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भारतीय लेखा एवं लेखा परीक्षा विभाग
कार्यालय - प्रधान महालेखाकार (सामान्य एवं सामाजिक क्षेत्र
लेखा परीक्षा), प. वं., स्थानीय लेखा परीक्षा विभाग

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL
(GENERAL & SOCIAL SECTOR AUDIT), W.B.
LOCAL AUDIT DEPARTMENT

SS-19 / A/Cs Rajpur Sonarpur (10-11) / 18-165
संख्या / No. 1132 (10)

दिनांक / Dated: 12.04.2016

To
The Chairman
Rajpur Sonarpur Municipality
27, N.S Road
PO-Harinavi,
Dist- South 24 Parganas,

Sub: Audit Report on Annual Financial Statement (AFS) for the year 2010-11

Sir,

I am forwarding the Audit Reports and detailed comments on the AFS for the year 2010-11 under section 87 of West Bengal Municipal Act 1993 as amended till date and annexure containing specified information as per Sub-Rule 2 of Rule 22 of West Bengal Municipal Finance and Accounting Rules 1999 as amended in January 2007. I draw your kind attention to Section 88 of the Act ibid to place the Audit Report to the Chairman-in-Council to take remedial measures and report to the Director of Local Bodies with intimation to this office.

Yours faithfully

Examiner of Local Accounts
West Bengal

Enclosure: As stated above

A	Balance Sheet
A.1	Liability
A.1.1	Earmarked Funds (Schedule B2): ₹ 38.61 lakh
	Provident Fund: ₹ 0.00 lakh

Against the net Provident Fund liability of ₹16826356.00 excluding accrued interest for 2010-11) as depicted in the 'Abstract of Ledger balance of P.F as on 31.03.2011 an amount of ₹0.00 was exhibited in the accounts. Besides, ₹1328509.00 being the accrued interest of the above for 2010-11 was also not shown in accounts. Thus the actual PF of ₹18154867.00 was not shown in accounts. Instead the PF payable of ₹5645720.00 was shown in accounts as Sundry Creditor (Sch.B-9).It requires detail review and proper accounting.

Wrong accounting of the above resulted in understatement of 'Provident Fund' of ₹181.55 lakh with the corresponding overstatement of PF payable of ₹56.46 lakh, overstatement of Municipal fund of ₹111.80 lakh and understatement of receivable (interest) to the extent of ₹13.29 lakh.

In reply, Municipal authority stated that necessary correction would be made after detailed checking of the Balance Sheet.

A.1.2 Other Liabilities (Sundry Creditor) (Sch.B-9)

A.1.2.1 Gratuity Payable: ₹1.34 lakh

(a) Above did not include ₹ 131423.00 being the unpaid amount of Gratuity, payable to the retired (retired in earlier years)/death Municipal employees as on 31.03.2011.

Non-accounting of above resulted in understatement of 'Other liabilities (Sundry Creditors)' with the corresponding understatement of expenditure' and there by overstatement of 'Surplus of income over expenditure' to the extent of ₹ 1.31 lakh.

(b) The balance shown under Gratuity Payable was actually the balance of Gross Salary Payable which was shown nil as on 31.03.2011.

Wrong accounting of the above resulted in overstatement of Other Liabilities with the corresponding understatement of Gross Salary Payable to the extent of ₹ 1.34 lakh.

While admitting the above audit observations, the Municipal authority assured that the necessary rectification would be made before finalization of the AFS of the year 2011-12.

A.1.2.2 Expenses payable: ₹0.00 lakh

The municipality had furnished some vouchers for the month of April, May and June for the year 2010-11 and had not furnished unpaid bill register. However, it was revealed from the Cash Book (Purohishab) of 2011-2012 that the expenditure of ₹ 7575327.79 had not been considered for Liability for the year 2010-11.

