

**C. BHATTACHARYYA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

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TO  
THE CHAIRMAN,  
BANKURA MUNICIPALITY,  
MACHANTALA JUNCTION,  
BANKURA-722101

Sir,

We have conducted the Internal Audit of **BANKURA MUNICIPALITY**, for the year 2014-15, as per the terms of reference vide work order no. 4345A/BM/ dated 10.03.2017. Our report in respect of same has been submitted incorporating our observations, suggestions and other facts and figures in detail. The scope of the Internal audit was checking the efficiency & effectiveness of the internal control and verification of related records on test check basis.

Further we have given recommendations for rectifying/strengthening the internal control systems which is appended in attached annexure. We believe that the given recommendations shall improve the existing controls.

We thank the management for their cooperation in conduct of this Audit. Should there be any clarifications the management is free to revert it to us.

With regard.

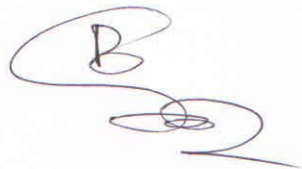
Thanking you.

Yours Faithfully

For **C. Bhattacharyya & Associates.**

**Chartered Accountants**

FRN 327170E



**(C. Bhattacharyya)**

**M.No-067059**



## GENERAL ORGANISATIONAL INFORMATION

Name of the ULB : BANKURA MUNICIPALITY,

No. Of Wards of the ULB : 24

Area of the ULB : 19.45 sq km

Name the Chairman/ Chairperson : Mr. Mahaprasad Sengupta

Name of the Vice Chairman : Mr. Dilip Kumar Agarwal

Name of the Executive officer : Mr. Tapan Kumar Pal

Name of the Finance officer : -

Address of the ULB : BANKURA MUNICIPALITY,  
MACHANTALA JUNCTION,  
BANKURA-722101

Audit Period : Financial Year 2014-15



**INTERNAL AUDIT REPORT**  
**FOR THE PERIOD FROM 01/04/2014 TO 31/03/2015**

**\* Our comment on Maintenance of Automated System, Cash Book, BRS, Receipts & Payments:**

**(a)** During the course of our audit, we observed that the Bankura Municipality (hereinafter refer as the Organization) maintaining following manual records---

- i) Manual Cash Book
- ii) Bank Pass Book and Statement
- iii) Advance Register
- ii) Deposit Register
- iii) Salary Register
- iv) Budget Estimates
- v) Fund Register
- vi) Provident Fund Register
- vii) Store/ Store Ledger
- viii) Medicine Purchase & Issue Register
- ix) Subsidiary Ledgers

The ULB is using the a dedicated software named PURO-Hishab , developed by Municipal Affairs Dept. Govt. of West Bengal for maintaining day-to-day accrual based double entry accounting.

At the time of our verification the position was as under;

- a) Receipts and payment entries in computer system for the year 2014-15 has been completed.
- b) Balance Sheet as on 31.03.2015 has been completed.
- c) For the year 2015-16, data entries for receipts for receipt and payment transactions are completed in Computer System in manual book.
- d) Deposit Register are not updated.
- e) Advance Register pending for last few years.
- f) Fixed Assets Register is maintain and upto date
- g) Earnest Money & Security Deposit Register party register not upto date.
- h) Bank Reconciliation statement prepared up to 2016-17





#### **Municipality's Reply and comments**

- a) Balance Sheet as on 31.03.2015 completed but not Audited by A.G.
- b) Deposit Register and other Registers are in the process of updating and will be completed soon.
- 1) **Whether the W.B. Municipal Act, 1993, W.B. Municipal (Finance and Accounting) Rules, 1999, as amended, various G.O.s standard practices, are followed wherever applicable, and whether internal norms as circulated by the Govt. from time to time are followed while incurring various plan and non-plan expenditure, and whether the respective budget allocations are considered as the bases;**

#### **Auditor's Observation and View:**

Most of the cases the Municipality followed the rules & Regulation of the W.B. Municipal Act, 1993, W.B. Municipal (Finance and Accounting) Rules, 1999, as amended, various G.O.s standard practices, wherever applicable,

We have also obtained Budget Estimate for financial year 2015-16 and Fund Register maintained as per Pourohisab Software supplied by C.M.U.

- 2) **Whether various aspects covered in all the parts of the new W.B. Municipal Accounting Manual are adhered to in the accounting at the maintenance of records and register including booking of various transactions under appropriate heads of accounts as mentioned in the codified chart of accounts;**

#### **Auditors Comments and Views:**

So far as have checked the recording of transaction in to Computer, we report that various transactions of revenue nature and capital nature are entered in pursuance of various accounting codes (Major Heads and Minor Heads) as prescribed and supplied by the C.M.U. transactions are found booked under appropriate heads of Account.

