

Report on the Internal Audit

Internal Audit conducted

at

The Bongaon Municipality,

24 Parganas [North],

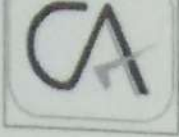
West Bengal

Period of Audit

01.04.2015 to 31.03.2016

Internal Auditors

Mishra & Mishra
Chartered Accountants
1/1 C, Goabagan Street,
1st Floor, Kolkata-700006
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Ref: MM/BM/IAR/17-18/15-16
Dated: 28.08.2017

**The Chairman
Bongaon Municipality
Bongaon, 24 Parganas (North)
West Bengal.**

Dear Sir,

Subject: Submission of Internal Audit Report for the financial Year 2015-2016

Enclosed please find 2(Two) copies of Internal Audit Report drawn in the matter of Municipality for the Financial Year 2015-2016.

The Report as above has been drawn in terms of the Scope of Audit as communicated to us.

We trust you will find the same in order.

Thanking you
Yours faithfully

**For Mishra & Mishra
Chartered Accountants
Firm Regn. No.-312113E**

A.K. Mishra



**CA Ashwini Kumar Mishra
Proprietor
Membership No. 050632**

Enclosure-As stated above.

Index of Contents

Sl.No.	Part	Para	Page Nos.	Description
1	1-A	a	02-03	The Municipality in retrospect
		b	04	The Functional Hierarchy
		c	05	System of Accounting
		d	06	Necessity for conducting Internal Audit
		e	06	Internal Auditors
		f	07	Scope of Internal Audit
2	1-B	a	08	Audit Approach
		b	09	Areas selected for Test Verification
		c	13-17	Observation on Test Verification
3	1-C			Reviews
	1-CA	a	18 18-24	Cash and Bank Transactions Bank Reconciliation Statements
4	1-CB	a	25	System of Property Tax Collection, raising Demand and age wise analysis of property tax dues
5	1-CC	a	26	Collection, timely Deposit and recording of different user charges and revenue
6	1-CD	a	27	Store Accounting System
7	1-CE	a	28-30	Operation of different programs
8	1-CF	a	31-36	Internal Control in Accounting Procedures
9	B-1			Trial Balance as on 31.03.2016

Serial No. 1
Part-1A-Para-a

The Municipality in retrospect

The Bongaon Municipality was founded on 27th January, 1954 under the then Bengal Municipal Act.

The population within the geographical jurisdiction of the Municipality as per 2011 Census data shows

1, 10, 668 persons spread over in 22 Municipal wards over a total Area of 14.274 sq. KM.

The Municipality works with defined public welfare objectives such as

1. Supply of Water for public and private usage both for drinking as well as domestic uses.
2. Construction of New and maintenance of existing drainages Systems within the Municipal Area.
3. Construction, Installation, maintenance, repairs and utility enhancement in respect of public roads, ways, streets, bridges, culverts, passenger traffic and public libraries.

4. Controlling the construction of unauthorized building and other structures in the jurisdiction of the Municipality.
5. Carrying out periodical Survey of lands and buildings in the Municipal Area and prepare the Survey Maps thereon.
6. Implementing operational control of building and other Rules in force, uses and adherence to Regulations in this regard.
7. Implementation of various public welfare programmes and Schemes including those relating to employment and Health awareness.
8. Attaining its own mobilization of resources for augmenting Revenue earning by collecting Taxes, Rents, Fees, Charges, Cess and Penalties wherever applicable.

Serial No. 1

Part-1A-Para-b

The Functional Hierarchy

The existing governing body is operational since 19.05.2015. The Key responsibilities in the Municipality in the administrative and executive domain is shared by the following persons during the financial year 2015-16:

Sl.no.	Designation	Names	Period of presence
1	Chairman	Smt. Jyotsna Addhya Sri Sankar Addhya	01.04.2015-18.05.2015 19.05.2015-31.03.2016
2	Vice- Chairman	Smt. Krishna Roy	01.04.2015-31.03.2016
3	Executive Officer	Sri Joydip Guha	15.07.2015-31.03.2016
4	Finance Officer	Sri Prosenjit Biswas	01.04.2015-31.03.2016

Serial No. 1
Part-1A-Para-c

The System of Accounting

The Municipality adopted Double Entry Accrual based Accounting System for recording of its transactions since 2007-08 in accordance with the Municipal Affairs Department's Notification No. 12/MA/0/C-4/1A-B/2005 dated 05.01.2007.

