Form 81
[Vide Rules 239 & 260]

Name of Urban Local Body : NORTH DUM DUM MUNICIPALITY

BALANCE SHEET AS ON 31 March 2015

Code No.	Description of Item	Schedule No	Current Year Amount	Current Year Amount	Previous Year Amount	Previous Year Amount
	SOURCES OF FUNDS					
	Reserves and Surplus					
310	MUNICIPAL (GENERAL) FUND	B-1	122068539.24		125834696.03	
311	EARMARKED FUNDS	B-2	99453930.99		99287719.99	
312	RESERVES	B-3	788424365.00		688477346.00	
				1009946835.23		913599762.02
	Grants,Contribution for Specific purposes					
320	GRANTS ,CONTRIBUTIONS FOR SPECIFIC PURPOSES	B-4	350520790.75		346273423.75	
				350520790.75		346273423.75
	Loans					
330	SECURED LOANS	B-5	0.00		0.00	
331	UNSECURED LOANS	B-6	29335442.00		29335442.00	
				29335442.00		29335442.00
	TOTAL			1389803067.98		1289208627.77
	APPLICATION OF FUNDS					
	Fixed Assets					
	Gross Block					
410	FIXED ASSETS	B-11	1634640478.00		1350811083.00	
	Less: Accumulated Depriciation					
411	ACCUMULATED DEPRECIATION	B-11	706183680.00		576197209.00	
412	CAPITAL WORK-IN-PROGRESS	B-11	-3052030.00		-5009293.00	
	Net Block		931508828.00		779623167.00	
				931508828.00		779623167.00
	Investments					

Accounts & Finance Co-ordinator
North Dum Dum Municipality

Finance Officer
North Dum Dum Municipality

Chairman
North Dum Dum Municipality

KOLKATA

n 81
ide Rules 239 & 260]

Name of Urban Local Body : NORTH DUM DUM MUNICIPALITY

BALANCE SHEET AS ON 31 March 2015

Code No.	Description of Item	Schedule No	Current Year Amount	Current Year Amount	Previous Year Amount	Previous Year Amount
420	INVESTMENTS-GENERAL FUND	B-12	9566800.00		43269545.00	
421	INVESTMENTS-OTHER FUND	B-13	85092215.16		86366390.16	
				94659015.16		129635935.16
	Working Capital					
	Current assets, loans & advances					
430	STOCK-IN-HAND	B-14	20123346.00		32184182.00	
431	SUNDRY DEBTORS (RECEIVABLES)	B-15	47309576.60		31929611.00	
432	ACCUM. PROVISIONS AGAINST DEBTORS (RECEIVABLES)	B-15	-17590.00		0.00	
440	PRE-PAID EXPENSES	B-16	0.00		0.00	
450	CASH AND BANK BALANCE	B-17	447080897.54		468620791.93	
460	LOANS, ADVANCES AND DEPOSITS	B-18	17727229.08		19040051.08	
461	ACCUM.PROVISIONS AGAINST LOANS,ADVANCES & DEPOSITS	B-18	0.00		0.00	
	Less: Current Liabilities & Provisions					
340	DEPOSITS RECEIVED	B-7	127497086.00		119671951.00	
341	DEPOSITS WORKS	B-8	7272457.00		9399726.00	
350	OTHER LIABILITIES (SUNDRY CREDITORS)	B-9	33938094.40		42753433.40	
360	PROVISIONS	B-10	0.00		0.00	
				363515821.82		379949525.61
	Other Assets					
470	OTHER ASSETS	B-19	119403.00		0.00	
				119403.00		0.00
	Misc.Expenditure(to the extent not written off)					
480	MISCELLANEOUS EXPENDITURE TO BE WRITTEN OFF	B-20	0.00		0.00	
				0.00		0.00
	TOTAL			1389803067.98		1289208627.77

Accounts & Finance Co-ordinator
North Dum Dum Municipality

Finance Officer
North Dum Dum Municipality

Chairman
North Dum Dum Municipality

Form 88 [Vide Rules 239 & 260]