- 3) **Whether collection of money and deposits and accounting thereof are in agreement with each other;**

#### **Auditors' Comments:**

We have found that daily collection of money and deposits and accounting thereof are in agreement with each other and are cross verified by Cashier and Accounts Officer.



**4) Whether physical cash verifications is regularly conducted;**

**Auditors' Comments:**

Yes, Movement of Cash Collection is made through Form No. 77 vide Rule 270 of West Bengal Municipal (Finance and Accounting) Rule. Therefore cash is automatically verified and signed by the Cashier every day.

**5) Whether Bank Reconciliation (including Treasury P.L. Accounts is regularly done including regular monitoring over dishonored cheques:**

**Auditors' Observations/findings**

The Municipality reconciled 31 Bank accounts excluding two bank accounts namely Allahabad Bank (SB A/c no. 21349074458) for IHSDP Scheme & HDFC Bank (SB A/c 2505145000014) for IGNOAPS & NFBS fund as on 31.03.2016. The reconciliation as on 31.03.2016 of these account are as furnished ~~in Annexure enclosed.~~

**Auditors' Suggestions**

- i. All old un-reconciled entries are to be thoroughly scrutinized and if require proper adjustments to be made.
- ii. Proper adjustments are to be made for stale cheques.
- iii. Efforts should be made for close down the In Operative account.
- iv. Should be reconciling immediately.

**Municipality's Reply and comments**

- i. We will take proper steps for writing off old un reconciled entries after scrutiny.
- ii. As regards the Closure of the In Operative A/c, suggestion is noted for future reference.
- iii. We will take proper steps for reconciled stale cheque.

**6) Whether security of cheques and money receipts (Unless produced from the computerized system) is ensured through proper inventory control of the cheques books and D.C.R. books:**





All the cheques are kept with the accounts. No inventory control is being maintained for this. Money Receipts are being kept in perforated form. Left side of the money receipt is kept with the municipality.

- 7) Whether properly tax and other demands are raised properly with due compliance of norms and set procedures, whether there is delay in preferring claims delay in collection procedure and scope for improvement in these respects;

**Auditors' Observations/findings**

**a) Property Tax Demand Collection**

- i. After the year 2003-04 no Interest & Penalty on property tax demand has been raised by the ULB on quarterly or yearly basis. There are some Tax inspectors (Sarkars) who visit door to door for collection of demand of tax holding wise Demand Collection register is maintained.

**b) Review and Re-fixation of Annual Valuation (Periodic Assessment)**

- i. We have noticed some cases where review of Annual Valuation was entertained after the statutory period.

**Municipality's Reply and comments**

**a) Property Tax Demand Collection**

- 1) Initiatives have already been taken for collection of outstanding dues of Property Tax.
- 2) Several correspondences were made and meet personally for paying arrear tax in installments.

**b) Review and Re-fixation of Annual Valuation**

- i. Most of the area of this municipality is slum and people of this locality are very poor. Due to that we have bound to review case for realization of Tax. Some vacant land owner did not receive notice in time and applied later for review.
- ii. Authority have rectified and stopped the re fixation.

- 8) Whether the age-wise analysis of the relevant receivables is in order, and Whether payable are correctly shown;

Holding wise ageing were not maintained & Payables Registers ,Deposit Register, Advance Register. etc maintain but not up to date.



- 9) **Whether regular watch on various advances including party advances and staff advances is employed;**

**Auditors' Views, Comments and Suggestion:**

We have checked advances-register maintained by the accounts department but no updated regularly. After checking unadjusted advances for last few years, we report that there is no regular watch no various advances including party advances.

We have further checked security & advance- register maintained by the accounts department but not updated regularly.

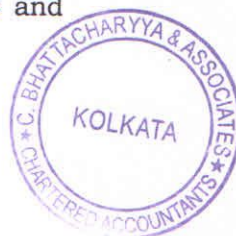
**Suggestion:**

- I In order to avoid complications, further advances should be made to a particular person only after previous advances in his name are adjusted.
- II While receiving adjustment-supporting against advances from the parties/staffs, a brief detail regarding these papers should be recorded by the A/cs Deptt. in a separate register and be counter signed by the Finance Officer after due verification of these papers and details. In case the papers are lost then the detail as per register may constitute supporting for adjustment of advances.
- III In order to avoid double payment of Security Money and Earnest Deposit to the contractor, party wise ledger should be maintained.