In compliance to the order of the Govt. of West Bengal, the Municipality successfully complied with the said Order and drawn the Financials for the accounting years ended 31.03.2008 and 31.03.2009 under Double Entry Accrual based Accounting System.

The financials for the year ended 31.03.2008 by the ELA.

Serial No. 1
Part-1A-Para-d

The Necessity for conducting the Internal Audit

The amendment to Rule 24(1) of the West Bengal Municipal (Finance and Accounting) Rules, 1999 prescribed for conducting of Internal Audit in Municipalities in the State.

The Bongaon Municipality decided to implement the prescribed provision for Internal Audit of the transactions of the Municipality for the financial year ended 31.03.2016.

Serial No. 1
Part-1A-Para-e

The Internal Auditors

In compliance with the due process of selection, M/s Mishra & Mishra, Chartered Accountants having their office at 1/1C, Goa Bagan Street, 1st Floor, Kolkata-700006 was appointed as Internal Auditors for the financial Year 2015-16

Serial No. 1
Part-1A-Para-f

The Scope of the Internal Audit

Scope of Work for Internal Audit as intimated to the Internal Auditors were

1. Review of Cash and Bank Transactions along with recording of the same in computerized System.
2. Review of the System of Property Tax Collection, raising demand and age wise analysis of property tax dues.
3. Review of collection, timely deposit and recording of different user charges and revenue.
4. Review of Store Accounting System.
5. Review of operation of different programmes such as National Urban Health Mission, National Urban Livelihood Mission and Mid- day meal.

Serial No. 2
Part-1B-Para-a

Audit Approach

In the conduct of Internal Audit at the Bongaon Municipality, the approach of audit was on Test review of transaction recording as well as the System of recording in use.

We have applied Test verifications in the various areas of operations at the Municipality.

The Test Samples were selected at Random considering
the size,
the quantum and
the amount involved.

Serial No. 2
Part-1B-Para-b

Areas selected for test verification

The various transaction areas selected for test verification are

A. Under the Income Heads

1. Rent from Markets
2. Septic Tank Clearance Charges
3. Development Fund

B. Under the Expenditure Heads

1. Basic Salary
2. Printing
3. Electricity Expenses
4. Central Stores
5. Wages
6. Telephone Expenses
7. Petrol & Diesel

C. Under the head Other Liabilities/Sundry Creditors

1. Suppliers Account
2. Contractors Account
3. Expenses Payable
4. House Building Advance

D. Under the head Fixed Assets

1. Tables
2. Office Buildings
3. Drain-Open
4. Construction of Park & Gardens
5. Road & Pavements-Others
6. Municipal Halls, Shops, Town Halls
7. Roads & Pavements-Black topped
8. Roads & Pavements-concrete
9. Air conditioners
10. Statues

11. Roads & Bridges
12. Generating System
13. Communication Equipment
14. Computers
15. Refrigerators

E. Under the head Sundry Debtors/Receivables

1. Property Tax Receivable on Residential Buildings (Current Year)
2. Property Tax Receivable on Residential Buildings (Arrears)
3. Property Tax Receivable on Commercial Buildings (Current Year)
4. Property Tax Receivable on Commercial Buildings (Arrears)
5. Property Tax Receivable on State Govt. Buildings (Current Year)
6. Property Tax Receivable on Sate Govt. Buildings (Arrears)
7. Service Charge in lieu of Property Tax of Central Govt. Buildings
(Current year)
8. Service Charge in lieu of Property Tax of Central Govt. Buildings
(Arrears)
9. Property Tax Receivable on sick and Closed Industries(Arrears)
10. Service Charges Receivable on Property Tax (Current Year)

11. Service Charges Receivable on Property Tax (Arrears)
12. Advertisement Tax-Land Hoardings (Current Year)
13. Advertisement Tax-Land Hoardings (Previous Year)
14. Advertisement Tax-Bus Shelter (Current Year)
15. Receivables for Rental Income

F. Under the head Stock/ Storage Material

1. Central Store
2. Engineering Store
3. Medical Store
4. Sanitary and Conservancy Store
5. Water Supply Store
6. Electricity Store

Serial No. 2

Part-1B-Para-c

Observation on test verification

A. Observation on verification under the various Income heads selected on test basis suggests the following:

The Municipality is maintaining different account heads with different codes for Income earned on work or service requisitioned by the public such as

Septic tank Clearance Charges

In one instance a wrong entry was found to have been made under the head Development Fees for Rs. 5000/- on 17.10.2015 which has been since rectified and transferred to Development Fees A/c.

