



A/c. Sec. F.R. No. 2940.
Date: 16.3.15

NABADWIP MUNICIPALITY
RECEIVED
Date of receipt: 15/3/15
Docket No.: 3065-a

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INDIAN AUDIT AND ACCOUNTS DEPARTMENT
O/o PRINCIPAL ACCOUNTANT GENERAL
(GENERAL & SOCIAL SECTOR AUDIT), W.B.
LOCAL AUDIT DEPARTMENT

No. SS-III/ A/cs Nabadwip M(07-08)/13-14/5238(TB)
Dated: 4.03.2015

To
The Chairman,
Nabadwip Municipality,
95 C/1, N.S.Road
P.O- Nabadwip
Dist- Nadia
Pin-741302

Sub: Audit Report on Annual Financial Statement for the year 2007-08

Sir,

I am forwarding the Audit Reports and detailed comments on the AFS for the year 2007-08 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.

*To Accountant
Pl- close in
13-3-15*

*10
A-F-CPI/ra
20
16.3.15*

Yours faithfully

RB
3/3/15
Examiner of Local Accounts
West Bengal

**AUDIT REPORT ON THE ANNUAL FINANCIAL STATEMENTS OF NABADWIP
MUNICIPALITY FOR THE YEAR ENDED 31ST MARCH, 2008**

We have audited the Balance Sheet of the Nabadwip Municipality as at 31st March, 2008 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 Nabadwip Municipality Management. 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 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, proper books of accounts and other relevant records have been maintained by the Nabadwip 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.

Management adhered to appropriate internal controls [Comments as per Sub-rule (2) (1) (d) of the Rule 22 of West Bengal Municipal (Finance & Accounting) Rules, 1999 (Amends) is enclosed (Annexure – 1)]

iv. We further report that-

A. BALANCE SHEET

A.1 Liabilities

A.1.1 Other liabilities (Sundry Creditors) (Sch. B-9)

A.1.1.1 Creditors ₹ 29.86 lakh

A.1.1.1.1 Expenses Payable (code-3501003) ₹ 26.98 lakh

Above did not include ₹ 2,21,408 being outstanding Electricity bill of WBSEDC LTD for the year 2007-08.

Non-accounting of the above resulted in understatement of 'Other liabilities (Sundry Creditors)' with corresponding under-statement of expenditure thereby understatement of 'deficit' to the extent of ₹ 2.21 lakh.

The Municipal Authority did not furnish any reply.

A.1.1.1.2 Interest Accrued and Due (Code 3501201) ₹ 48.85 lakh

Above did not include ₹ 7,51,905.42 being interest accrued for the year 2007-08 but not paid on loan of ₹ 39.54 lakh.

Non-accounting of the above resulted in understatement of expenses as well as understatement of deficit with corresponding understatement of Other Liability (Sundry Creditors) to the extent of ₹ 7.52 lakh.

The Municipal Authority did not furnish any reply

A.2 Asset

A.2.1 Fixed Assets (Gross Block) ₹ 945.66 lakh

Accumulated Depreciation ₹ 540.76 lakh

Fixed Asset (Net Block) ₹ 404.90 lakh

Due to erroneous consideration of useful life of eleven assets (black top and concrete road), constructed out of Grants, the municipality has shown the Accumulated Depreciation of ₹ 5,35,885.62 instead of ₹ 9,21,219.23 in the accounts. Thus the depreciation undercharged thereby Fixed Asset overvalued by ₹ 3,85,333.99.61 (₹ 9,21,219.23- ₹ 5,35,885.62).

This resulted in overstatement of 'Fixed Assets (Net Block)' to the extent ₹ 3.85 lakh with corresponding overstatement of Grants Against Fixed Asset(GAFA).

The Municipal Authority did not furnish any reply.

A.2.2 Current assets, loans and advances

A.2.2.1 Stock in hand (B-14) ₹ 23.79 lakhs

Above Stock-in-hand under Central Store of ₹ 23,78,599.97 was shown in accounts against the actual balance of store of ₹ 16,88,557 as per stock Register of Central Store as on 31.03.2008. Thus there was a difference of ₹ 6,90,042.97 between the accounts and that of primary record. The reason for such difference was that the materials issued to contractors for works was not accounted for in accounts.

Wrong accounting of the above resulted in overstatement of 'Stock-in-Hand' with corresponding understatement to "Material issued to contractors" under 'Advance' to the extent of ₹ 6.90 lakh.

The Municipal Authority did not furnish any reply.