- 10) **Whether procurements of goods and services are in accordance with the set norms;**

**In this regard we have checked the followings;**

- (i) Obtained the details of enlisted contractors and suppliers for the year 2014-2015.
- (ii) Checked from the manual Cash Book major payments to contractors and suppliers.





- (iii) Checked tender register, quotations and comparative statements.
- (iv) Checking Quotations, estimate, alternative quotations, of various jobs including M.P. Lad job.
- (v) Verifying tenders form issued upto 5 lacs.
- (vi) In case of e tender beyond 5 lacs we have not verified with the web-side.

**Auditors' Observations/findings:**

During the period under audit on sample basis we found that most of the cases contracts for supply/construction were participate according to the norms set by the authority. Some discrepancies are given below

- (i) During the course of our checking we noted that in some cases all the three parties who have bid for the contract are their relatives or have substantial interest in the business of each other.
- (ii) Contractors/Suppliers who got the contract have not submitted a single document to prove their credentials nor they have submitted any documents to prove their existence such as, copy of PAN Card Income Tax Tax Return, Sales Tax Clearance, P.Tax receipts their accounts etc.
- (iii) At the time of opening of big none of the parties are present and signed their attendance.

**Auditors' Suggestion:**

- (i) A fresh enlistment of contractors/suppliers should be prepare after getting their credentials and other existence documents by publishing the notice in the News paper and website in case of order value beyond Rs.5.00 lacs.
- (ii) There should be a tender committee or purchase committee who will look after all these formalities.
- (iii) Parties' attendance register should be maintained at the time of opening of bid.
- (iv) Notice of tender should be given to the enlisted parties along with placing the same on the notice board in case of bid price less than Rs.5.00 lacs.

**Municipality's Reply and comments :**





- (i) We have already issued notices to the enlisted contractors to get them self registered with the Municipality.
- (ii) We will prepare fresh enlistment of contractors and will maintain the tender formalities.
- (iii) Tenders have been opened in presence of contractors without keeping any record of attendance. Henceforth we will keep the records.
- (iv) As per normal practice we publish the notice widely in the notice board of ours and the neighboring municipalities.

**11) Whether regular verification of stocks and inventories and fixed assets are conducted;**

**Auditors' Observation:**

We could not find any record that speaks of regular verification of stocks and inventories and Assets are conducted. However, books records of stores and inventories are updated except Asset Register.

**12) Whether Fixed Assets and other Register are verified & maintained properly;**

**Auditors' Observation:**

Till the conclusion of our Internal Audit, Fixed Assets Register has been maintained but no Physical verification should be done in periodic intervals.

**13) Whether actions required to be taken in regard to pending court cases, compliance of judicial and executive directives are regularly taken care of.**

**Auditors' Observation:**

As explained to us the municipality regularly followed pending court cases.

**16 i) Whether actions required to be taken in regard to pending RTI cases, compliance of judicial and executive directives are regularly taken care of.**

**Auditors' Observation:**

As explained to us the municipality regularly followed RTI cases. But neither RTI register was maintained not updated.

**14) Whether the following actions have been taken by the agency conducting internal audit:**



- i) Areas where procedural irregularities are noticed not arranging any disciplinary or punitive actions are to be regularized on spot. If such regularization is not possible because of certain constraints, the report of the internal audit should detail the same.

**Auditors' Observations/findings:**

We have not come across any procedural irregularities that needed regularization on spot. However, while checking the Books and payment we noted the some irregularities,

- 1) Some payment has been made during this year which was too old.
- 2) T.D.S. register should be maintained and reconciliation should be done quarter wise.
- 3) Birth and Death register should be maintain in future in prescribed format.
- 4) In some cases Journal entry was passed without narration or proper clarification.
- 5) Physical Verifications of all Assets was not recorded or done by the municipality at a regular manner. We are unable to opine weather all Assets are properly recorded accounts in the Books or all books assets are physically available in the municipality.
- 6) The municipality not able to maintain the each Grant Account with Available balances lying in the bank balances, so there is a clear cut fund diversification in the fund balances.
- 7) Provision for Sundry Debtors should be calculated and should be disclose in the annual Accounts.
- 8) Provision for Contingent Liabilities should be calculated and should be disclose to determine the future liabilities.
- 9) Capital commitment should be determine.

17. i) Wherever the agency conducting internal audit is of opinion that some avoidable in fructuous expenditure has been incurred, the scope for improvement should be detailed in their report.





