

AUDIT REPORT FOR THE YEAR 2016 - 17

We have Audited the attached Balance Sheet , Income & Expenditure Account and Receipts & Payments Accounts for the Financial Year 2016 – 17 of KHARAGPUR MUNICIPALITY, KHARAGPUR, Dist. PASCHIM MEDINIPUR, and report that , 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.

The Balance Sheet, Income & Expenditure Account and Receipts & Payments Accounts 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 noted below :

In our opinion, proper books of Account and other relevant records have been maintained by the Municipal Authority as per Accounting Manual for Urban Local Bodies (Part – 5 : Forms & Formats ) as it appears from our examination of such Books and subject to the observations noted below :

- 1) Compliance regarding Audit Report of Annual Financial Statement for the 2014 – 15 , in respect of previous Audit as under :
  - a) Contribution received from beneficiary for construction of dwelling House under IHSDP Scheme, during the financial year 2014 – 15 : Deposit received from beneficiary for Construction of dwelling house under IHSDP included in Grants contribution for specific purpose instead of Deposit Work. The Authority said that the total Deposit received from beneficiary will be transferred to the Deposit Work in near future.
  - b) Advised by the Local Audit Department, regarding creation of separate Pension Fund under Investment has not been started by the Municipality till now , due to Fund shortage .
  - c) Unpaid Bill Register not maintained properly.

**\*\* Notes on Balance Sheet :**

- 1) Physical verification of Fixed Assets not done at periodical intervals. It should be done on regular basis by allotting specific identification number to each Assets which are countable.
- 2) Purchase / Addition to Fixed Assets not reflected in Receipts & Payments Account at full amount of Purchases / Additions, it has been done partly by Cash Payment and partly by charging to other Fund through journal entries. The total amount of Additions to Fixed Assets during the Year as shown in Balance Sheet from the Receipts & Payments Account, not verified.

Contd....2



- 3) Payment of Premiums for Group Gratuity Scheme, directly charged to the Capital Deficit Account instead of Income & Expenditure Account.


**\*\* General Observations :**

- 1) Some Payment Vouchers were accepted by the Municipal Authority without affixing Revenue Stamp where it is necessary.
- 2) Physical Verification Report relating to Stores not available.
- 3) No material discrepancies as compared to the books of Account and Vouchers , are found during the course of Audit.
- 4) Valuation of Stores has been made by the Municipality, as per prescribed rules by the State government and the same is followed in next year.
- 5) Narration of Entries not done properly.
- 6) Voucher Nos were not done properly for identification.
- 7) Bank Reconciliation statement should be done on normal basis.
- 8) Property Tax for the year 2016 – 17 of ₹ 1,72,189.81 shown under Head (11090) instead of (11001)
- 9) Separate Total Receipts (both for Capital & Revenue ) and Total Expenditure ( both for Capital & Revenue ) is annexed with this report as desired by the Organisation.

Subject to the above observations, we report that the Balance Sheet, Income & Expenditure Account and Receipts & Payments are in agreement with the books of Accounts.

In our opinion and to the best of our information and according to the Explanation given to us, the said Financial Statements, subject to above Reports gives a true and fair view in conformity with accounting Principles generally accepted relates to the Balance Sheet and the State of Affairs of the Kharagpur Municipality as at 3st March' 2017 and relates to the Income & Expenditure Account for the year ended on that date.

FOR C.PATRA & CO.  
CHARTERED ACCOUNTANTS

  
(CHINMOY PATRA)  
PARTNER  
M.NO. 52908

Dated : the 20<sup>th</sup> September ' 2018,  
Midnapore – 721 101



**KHARAGPUR MUNICIPALITY**  
**JHAPETAPUR, KHARAGPUR, PASCHIM MEDINIPUR.**

**ANNEXURE-1:**

**RECEIPTS (BOTH REVENUE AND CAPITAL) FOR THE YEAR 2016-2017**

S. No.	Heads of Income	Rs. in Lakh
	<b>Total Receipts (A+B)</b>	<b>6510.37</b>
<b>A</b>	<b>Revenue Receipts (1+2+3)</b>	<b>3976.97</b>
<b>1</b>	<b>Own Revenue Receipts (a+b)</b>	<b>565.40</b>
a)	<b>Tax Revenue</b> (levied and collected by municipal body)	278.05
i)	Property tax	210.72
ii)	Other tax (levied and collected by municipal body)	67.33
b)	Non-tax revenue (levied and collected by municipal body)	287.35
i)	Fees & fines	176.44
ii)	User Charges	23.40
iii)	Other non-tax revenue (levied and collected by municipal body)	87.51
<b>2</b>	<b>Other Revenue Receipts</b>	<b>12.35</b>
a)	Income from interest/investments	12.35
b)	Other Revenue income	
<b>3</b>	<b>Transfers/Grants/Assigned Revenues</b>	<b>3399.22</b>
a)	State Assigned Revenue	149.09
b)	State Finance Commission (SFC) Grants/Devolution	206.45
c)	Octroi compensation	
d)	Other State Government Transfers	839.91
e)	Central Finance Commission (CFC) Grant	876.10
f)	Other Central Government Transfers	1327.68
g)	Others	
<b>B</b>	<b>Capital Receipts</b>	<b>2533.40</b>
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.)	830.14
4	Central Capital Account Grant (under Central Schemes etc.)	1128.55
5	Other Capital Receipts	574.71



*[Signature]*  
20.09.18.



## KHARAGPUR MUNICIPALITY

JHAPETAPUR, KHARAGPUR, PASCHIM MEDINIPUR.

ANNEXURE-1(Contd....):

EXPENDITURE (BOTH REVENUE AND CAPITAL) FOR THE YEAR 2016-2017:

S. No.	Heads of Expenditure	Rs. in Lakh
	<b>Total Expenditure (1+2)</b>	<b>5502.34</b>
<b>1</b>	<b>Revenue Expenditure</b>	<b>2891.96</b>
1.1	Adminstrative Expenses, Establishment and Salaries (All	1329.07
1.2	Operation and Maintenance (O&M)	391.47
1.3	Loan repayment (Interest payments)	0.00
1.4	Others (any other revenue expenditure which is not salaries, O&M or	1171.42
<b>2</b>	<b>Capital Expenditure</b>	<b>2610.38</b>
2.1	All developmental works under Central/State specific schemes	2204.46
2.2	Loan Repayments (Principial Amount)	0.00
2.3	Other Capital expenditure	405.92



*Chandran*  
20 09 18