Hence above liability did not include ₹ 75.75 lakh being the unpaid bills for revenue expenditure incurred during the year 2010-11 (payment voucher no. 23, 28, 30, 31, 35, 36, 37, 38, 41, 43, 52, 53, 74, 80, 82, 91, 94, 95, 99, 105, 106, 110, 115, 116, 128, 135, 159, 164, 165, 183, 199, 201, 203, 204, 226, 268, 486, 3696 for the year 2011-12 and correspondence of CESC vide No. M:CC: 5994 dated 19.05.2015).

Non accounting of the above resulted in understatement of Sundry Creditors (Other Liability) with the corresponding understatement of 'expenditure' thereby overstatement of 'Surplus' to the extent of ₹75.75 lakh.

While admitting the above audit observations, the Municipal authority assured that the necessary entries would be made before finalization of the AFS of the year 2011-12.

A.1.3 Provisions (Sch.B-10): ₹1.40 lakh

Above included revenue income of ₹140270 comprising rent rates and taxes of ₹114790 and Professional and other fees of ₹25480 during the year 2006-07 which was wrongly credited to provisions and carried forward

Wrong accounting treatment of the above resulted in overstatement of 'Provisions' with the corresponding understatement of 'Income (prior period)' as well as 'Surplus' to the extent of ₹ 1.40 lakh.

While admitting the above audit observations, the Municipal authority assured that the necessary rectification would be made before finalization of the AFS of the year 2011-12.

A.2 Assets

A.2.1 Investment- General Fund (Schedule B-12): ₹ 0.00 lakh

Against the net Investment of ₹8378740.00 (₹8345141+33599, as per the information furnished by the municipal authority) as on 31.03.2011 an amount of ₹0.00 was exhibited in the accounts

This resulted in understatement of 'Investment' with the corresponding overstatement of 'Cash and Bank Balance' ₹83.79 lakh.

While admitting the above audit observations, the Municipal authority assured that the necessary rectification entries would be made before finalization of the AFS of the year 2011-12.

A.2.2 Investment-Other fund (Schedule B-13): ₹0.00 lakh Provident Fund: ₹ 0.00 lakh

The P.F Treasury Account balance of ₹14197434.00 has been shown as Cash and Bank Balance (Schedule B-17) instead of showing the same as Investment of Provident Fund Account (Schedule B-13).

Wrong accounting treatment of the above resulted in overstatement of 'Cash and Bank Balance' with the corresponding understatement of 'Investments' to the extent of ₹ 141.97 lakh. As per the employee P.F abstract, the P.F was ₹16826356.00 (excluding interest as on 31.03.2011). Hence, as per according principle, the interest other fund was to be similar amount to the P.F. The shortage of ₹ 2628922.00 require detail review and proper accounting.

While admitting the above audit observations, the Municipal authority assured that the necessary entries would be made before finalization of the AFS of the year 2011-12.

A.2.3 Stock-in-Hand (Schedule B-14): ₹ 332.88 lakh

a. Above included) ₹31661617.87 being the stock in hand balance comprising Engineering Store (₹22322659.87), Medical Store(₹1999243.00), Sanitary & conservancy

store(₹3306825.00) and Electricity Store(₹4032890.00) against the actual balance of stock-in-hand of ₹6392024.88 under the above account (as per documents submitted by the Municipality). The difference of ₹25269592.99 require proper checking and necessary rectification.

Wrong accounting of the above resulted in overstatement of Stock-in-Hand with the corresponding understatement of expenditure and thereby overstatement of surplus of income over expenditure to the extent of ₹ 252.70 lakh.

In reply, Municipal authority stated that necessary correction would be made after reconciliation of the stock account.

b. Above included ₹1350.00 being the closing stock value in respect of Stationary Store. As per Accounting Principles Part-2 para 3.3.2 e) Inventories of consumable supplies such as stationery, fuel shall be charged to revenue at the time of purchase and hence should not be booked under Stock-in-hand.

Wrong accounting of the above resulted in overstatement of Stock-In-Hand with corresponding overstatement of Surplus to the extent of ₹0.01 Lakh.

The Municipal authority admitted the fact and assured to take necessary rectification.