**Auditors' Observations/findings:**

From records and Log Book available with vehicle department it reveals that some vehicles consumed fuels without mentioning the purpose of travels/visit as to official or personal.

**17. ii) If there is idle assets or misuse/underutilization of assets on the part of the ULBs resulting in loss of revenue/enhancement of operating and maintenance Expenditure, the agency conducting internal audit should include such areas in their report along with suggestion regarding possible ways for plugging the loopholes.**

**Auditors' Observations/findings:**

On close scrutiny of documents/records available with various departments apropos of above subject we hereby report that there has been misuse/underutilization of ULBs assets that has resulted into loss of revenue to the ULB, such as follows:

**a) Restoration charges not taken in case of New Water Connection :**

We have found that during the period of our Audit, few new water connection were issued, out of this some no restoration charge of Rs. 500 was taken from the applicant.

**b) In operative Bank account:**

The Municipality maintained 33 (Thirty Three) no of Bank account. Out of 33 no of Bank Accounts most of are in operative since long. Our suggestion is that the authority should taken necessary steps to close the said Accounts if not require in future.

**Municipality's Reply and comments :**

**a) Restoration charges not taken in case of New Water Connection:**

Noted for future action.

**b) In operative Bank Account**

Noted for future action.



17. iv) If the ULBs are not in a position to deliver service in due time compared to the standards set in the Citizens' Charter, the areas of weaknesses should be studied and identified, and the scope for improvement should be included in the internal audit report.

**Auditors' Observations/findings:**

On close scrutiny of documents/records available with various departments with respect to the delivering of service in due time compared to the standards set in the Citizens' Charter, we hereby report that sanctioning of Building plan, during the period covered by our audit, took significantly more time as compared to the standards set in the Citizens' Charter. Till the date of our audit the municipality unable to provide the time taken for all sanction of Building Plan in compare to the standard time.

**Municipality's Reply and comments :**

No comments.

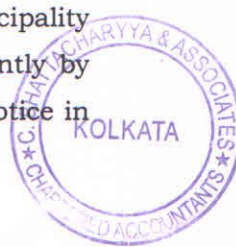
**18. Execution of works under MPLAD schemes**

The Municipality received a total sum of Rs.45.81 lakh towards grants under MPLAD scheme during the period of 2014-15. The details of such receipts, expenditure incurred and closing balance is shown as below:-

Year	Op. Bal(Rs)	Receipts (Rs)	Total (Rs)	Expenditure (Rs)	Cl. Bal(Rs)
2014-15	1536843	1019800	2556643	1934634	622009
<b>Total</b>		<b>1019800</b>		<b>1934634</b>	

The details of works executed successfully during the above period were (a) Construction of 03 (Three) Rickshaw Stands towards both side of the road flank at Gobindanagar Bus stand/Keranibundh More/Panchabagha More (b) reconstruction with repair of surface drain starting near shop of Bharat Cloth centre to Raniganj More within w/2" and (c) Installation of High Mask Light (1unit) under Bankura Municipality as cited below:-

The tender notice in respect of work (a) within sanctioned cost of Rs.18.00 lakh was invited by splitting Rs. 6.00 lakh each at an estimated cost of Rs. 5,98,792 each dt 05.02.15 and vetted by Executive Engineer, Bankura div (Works)/ MED on 24.02.15. The Municipality put on tender vide memo no 806/VII-14 dated 25.07.15 and completed subsequently by agencies by 24.50 per cent less than the amount put to tender. Again the tender notice in





respect of work (b) with project cost of Rs. 16,33,650 (revised) was invited vide NIT No. no. WBMAD/CM/BM/4/2015-16 DT 07.09.15. Initially the estimate was prepared at Rs.16,83,300 by SAE on 02.09.15 and the revised estimate was approved by the Chairman on 07.09.15 based on P.W.D. schedule of rates effect from 01.07.14. No vetting to the EE Div (Works)/MED was found on record. A work order no. 2646/VII-14 dated 16.12.15 was issued on 18.12.15 with completion period of 60 days. An agreement was executed with agency, M/s. Gopal Dey on 23.12.15. The work was completed on 20.01.16 by agencies by 50.55 percent less than the amount put to tender and (c) M/s Pradip Rajak, being the lowest bidder, was selected for supply and fitting Galvanized Mast (6 wings) out of sanctioned cost of Rs.5.00 lakh and paid to the agencies Rs. 4,78,250 vide vr 3359/14-15 and cheque no. 502994 dated 17.03.15 vide bill for work order No. 3092/V-1 dated 14.01.15.

