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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 Bansberia M (11-12)/15-16/

Dated: 18.11.2015

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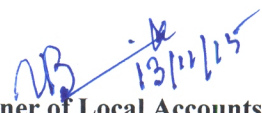
To  
The Chairman,  
Bansberia Municipality,  
Rudra Main Road  
PO- Bansberia,  
Dist- Hooghly, Pin-712502

Sub: Audit Report on Annual Financial Statement (AFS) for the year 2011-12

Sir,

I am forwarding the Audit Reports and detailed comments on the AFS for the year 2011-12 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

8, Kiran Sankar Roy Road, G.I. Press Building 2<sup>nd</sup> Floor, Kolkata-700001

**AUDIT REPORT ON THE ANNUAL FINANCIAL STATEMENTS OF  
BANSBERIA MUNICIPALITY FOR THE YEAR ENDED 31ST MARCH, 2012**

We have audited the Balance Sheet of the Bansberia Municipality as at 31st March, 2012 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 Bansberia 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 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, proper books of accounts and other relevant records have not been maintained by the Bansberia 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 Earmarked Funds (Schedule No. B - 2): ₹ 200.53 lakh  
Provident Fund: ₹ 181.74 lakh**

Above did not include ₹ 1525205.00 being the interest accrued on General Provident Fund lying with Treasury as on 31.03.2012.

Non-accounting of the above resulted in understatement of 'Provident Fund (Earmarked Funds)' with the corresponding understatement of receivable to the extent of ₹ 15.25 lakh

Necessary steps may be taken to create a new Account head to account for interest receivable on 'Investments-Other Fund (Schedule No B-13)' so that the interest accrued on General Provident Fund balance but not received during the year may be accounted for under this head.

In reply, the Municipality stated that the matter was noted for future guidance.

**A.1.2 Other Liabilities (Sundry Creditors): ₹ 836.81 lakh**

**A.1.2.1 Expense payable: ₹ 600.93 lakh**

Above did not include ₹ 783674.00 being Electricity Bill payable in respect of WBSEDCL as on 31.03.2012 (consumer No.W490246 for the month of March,May,June & December 2011).

This resulted in understatement of expenditure and there by overstatement of 'Surplus of Income over Expenditure' with the corresponding understatement of 'Other liabilities (Sundry Creditors)' to the extent of ₹ 7.84 lakh.