A.2.4 Sundry Debtors (Receivable) (Sch.B-15): ₹399.88 lakh

A.2.4.1 Property Tax Receivables: ₹ 399.88 lakh

Against the actual outstanding demand of Property Tax of ₹26541368.71 (as per statement furnished by the municipal authority), ₹39988192.69 was shown in accounts as on 31.03.2011. This needs proper checking and rectification.

Wrong accounting of the above resulted in overstatement of Sundry Debtors (Receivables) with the corresponding overstatement of income and there by understatement of surplus of income over expenditure to the extent of ₹ 134.47 lakh.

In reply, Municipal authority stated that necessary correction would be made after detailed checking of the Balance Sheet.

A.2.4.2 Interest Accrued and Due (Ledger Code 4314002): ₹0.00 lakh

Against the net interest receivable of ₹6.76 lakh (interest accrued of the investment of ₹8345141.00+₹33599.00 from General Fund, as per the information furnished by the municipal authority) as on 31.03.2011 an amount of ₹0.00 lakh was exhibited in the accounts.

This resulted in understatement of 'Receivable' with the corresponding understatement of income as well as surplus to the tune of ₹6.76 lakh.

While admitting the above audit observations, the Municipal authority assured that after detail checking, the necessary rectification entries would be made before finalization of the AFS of the year 2011-12.

A.2.5 Cash and Bank Balance (Schedule B-17): ₹ 5597.14 lakh

Above did not include ₹ 470308.00 being the value of 57 nos. cheques (05 cheques in respect of A/c no UBI-Rajpur 2862 , 01 cheque in respect of A/c no UBI-Rajpur-4113, 02 cheques in respect of Treasury Baruipur, 01 cheque in respect of A/c no 3265, 03 cheques in respect of A/c no. 6281, 01 cheques in respect of A/c no. 198404, 01 cheque in respect of A/c No. 540, 03 cheque in respect of BSUP A/c, 34 cheques in respect of General fund and 05 cheque in respect of Account No 144681) issued by the Municipality which lost their validity prior to 31.03.2011. The above stale cheques should have been written back by crediting the liability to that extent.

This resulted in understatement of 'Cash and Bank Balance' with the corresponding understatement of 'Other liability' to the extent of ₹ 4.70 lakh.

In reply, Municipal authority stated that necessary correction would be made after detailed checking of the Balance Sheet.

B. INCOME AND EXPENDITURE ACCOUNTS

B.1 Income

B.1.1 Interest Earned (Schedule I-8): ₹ 108.42 lakh

As per Accounting Manual for ULBs (Para 3.3.3 f of Part 2) income on investments made from Special Fund and Grants under specific Scheme should be recognized and credited to Special Fund and Grants under Specific Scheme respectively, whenever accrued.

Above included ₹6651167.00 being the Interest earned on various unutilized Government Grants and Special Fund (KUSP, MDM, SGSRY, 12th FC, MPLAD, BSUP, BRGF Pension Fund and Revolving Fund) deposited in various banks.

This resulted in overstatement of income and there by overstatement of Surplus of income over expenditure with the corresponding understatement of Grants, Contribution for Specific Purpose and Special Fund to the extent of ₹ 66.51 lakh.

In reply, Municipal authority stated that necessary correction would be made after detailed checking.

B.1.2 Revenue Grants, Contribution and Subsidies (Sch.I-6): ₹ 414.23 lakh
Contribution towards Asse/Fixed Assets -₹388.04 lakh

a As per Accounting Manual for ULBs (Part 2), amount proportionate to depreciation of the fixed assets created out of grants shall be credited to the Income & Expenditure Account every year.

However, above 'contribution towards fixed asset' did not include ₹31627774.76.00 being proportionate depreciation of the fixed assets created out of grant fund for the year 2010-11 (as per the Asset Matrix furnished by the Municipal authority). Total depreciation of the Asset Matrix did not tally with that of Annual Accounts (Schedule I-0). It requires necessary rectification and accounting effect.