B. Observation on verification under the various Expenditure heads selected on test basis suggests the following:

1. In case of expenses incurred for supplies/ services by outside agencies, Indents in the nature of Purchase orders are issued in Form No. 66.
2. In case of payments involving supplies for various site work undertaken by the municipality, Abstract Cost Sheets prepared are the basis of payments and not invariably Bills of the Suppliers.
3. In case of payment of wages, wage Bills/Sheets are prepared on the basis of departments/ wards and the payment is made according to those wage sheets.

4. In the case of payments for Petrol & Diesel expenses, the same is paid on the Consumption memos issued from time to time attached and augmented in a sheet of paper for convenience.

C. Observation on verification under the various heads of other liabilities/
Sundry Creditors selected as Test samples are as follows:

1. Opening Balances are not verifiable with certainty.
2. Transactions are sometimes found recorded on the basis of Abstract Cost Sheets without specific references to Bills.
3. Cross Verification of provision and payments in the case of Expenses Payable could not be made in the Test samples selected for verification.
4. In the following instances entries were found made twice as detected which have been since rectified on citation after detection:

Date	Amount In Rupees	Remarks
16.07.2015	10,45,387	Construction of Office Building
26.08.2015	81,016	Road Constructed at Ward No.11
26.08.2015	4,87,033	Water Tube sinking

D. Observation on verification under the various heads of Fixed Assets selected on test sampling is as follows:

1. E tender invitations inserted in Newspapers for acquisition of Fixed Assets.
2. Comparative Statements of Quotations shortlisted therefrom are prepared with Circular Memo Numbers.
3. Indents with detailed specifications issued in approved cases of suppliers.
4. Following items of Fixed Assets appearing in the Provisional Trial Balance Submitted to us at the time of verification could not be checked/ verified by us following missing Code Numbers on Vouchers and missing Head of Accounts on Vouchers:
 - a. School Buildings-Account Code-4102002
 - b. Van Rickshaw-Account Code-4105012
 - c. Electrical Crematorium-Account Code-4104023
 - d. Almirah- Account Code-4116009
 - e. Buildings-Account Code-4121001
 - f. Deep Tube Well-Account Code-4103202
 - g. Water pipelines-Account Code-4103201
 - h. Plant & Machinery- Account Code-4104019
 - i. Vacant lands- Account Code-4101005 and
 - j. Water Reservoir

E. Observation on verification under the various heads of Sundry Debtors/ receivable selected on test sampling is as follows:

1. We have verified the various Stock/Store accounts but the system of recoding found to be incapable to help in determination of age wise receivables with certainty.
2. We also observed that provision for receivables has not been made in the books and records of the Municipality.
3. In the facts the nature of amount received cannot be ascertained to be either pertaining to Current Year or for earlier periods.

F. Observation on verification under the various heads of Stock/ Storage material selected on test sampling is as follows:

1. The Municipality maintains 6 different varieties of Stores such as
 - a. Central Store
 - b. Engineering Store
 - c. Medical Store
 - d. Sanitary and Conservancy Store
 - e. Water Supply Store
 - f. Electricity Store

2. The Municipality is not maintaining any Valued Stock/Stores Register for none of the Stock/ Store items as shown above thereby leaving the following issues unanswered:

- a. The quantum of consumption in both quantity and value cannot be determined.
- b. The amount and quantity of Closing Stock cannot be determined.
- c. The Stores are provided with quantitative challans to be recorded.
- d. The accounts Department uses Abstract of Cost Statements from the Bills submitted and accounts for it without reference to Quantity.
- e. Cross verification of Quantity consumed and respective valuation on the basis of departments or sites is not facilitated by the accounts maintained.