A.2.3 Sundry Debtors (Receivables)[Sch: B-15]: ₹ 87.23 lakh

a) Above did not include ₹ 1,52,600.00 (Arrear ₹ 129600 & Current ₹ 23000), being the outstanding rent of Municipal Market up to 31.03.2008.

Wrong accounting of the above resulted in understatement of 'Sundry Debtors (Receivables)' by ₹ 1.53 lakh with the corresponding understatement of Income with consequent overstatement of 'Deficit' by the same amount.

b) Above did not include ₹ 17,86,390.64 being the interest accrued during the year 2007-08 on the provident fund lying with the Treasury. The interest was not incorporated in the Treasury balance till the end of the financial year 2007-08.

Wrong accounting of the above resulted in understatement of 'Sundry Debtors (Receivables)' by ₹ 17.86 lakh with the corresponding understatement of Provident Fund by the same amount.

The Municipal Authority did not furnish any reply.

B. INCOME AND EXPENDITURE ACCOUNTS

B.1 Income

B.1.1 Tax Revenue Items (I-1) ₹ 38.13 lakh

As per demand and collection register, the demand for Property Tax for the year 2007-08 is ₹ 58.01 lakh. But the municipality in their Income and Expenditure statement has shown ₹ 37.90 lakh as income from Property Tax.

Wrong accounting of the above resulted in understatement of Income with consequent overstatement of 'Deficit' by ₹ 20.11 with corresponding understatement of 'Sundry Debtors (Receivables)' by the same amount.

The Municipal Authority did not furnish any reply.

C RECEIPT AND PAYMENT ACCOUNTS
Nil

D. GENERAL OBSERVATION

D.1 Property Tax:

Property tax Receivable of ₹ 87.23 lakh as shown in accounts did not tally with ₹ 91.16 lakh being the outstanding Property tax as on 31.03.2008 as shown in the statement prepared by the Municipal authority. Thus there was difference of ₹ 3.93 lakh between two records. It required detail review and reconciliation with proper accounting of Property Tax.

The Municipality did not maintain abstract of Demand and Collection Register or other forms as mentioned in the Accounting Manual during the year. However, the Municipality submitted demand and collection statement for the year 2007-08.

Besides, 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 Accounting Principles).

D.2 Journal Vouchers

As per 'Purohisab' accounting software package, 1217 no. of Journal Vouchers were passed while preparation of Annual Accounts for the year 2007-08, without any authorization of the Higher authority and justifying primary documents as required under rule 18 of the West Bengal Municipal (Finance and Accounting), Rules, 1999 (amended).

D.3 Physical verification of Store not conducted

No physical verification of stock was conducted during 2007-08.

D.4 Primary Documents

The Municipality did not maintain the primary records like authenticated printed Cash book, MB, work register, etc in support of the Annual accounts for the 2007-08t. As a result, the figures as depicted in the annual accounts could not be verified in audit.

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

The accounting software package 'Purohisaab', used by Nabadwip Municipality, has been prepared based on Visual basic-frontend, Microsoft Access-backend. There is no security on User role as well as backend data base. The data base is opened to the entire work users who are connected through LAN. There is no locking arrangement in so far as date is concerned i.e. any voucher can be entered at a later date even after closing of a particular accounting year thereby leaving the system unsecured. Therefore, reliability of the figures at later date is not ensured

D.6 Demand and Collection Register:-

Demand and Collection Register of Market Complex was not maintained properly.

D.7 Detailed Narration not recorded:

Recording narration against each entries made in the ledger are too short for which the details of the expenditure could not be ascertained in audit.

D.8 Absence of Coordination among various accounts Deptt

The reformed accounting in double entry system requires co-ordination among the line departments having financial transaction. It was observed that there was no proper co-ordination/reconciliation of figures generated by the line depts. i.e Cash, Tax, PF, Collection Department with that by Accounts Deptt. In most of the cases accounts prepared by incomplete/ without recorded information. In number of cases Journal entries were made not only without valid documents but also not reasons against those transactions.

E. Effect of Audit Comments on Accounts.

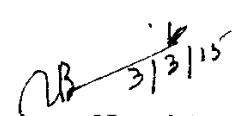
The net impact of the comments given in preceding paragraphs is that the liabilities as on 31st March, 2008 were understated by ₹ 23.74 lakh, assets understated by ₹ 35.65 lakh and the Deficit of Income over Expenditure was overstated by ₹ 11.91 lakh.