Incorrect accounting of the above resulted in understatement of 'Income' as well as understatement of 'Surplus of Income over Expenditure', with the corresponding overstatement of 'Grants against Fixed Assets' to the extent of ₹316.28 lakh.

While admitting the above audit observations, the Municipal authority assured that the necessary rectification entries would be made before finalization of the AFS of the year 2011-12.

b. The Municipality had to pay ad-hoc Bonus to its employees. As per Government order, 20 per cent of ad-hoc Bonus payment is to be reimbursed by the Government on submission of claim. Therefore, the Municipality accrued assured income of 20 % of bonus as soon as such payments were made.

The Municipality paid 'Bonus' to its employees in the year 2010-11 of ₹ 252000.00. Thus, the municipality accrued an 'Income' of ₹50400.00. This was required to be included as 'Income' for the year with creation of Receivables for the same amount.

Non-accounting of the above resulted in understatement of 'Income' as well as understatement of Surplus by ₹ 0.50 lakh with consequent understatement of 'Sundry Debtors (Receivables)' by the same amount.

In reply, Municipal authority stated that necessary correction would be made before finalization of the AFS for the year 2011-12.

B.2 Expenditure

B.2.1 Establishment Expenses (Schedule I-10): ₹ 435.63 lakh

Pension Contribution: ₹ 0.00 lakh

Above did not include ₹855582.84 (6% of total basic salary of ₹ 14259714.00) as Pension Contribution to the Pension fund. As per Govt. order, 6% of the basic pay was to be contributed to this fund. The matching Pension Fund amount should be kept separately under 'Investment'. All basic pension payment should be made through 'Pension Fund'.

This resulted in understatement of 'Expenditure' and there by overstatement of 'Surplus of Income over expenditure' with the corresponding understatement of 'Pension Fund (Earmarked fund) to the extent of ₹8.56 lakh and overstatement of Cash and Bank Balance with the corresponding understatement of Investment Other Fund by the same extent.

In reply, Municipal authority stated that necessary entries would be made before finalization of the AFS for the year 2011-12.

C. RECEIPT AND PAYMENT ACCOUNTS

Nil

D General Comments

D.1 Bank Reconciliation:

During scrutiny of Bank Reconciliation Statements (BRS), the following irregularities were noticed,

- i) The closing balance of Cash Book shown in BRS in respect of General Fund, All Govt. Scheme, Pension Fund, Flyover, and Matrisadan did not tally with the closing balance shown in Cash and Bank Balance (Sch.B-17).
- ii) Incomplete statement of 'Cheque Issued but not Encashed' submitted to audit (without cheque no and issued date)
- iii) Bank Pass Books of A/c No 3518 (Central Bank), 3174 (SBI-Rajpur), NRY, KUSP, JNNURM-3319, JNNURM-5129, 422 (UBI-Rajpur), Three MP LAD and Treasury-Baruipur were not submitted before audit.
- iv) Against the closing balance of ₹ 541366838.68 (excluding Treasury Provident Fund and Cash-in-Hand), ₹540134695.23 was shown in BRS.
- v) Details of 'Add Others' was not submitted to audit
- vi) In addition to above as per the PF Treasury Pass Book, closing balance as on 31.03.2011 was ₹16826456.00 but as per the Accounts, the balance was ₹14197434.00. The reasons for the above difference were not reconciled and furnished to audit.

In reply, Municipal authority stated that necessary reconciliation would be made after detailed checking.

Due to above mentioned discrepancies; the Closing Balance of the Cash Book submitted to audit cannot be confirmed in audit.

D.2 Physical verification of store / fixed asset not conducted

Physical verification of store / movable as well as immovable assets was not conducted at a regular interval, as a result the Municipal authority could not ensure whether all the assets accounted for in the Stock register / Asset register were physically available or not.

D.3 Poor Internalization of the Reformed Accounting Procedure

The reformed accounting in double entry system required close coordination amongst all the departments. But there was no proper coordination with Accounts section in providing appropriate data, reconciling figures generated by the respective departments. This was indicative of poor internalization of the reformed accounting system.