Name of Urban Local Body : NORTH DUM DUM Municipality

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR 2014-2015

Code No	Item/Head of Account	Schedule No	Previous Year Amount (Rs.)	Current Year Amount (Rs.)
1	2	3	4	5
	INCOME			
110	TAX REVENUE	I-1	33142711.00	32258953.80
120	ASSIGNED REVENUES AND COMPENSATIONS	I-2	14604746.00	14738979.00
130	RENTAL INCOME FROM MUNICIPAL PROPERTIES	I-3	2202238.42	3138634.00
140	FEES AND USER CHARGES	I-4	83914156.00	99001826.00
150	SALE AND HIRE CHARGES	I-5	1249278.00	1025215.00
160	REVENUE GRANTS, CONTRIBUTIONS AND SUBSIDIES	I-6	245383050.00	261976261.00
170	INCOME FROM INVESTMENTS	I-7	3910964.00	3014238.60
171	INTEREST EARNED	I-8	9028716.00	5492652.60
180	OTHER INCOME	I-9	14939291.00	50312017.61
A	Total - INCOME		408375150.42	470958777.61
	EXPENDITURE			
210	ESTABLISHMENT EXPENSES	I-10	136293177.00	164572903.00
220	ADMINISTRATIVE EXPENSES	I-11	6184366.00	13081241.00
230	OPERATION AND MAINTENANCE	I-12	71337352.50	100129047.00
240	INTEREST AND FINANCE CHARGES	I-13	20923.40	61568.40
250	PROGRAMME EXPENSES	I-14	82336125.00	66871063.00
270	PROVISIONS AND WRITE OFFS	I-16	22641.00	22641.00
272	DEPRECIATION	I-0	94277154.00	129986471.00
280	PRIOR PERIOD	I-0	10359526.00	0.00
B	Total - EXPENDITURE		400831264.90	474724934.40
A-B	Gross surplus/(deficit) of income over expenditure		7543885.52	3766156.79
			SURPLUS	DEFICIT

29/8/17 11:51

Accounts & Finance Co-ordinator
North Dum Dum Municipality

Finance Officer
North Dum Dum Municipality

SEN & GHOSH KOLKATA Chartered Accountants

Chairman
North Dum Dum Municipality

Form 88 [Vide Rules 239 & 260]

Name of Urban Local Body : NORTH DUM DUM Municipality

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR 2014-2015

Code No	Item/Head of Account	Schedule No	Previous Year Amount (Rs.)	Current Year Amount (Rs.)
1	2	3	4	5
	INCOME			
11001	PROPERTY TAX	I-1	34789629.00	34345836.00
11011	ADVERTISEMENT TAX	I-1	314954.00	174235.00
11090	TAX REMISSIONS AND REFUNDS	I-1	-1961872.00	-2261117.20
12010	TAXES AND DUTIES COLLECTED BY OTHERS	I-2	14604746.00	14738979.00
13010	RENT FROM CIVIC AMENITIES	I-3	1013620.00	1016806.00
13030	RENT FROM GUEST HOUSES	I-3	321750.00	586880.00
13040	RENT FROM LEASE OF LANDS	I-3	11900.00	850000.00
13080	OTHER RENTS	I-3	854968.42	701468.00
13090	RENT REMISSION AND REFUNDS	I-3	0.00	-16520.00
14010	EMPANELMENT AND REGISTRATION CHARGES	I-4	6046510.00	6287659.00
14011	LICENSING FEES	I-4	6919995.00	8752300.00
14012	FEES FOR GRANT OF PERMIT	I-4	9167484.00	8462570.00
14013	FEES FOR CERTIFICATE OR EXTRACT	I-4	1323678.00	4720806.00
14014	DEVELOPMENT CHARGES	I-4	2567209.00	4610747.00
14015	REGULARIZATION FEES	I-4	49300.00	35250.00
14040	OTHER FEES	I-4	36508555.00	47528150.00
14050	USER CHARGES	I-4	11201945.00	13562016.00
14070	SERVICE/ADMINISTRATIVE CHARGES	I-4	10095780.00	5008728.00
14080	OTHER CHARGES	I-4	33700.00	33600.00
15010	SALE OF PRODUCTS	I-5	1658.00	0.00
15011	SALE OF FORMS AND PUBLICATIONS	I-5	1178120.00	1025215.00
15012	SALE OF STORES AND SPARES	I-5	30500.00	0.00
15041	HIRE CHARGES ON EQUIPMENTS	I-5	39000.00	0.00
16010	REVENUE GRANT	I-6	162491871.00	157451540.00
16020	RE-IMBURSEMENT OF EXPENSES	I-6	83200.00	38400.00
16040	CONTRIBUTION TOWARDS ASSETS	I-6	82807979.00	104486321.00
17010	INTEREST	I-7	3910964.00	3014238.60
17110	INTEREST FROM BANK ACCOUNTS	I-8	8916236.00	5427210.00
17180	OTHER INTEREST	I-8	112480.00	65442.60