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 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, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure I to this Audit Report, give a true and fair view in conformity with accounting principles generally accepted in India:

- a) In so far as it relates to the Balance Sheet of the State of affairs. of the Nabadwip Municipality as at 31 March, 2008 and
- b) In so far as it relates to the Income and Expenditure for the year ended on that date.

Place: Kolkata
Date: .03.2015


Examiner of Local Accounts
West Bengal

**Working Sheet on Net impact on Annual Accounts of Nabadwip Municipality
for 2007-08**

| | | | | | (₹ in lakh) | |
|--------------|--------------|-------------|--------------|--------------|-------------|--------------|
| Liability | | | Asset | | Deficit | |
| Ref No | U/S | O/S | U/S | O/S | U/S | O/S |
| A.1.1.1.1 | 2.21 | | | | 2.21 | |
| A.1.1.2 | 7.52 | | | | 7.52 | |
| A.2.1 | | 3.85 | | 3.85 | | |
| A.2.2.1 | | | 6.90 | 6.90 | | |
| A.2.3(a) | | | 1.53 | | | 1.53 |
| A.2.3(b) | 17.86 | | 17.86 | | | |
| B.1.1 | | | 20.11 | | | 20.11 |
| TOTAL | 27.59 | 3.85 | 46.40 | 10.75 | 9.73 | 21.64 |

Liability understated by ₹ (27.59-3.85) lakh = ₹ 23.74 lakh

Asset understated by ₹ (46.4-10.75) lakh = ₹ 35.65 lakh

Deficit of Income over Expenditure overstated by ₹ (21.64-9.73) lakh = ₹ 11.91 lakh

U/S – Understatement

O/S - Overstatement

ANNEXURE – I

Audit comments on the information as asked under Sub rule 2 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. | In absence of the budget in proper format, the deviation could not be checked in audit. |
| 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. | Yes |
| 3. | Whether all transaction (income, expenditure, assets and liabilities) are correctly classified and stated in sufficient details? | Yes |
| 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? | Yes |
| 5. | Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order? | Yes |
| 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? | No |
| 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? | NA |
| 8. | Whether physical verification has been conducted at reasonable intervals in respect of stores? | No physical verification of store was found on record |
| 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 store was found on record |
| 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? | Does not arise, as no physical verification has been done. |
| 11. | 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? | Audit comment given separately. |

| | 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? | No loan has been given during the period under audit. However Puja advance was given and it was recovered in installment. | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|------|--------|--------|-----------------|--------|--|----------------|--------|--|------|-------|--------|---|--------|--|------------|--------|--------|---|--|---------------|
| 13. | Whether there exists an adequate internal control procedure for the purchase of store including components, plant and machinery, equipment and other assets? | N.A. | | | | | | | | | | | | | | | | | | | | | |
| 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? | N.A. | | | | | | | | | | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | | | | | | | | | | |
| 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. | No | | | | | | | | | | | | | | | | | | | | | |
| 18. | Whether the total liabilities of the Municipality can be met out of the Municipal fund when falling due? | No, 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>235.77</td> <td></td> </tr> <tr> <td>Unspent grant-</td> <td>606.31</td> <td></td> </tr> <tr> <td>Loan</td> <td>39.54</td> <td>881.62</td> </tr> <tr> <td>Current assets - Current liabilities</td> <td>356.47</td> <td></td> </tr> <tr> <td>Investment</td> <td>221.87</td> <td>578.34</td> </tr> <tr> <td>Excess of liability over cash strength</td> <td></td> <td>303.28</td> </tr> </tbody> </table> | Head | Amount | Amount | Earmarked funds | 235.77 | | Unspent grant- | 606.31 | | Loan | 39.54 | 881.62 | Current assets - Current liabilities | 356.47 | | Investment | 221.87 | 578.34 | Excess of liability over cash strength | | 303.28 |
| Head | Amount | Amount | | | | | | | | | | | | | | | | | | | | | |
| Earmarked funds | 235.77 | | | | | | | | | | | | | | | | | | | | | | |
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| Excess of liability over cash strength | | 303.28 | | | | | | | | | | | | | | | | | | | | | |

Place: Kolkata
Date: .03.2015

NB 3/3/15
Examiner of Local Accounts
West Bengal



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INDIAN AUDIT AND ACCOUNTS DEPARTMENT

O/o PRINCIPAL ACCOUNTANT GENERAL

(GENERAL & SOCIAL SECTOR AUDIT), W.B.