D.4 Primary Documents

Though the Municipality did finalize the Annual accounts for the 2010-11 but not maintained the basic/ primary records like Appropriation Register, Unpaid Bill Register, Stock Verification Report, Register of Tools and Plants, Demand and collection Register, Revenue collection register, stock register of Water Supply and Health, Scheme register, Work Register, Liquid Cash Book, details of Receivables and Payables etc. Further the Municipality maintained Deposit Register, Asset Matrix, Asset Register, Investment Register and Advance Register in incomplete manner. As a result, the figures as depicted in the annual accounts could not properly be verified in audit.

D.5 Deficiencies/shortcomings in accounting software package 'Purohisab'

- a) The accounting software package 'Purohisab' has no locking arrangement in so far as accounting period is concerned i.e. any voucher can be entered at a later date after closing of a particular accounting year on real time basis thereby leaving the system unsecured.

b) The accounting software package 'Purohisab' is unable to generate 'Bank Reconciliation statement' thereby rendering it ineffective as all the record/entries pertaining to Bank Reconciliation statement are being kept manually.

c) The accounting software package 'Purohisab' did not generate any 'Grant Register', 'Fixed Assets Register', 'Cash Flow statement', etc. as per prescribed format.

d) Narration in most of the voucher was absent. Some of the vouchers can't be printed from the software.

e) There was no scope to save any computer I.P. address against any transaction. Not even that, the name/designation of voucher entering and passing person was not reflected against the voucher posted/passed in any occasions. Hence, both the persons might be the same which frustrated the system of double checking of the vouchers. Moreover, the Municipality failed to furnish any password register or copy of the resolution indicating the persons authorized for posting the entries and passing the entries in the system leaving the total system unsecured.

D.6 Notes to Accounts

The Municipality did not submit Notes to Accounts with approved Balance Sheet as well as before audit.

D.7 Contribution towards Fixed Asset

Above head of accounts included donation for Tube well/Drain and other miscellaneous adjustment. It required proper verification and rectification with accounting effect.

D.8 Details of asset created from Deposit Work, General Reserve and Capital Reserve were not submitted to audit.

D.9 Property Tax

No age-wise analysis of receivables of Property Tax was prepared and attached to accounts in compliance with the provision of para 3.1.4(d) of the Accounting Manual for Urban Local Bodies (Part 2). Arrear Property tax as per tax department was not tally with the accounts.

D.10 Schedule forming part of Financial Statement

Schedules B-1, B-2, B-3, B-4, B-8, B-11, B-12, B-15 and B-18 attached to the Balance Sheet were incomplete and not conforming to the provisions of the Accounting Manual for ULBs. As a result, the extent of addition, deduction, capital expenditure, revenue expenditure, out of grant/ own resources, movement of fund was implicit in the Financial Statement.

D.11 Depreciation

During scrutiny of Fixed Asset Register (incomplete), it was noticed that the municipality considered erroneous estimated life of some Fixed Asset (e.g estimated life of different type of road taken 12 years instead of 2/3/7/10 years, estimated life of AC pipes taken 40 years instead of 10 years etc) and charged full depreciation on assets created or purchased after 1st October. In some cases date of completion was not mentioned. It needs detail review and necessary rectification.

D.12 Journal Vouchers

As per 'Purohisab' accounting software package, total number of journal voucher is 4972 for the year 2010-11. But the Municipal Authority did not produce any authorization of the higher authority and justifying primary documents of those vouchers. It is reveal from ledger, among those, rectification Journal Vouchers valuing ₹ 520.50 lakh (Debit amount ₹149.28 lakh & Credit amount ₹371.22 lakh) were passed.

D.13 Payment Vouchers

The Municipality has been furnished three months (April, May, June) Payment Voucher only for the year 2010-11. Some voucher numbers did not tally with the voucher nos of the 'Purohisab' Cash Book and hence could not be check in audit.

