



भारतीय लेखा एवं लेखा परीक्षा विभाग  
कार्यालय - प्रधान महालेखाकार (सामान्य एवं सामाजिक क्षेत्र  
लेखा परीक्षा), प.वं., स्थानीय लेखा परीक्षा विभाग

INDIAN AUDIT AND ACCOUNTS DEPARTMENT  
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL  
(GENERAL & SOCIAL SECTOR AUDIT), W.B.  
LOCAL AUDIT DEPARTMENT

संख्या / No. 1996(TB)

दिनांक / Dated : 23.08.2016

To  
The Chairman,  
Uttarpara Kotrung Municipality,  
New G.T. Road, P.O. Uttarpara,  
Hooghly-712258

Sub: Audit Report on Annual Financial Statement for the year 2009-10

Sir,

I am forwarding the Audit Reports and detailed comments on the AFS for the year 2009-10 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. You are requested to carry out the rectifications as assured while preparing next accounts for correct depiction of Accounting heads and surplus/deficit.

Yours faithfully

*UB* 23/8/16  
Examiner of Local Accounts  
West Bengal

Enclosure: As stated above

**AUDIT REPORT ON THE ANNUAL FINANCIAL STATEMENT OF UTTARPARA-KOTRUNG MUNICIPALITY FOR THE YEAR ENDED 31st MARCH, 2010**

1. We have audited the Balance Sheet of the Uttarpara-Kotrung Municipality as at 31st March, 2010 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 Uttarpara-Kotrung 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 Uttarpara-Kotrung 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 Fund (Sch B-2)**

**General Provident Fund: ₹ 264.24 lakhs**

Above did not include ₹2030809.00 being the interest accrued on the Provident Fund of the employees deposited in Treasury Provident Fund for the year 2009-10 as allotted by the State Government in 2010-11.

Non-accounting of the above resulted in understatement of 'Provident Fund' with corresponding understatement of 'Sundry Debtors- Receivable from State Government to the extent of ₹ 20.31 lakhs.

In reply the Municipal Authority stated that the interest on Provident Fund was accounted on Cash Basis.

The reply of the Municipal Authority was not tenable as the interest on Provident Fund deposited in Treasury was accrued on monthly basis and the total interest accrued during the year was to be included in Provident Fund balance and was to be recorded in individual Ledger of employees, Abstract of Provident Fund Ledger etc.

**A.1.2 Other Liability (Sundry Creditors) (Sch B-9)**

**(i) Contractors (code 3501002): ₹ 11.87 lakh**

Above did not include ₹236765.00 being payable to contractors as on 31.03.2010 for creation of asset viz. lying of pipe valuing ₹ 153663.00(₹ 109747.00+43916.00) and maintenance of building valuing ₹ 83102.00.

Non-accounting of the above resulted in understatement of Other Liability (Sundry Creditors) to the extent of ₹ 2.37 lakh with corresponding understatement of asset of ₹ 1.54 lakh and understatement of expenditure on repair and maintenance thereby understatement of Deficit to the extent of ₹ 0.83 lakh.

The Municipality admitted the audit comment and stated that necessary adjustment would be made in due course. The depreciation of the asset so created should also be taken into account while making adjustment.

