

Internal Audit Report
of
Chakdaha
Municipality

on
Annual Financial
Statements

for the year 2016-17

by

Dutta Ghosh & Associates

CHARTERED ACCOUNTANTS

4, RIPPON STREET, 2nd FLOOR, KOLKATA – 700 016

Internal Audit Report

of

Chakdaha Municipality

for the year 2016-17 - Part A

The Chairman,
Chakdaha Municipality,
P.O. – Chakdaha, Dist – Nadia,
West Bengal – 741 222.

Ref: A/333/ 19121

Date 28th September, 2018

Sub :- Internal Audit Report of Annual Financial Statements of Chakdaha Municipality for the Financial Year 2016-17. (Part – A)

Dear Sir,

As per your work order dated 3-08-2018, we have verified the unaudited Annual Financial Statements of Chakdaha Municipality for the Financial Year 2016-17. During the course of our audit, we have gone through the records of the following departments :-

1. Accounts Section / Cash Section.
2. General / Administration Section / PWD Section.
3. Property Tax Department / Trade License Department. 4. Store Department / Establishment Department.

We have also checked the following books/registers/statements :-

1. Cash Book and Journal Book.
2. Bank Reconciliation Statements.
3. Income & Expenditure Statement. 4. Investment Register /Loan Register /Appropriation Register / Stock Register.


During the period of our audit, we have gone through the books, records, papers, documents, circulars etc. both hard copies and soft copies, as produced before us and our report is mainly based on the same which are clearly mentioned in the respective area covered in our report. We have entirely relied on the said papers/documents and Audit Reports as stated above and framed our Internal Audit Report accordingly.

We have found the Annual Financial Statements are in agreement with the Books of Account and accepted accounting practice and principles followed in India have been considered by the Municipality at the time of preparation of the same.

The extract of Income & Expenditure Statement of Chakdaha Municipality for the Financial Year 2016-17 is also enclosed in **Annexure -I**. The detailed report has been enclosed herewith for your kind consideration in **PART - B**.

Thanking you,
Yours faithfully,

For and on behalf of
Dutta Ghosh & Associates
Chartered Accountants
FRN. : 309088E




Pranab Kumar Ghosh
Partner

Membership No. 052898

Kolkata, the 28th day of September, 2018.



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	ANNEXURE - 1
The extract of Income & Expenditure Statement of Chakdaha Municipality for the financial year 2016-17 is summarised below :-	
SUMMARY OF INCOME (both Capital and Revenue)	₹ in lakh
TOTAL FUND	3678.14
Revenue Receipts	1885.73
Own Sources Income	390.81
Tax Revenue	54.48
Property Tax	48.54
Other Tax	5.94
Non Tax Revenue	336.33
Rental Income	20.47
Fees & User Charges	315.86
Other Revenue	7.31
Interest	5.69
Other Income	1.62
Total Revenue Grant	1487.61
Assigned Revenue	63.07
State Finance Commission	210.01
Octroi Compensation	0.00
Other State Govt Transfer	432.04
14th Finance	339.69
Other Central Government Revenue Grant	442.80
Total Capital Grant	1792.41
State Government Capital Grant	720.43
Central Government Capital Grant	162.33
Other Capital Receipt	909.65
SUMMARY OF EXPENDITURE (both Capital and Revenue)	
Administrative & Establishment Expenditure	669.63
Operation & Maintenance (O & M)	187.38
Loan Repayment (Interest payment)	0.00
Other Revenue Expenditure	424.05
Total Revenue Expenditure	1281.06
Fixed Assets (including CWIP - 163.90)	1011.73
Loan Repayment (Principal payment)	0.00
Other Capital Expenditure	863.43
Total Capital Expenditure	1875.16
Total Revenue and Capital Expenditure	3156.22
For and on behalf of	
Dutta Ghosh & Associates	
Chartered Accountants	
FRN : 309088E	
	
Pranab Kumar Ghosh	
Partner	
Membership No. 052898	
Kolkata, the 28th day of September, 2018.	

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Internal Audit Report

of

Chakdaha Municipality

for the year 2016-17 - Part B

The Chairman,
Chakdaha Municipality,
P.O. - Chakdaha, Dist. - Nadia,
West Bengal - 741222.

Ref: A/333/19121

Date : 28th September, 2017

PRIVATE AND CONFIDENTIAL

Dear Sir,

**Re: Internal Audit Report of Annual Financial Statements of Chakdaha Municipality
for the financial year 2016-17 (Part – B).**

We are pleased to inform you that we have finalized the Internal Audit for the financial year 2016-17 as per your request and submit our Report for your consideration and necessary action.

Our report is based on the mandatory information required for KNOW YOUR CUSTOMER (KYC), the area and extents of audit, finalized with your officials at the time of issuing work order, are stated in **Annexure -2**. (Annexure 1 is included in Part A of our report of even date).

It is also reported by the Management that the audit of “**Annual Financial Statements**” for year 2015-16 have been duly audited by the INDIAN AUDIT AND ACCOUNTS DEPARTMENT C/O PRINCIPAL ACCOUNTANT GENERAL (GENERAL & SOCIAL SECTOR AUDIT), WEST BENGAL, LOCAL AUDIT DEPARTMENT.

The ULB has also produced “**Inspection Report on the Transactions of Chakdaha Municipality up to the period from 01.04.2015 to 31.03.2016**”, the audit of which has also been conducted by the said department. Apart from that, no other audit/inspection report has been produced to us for our consideration.

During the period of our audit, we have gone through the books, records, papers, documents, circulars etc. both hard copies and soft copies, as produced before us and our report is mainly based on the same which are clearly mentioned in the respective area covered in our report. We have entirely relied on the said books, records, papers/documents and Audit Reports as stated above and framed our Internal Audit Report accordingly.

Annual Financial Statements 2016-17 :-

A reply from the Management, on our audit queries based on the internal control, is reproduced in Annexure -3.

A. Deposits Received (B -7):

Security Deposits – During the course of our checking, we have observed that no security deposit is taken against booking of the Municipal Guest House and Water Tank for supply of extra water, given on rent for different occasions which shows a serious loophole in the internal control in vogue. There is every possibility of getting, the property of the ULB, damaged while the same is given on hire to public.

Recommendation: It is recommended to accept a fixed amount as security deposit at the time of booking of the same given on rent for different occasions to protect the assets of ULB from the possible loss that may arise during the said properties given on hire.

B. Other Liabilities (B – 9 Sundry Creditors) :

Total liability on account of Tax Deducted at Source (TDS) up to the year 2016-17 is mismatched with the figure shown in statement obtained from the Income Tax Department. It is stated by the management that the matter is under the process of reconciliation. The liability, if any, will be ascertained only on the completion of the said reconciliation.

C. Fixed Assets (B – 11) :

During the course of our checking, we have observed that no physical verification of Fixed Assets was conducted by the Management for the year under Audit.

D. Stock-in-hand (B – 14) :

We could not verify the Stock-in-hand of Medical Stores as the list for the same and the stock registers have not been produced to us in spite of our repeated request.

We have verified the entries made in the stock of Electricity and Water Supply Stores Register on test check basis and found the same to be in order.