LOCAL AUDIT DEPARTMENT

No. SS-III/ A/cs Nabadwip M(08-09)/14-15/5236(CB)

Dated: 4.03.2015

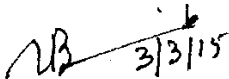
To
The Chairman,
Nabadwip Municipality,
95 C/1, N.S.Road
P.O- Nabadwip
Dist- Nadia
Pin-741302

Sub: Audit Report on Annual Financial Statement for the year 2008-09

Sir,

I am forwarding the Audit Reports and detailed comments on the AFS for the year 2008-09 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


3/3/15
Examiner of Local Accounts
West Bengal

**AUDIT REPORT ON THE ANNUAL FINANCIAL STATEMENTS OF NABADWIP
MUNICIPALITY FOR THE YEAR ENDED 31ST MARCH, 2009**

We have audited the Balance Sheet of the Nabadwip Municipality as at 31st March, 2009 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 Nabadwip Municipality Management. 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 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, proper books of accounts and other relevant records have been maintained by the Nabadwip 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.

Management adhered to appropriate internal controls [Comments as per Sub-rule (2) (1) (d) of the Rule 22 of West Bengal Municipal (Finance & Accounting) Rules, 1999 (Amends) is enclosed (Annexure - 1)]

iv. We further report that-

A. BALANCE SHEET

A.1 Liabilities

A.1.1 Other liabilities (Sundry Creditors) (Sch. B-9)

A.1.1.1 Creditors ₹ 27.75 lakh

A.1.1.1.1 Expenses Payable(code-3501003) ₹ 24.87 lakh

Above did not include ₹ 1,13,489.00 being outstanding Electricity bill of WBSEDC LTD for the year 2007-08.

Non-accounting of the above resulted in understatement of 'Other liabilities (Sundry Creditors)' with the corresponding under-statement of expenditure thereby understatement of 'deficit' to the extent of ₹ 1.13 lakh.

The Municipal Authority did not furnish any reply.

A.1.1.1.2 Interest Accrued and Due (Code 3501201) ₹ 48.85 lakh

Above did not include ₹ 15,03,818 being interest accrued on loan (₹ 39.54 lakh) for the year 2007-08 and 2008-09 (₹ 7,51,905 per year) but not paid within the year.

Non-accounting of the above resulted in understatement of expenditure as well as understatement of deficit with corresponding understatement of Other Liability (Sundry Creditors) to the extent of ₹ 15.04 lakh.

The Municipal Authority did not furnish any reply.

A.2 Asset

A.2.1 Fixed Assets(Gross Block) ₹ 1150.83 lakh.

Accumulated Depreciation ₹ 737.78 lakh

Fixed Asset (Net Block) ₹ 413.05 lakh

Due to erroneous consideration of used life of eight assets (drain and concrete road), constructed out of grants the municipality has shown the Accumulated Depreciation of ₹ 1,19,672.00 instead of ₹ 1,87,804 in the accounts. Thus the depreciation undercharged thereby Fixed Asset overvalued by ₹ 68,132 (1,87,804.00- 1,19,672.00)

This resulted in overstatement of 'Fixed Assets (Net Block)' to the extent ₹ 0.68 lakh with corresponding overstatement of Grants Against Fixed Asset(GAFA).

The Municipal Authority did not furnish any reply.

A.2.2 Current assets, loans and advances

A.2.2.1 Stock in hand(B-14) ₹ 0.66 lakhs

Above Stock-in-hand under Central Store of ₹ 66,109.97 was shown in accounts against the actual balance of store of ₹ 3,40,787.95 as per stock Register of Central Store as on 31.03.2009. Thus there was a difference of ₹ 2,74,677.98 between the accounts and that of primary record. The reason for such difference was that the materials issued to contractors for works was not accounted for.

Wrong accounting of the above resulted in overstatement of 'Stock-in-Hand' with corresponding understatement to "Material issued to contractors" under 'Advance' to the extent of ₹ 2.75 lakhs.

The Municipal Authority did not furnish any reply.

A.2.3 Sundry Debtors (Receivables)[Sch: B-15] ₹ 108.80 lakhs

a) Above did not include ₹ 1,75,600 (Arrear ₹ 152600 & Current ₹ 23000), being the outstanding rent of Municipal Market up to 31.03.2009.

Wrong accounting of the above resulted in understatement of 'Sundry Debtors (Receivables)' by ₹ 1.76 lakh with the corresponding understatement of Income with consequent overstatement of 'Deficit' by the same amount.

b) Above did not include ₹ 18,91,812 being the interest accrued during the year 2008-09 on the provident fund lying with the Treasury. The interest was not incorporated in the Treasury balance till the end of the financial year 2008-09.