Serial No. 3
Part-1CA-Para-a

Cash & Bank Transactions

1. Cash Book is separately maintained for Collection of various Incomes and Expenditure of smaller amounts in general.
2. There were about 40 (Forty) Bank Accounts maintained by the municipality and about 4(Four) of them were closed at the end of the Financial Year 2015-16.
3. Bank Reconciliations are prepared for 13(Thirteen) out of these 36(Thirty Six) accounts by the Municipality. In the remaining 23 accounts, BRS was not required since the balance as per books and that as per bank Statements tallied.
4. A comparative Chart is prepared account wise to provide complete information on bank accounts maintained by the municipality.

Sl. No	Name of Bank/ Treasury	Account No	Scheme	Balance as per Book	Balance as per Bank Statement	Bank Reconciliation Made
01	Treasury	8448	Plan/Non-Plan	38293613.00	41565987.00	Yes
02	Treasury	8336	Providend Fund	22955859.00	22955859.00	Balance Tallied. BRS Not required.
03	U.B.I.	012505000526	Municipal Fund	155800.11	155800.11	Balance Tallied. BRS Not required.
04	U.B.I.	0125010252191	Mass Literacy	17466.05	17466.05	Balance Tallied. BRS Not required.
05	U.B.I.	235954	N.R.Y.	0.00	0.00	Account Closed on 23.02.2016
06	U.B.I.	0125010304638	Security Water Supply	325368.50	325368.50	Balance Tallied. BRS Not required.
07	U.B.I.	236420	N.R.Y.	0.00	0.00	Account Closed on 23.02.2016

Sl. No	Name of Bank/ Treasury	Account No	Scheme	Balance as per Book	Balance as per Bank Statement	Bank Reconciliation Made
08	U.B.I.	0125013197680	12/13 Finance Commission	60951.00	60951.00	Balance Talled. BRS not required.
09	U.B.I.	0125013206571	I.H.S.D.P.	14887417.00	14916589.00	Yes
10	U.B.I.	0125013441475	N.U.H.M	3999404.50	3999404.50	Balance Talled. BRS Not required.
11	Allahabad Bank	20577410488	Thift& credit	2076298.40	2076298.40	Balance Talled. BRS Not required.
12	Allahabad Bank	50387	Municipal Fund	0.00	0.00	Account Closed on 23.02.2016
13	Allahabad Bank	20577396369	S.J.S.R.Y.	1824758.23	1824758.23	Balance tallied. BRS not required.
14	Allahabad Bank	3759	N.R.Y.	0.00	0.00	Account Closed on 23.02.2016
15	Allahabad Bank	20577431259	H.H.W. Programme	769433.07	926478.07	Yes
16	B.G.V.B	5373050000022	Municipal Fund	5746.00	5746.00	Balance Talled. BRS Not required.
17	B.G.V.B.	5373050000023	M.P. Lad	56068.00	56068.00	Balance Talled. BRS Not required.
18	S.B.I.	11064020884	Municipal Fund	973033.09	1805543.09	Yes
19	S.B.I.	11064026365	K.U.S.P.	168152.00	167152.00	Yes
20	Uco Bank	19930210000038	Mid Day Meal	64550.50	64550.50	Balance Talled. BRS Not required.
21	Uco Bank	19930110005576	S.J.S.R.Y. Loan A/c	118844.00	118844.00	Balance Talled. BRS Not required.
22	Axis Bank Ltd	724010100003346	Municipal Fund	1989103	2318578.00	Yes
23	U.B.I.	0125010271357	N.S.A.P.	976999.00	976999.00	Balance Talled. BRS Not required.
24	W.B. Co-op. Bank	29346083694	N.S.A.P.	192268.00	192268.00	Balance Talled. BRS Not required.
25	B.G.V.B.	5373010005552	N.S.A.P.	5667.00	5667.00	Balance Talled. BRs Not reqd.