29/8/17 11:52

SEN & CO. KOLKATA Chartered Accountants

Accounts & Finance Co-ordinator
North Dum Dum Municipality

Finance Officer
North Dum Dum Municipality

Chairman
North Dum Dum Municipality

Form 88 [Vide Rules 239 & 260]

Name of Urban Local Body : NORTH DUM DUM Municipality

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR 2014-2015

Code No	Item/Head of Account	Schedule No	Previous Year Amount (Rs.)	Current Year Amount (Rs.)
1	2	3	4	5
18011	LAPSED DEPOSITS	I-9	60000.00	0.00
18030	PROFIT ON DISPOSAL OF FIXED ASSETS	I-9	7499999.00	23000000.00
18080	MISCELLANEOUS INCOME	I-9	7379292.00	27312017.61
A	Total - INCOME		408375150.42	470958777.61
	EXPENDITURE			
21010	SALARIES, WAGES AND BONUS	I-10	118250982.00	142257199.00
21020	BENEFITS AND ALLOWANCES	I-10	5905925.00	7133824.00
21030	PENSION	I-10	12000000.00	13400000.00
21040	OTHER TERMINAL AND RETIREMENT BENEFITS	I-10	136270.00	1781880.00
22010	RENT, RATES AND TAXES	I-11	507203.00	867133.00
22011	OFFICE-MAINTENANCE	I-11	377235.00	4169877.00
22012	COMMUNICATION EXPENSES	I-11	174907.00	185229.00
22020	BOOKS AND PERIODICALS	I-11	125200.00	172800.00
22021	PRINTING AND STATIONARY	I-11	1937749.00	2850354.00
22030	TRAVELING AND CONVEYANCE	I-11	116274.00	61810.00
22040	INSURANCE	I-11	163730.00	111589.00
22051	LEGAL EXPENSES	I-11	285550.00	349946.00
22052	PROFESSIONAL AND OTHER FEES	I-11	968665.00	885449.00
22060	ADVERTISEMENT AND PUBLICITY	I-11	1113758.00	2013005.00
22061	MEMBERSHIP AND SUBSCRIPTIONS	I-11	20000.00	0.00
22080	OTHERS	I-11	394095.00	1414049.00
23010	POWER AND FUEL	I-12	40314918.00	57340132.00
23030	CONSUMPTION OF STORES	I-12	8878958.00	14935387.00
23040	HIRE-CHARGES	I-12	2088676.00	1809207.00
23050	REPAIR AND MAINTENANCE -INFRASTRUCTURE ASSETS	I-12	4942618.00	9373378.00
23051	REPAIR AND MAINTENANCE -CIVIC AMENITIES	I-12	18993.00	262043.00
23052	REPAIR AND MAINTENANCE -BUILDINGS	I-12	1418749.00	2238711.00
23053	REPAIR AND MAINTENANCE -VEHICLES	I-12	2217827.00	2351965.00
23059	REPAIR AND MAINTENANCE -OTHERS	I-12	1379459.00	2292207.00
23080	OTHER OPERATING AND MAINTENANCE EXPENSES	I-12	10077154.50	9526017.00

Accounts & Finance Co-ordinator
North Dum Dum Municipality

Finance Officer
North Dum Dum Municipality

SEN & CO. KOLKATA Chartered Accountants

Form 88 [Vide Rules 239 & 260]