Wrong accounting of the above resulted in understatement of 'Sundry Debtors (Receivables)' with the corresponding understatement "Provident Fund(Earmarked Fund)" to the extent of ₹ 18.92 lakh

The Municipal Authority did not furnish any reply.

B. INCOME AND EXPENDITURE ACCOUNTS

Nil

C. RECEIPT AND PAYMENT ACCOUNTS

Nil

D. GENERAL OBSERVATION

D.1 Property Tax:

Property tax Receivable of ₹ 108.80 lakh as shown in accounts did not tally with the figures of ₹ 88.90 lakh being the value of outstanding Property tax as on 31.03.2009 as shown in the statement prepared by the Municipal authority. Thus there was difference of

₹ 19.90 lakh between two records. It required detail review and reconciliation with proper accounting of Property Tax.

Besides, 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 Accounting Principles).

D.2 Journal Vouchers

As per 'Purohisab' accounting software package, 818 no. of Journal Vouchers were passed while preparation of Annual Accounts for the year 2008-09, without any authorization of the Higher authority and justifying primary documents as required under rule 18 of the West Bengal Municipal (Finance and Accounting), Rules, 1999 (amended).

D.3 Physical verification of Store not conducted

No physical verification of stock was conducted during 2007-08.

D.4 Primary Documents

The Municipality did not maintain the primary records like authenticated printed Cash book, MB, work register, etc in support of the Annual accounts for the 2008-09. As a result, the figures as depicted in the annual accounts could not be verified in audit.

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

The accounting software package 'Purohisaab', used by Nabadwip Municipality, has been prepared based on Visual basic-frontend, Microsoft Access-backend. There is no security on User role as well as backend data base. The data base is opened to the entire work users who are connected through LAN. There is no locking arrangement in so far as date is concerned i.e. any voucher can be entered at a later date even after closing of a particular accounting year thereby leaving the system unsecured. Therefore, reliability of the figures at later date is not ensured

D.6 Demand and Collection Register:-

Demand and Collection Register of Market Complex was not maintained properly.

D.7 Detailed Narration not recorded:

Recording narration against each entries made in the ledger are too short for which the details of the expenditure could not be ascertained in audit.

D.8 Absence of Coordination among various accounts Deptt

The reformed accounting in double entry system requires co-ordination among the line departments having financial transaction. It was observed that there was no proper co-ordination/reconciliation of figures generated by the line depts. i.e Cash, Tax, PF, Collection

Department with that by Accounts Deptt. In most of the cases accounts prepared by incomplete/ without recorded information. In number of cases Journal entries were made not only without valid documents but also not reasons against those transactions.

F. Effect of Audit Comments on Accounts.

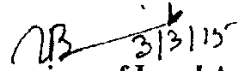
The net impact of the comments given in preceding paragraphs is that the liabilities were understated by ₹ 34.41 lakh, assets understated by ₹ 20.00 lakh and the Deficit was understated by ₹ 14.41 lakh as on 31st March, 2009.

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 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, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure I to this Audit Report, give a true and fair view in conformity with accounting principles generally accepted in India:

- a) In so far as it relates to the Balance Sheet of the State of affairs. of the Nabadwip Municipality as at 31 March, 2009 and
- b) In so far as it relates to the Income and Expenditure for the year ended on that date.

Place: Kolkata
Date: .03.2015


Examiner of Local Accounts
West Bengal

**Working Sheet on Net impact on Annual Accounts of Nabadwip Municipality
for 2008-09**

(₹ in lakh)

| Ref No | Liability | | Asset | | Deficit | |
|--------------|--------------|-------------|--------------|-------------|--------------|-------------|
| | U/S | O/S | U/S | O/S | U/S | O/S |
| A.1.1.1.1 | 1.13 | | | | 1.13 | |
| A.1.1.2 | 15.04 | | | | 15.04 | |
| A.2.1 | | 0.68 | | 0.68 | | |
| A.2.2.1 | | | 2.75 | 2.75 | | |
| A.2.3(a) | | | 1.76 | | | 1.76 |
| A.2.3(b) | 18.92 | | 18.92 | | | |
| TOTAL | 35.09 | 0.68 | 23.43 | 3.43 | 16.17 | 1.76 |

Liability understated by ₹ (35.09-0.68) lakh = ₹ 34.41 lakh

Asset understated by ₹ (23.43-3.43) lakh = ₹ 20.00 lakh

Deficit understated by ₹ (16.17-1.76) lakh = ₹ 14.41 lakh

U/S – Understatement

O/S - Overstatement