL |
| Oct.17 | 7,320.00 | 18 | 1,117.00 | 1,117.00 | - | 2,234.00 |
| Nov.17 | 6,720.00 | 18 | 1,025.00 | 1,025.00 | - | 2,050.00 |
| Dec.17 | 14,640.00 | 18 | 2,233.00 | 2,233.00 | - | 4,466.00 |
| Jan.18 | 7,320.00 | 18 | 1,117.00 | 1,117.00 | - | 2,234.00 |
| Feb.18 | 7,320.00 | 18 | 1,117.00 | 1,117.00 | - | 2,234.00 |
| Mar.18 | 7,320.00 | 18 | 1,117.00 | 1,117.00 | - | 2,234.00 |
| SUB TOTAL | | | | | | 15,452.00 |
| 1303002-Rent from Guest House | | | | | | |
| Month | Collection Amt | GST % | CGST | SGST | IGST | TOTAL |
| Oct.17 | 33,323.00 | 18 | 5,083.00 | 5,083.00 | - | 10,166.00 |
| Nov.17 | 17,520.00 | 18 | 2,673.00 | 2,673.00 | - | 5,346.00 |
| Dec.17 | 23,105.00 | 18 | 3,524.00 | 3,524.00 | - | 7,048.00 |
| Jan.18 | 20,850.00 | 18 | 3,181.00 | 3,181.00 | - | 6,362.00 |
| Feb.18 | 28,855.00 | 18 | 4,402.00 | 4,402.00 | - | 8,804.00 |
| Mar.18 | 18,220.00 | 18 | 2,779.00 | 2,779.00 | - | 5,558.00 |
| SUB TOTAL | | | | | | 43,284.00 |
| 1401101-Trade license fees | | | | | | |
| Month | Collection Amt | GST % | CGST | SGST | IGST | TOTAL |
| Mar.18 | 5,431,963.00 | 18 | 828,605.00 | 828,605.00 | - | 1,657,210.00 |
| SUB TOTAL | | | | | | 1,657,210.00 |
| 1401107-Fees from Casual Vendors | | | | | | |
| Month | Collection Amt | GST % | CGST | SGST | IGST | TOTAL |
| Oct.17 | 106,476.00 | 18 | 16,242.00 | 16,242.00 | - | 32,484.00 |
| Nov.17 | 139,284.00 | 18 | 21,247.00 | 21,247.00 | - | 42,494.00 |
| Dec.17 | 139,943.00 | 18 | 21,347.00 | 21,347.00 | - | 42,694.00 |
| Jan.18 | 133,154.00 | 18 | 20,312.00 | 20,312.00 | - | 40,624.00 |
| Feb.18 | 102,589.00 | 18 | 15,649.00 | 15,649.00 | - | 31,298.00 |
| Mar.18 | 105,622.00 | 18 | 16,112.00 | 16,112.00 | - | 32,224.00 |

| SUB TOTAL | | | | | | 221,818.00 |
|---|----------------|-------|-----------|-----------|------|---------------------|
| 1401113-Licensing fees from slaughter houses | | | | | | |
| Month | Collection Amt | GST % | CGST | SGST | IGST | TOTAL |
| Oct.17 | 20,700.00 | 18 | 3,158.00 | 3,158.00 | - | 6,316.00 |
| Feb.18 | 41,400.00 | 18 | 6,315.00 | 6,315.00 | - | 12,630.00 |
| SUB TOTAL | | | | | | 18,946.00 |
| 1405015-User Fees | | | | | | |
| Month | Collection Amt | GST % | CGST | SGST | IGST | TOTAL |
| Oct.17 | 324,735.00 | 18 | 49,536.00 | 49,536.00 | - | 99,072.00 |
| Nov.17 | 363,600.00 | 18 | 55,464.00 | 55,464.00 | - | 110,928.00 |
| Dec.17 | 376,005.00 | 18 | 57,357.00 | 57,357.00 | - | 114,714.00 |
| Jan.18 | 399,250.00 | 18 | 60,903.00 | 60,903.00 | - | 121,806.00 |
| Feb.18 | 384,875.00 | 18 | 58,710.00 | 58,710.00 | - | 117,420.00 |
| Mar.18 | 421,710.00 | 18 | 64,329.00 | 64,329.00 | - | 128,658.00 |
| SUB TOTAL | | | | | | 692,598.00 |
| 1404001-Advertisement fees | | | | | | |
| Month | Collection Amt | GST % | CGST | SGST | IGST | TOTAL |
| Jan.18 | 324,000.00 | 18 | 49,424.00 | 49,424.00 | - | 98,848.00 |
| Feb.18 | 114,000.00 | 18 | 17,390.00 | 17,390.00 | - | 34,780.00 |
| Mar.18 | 387,000.00 | 18 | 59,034.00 | 59,034.00 | - | 118,068.00 |
| SUB TOTAL | | | | | | 251,696.00 |
| 1404002-Cattle pouncing fees | | | | | | |
| Month | Collection Amt | GST % | CGST | SGST | IGST | TOTAL |
| Oct.17 | 33,570.00 | 18 | 5,121.00 | 5,121.00 | - | 10,242.00 |
| Nov.17 | 12,180.00 | 18 | 1,858.00 | 1,858.00 | - | 3,716.00 |
| Dec.17 | 1,000.00 | 18 | 153.00 | 153.00 | - | 306.00 |
| Mar.18 | 20,700.00 | 18 | 3,158.00 | 3,158.00 | - | 6,316.00 |
| SUB TOTAL | | | | | | 20,580.00 |
| GRAND TOTAL | | | | | | 5,925,324.00 |