Name of Urban Local Body : NORTH DUM DUM Municipality

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR 2014-2015

Code No	Item/Head of Account	Schedule No	Previous Year Amount (Rs.)	Current Year Amount (Rs.)
1	2	3	4	5
24050	INTEREST ON LOANS FROM BANKS/OTHER FINANCIAL INST.	I-13	0.00	48717.00
24070	BANK CHARGES	I-13	20923.40	12851.40
25020	OWN PROGRAMMES	I-14	71588592.00	51369157.00
25030	SHARE IN PROGRAMME OF OTHERS	I-14	10747533.00	15501906.00
27040	ASSETS WRITTEN OFF	I-16	22641.00	22641.00
27220	BUILDINGS	I-0	2482303.00	3252639.00
27221	PARKS AND PLAY GROUNDS	I-0	1722451.00	2798052.00
27230	ROADS AND BRIDGES	I-0	55496917.00	80644452.00
27231	SEWERAGE AND DRAINAGE	I-0	18497974.00	22861867.00
27232	WATERWAYS	I-0	8215734.00	8736149.00
27233	PUBLIC LIGHTING	I-0	1590050.00	2711919.00
27240	PLANT AND MACHINERY	I-0	1641709.00	2785400.00
27250	VEHICLES	I-0	1222710.00	1373172.00
27260	OFFICE AND OTHER EQUIPMENTS	I-0	1982078.00	2678058.00
27270	FURNITURE,FIXTURES,FITTINGS & ELECTRIC APPLIANCES	I-0	1203226.00	1875487.00
27280	OTHER FIXED ASSETS	I-0	222002.00	269276.00
28050	REFUND OF TAXES	I-0	0.00	0.00
28080	OTHER-EXPENSES	I-0	10359526.00	0.00
B	Total - EXPENDITURE		400831264.90	474724934.40
A-B	Gross surplus/(deficit) of income over expenditure		7543885.52	3766156.79
			SURPLUS	DEFICIT

SEN & CO. KOLKATA Chartered Accountants

Accounts & Finance Co-ordinator
North Dum Dum Municipality

Finance Officer
North Dum Dum Municipality

Chairman
North Dum Dum Municipality

INTERNAL AUDIT REPORT

of

NORTH DUM DUM MUNICIPALITY

FOR THE FINANCIAL YEAR 2014-15

SEN & CO.,
Chartered Accountants
1/13, Chittaranjan Colony,
Jadavpur,
Kolkata – 700 032.
Ph. 2225-2590, 9830148287

Sen & Co.
Chartered Accountants
1/13, Chittaranjan Colony, Jadavpur, Kolkata - 700 032.
Phone : (033) 2225-2590

Mobile : 98301 48287
E-mail : db.lahiri@gmail.com

To
The Chairman
North Dum Dum Municipality
163, M. B. Road, Birati
Kolkata - 700 051

Sub: Internal Audit Report for the financial Year 2014 -2015

Dear Sir,

We have successfully completed our internal audit of NORTH DUM DUM MUNICIPALITY, KOLKATA, covering the period from 1ST April 2014 to 31st March 2015 , as per the terms our Award Memo No. NDDM/Acct/2278 Date 20/07/2017.

The report is based on the Books of Accounts, Documents, Records, explanation and information given to us. The Audit does not cover the policy matters and executive decisions.

Scope of Audit:

We conducted our audit in accordance with Standards of Audits issued by the Institute of Chartered Accountants of India. Those Standards that we plan and perform the audit to obtain the reasonable about whether the financial statement is free of material misstatement. An audit also includes examining on a test basis, evidence supporting the amounts, review of internal control and disclosures in the financial statement. An audit also includes assessing the accounts principals used and significant estimates made by the management, as well as evaluating the overall statement presentation. We believe that our audit provides reasonable basis of our opinion.

SEN & CO. KOLKATA Chartered Accountants

Financial Statement:-

We have verified the financial statement for the period of April 2014 to March 2015 which has submitted to us for verification.

OBSERVATIONS:-

Our observations in different areas are highlighted below:-

1) Books of Accounts:-

The Books of Accounts has been maintained in accounting software and accounts are maintained in accrual basis.

2) Cash Balance:-

The Cash Balance of the Municipality as on 31.3.2015 was Rs. 0.00.

It is practice of the Municipality to deposit entire cash (day to day collection) to bank on same day.

3) Total Bank Balance as on 31.03.2015 of Rs. 44, 70, 80,897.54 consolidated figure of various banks and financial institutions.