26	S.B.I.	31629363494	Development Fund	17475060.50	17909669.50	Yes
27	U.B.I.	0125013327166	Salary A/c	13514.00	13514.00	Balance Talled. BRS Not required.
28	Uco Bank	19930110064023	Mid-Day Meal	440004.36	440004.36	Balance Talled. BRS Not required.
29	B.G.V.B.	5373010009706	BEUP+MP Lad	103915.00	103915.00	Balance Talled. BRS Not required.
30	HDFC Bank Ltd	06381400000080	Municipal Fund	2328.42	2328.42	Balance Talled. BRS Not required.
31	HDFC Bank Ltd	06381450000296	Municipal Fund	7191.50	7191.50	Balance Talled. BRS Not required.
32	Bank of Baroda	40620100000983	Development Fund	3407499.00	3407499.00	Balance Talled. BRS Not required.
33	ICICI Bank Ltd	161201000532	Municipal Fund	3530.00	3530.00	Balance Talled. BRS Not required.
34	ICICI Bank Ltd.	161205001120	Mid-Day Meal	4256.30	4256.30	Balance Talled. BSR Not required.
35	IDBI Bank	1467104000028477	Mid-Day Meal	13326693.00	14128177.00	Yes
36	B.G.V.B.	5373010041380	N.U.L.M,	10859825.00	9909825.00	Yes
37	Axis Bank Ltd	915010063107690	S.B.M.	9975929.00	10349589.00	Yes
38	U.B.I.	0125013462469	14 th Finance Commission	6740752.00	8824982.00	Yes
39	Axis Bank Ltd	916020000259288	AMRUT	196658148.00	196658148.00	Balance Talled. BRS Not required.
40	Axis Bank Ltd	916010000563027	Housing for All	52034580.00	59804580.00	Yes

Serial No. 3
Part-1CA-Para-bBank Reconciliation Statements

Following are the 13(Thirteen) Bank Reconciliation Statements obtained from the Municipality Officials. These Reconciliations are system generated.

SL. NO.	BANK NAME	A/C NUMBER	DATE	CHAQUE NO.	UN-ENCASHE D Receipt	TOTAL	UNCASH PAYMENT AMOUNT	TOTAL	DATE OF CASH ON
1	Treasury	8448	29.03.16	23642	0		116630		11.04.16
			04.03.16	23637	0		3601		04.04.16
			04.03.16	23639	0		1800		28.04.16
			04.03.16	23638	0		5401		11.04.16
			30.03.16	ID-259	0		23220		02.04.16
			30.03.16	ID-257	0		1390684		02.04.16
			30.03.16	ID-256	0		1731038		02.04.16
						0		3272374	
2	U.B.I.	0125010304638	28.03.16	673198	0		4400		15.04.16
						0		4400	
3	U.B.I.	0125013206571	19.03.16	491259	0		29172		02.06.16
						0		29172	
4	A.B.	20577431259	26.03.16	2421	0		157045		04.04.16

						0		157045	
5	S.B.I.	11064020884	12.03.16	638080	0		9272		04.04.16
			29.03.16	638095	0		10400		04.04.16
			17.03.16	638086	0		150000		05.04.16
			28.03.16	638093	0		450000		06.04.16
			30.03.16	638099	0		14020		06.04.16
			30.03.16	638100	0		14020		06.04.16
			12.03.16	638081	0		13906		11.04.16
			03.03.16	638060	0		133182		12.04.16
			09.02.16	696570	0		2000		16.04.16
			12.03.16	638077	0		10963		05.05.16
			09.02.16	696565	0		4500		07.05.16
			31.12.16	696502	0		10000		07.05.16
			03.03.16	638059	0		10247		06.04.16
						0		832510	
6	S.B.I.	11064026365	21.03.16	2225	800		0		07.04.16
			21.03.16	2226	200		0		21.04.16
						1000			
7	Axis Bank	724010100003346	03.03.16	198294	0		6270		28.04.16
			09.03.16	198299	0		292070		02.04.16
			19.03.16	198305	0		31135		06.04.16
						0		329475	
8	S.B.I.	31629363494	31.03.16	5707910	106500		0		02.04.16
			05.02.16	434847	0		8109		05.04.16
			28.03.16	434865	0		5000000		06.04.16
			06.05.16	1242	0		8000		
			20.07.16	756906	0		25000		
						106500		541109	
9	I.D.B.I.	1467104000028470	29.03.16	334444	0		801484		04.04.16
						0		801484	
10	B.G.V.B.	5373010041380	28.03.16	434865	500000		0		16.04.16
			28.03.16	638093	450000		0		16.04.16
						950000		0	
11	Axis Bank	915010063107690	29.03.16	208362	0		10990		02.04.16
			29.03.16	208363	0		10990		02.04.16
			29.03.16	208364	0		10990		02.04.16