Management Reply:-

2. TDS

Observations:

- We have verified the Income Tax Deducted at source for the last 6months of FY 2017-18 and found that in some cases TDS have not deducted at all and short deduction made. Also found that the ULB is not deposited TDS amount within the due date as per the **Table-3 & Table-4** given here under, subject to observations as here under and also found as per concerned department quarterly TDS return has been filed within due date.

Table-3

| NO/SHORT DEDUCTED OF TDS AMOUNT (October 2017 to March 2018) | | | | | | |
|--|------------------------|---------------------|---------------|------------------|-------------------|---------------------------------------|
| V.NO. | PARTY NAME | BILL AMT | DEDUCTED AMT | TO BE DEDUCTED | DIFF. | REMARKS |
| 1413/10 | SMT NAMITA KUMARI SAHU | 45,062.00 | 428.00 | 450.62 | -22.62 | TDS Rs. 23/- is short deducted. |
| 1558/10 | MS ZIPPER PVT LTD | 300,000.00 | - | 6,000.00 | -6,000.00 | TDS Rs. 6000/- is not deducted at all |
| 1579/10 | TRANSFER TO OREDA | 350,000.00 | - | 7,000.00 | -7,000.00 | TDS Rs. 7000/- is not deducted at all |
| 1596/10 | EASTERN MEDIA LIMITED | 6,946.00 | 69.00 | 138.92 | -69.92 | TDS Rs. 70/- is short deducted. |
| 1606/10 | SRI PRAVEEN GANTAYAAT | 218,923.00 | - | 2,189.00 | -2,189.00 | TDS Rs. 2189/- is not deducted at all |
| 1640/10 | SRI NARAYAN PADHI | 93,209.00 | - | 932.00 | -932.00 | TDS Rs. 932/- is not deducted at all |
| 1645/10 | SRI PADMA CHARAN SAHU | 262,575.00 | - | 2,626.00 | -2,626.00 | TDS Rs. 2626/- is not deducted at all |
| 1828/11 | GOPINATH SAHU | 27,639.00 | - | 276.00 | -276.00 | TDS Rs. 276/- is not deducted at all |
| TOTAL | | 1,304,354.00 | 497.00 | 19,612.54 | -19,115.54 | - |

Table-4

| DELAY DEPOSIT OF TDS AMOUNT | | | | | |
|-----------------------------|------------|-----------|-----------|-----------|---------------|
| MONTH | AMOUNT | REF. NO. | DUE DATE | PMT DATE | DELAY IN DAYS |
| Oct.17 | 251,552.00 | 034332531 | 07.Nov.17 | 22.Nov.17 | 15 |
| Dec.17 | 48,300.00 | 047594457 | 07.Jan.18 | 10.Jan.18 | 3 |

Management Reply:-

3. Royalty

Observations:

- We have verified the Royalty for the last 6 months of FY 2017-18 and found that Royalty has been properly deducted and deposited with the same within due date.