4) Municipal General Fund:-

Opening Balance – Rs. 12, 58, 34,696.03 (01.04.2014)

Closing Balance – Rs. 12, 20, 68,539.24 (31.03.2015)

We have verified the all heads and found in accordance with books of accounts

5) Earmarked Fund- consists of the following Funds:-

	Opening Balance	Closing Balance
i) Pension & Gratuity Fund	4, 81, 94,918.99	4, 43, 54,906.99
ii) Provident Fund	3, 81, 75,180.00	4,21,72,358.00
iii) Benevolent Fund	1, 79,462.00	1,86,646.00
iv) Revolving Fund for specific	1, 27, 38,159.00	1, 27, 40,020.00

We have scrutinized the above funds both debit & credit entries made during the year which are accordance with Books of Account

6) A minimum of 25% of the funds within the Budget of the Municipality (earmarked as Basic services for the Urban Poor Fund) is required to be created for specific purpose U/S 70A of the W.B. Municipal (Second Amendment) Act 2011 for delivery of Basic Services to the Urban Poor within their jurisdiction including the inhabitants of the slum area.

SEN & CO. KOLKATA Chartered Accountants

7) The fund is required to be credited by earmarking 25% of all or any of the other sources of Revenues, allocation from Central/State Finance Commission/ Other inter governmental transfers Contributions, grants from external aided projects (EAPS), Sale of Municipal assets and other sources as determined by the Board of Councillors.

The Municipality did not create any such earmarked fund. It required proper steps to create such funds by Municipality. Municipality has incurred more than 25% from General Fund for the purpose pro-poor activity.

8) Provident Fund:-

Against of the Actual Provident Fund Balance (excluding interest for the year 2014-15) of Rs. 4, 21, 72,358.00

The Municipal authority stated that the interest received against Provident Fund was recorded on actual receipts (Cash Basis) being Earmarked Fund.

9) The Balance of P.F has been shown in the Balance Sheet under Earmarked Fund as per balance appearing in the Treasury Provident Fund Pass Book. The interest received from P.F authority for the current year has been considered on "Cash Basis" Accounting System for the accounting treatment of the earmarked fund.

10) Reserve:-

As per Balance Sheet Municipality having Reserve of Rs. 68,84,77,346.00 as on 31.03.2014, which stands of Rs. 78, 84, 24,365.00 as on 31.03.2015. We have verified all ledger accounts and all are in accordance with books of accounts.

11) Grant Contribution for specific purpose:-

As on 31.03.2015, total amount was Rs. 35, 05, 20,790.75. This fund mainly contributed from 14th Finance Commission, JNMURM, Mid day meal, 13th Finance Commission, Salary grant, SFC, Urban wages, Employment Generation, Fixed grants, Scheme for housing for the Urban Poor, PWD & PW(RD), Urban Reforms Incentive Fund etc.

We have scrutinized the above funds (Receipt & Expenses) during this financial year, which are in accordance with books of accounts.

12) Unsecured Loan: - Rs. 2, 93, 35,442.00

The Unsecured Loan taken by the municipality amounting to Rs. 2, 93, 35,442.00. It is observed from the notes on Accounts of Financial year 2012-13 that interest on said loan from State Government has not been accounted for. It is continuing in current year also. It is reported that as per Board of Councillor Resolution, they have not provided any interest. Municipality stated that as the State Government did not claim any interest against the loan, no provision has been made for interest liability in F Y 2014-2015. As a reason, this liability in respect of interest is recorded under Contingent Liability and express in the "Note to the Balance Sheet"- in Schedule 21.

As per note to Balance Sheet Schedule 21, Municipal authority has already decided not to take interest on unpaid loan taken from government several years before.

SEN & CO. KOLKATA Chartered Accountants

13) Fixed Assets:-

	31.03.2014	31.03.2015
Gross Block	1,35,08,11,083.00	1,63,46,40,478.00

Fixed Assets have been valued at Historical Cost wherever records were available. Rate of depreciation is charged as per guidelines of Government.

In case an asset has been created out of grants, a gross value of the assets has been shown as assets and the corresponding grants as liability, as proportionately reduced by depreciation.

14) The assets which have been handed over to the ULB but the title deed has not been executed are to be stated in the respective assets register. Authority is taking the asset in the asset register whenever payment is made to the concern parties.