			29.03.16	208365	0	10990	02.04.16
			29.03.16	208366	0	10990	02.04.16
			29.03.16	208367	0	10990	02.04.16
			30.03.16	208368	0	10990	02.04.16
			30.03.16	208369	0	10990	02.04.16
			30.03.16	208370	0	10990	02.04.16
			30.03.16	208371	0	10990	02.04.16
			30.03.16	208372	0	10990	02.04.16
			30.03.16	208373	0	10990	02.04.16
			30.03.16	208374	0	10990	02.04.16
			30.03.16	208375	0	10990	02.04.16
			30.03.16	208376	0	10990	02.04.16
			30.03.16	208377	0	10990	02.04.16
			30.03.16	208378	0	10990	02.04.16
			30.03.16	2847	0	10990	02.04.16
			30.03.16	208380	0	10990	02.04.16
			30.03.16	208381	0	10990	02.04.16
			30.03.16	208382	0	10990	02.04.16
			30.03.16	208384	0	10990	02.04.16
			30.03.16	208385	0	10990	02.04.16
			30.03.16	208386	0	10990	02.04.16
			30.03.16	208387	0	10990	02.04.16
			30.03.16	208388	0	10990	02.04.16
			30.03.16	208389	0	10990	02.04.16
			30.03.16	208390	0	10990	02.04.16
			30.03.16	2841	0	10990	02.04.16
			30.03.16	2842	0	10990	02.04.16
			30.03.16	2843	0	10990	02.04.16
			30.03.16	2844	0	10990	02.04.16
			30.03.16	2845	0	10990	02.04.16
			30.03.16	2846	0	10990	02.04.16
						0	373660
12	U.B.I.	125013462469	15.03.16	174019	0	998200	02.04.16
			26.03.16	174024	0	654921	02.04.16
			26.03.16	174023	0	410400	04.04.16
			12.02.16	174016	0	20709	02.04.16

						0	2084230	2084230	
13	Axis Bank	916010000563027	29.03.16	2865	0		720000		04.04.16
			29.03.16	2866	0		540000		02.04.16
			29.03.16	2867	0		680000		04.04.16
			29.03.16	2868	0		190000		02.04.16
			31.03.16	2869	0		1550000		05.04.16
			31.03.16	2870	0		1170000		04.04.16
			31.03.16	2871	0		80000		04.04.16
			31.03.16	2872	0		510000		04.04.16
			31.03.16	2873	0		860000		02.04.16
			31.03.16	2874	0		1470000		04.04.16
						0		7770000	
		Total:				1057500		16196459	

Serial No. 4
Part-1CB-Para-a

System of Property Tax Collection, raising of Demand and age wise analysis of property tax dues

The Municipality has a proper system of collection of Property tax and also for raising of Demand for taxes. However, the accounting system in use at the Municipality is not designed in a manner to provide

1. Year wise split to facilitate Current and Arrear status of collection of property Tax and
2. Age wise analysis of property tax dues.
3. We suggest that a master listing of dues on the basis of property owners in the Municipality should be created to cross verify the Current and Arrear Status shown by the System.
4. It would be important to carry out the exercise as stated above to comply with the Accrual concept of Accounting needed to justify maintaining Double Entry System.

Serial No. 5
Part-1CC-Para-a

Collection, timely Deposit and recording of different user charges and revenue

It is pertinent that in the absence of split of data between current and arrear years as well as missing Master Data Sheet for the regular user of the municipal services, the concepts of timely deposit is not attainable.

We will once again request for preparation of a Master Data Sheet of the regular users with the imbedded Calendar of Due Dates and Year wise splits in cases of pending or arrears.

We will also suggest installation of a workable system whereby reminder services for arrears can be issued to defaulters.