Recommendation -I

- i. It is being advised that the ULB should pay all the statutory liability on or before due date.*
- ii. Maintain centralized register with respect to all types of statutory due instead of only department wise register.*
- iii. Reconcile periodically i.e. monthly or quarterly all types of statutory due with accounts department by the different department.*
- iv . It is advised to the ULB to avail the ITC while filing GST monthly return for respective quarter with respect to input GST for Rs. **1,01,01,931.62** /-*
- v. It is also advised to corporation to collect GST amount from main revenue sources like Advertisement and Building rent so that statutory compliance/reconciliation can be held in future smoothly otherwise ULB would be liable for such defaulting amount.*
- vi. Before payment of any advance amount or payment of any revenue/capital expenditure ensure that whether that amount is covered under TDS or not.(if PAN is no exist deduct flat 20% on Bill amount.)*
- vii. In some cases ULB is deducting TDS on supply of goods and deducting 2% on individual's bill amount. It is advised to ULB deduct 1% instead of 2% only in case of individual which is covered under section 194C and no TDS is attracted on supply of materials.*

II. EMPLOYEES BENEFITS

1. EPF

Observations:

- EPF dues were found it is correctly computed and deducted and also deposited before due date however we found that for the month of December-2017 same amount is not deposited which is given below.
- **Table-5**

| SHORT DEPOSIT OF EPF DEDUCTED AMOUNT | | | | | | |
|---|-------------------|-------------------|------------------|---------------------|---------------------|-----------------|
| Month | E-or Cont. | E-ee Cont. | Admin. | Total | Deposited | Diff. |
| Dec.17 | 498,029.00 | 498,029.00 | 47,728.00 | 1,043,786.00 | 1,039,932.00 | 3,854.00 |
| Total | 498,029.00 | 498,029.00 | 47,728.00 | 1,043,786.00 | 1,039,932.00 | 3,854.00 |

- During our verification we found that monthly EPF amount which is to be deposit by the ULB to the Govt. Treasury, specially being transfer from General Municipal fund to Current SBI Account No. **00000035296873524** then after Current SBI to Govt. Treasury as online deposit in which such SBI account was being opened in the name of Berhampur Municipal, Commissioner but still date such Bank account is not taken into consideration in ULBs cash Book as well as in Accounting Software which is maintained by ULB. We observed that as on 31.03.2018 such account Balance is **Rs. 3,77,720.5** which is rest amount after payment of EPF Dues. It is still requires to reconcile of such account whether excess amount transferred or not.

Management Reply:-

2. Loan

Observations:

- While verifying various loans which are taken by employees from various finance sources like SBI, ORHDC, OSCB, LIC in which ULB is the guarantor, we found that there is no reconciliation made with bank and employees account. As a result that employee whose loan has already been finalized still now might be deducted from their salary. At the time of ledger scrutiny the respective documents (All loans Statement and their status as on 31.03.2018) were not provided by respective department to us for verification so that we are unable to reconcile of such loans.

Management Reply:-

- While verifying Health Section, we found that some fixed deposit documents have been expired but respective department not yet renewed, so that it needs to be updated after proper analysis of better investment as compare to various rate of FD schemes in various Banks. It is also comes to our audit observations that specially in Health section there is also a **saving account** which is only for sweeper's PF deposit in which closing balance as on 31.03.2018 is Rs. **91,33,934.75**. Generally the rate of interest in saving bank is 4.5 but still date the above huge amount is laid in such saving bank account as a result the ULB is getting lesser interest than actual as such amount would be FD after considering availing of loan to sweeper. Also we found that the section has maintained its separate cash book but still date reconciliation is not made as monthly basis. The details of Fixed Deposit are given under for your ready reference.

- **Table-6**

| FIXED DEPOSIT DETAILS (ONLY HEALTH DEPT.) | | | | | | | |
|--|-----------------|-----------------------|-------------------------|---------------|-------------------|--------------------|---------------------|
| BANK OF INDIA | | | | | | | |
| SRL. NO | AC NO | DATE OF POLICY | DATE OF MATURITY | PERIOD | INST. RATE | DEPOSIT AMT | MATURITY AMT |
| 1 | 515145110002102 | 05.Apr.17 | 05.Apr.18 | 12m | 7.00% | 2,090,652.28 | 2,240,885.00 |
| 2 | 515145110000972 | 20.May.17 | 20.May.18 | 12m | 6.90% | 1,629,163.95 | 1,744,519.00 |
| 3 | 515145110002631 | 26.May.17 | 26.Nov.17 | 6m | 6.90% | 2,641,625.00 | 2,738,175.00 |
| 4 | 515145110001288 | 02.Aug.16 | 02.Aug.18 | 24m | 7.30% | 1,143,605.88 | 1,321,636.00 |
| 5 | 515145110003189 | 11.Jan.17 | 11.Jul.17 | 6m | 6.75% | 1,482,425.00 | 1,532,879.00 |