15) Depreciation:-

Accumulated Depreciation as on 31.03.2014 was Rs. 57,61,97,209.00 and as on 31.03.2015, it was Rs. 70,61,83,680.00, it has increased for current year Rs. 12,99,86,471.00

Depreciation on fixed assets has been provided on straight line basis by estimates the useful life assets. The accumulated Depreciation includes Rs. 50, 33, 85,720.00 for depreciation which was charged against the assets created out of grant. A statement of grand matrix is enclosed.

16) Capital Work in Progress:-

Opening Balance of said ledger was Rs. 19,57,263.00 which has decreased Rs. 30,52,030.00 amount paid or pay a bill for works based on noting in the measurement book as on 31.03.2015 has been recognised as capital work in progress. This opening balance addition, disposal, total cost and depreciation in respect of fixed assets are ascertained in WIP ledger.

17) Investment – General Fund:-

Opening Balance – Rs. 4, 32, 69,645.00

Closing Balance- Rs. 95, 66,800.00

This consists of mostly Bank term deposits. We have verified Banks Deposit Receipts.

18) Investment - in Other Fund:-

This includes following funds

i) Term deposit created with special fund (Pension & Gratuity)

ii) Treasury General Provident Fund

iii) Any other current Accounts with special fund pension

iv) LICI group gratuity investment fund

SEN & CO. KOLKATA Chartered Accountants

Total as on 31.03.2015 was Rs. 8, 50, 92,215.16. We have scrutinized the above ledger accounts and found in tallied with the books of accounts. This investment is created for payment of gratuity of permanent staff as per order of DPGP.

Municipality has been considering long term investment at cost.

19) Current Assets Loan & Advances:-

Stock in hand consists of Medical Stores, Sanity and conservancy stores, water supply store, auto store etc. We observe that stock in hand as on 31.03.2015 was Rs. 2, 01, 23,346.00. Individual stock register is lying in the concern department based on date produced to the accounts department adjustment of stock is recorded in the financial statement.. However we checked entries in system as it appears accordance with books of accounts.

Municipality should monitor stock with systematic manner.

20) Contingent Liability:-

Contingent Liability not provided for

i) Water charges payable to KMDA up to 31.03.2015 amounting to Rs 16,85,03,414.81 for which municipality has not acknowledged as debt which is already mentioned in Schedule 21. (Note to Balance Sheet)

ii) Interest on unsecured loan from Government has not been accounted for.

iii) We also observe that contractual liability on account of capital work has not been provided during the year.

21) Sundry Debtors- Receivables:-

Outstanding as on 31.03.2015 was Rs.4, 73, 09,576.60 this head consist of

a) Property tax receivable (building) in current year
b) Property tax receivable on residential building (arrears)
c) Property tax receivable on commercial building (arrears)
d) Property tax receivable on commercial building (current)
e) Water tax receivable on residential building

The Municipality is maintaining books of accounts as per accounting standard. In our opinion, the Municipality has disclosed total amount of receivables in the financial statement. Based on our observation of documents many of these receivables relates to previous year.

Recommendation:-

We recommend that the Municipality undertake necessary steps to monitor and collect the overdue receivables.

22) Loan & Advances and Deposit: - Outstanding as on 31,03.2015 was Rs 1, 77, 27,229.08.

This head mainly consist of:-

SEN & CO. KOLKATA Chartered Accountants

a) Festival advance	17,03,419.00
b) Loan advance deposit from revolving fund	1, 26, 92,099.00

(Loans & advances deposited for revolving fund

Related to SJSRY and which is lying as per Government Direction)

c) Advance against grant	72,159.00
d) Advance against scheme	5, 63,240.00
e) Advance against fund	2, 93,257.00
f) Electricity Deposit (For connection at locality)	20, 66,441.08

We have scrutinised all the ledgers and it is tallied with books of accounts. It is advised that ULB should take necessary steps with regard to advance recovery.

23) Current Liabilities:-

Deposit:-

While scrutinizing the books of accounts it is noticed that the Municipality has received by way of earnest money, security deposit, and caution money. Total outstanding as on 31.03.2015 of Rs. 12, 74, 97,086.00.

24) Other Liabilities:-

Total outstanding liability as on 31.03.2015 of Rs. 3, 39, 38,094.00. We have verified all the ledger heads and found in accordance with books of accounts.

25) Deposit Works:-

While scrutinizing the books of accounts outstanding said head was Rs. 93, 99,726.00. It has decreased to Rs. 72, 72,457.00. It consists of MP lad's fund, BEUP fund-MLA, BEUP Fund-MLA (Other works). We have verified above three funds and found in accordance with the books of accounts.