D.14 Cash and Bank Balance (Sch.B-17)

As per Schedule No B-17 of Balance Sheet as on 31st March, 2011 Cash and Bank Balance is ₹ 559713569.22. It has been noticed that the amount of Provident Fund ₹14197434.00 is included with the amount of Cash and Bank Balance in B-17 schedule. So this is not the actual figure of Cash and Bank Balance.

In reply, Municipal authority stated that necessary action would be taken to rectify the above irregularities.

D.15. It is reveal from Transaction Audit Report 2008-09, 31 nos, of bitumen drum (valuing ₹111055.00) were stolen from the stock. It is also revel from Transaction Audit Report 2010-11, eleven nos of bitumen drums (valuing ₹ 762542.00) were stolen from the stock. But, no disclosure in respect of above mater was given to notes on accounts.

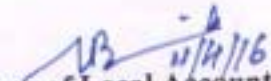
v) Subject to our observation in the preceding paragraphs, we report that the Balance Sheet and Income and Expenditure Account and Receipts and Payments Account dealt with by this report are not in agreement with the books of accounts.

vi). In our opinion and to the best of our information and according to the explanations given to us and because of the significance of the matters discussed in preceding paragraphs, we are not able to express an opinion on the Financial Statement of the Rajpur Sonarpur Municipality for the year ending 31st March 2011.

(a) In so far as it relates to the Balance Sheet of the State of affairs. of the Rajpur Sonarpur Municipality as at 31 March, 2011 and

(b) In so far as it relates to the Income and Expenditure for the year ended on that date.

Place: Kolkata
Date .04.2016


21/4/16
Examiner of Local Accounts
West Bengal

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ANNEXURE - 1

Audit comments on the information as asked under Sub rule of Rule 22 of the West Bengal Municipal (Financial & Accounting) Rules, 1999 as amended in January, 2007.

Sl. No	Item of information.	Audit comments.
1.	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 unauthorized by law.	During test check, no such deviation was found.
2.	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 deficiency was noticed in course of test check but non availability of some crucial records viz appropriation register audit could not be able not made any comments.
3.	Whether all transaction (income, expenditure, assets and liabilities) are correctly classified and stated in sufficient details?	Audit comment given in specific cases.
4.	Whether in respect of all bills for charges on accounts of all works and other expenditure proper certificates have been furnished in support of them and that no deviation has been made from the sanctioned plans and the estimate without other sanction of the competent authority?	Facts could not be confirmed due to non availability of records.
5.	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order?	During test check, no such deviation was found.
6.	Whether the special funds, if any, have been created as per the provisions of relevant statutes and whether the special funds have been utilized for the purpose for which created?	Pension Fund was created but there was no regular contribution. Provident Fund is being utilized for the purpose for which the same was created.
7.	Whether the Municipality is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets? Whether these fixed assets have been physically verified by the management at reasonable intervals? Whether any material discrepancy was noticed on such verification and if so, whether the same have been properly dealt with in the Books of accounts?	Though the Municipality maintained Asset Register but the details of location, fund, date of creation and measurement were not recorded. No physical verification of fixed assets had been done by the Management.
8.	Whether physical verification has been conducted at reasonable intervals in respect of stores?	Physical verification of stores was not done during the year 2010-11
9.	Whether the procedures of physical verification of store followed by the Municipality are reasonable and adequate, if not, the inadequacies in such procedures should be reported.	No. Physical verification of stores was not done.
10.	Whether any material discrepancies have been noticed on physical verification as compared to books of records and if so whether the same have been properly dealt with in the books of accounts?	Discrepancy could not be ascertained as physical verification of stores was not done at all.