Management Reply:-

Recommendation -3

- iv. We recommend the corporation to reconcile the SBI current Account No. 00000035296873524 and transfer of such amounting Rs. 3,77,720.5 to Corporation General Fund due to such account deals with online banking transactions facility may be mis-use of such balance.***
- v. Also recommend to the ULB that whenever payment is transferred to SBI account ensure that exact amount is coming under PF portal challan in each month and also ensure that there should not be maintain more than Rs. 1.00 as it's a intermediary bank account of ULB and there is no interest credit to such account.***

III. MAINTENANCE OF BOOKS OF ACCOUNTS

Observations:

- It is observed that the ULB has not updated some of the prescribed registers & records as per OMAR-2012 and is in the process of updating the same. Further the Corporation is needs to regularize and update the following registers;
 - a. Fixed Assets Registers with respect to Land, Immovable property, Public Lighting System & other assets.
 - b. Cheque Issue/Receipt Registers & Stale Cheque Registers.
 - c. Investment Register,
 - d. GST Input Credit Registers, TDS Register.
- It has been observed that the Corporation has maintained its books of account in multiple places in the premises of BeMC office which results in lack of timely proper co-ordination amongst the departments, which leads to failure in furnishing various Statutory Returns & payments on due date and also failure to maintain records as per OMAR.
- It is being found that at present the corporation is maintaining separate register for each department with respect to grant, utilization, advance, salary, cheque issue & stale cheque register, Investment Register, TDS Register,etc.. However if the Corporation will maintain the consolidated register consisting under a single head of each department with respect to Grant Register, Utilization Certificate Register, Advance

register, Salary register, cheque issue & stale cheque register, Investment Register, TDS Register, etc., then proper timely reconciliation can be done with respect to the above.

- During verification of vouching the bill (Voucher No. 1558/10, Party Name- MS ZIPPER PVT LTD, Amount Rs. 3,00,000/-) is not found and also observed that the following vouchers are missing.

Table-7

| MISSING VOUCHER NUMBERS (OCTOBER 2017 TO DECEMBER 2017) |
|---|
| 1385,1387,1395,1404,1409,1410,1411,1414,1417,1448,1453,1457,1461,1483,1490, 1491,1497,1508 TO 1523, |
| 1525,1530,1534,1541, 1542, 1543,1546 TO 1556,1559 TO 1572,1575,1577,1580,1586,1590,1595,1599,1603 |
| 1605,1607,1610,1612,1614,1620,1626,1628,1630 TO 1634,1636,1638,1639,1659 TO 1665,1670 TO 1672, |
| 1694,1711,1712,1713,1723,1725 TO 1729,1731, 1737, 1738 TO 1749,1820,1829 TO 1834,1839,1842, 1848,1849, |
| 1854 TO 1867, 1870, 1881, 1883, 1889, 1890, 1891, 1896, 1899 TO 1902, 1904, 1905, 1918 TO 1920, 1922, 1925, |
| 1927, 1928, 1931, 1933 TO 1935, 1938,1940, 1941, 1944, 1949 TO 1965 |

| MISSING VOUCHER NUMBERS (JANUARY 2018 TO MARCH 2018) |
|--|
| 2184, 2185, 2199,2213,2216 TO 2224, 2227,2228,2239, 2247, 2250, 2252, 2254, 2260, 2262, 2270,2272,2274, 2278 |
| 2281, 2289, 2291, 2298, 2360,1552 TO 2557, 2564, 2567, 2570,2587,2588, 2592,2596,2599, 2604, 2609, 2617, |
| 2622, 2627, 2628, 2632, 2636, 2640, 2642, 2644, 2649 TO 2654,2655, 2656, 2657,260,2661, 2663, 2666, 2681, |
| 2682, 2686, 2688, 2690,2691, 2695, 2701, 2703,2707, 2710,2712 TO 2716, 2720, 2723, 2725, 2736, 2740, 2747, |
| 2748, 2749,2771, 2774,2785 TO 2793, 2796,2799, 2803, 2805,2807,2809,2810, 2811,2812,2819,2820,2822,2832, |
| 2835,2836,2837,2838,2850,2851, 2852, 2853, 2855, 2858, 2860, 2866, 2876, 2877, 2878, 2879, 2880, 2881,2885 |
| 2898, 2902, 2903, 2904, 2905 |