Serial No. 6
Part-1CD-Para-a

Store Accounting System

We have observed the following pointers while making a test check of various Stock/Store items in the matter of accounting of Stores in the municipality:

1. The actual quantity received as per Challan read with the Indent issued is recorded at the Stores. One copy of the receipted Challan is issued to the supplier.
2. The Supplier then submits the Bill with the receipted Challan for obtaining payment.
3. We suggest that the valued Challan System should be introduced in place of current Challan System without Value.
4. Existing Store Ledgers without Values should be restructured into a priced Store Ledger.
5. Thus Cross verification shall be facilitated by the System itself.

Serial No. 7
Part-1CE-Para-aOperation of different programs

In the records of the Municipality various social welfare programmes are undertaken. We have compiled the following data from the Trial Balance Submitted to us. However, in the process of discussion, we have been reported that the finally adjusted Trial Balance is ready.

In these facts, following data under various schemes should be considered as the finally adjusted data.

a. Total Credits and Total Debits under the West Bengal Urban Employment Scheme as per the Finally adjusted trial balance maintained by the Bongaon Municipality for the year 2015-16

Year	Opening Balance	Total Credits	Total	Total Debits	Closing Balance
2015-2016	2544233.00	20027000.00	22571233.00	21321408.00	1249825.00

b. Total Credits and Total Debits under Mid-day-Meal Programme under Supervision of Bongaon Municipality during 2015-16

Year	Opening Balance	Total Credits	Total	Total Debits	Closing Balance
2015-2016	11467840.00	17702915.00	29170755.00	11181976.00	17988779.00

c. Total Credits and Total Debits under the National Social Assistance Programme

Year	Opening Balance	Total Credits	Total	Total Debits	Closing Balance
2015-2016	12245687.00	67290153.00	79535840.00	74360906.00	5174934.00

d. Total Credits and Total Debits under the Jawaharlal Nehru National Urban Renewal Mission Scheme (JNNURM)

Year	Opening Balance	Total Credits	Total	Total Debits	Closing Balance
2015-2016	2992639.00	14002292.00	16994931.00	64000.00	16930931.00

e. Total Credits and Total Debits under the Swarna-Jayanti Sahari RojgarYojana (SJSRY)

Year	Opening Balance	Total Credits	Total	Total Debits	Closing Balance
2015-2016	375275.00	261293.00	636568.00	636568.00	0.00

f. Total Credits and Total Debits under the National Urban Livelihood Mission (NULM)

Year	Opening Balance	Total Credits	Total	Total Debits	Closing Balance
2015-2016	200000.00	27185841.00	27385841.00	1651660.00	25734181.00

g. Total Credits and Total Debits under the National Urban Health Mission (NUHM)

Year	Opening Balance	Total Credits	Total	Total Debits	Closing Balance
2015-2016	0.00	5312451.00	5312451.00	1313047.00	3999404.00

h. Total Credits and Total Debits under the Housing For All(HFA) Urban

Year	Opening Balance	Total Credits	Total	Total Debits	Closing Balance
2015-2016	0.00	67689768.00	67689768.00	15455024.00	52234744.00

i. Total Credits and Total Debits under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

Year	Opening Balance	Total Credits	Total	Total Debits	Closing Balance
2015-2016	0.00	196658148.00	196658148.00	0.00	196658148.00

Internal control in accounting procedures

We have determined the following parameters to verify and comment on the internal control in use at the Municipality:

1. Access from original supporting to Final Entry on Computers

We have observed departures from the standards in this regard since different numerical sets are used on Manual Vouchers and Vouchers generated on the electronic media.

This has led to an identity crisis of final transactions set recorded on computers with that of the Original supporting on record.

2. Coding of Vouchers and Final Entries

We have observed that the Coding used on Manual Vouchers do not tally with the Voucher codes used by the machine.

Moreover, the entries are made from Abstract Cost Sheets in respect of Expenditure. In the said Abstract sheets also, the Coding Parity is not followed.

Thus cross verification, the very essence of fair recording, is not established.

3. Double Entry System of Accounting

The lack of cohesion of supporting with the arbitrary system of Coding as stated above, lack of access to documents and a System which do not directly allow the compatible data to be extracted are all indicative

of existence of a Hybrid System of recording than the Double Entry System of Accounting.

4. Flow of transaction recording vis-à-vis transparency

The Flow of transaction from origination to completion must be a transparent affair. Transparency lies in access to documentation leading to Vouchers and action being completed with the entry being traced in one single flow.