	Whether the valuation of stores is in accordance with the accounting principles laid down by the State Govt. from time to time? 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 materials, should be reported?	Yes, during test check, no such deviation was found.																								
12.	Whether the parties to whom the loans or advances in the nature of loans have been given by the Municipality, are repaying the principal amounts as stipulated and are also regular in payments of the interest and if not, whether reasonable steps have been taken by the Municipality for recovery of the principal and interest?	Facts could not be confirmed due to non availability of records / register.																								
13.	Whether there exists an adequate internal control procedure for the purchase of store including components, plant and machinery, equipment and other assets?	No. Internal control system needs to be strengthened.																								
14.	Whether proper procedure 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.																								
15.	Whether the Municipality is regular in depositing Provident fund dues and Professional Tax deducted with the appropriate authorities and if not, the extent of arrears?	No, audit comment given in specific cases																								
16.	Whether the Municipality is regular in depositing deducted at source (Income Tax and Work contract tax) and other statutory dues, and if not, the nature and cause of such delay and the amount not deposited?	Yes.																								
17.	Whether any personal expenses have been charged to revenue accounts? If so the details thereof.	Not found during test check.																								
18.	Whether the total liabilities of the Municipality can be met out of the Municipal fund when falling due?	Yes, as calculated below. (₹ in lakh)																								
		<table border="1"> <thead> <tr> <th>Head</th> <th>Amount</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Earmarked funds</td> <td>38.61</td> <td></td> </tr> <tr> <td>Unspent grant-</td> <td>3540.44</td> <td></td> </tr> <tr> <td>Loan</td> <td></td> <td>3579.05</td> </tr> <tr> <td>Current assets -</td> <td>6531.31</td> <td></td> </tr> <tr> <td>Current liabilities</td> <td></td> <td></td> </tr> <tr> <td>Investment</td> <td>0.00</td> <td>6531.31</td> </tr> <tr> <td>Excess of cash strength over liability</td> <td></td> <td>2952.26</td> </tr> </tbody> </table>	Head	Amount	Amount	Earmarked funds	38.61		Unspent grant-	3540.44		Loan		3579.05	Current assets -	6531.31		Current liabilities			Investment	0.00	6531.31	Excess of cash strength over liability		2952.26
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Place: Kolkata
Date: .04.2016

RB 11/11/16
Examiner of Local Accounts
West Bengal

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AUDIT REPORT ON THE ANNUAL FINANCIAL STATEMENTS OF RAJPUR SONARPUR FOR THE YEAR ENDED 31ST MARCH, 2011

We have audited the Balance Sheet of the Rajpur Sonarpur Municipality as at 31st March, 2011 along with Income & Expenditure Account and Receipts & Payments Account for the year ended on that date under section 86 of the West Bengal Municipal Act, 1993 as amended till date. Preparation of these financial statements is the responsibility of the Rajpur Sonarpur Municipality. Our responsibility is to express an opinion on these financial statements based on our audit findings.

2. This Audit Report contains the comments of the Examiner of Local Accounts (ELA) on the accounting treatment with regard to classification, conformity with the best accounting treatment, accounting practices, accounting standards and disclosure norms, etc. Audit observation on financial transactions with regard to compliance with the Laws, Rules and Regulations (Propriety and Regularity Audit) and efficiency-cum-performance aspects, etc., are reported through Inspection Reports/Audit Reports separately.

3. We have conducted our audit in accordance with the Auditing Standards generally accepted in India. These standards require that we plan and perform audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:

i. We have not obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

ii. The Balance Sheet and Income & Expenditure Account and Receipts and Payments Account dealt with by this report have been drawn up in the format prescribed under Accounting Manual for Urban Local Bodies (Part - 5 : Forms & Formats) subject to the observations made below.

iii. In our opinion, books of accounts and other relevant records have not been maintained by the Rajpur Sonarpur Municipality as required under Accounting Manual for Urban Local Bodies (Part - 5 : Forms & Formats) in so far as it appears from our examination of such books and subject to the observations made below.

Rajpur Sonarpur Municipality did not adhere to appropriate internal controls [comments as per Sub-rule (2) (1) (d) of the Rule 22 of West Bengal Municipal (Finance & Accounting) Rules, 1999 (Amended) is enclosed (Annexure - 1)].

iv. We further report that-