26) Interest earned: - Rs. 54, 92,652.60

Above include Rs. 50,98,311.00 being the interest earned from savings bank accounts of various unutilized grants (Health Development Fund, KUSP, MPLAD, MDM, BSUP-I, BSUP-II, SJSRY, 13th FC etc.). However, instead of crediting the above interest to the respective grant, it was taken as income of the Municipality. The Municipal authority stated that the mentioned funds were not earmarked funds. Therefore the interest income, derived from savings account of the funds was considered as revenue income. Explanation of the Municipality in support of its contention is enclosed for reference.

27) Fixed Assets Gross Block: – Rs. 163.46 Crore

Above include Rs. 10, 40,597.00 as "Capital Expenditure without Right to Asset, created from special fund to be treated as Deposit Works".

SEN & CO. KOLKATA Chartered Accountants

The Municipal authority stated that the above fixed assets were recorded in Schedule B-11 as per accounts code given in the charts of accounts.

During the course of audit, we have verified the Income and Expenditure for the Financial Year 2014-15 (both Capital and Revenue) from the Annual Financial Statement. Summary of which is annexed below:

INCOME 2014-15:

S. No.	Details / Head of Income	Amount (Lakhs)	Remarks
	Total Receipts (A+B)	**7396.22**	• As per Annexure 1
A	**Revenue Receipts (1+2+3)**	**4709.58**	
1	Own Revenue Receipts (a+b)	1354.25	
a)	**Tax Revenue** (levied and collected by municipal body)	**322.59**	
i)	Property tax	320.85	
ii)	Other tax (levied and collected by municipal body)	1.74	
b)	Non-tax revenue (levied and collected by municipal body)	**1031.66**	
i)	Fees & fines	31.39	
ii)	User Charges	990.02	
iii)	Other non-tax revenue (levied and collected by municipal body)	10.25	
2	**Other Revenue Receipts**	**588.19**	
a)	Income from interest/investments	85.07	
b)	Other Revenue income	503.12	
3	**Transfers/Grants/Assigned Revenues**	**2767.14**	
a)	State Assigned Revenue	147.39	
b)	State Finance Commission (SFC) Grants/Devolution	46.39	
c)	Octroi compensation		
d)	Other State Government Transfers	602.12	
e)	Central Finance Commission (CFC) Grant		
f)	Other Central Government Transfers	926.38	
g)	Others	1044.86	
B	**Capital Receipts**	**2686.64**	
1	Sale of Municipal Land	0.00	
2	Loans (from State Govt. or Banks etc.)	0.00	
3	State Capital Account Grant (under State Schemes etc.)	373.18	
4	Central Capital Account Grant (under Central Schemes etc.)	2313.46	
5	Other Capital Receipts	0.00	

SEN & CO. KOLKATA Chartered Accountants

NORTH DUM DUM MUNICIPALITY

163, M. B. ROAD, BIRATI, KOLKATA - 700051
PHONE: (033) 2514 - 2101 / 2514 - 2494, FAX - (033) 2514 - 2990
Website: http://www.northdumdummunicipality.org
E-mail ID: nddmboc@bsnl.in

REPLY:

AQ. No. LA/SS-III/Trans./North Dum Dum Mpty/2014-16/01 Date: 25/02/17

Relating to: Transaction Audit 2012-13 [1(Part- IIA]

Para wise answer:

1) 1(ii) PART – IIA. [Transaction Audit 2012-13]. & 2013-14 Part- IIA -2(i)

Interest earned amounting ₹82.86 lakh out of BSUP (JNNURM) fund diverted to Municipal Fund.

Accounting Manual for ULB Published by Govt. of West Bengal - Change Management Unit. (Part-2 Para 3.3.3(f) provides that income on **Investment** made from Special Fund and Grants under specific Scheme shall be recognized and credited to Special Fund and Grants.