- **During verification of Contractors Work Oder we found that the contractors namely Bridge Roof and Co. Ltd has produced PMC bill (Reffer Bill no. 248/01 amounting Rs. 3,31,38,321) on gross value including CGST and SGST which was to be deduct on only taxable value. As a result the ULB has paid the extra amount of Rs. 3,19,293/- as PMC charges as compare to the payment mechanism of work order and also incurred the extra loss of CGST Rs. 19158/- and SGST Rs. 19158/-which is directly paid to such Contractor.**
- **Also we observed that in voucher No. 1579/10, amounting Rs. 3,50,000 has been transferred to Odisha Renewable Energy development Agencies, Bhubaneswar, vide letter no. 140/RE cell for installation of Grid Connected solar roof top power plant of 3 kwp capacity at St. Stephens Churchc, ward no. 19 in Berhampur City. The ulb is booked as asset installed in its books of account but the Bill is not available with the ULB. It is still require to reconcile with respective govt. authority whether they treated as assets or not and whether TDS has deducted or not on such amount.**

Management Reply:-

Recommendation -3

- i. We recommend the corporation to maintain the aforesaid books of account & register for the betterment of the corporation and also recommend to maintain separate all statutory files like TDS, Royalty, GST. Further it is being advised that the Corporation should go for Centralized Finance & Accounts department; thereby the corporation can enable better control over such failure and have better control over the accounts.*
- ii. We also recommend to Create respective asset ledger account which is included in the ledger of OTHER FIXED ASSET, consequently Individually assets can be measured in future.*
- iii. It is also advised to maintain Fixed assets Register with actual date of purchase of assets or capitalization of assets so that the calculation of depreciation can be provisioned in correct basis.*

IV. FINANCIAL MANAGEMENT

1. GRANT

Observations:

- As per OMAR, a Grant Register in Form G-1 is being maintained by the Municipality in respect of grants, to record receipts and utilization of grants thereof. However, the Corporation is advised to properly maintain the updated registers w.r.t. specific contributions received & utilization thereof for the purpose specified.
- It has been seen that the Corporation has multiple departments & each department has maintain their respective register, but it will be proper if there is timely reconciliation should be made of grant receipt & utilized by them with the accounts department.
- The Utilization register w.r.t. grant receipt are not properly maintained, needs to be updated.

We found that respective department are maintaining grant utilization as per due basis where as in Accounts, grants are maintaining cash basis so it is not tally with utilization certificate as compare to Accounts.

Management Reply:-

Recommendation -4

Therefore we recommend to the corporation to reconcile the grant details of respective department with the accounts department. Also recommend that maintain detailed register.

2. REVENUE (Including own source revenue)

2. REVENUE (Including own sources)

Findings:

During our testing of the revenues we noted the followings.

- **Revenue from Business Licenses-:** The ULB had a total consumer of around 8,000 out of which trade license fees is being collected from around 4,000 consumers till date. The Municipality does not obtain from the Ministry of Trade and Industry the updated, total number of active business in the municipality. Therefore inactive or terminated business might be charged, while active or new businesses might not be charged.
- **Revenue from Advertisement-:** The tendering for advertisement are made each year by the ULB, however no party is interested to participate in the tendering process, as a result of which the ULB has collected the advertisement tax as per the rate fixed in this regard previously. Further ULB is advised to collect the GST portion from the respective parties and regularize.
- **Revenue from Parking Fees-:** The ULB has leased out to 2nd parties the parking area for the collection of parking fees. As per the lease agreement between the ULB with the concerned party, the 2nd party should pay the lease collection to the ULB on or before 5th day of following month and also there is a penal clause for the default (i.e. the 2nd party will be allowed to deposit the money within a grace period of 24 days with a penalty of Rs. 20/- per day over the lease amount and no further grace period will be allowed and the respective agreement will be cancelled). However in most of the cases the 2nd party has failed to pay the fees on or before due date, but the ULB has collected the penal amount from few lessee in fixed amount Rs. 600/-. Hence we advised to the ULB to take necessary actions to collect penalty from such defaulter parties in this regard.