The Accounting System in Use at the Municipality has to be supplemented with various additional Excel Sheet operations to provide final data in many cases.

As such we find that the Flow of transaction with the relevant transactional transparency is not attainable in one single flow.

5. Recording of Statutory Payments, documents, challans and Year end Reconciliations of Books and relevant Returns

We have verified the following statutory payments made by the Municipality during the relevant period:

1. Deduction and respective Payment of STDS on the payment to Contractors under Vat Returns;
2. Payment of TDS on applicable transactions;
3. Payment of Building Plan Cess; and
4. Payment of Labour Cess

We have compiled the following data under different heads as above

Deduction and respective Payment of STDS on the payment to Contractors under Vat Returns

The Municipality is registered under the West Bengal Value Added Tax Act, 2003 holding STDS Enrolment No.310000038.

The Return is submitted on Monthly Basis.

Month	STDS credited In Sales Tax Payable A/c (In Rupees)	STDS paid As per ledger Code- 3502010 (In Rupees)	Return filed on
2015			
April	71143	71143	19/06/2015
May	24549	24549	19/06/2015
June	71025	71025	28/07/2015
July	38456	38456	13/08/2015
August	55901	55901	22/09/2015
September	30787	30787	16/11/2015
October	148124	148124	16/11/2015
November	10794	10794	02/01/2016
December	155077	155077	12/02/2016
2016			
January	56381	56381	12/02/2016
February	86456	86456	28/04/2016
March	19307	19307***	28/04/2016
Total	758001	758001	

Note*** This amount was actually debited on the banking system on 11/04/2016

Payment of TDS on applicable transactions

We have verified the TDS from Contractors Account with the actual payment documents and we have summarized the position as follows.

We suggest that a periodical reconciliation should be prepared to avoid errors/differences on quarterly basis only

Quarter ending	Credit as per Ledger Code 3502006 (In Rupees)	Actual payment As per Ledger (In Rupees)	Difference (In Rupees)
30.06.2015	117887	117887	Nil
30.09.2015	85069	83449	Excess 1620
31.12.2015	228562	176994	Excess 51568
31.03.2016	115685	110846	Excess 4839
	547653	489176	58027

Payment of Building Plan Cess(Collection on behalf of Government
(Labour Cess)

Month	Building Plan Cess credited (In Rupees)	Building Plan Cess paid As per ledger Code- 3503004 (In Rupees)	Excess/ (Short) Payment
2015 April	191078.00	87384.00	-103694.00
May	67558.00	128045.00	60487.00
June	76157.00	128005.00	51848.00
July	80620.00	75395.00	-5225.00
August	68397.00	79814.00	11417.00
September	59266.00	67713.00	8447.00
October	35437.00	58673.00	23236.00
November	75611.00	35083.00	-40528.00
December	131810.00	0.00	-131810.00
2016	0.00	0.00	0.00
January	163210.00	0.00	-163210.00
February	188641.00	74855.00	-113786.00
March	125615.00	551489.00	425874.00
Total	1263400.00	1286456.00	23056.00

Note: Details of Payment are not verified by us due to non availability of Payment details with supporting documents.

Payment of Labour Cess

Month	Labour Cess credited (In Rupees)	Labour Cess paid As per ledger Code- 3502051 (In Rupees)	Excess/ (Short) Payment
2015			
April	23714.00	23714.00	0.00
May	4849.00	4849.00	0.00
June	26020.00	26020.00	0.00
July	12829.00	13639.00	810.00
August	18634.00	18634.00	0.00
September	10263.00	10263.00	0.00
October	32146.00	30747.00	-1399.00
November	3598.00	3598.00	0.00
December	56184.00	55222.00	-962.00
2016			0
January	20167.00	22586.00	2419.00
February	28818.00	28818.00	0.00
March	6434.00	1800.00	-4634.00
Total	243656.00	239890.00	-3766.00

Note: Details of Payment are not verified by us due to non availability of Payment details with supporting documents.

For Mishra & Mishra
Chartered Accountants
Firm Regn. No.312113 E

A.K. Mishra



CA Ashwini Kumar Mishra
Proprietor- Membership .No.- 050632
Place: Kolkata
Date: 28th August, 2017