As per Oxford Dictionary, Investment means the action of process of investing a thing worth **buying** because it may **be profitable or useful in the future.**

Amount of Grant/ Special Fund received from Government for the specific purpose which were kept in the separate **Savings a/c** for the purpose of fund maintenance is not treated as investment. It is essential for smooth execution of expenses (capital/ revenue) for completion of the projects within the time bound period and to fulfill the object of the Grants. Again, **the Municipality is liable to give U.C. up to the amount received from that Govt. Grant.** Therefore, any interest accrued from that Savings A/c during the execution of expenses is treated as **Revenue Income** of the Municipality and it is recognized under the head Interest Earned (code-171) as per Chart of Accounts provided by the Govt. for Municipal Accounting.

It is also noted that in the **Accounting Standard (AS) 12** Published by ICAI as "Accounting for Government Grants" nothing is mention about interest.

Since, BSUP Project is not an Earmarked Fund, Interest income derived for Savings A/c towards BSUP Programme may be considered as revenue income of the Municipality.

It is also be noted that though the above transfer has been made to Municipal Account aiming with an intention to utilize that fund for the BSUP Project only as a contribution of ULB Share for that designated BSUP Project only.

Chairman
North Dum Dum 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?	
13.	Whether there exists an adequate internal control procedure for the purchase of store including components, plant and machinery, equipment and other assets?	Internal control system needs to be strengthened more.
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?	Yes.
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?	Yes subject to audit comment given in this regard.
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.

Date: 17.08.2017
Place: Kolkata

For SEN & CO.
Chartered Accountants

(Samir Kumar Ghosh)
Partner
M.No.: 053036

Annexure-I

Audit comments on the information as asked under Sub rule of Rule 22 of the West Bengal Municipal (Finance & 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 unauthorised 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 limit and are in all cases such as are authorised by law.	No deficiency was noticed in course of test check.
3.	Whether all transaction (income, expenditure, asset 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?	No deviation was found in test check.
5.	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanctioned 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 statues and whether the special funds have been utilized for the purpose for which created?	Yes
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 been properly dealt with in the Books of accounts?	The Municipality maintained Asset Register but 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 2012-13
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.
11.	Whether the valuation of stores is in accordance with the accounting principles laid down by the State Government 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,	Yes.

SEN & CO. KOLKATA Chartered Accountants

9. Explanation of Municipality regarding interest earned on grants, enclosed.

10. The value of immovable property could not be confirmed due to non-receipts of physical verification report.

Date: 17.08.2017
Place: Kolkata

For SEN & CO.
Chartered Accountants

SEN & CO. KOLKATA Chartered Accountants

(Samir Kumar Ghosh)
Partner
M.No.: 053035

Above Statement is given in accordance with the Books & Accounts of our Municipality.

Finance Officer
North Dum Dum Municipality

Chairman
North Dum Dum Municipality

EXPENDITURE 2014-15:

S. No.	Details / Head of Expenditure	Amount (Lakhs)	Remarks
	Total Expenditure (1+2)	**7304.82**	
1	**Revenue Expenditure**	**3447.39**	
1.1	**Administrative Expenses, Establishment and Salaries** (All Departments-Regular and Contractual Staff)	1776.54	
1.2	**Operation and Maintenance** (O&M)	1001.29	
1.3	**Loan repayment** (Interest payments)	0.00	
1.4	**Others** (any other revenue expenditure which is not salaries, O&M or Interest Payment) **	669.56	
2	**Capital Expenditure**	**3857.43**	
2.1	**All developmental works under Central/State specific schemes**	3569.56	
2.2	**Loan Repayments** (Principal Amount)	0.00	
2.3	**Other Capital expenditure**	287.87	

Other Observations:-

1. We have scrutinized of financial statement as of 31.03.2015 which had been submitted to us for verification.

2. Transaction audit as on 31.03.2015 has already been done by CAG. We request to take necessary steps to rectify objection raised by them. We have done test checking of transaction to the extent required for audit.

3. All transaction of Receipt & Payments accounts conducted by the Municipality by online real time system.

4. Municipality has maintained Assets Register by grant matrix and government fund has been adjusted accordingly.

5. We have checked the Bank Reconciliation Statement. We observe that Book Bank Balance tallies with various Banks Accounts.

6. We also observe that Treasury Fund & P.F Balance tallies with the Books of Accounts.

7. Municipality should strengthen their team for arrear & current Tax collection.

8. We have also verified the items of information of the 'Examiner of Local Account' on the basis of current year financial statement as per 'Annexure 1' enclosed.

SEN & CO. KOLKATA Chartered Accountants