Management Reply-:

Recommendations -5

We recommend the municipality

- *Ensure proper application of municipal regulation related to fees and taxes for different services provided by the municipality.*
- *If computerized revenue collection process will be made as compare to manual process takes much time & resources, and accordingly the corporation can be save its resources and avoid any misappropriation in this regards.*

3. ASSETS & DEBTS

Findings:

- **Fixed Assets-:** The ULB is advised to maintain the proper Fixed Assets Register showing the cost, date of installation/commissioning, life of the asset, nature, physical position, block of the assets to which it is belong. Further the organization is advised to conduct timely Physical Verification on Fixed Assets at regular intervals. The actual balance of the assets as compared to the book value of asset need to be reconciled.
- **Investments-:** It is observed that the ULB is not renewed its own Fixed Deposit during the course of audit and also found that there are 150 and above flexi account which is maintained by ULB but still date the ULB is not collected all statement of Such Flexi account as well as not reconciled of such account. Only credited interest is booked in its books of account. Still it requires charging interest as **accrual** basis.
- **Stores / Inventory-:** It has been observed that there is no physical verification of stores (i.e. stationery and tools & equipment of electrical department) at periodically i.e. monthly or quarterly by the competent authority of the ULB. The valuation of stores needs to be reconciled as per physical verification report and necessary rectification entry needs to be passed for reconciling with the book balance. The ULB has also not introduced the mechanism of Surprise physical verification by any third party of Stores & Consumables during the period under audit.
- **Receivables-:** With respect to Income generation, the ULB is maintaining its books of accounts on cash basis. However as per OMAR it should be on accrual basis to determine the receivable and ageing of the same. In the absence of accrual system of accounts w.r.t. income, the actual position of receivable can't be determined. Hence ULB is advised to maintain accrual basis of accounts for proper reflection of income and receivables.
- **We also observed that there is no demand outstanding during the course of Audit.**

Management Reply-:

Recommendation -6

- i. It is being advised that the municipality should properly maintain the following fixed asset registers comprising of land, buildings and all other infrastructure, immovable and movable properties which belong to the Municipality:—
 - (a) Register of Land*
 - (b) Register of Immovable Properties*
 - (c) Register of Movable Properties*
 - (d) Register of Public Lighting System**
- ii. These registers should be maintained category wise in respect of lands, buildings, etc. The infrastructure assets like roads, bridges, culverts, drains, shall be recorded in such a manner as to identify location, measurements, etc. The registers should be maintained fund wise*
- iii. Any new asset that is capitalized, purchased or obtained by way of grant or gift shall be recorded in the register on the date the asset is capitalized, purchased or obtained by way of grant or gift shall be recorded in the register on the date the asset is capitalized, purchased or obtained.*
- iv. An Asset Replacement Register shall also be maintained which shall record the history of the asset in use in a Municipality. This shall capture the usage and depreciation details of the asset.*
- v. The ULB is required to verify the above assets in periodic interval.*
- vi. To introduce surprise check of liquid cash by the competent authority to check the cash position.*
- vii. All the pass book/ bank statement should be updated and bank reconciliation for each bank account needs to be done for obtaining the accurate bank balance position.*
- viii. It has been advised that, the ULB should take necessary steps with regard to outstanding advances, either to recover the advances, otherwise write-off the same.*

3. CONCLUSIONS

1. RECOMMENDATIONS

Recommendations have been provided at last of each of the report of table content points.

2. Status of Prior year Recommendations

Our official letter, as at and for the financial year ended 2016-17, identified three main recommendations. None of these recommendations were addressed during the financial year 2017-18, namely:-

- *To maintain consolidated register consisting under a single head of each department with respect to Grant Register, Utilization Certificate Register, Advance register, cheque issue & stale chequeregister, Investment Register, TDS Register, etc., proper timely reconciliation can be done with respect to the above.*
- *To properly maintain the following fixed asset registers comprising of land, buildings and all other infrastructure, immovable and movable properties which belong to the Municipality:—*
 - (a) Register of Land*
 - (b) Register of Immovable Properties*
 - (c) Register of Movable Properties*
 - (d) Register of Public Lighting System*

3. Overall conclusion on the Management of BeMC

General Conclusions: As discussed within this report, improvements need to be made in the areas of revenues, handling of receivables, payment of obligations within the required timeframe, measurement of capital and non capital asset etc.