On scrutiny of records/documents submitted in connection with implementation of schemes out of MPLAD fund the following irregularities were noticed in audit:

**A. Separate Bank Account for MPLAD fund was not maintained:**

Para 4.14.1 of Guidelines on Members of Parliament Local Area Development Scheme stipulates that "The Implementing Agencies shall also deposit the funds only in a nationalized bank. Separate account will be opened for each MP for the purpose".

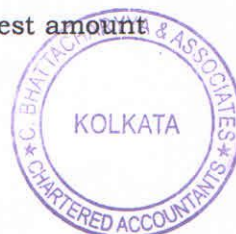
Detailed scrutiny revealed the Bankura Municipality maintained MPLAD fund as well as BEUP Fund in Bank of India, Bankura Branch (A/c No. 32510100000605).

In according to Guidelines separate bank accounts are to be maintained for each MP/ MLA. It came to notice that the Bankura Municipality received MPLAD funds from three Hon'ble MPs-Shri Basudeb Acharia (L.S.) and Shri Pradip Bhattacharyay (R.S.) and Smt. Sreemati Dev Varma (Moon Moon Sen) (L.S.) during the period covered under audit. Though the Municipality maintained single bank account but they were not specific to funds received from either of the Hon'ble MPs concerned.

**B.** Due to non availability of land, the Municipal authority has bound to execute the work (a) on the side of road which is belong to Public Works Department and there no item-wise rate analysis was found in record i.r.o. work (b) as tendered value was very lesser than the estimated cost before execution of the work.

**C.** Unauthorized retention of Principal of Rs. 25,499,018 and accrued interests of **MPLAD fund to the tune of Rs.2.36 lakh.**

Para 5.3 states that "On completion of a work, the Implementing agency shall quickly finalize the accounts for the work and shall furnish a work completion report and utilization certificate and return the un-utilized balance (savings) and interest amount within 30 days to the District Authority concerned."



On scrutiny of bank statements, it transpired that a sum of and Rs. 236407/- was accrued as interests in the bank accounts maintained for the purpose of MPLAD fund and Rs. 1892572 was retained (07.10.16) for the period 01.04.2014 to till date (October 2016).

Details were as follows:

Sl	Name of Bank	Account No.	Date of interest credit	Amount of interest (In Rs.)
1.	Bank of India	32510100000605	04.05.14	12940
			06.11.14	16800
			06.05.15	17621
			07.11.15	61273
			19.04.16	68380
			08.07.16	32842
			07.10.16	26551
Total				236407

As may be seen from the table above, an amount of Rs. 2,36,407/- was accrued in the bank accounts maintained for MPLAD fund till date. According to guidelines the interest amount is to be surrendered to the District authority but the Municipality failed to comply the guideline provision till date of audit (November 2016). But, the Authority transferred the above interest to General Fund for example Rs. 16,800 vide Vr. No. 119 dated 21.04.15.

To ensure proper monitoring of the MPLAD schemes, Para 6.5 (iii) of the guidelines needs to be followed.

**19. Irregular expenditure of 14.06 lakh from 13<sup>th</sup> Finance Commission Fund and unsatisfactory fulfillment of objectives of the programme**

The Municipality received a total sum of Rs. 239.13 lakh towards grants under 13<sup>th</sup> Finance Commission (TFC) Award during the period 2014-15 . The details of such receipts, expenditure incurred and closing balance were shown as below:-





Year	Opening Balance (Rs)	Receipts (Rs)	Total (Rs)	Expenditure (Rs)	Closing Balance (Rs)
2014-15	67388	23912510	23979898	12550647	11429251
<b>Total</b>		<b>23912510</b>		<b>12550647</b>	

As per para 6.4.10 (i) of the Guidelines issued by the Central Govt. as well as the state Govt. for receipt and utilization of 13<sup>th</sup> F.C. Grant, four service sectors viz Water Supply, Sewerage, Storm Water Drainage and Solid Waste Management were earmarked where the fund/grant was to be used mainly for achievement of a minimum level of service fixed by the Govt. itself.

On scrutiny of Cash book, Appropriation Register and other allied records maintained by the Municipality it was revealed that the Municipality had incurred a total sum of **Rs. 14,05,655** for purchase Stationery Item (Rs. 5,78,600), Repairing of Hand Cart/Tractor/Ambulance (Rs. 6,98,355) and purchase of Tarpolin (Rs. 1,28,700) which were not related to the spirit of the scheme during the years 2014-16 as shown below:-

Sl. No.	Purposes of the expenditure	Vr. No. & date	Amount (Rs.)	Remarks (if any)
1.	Repairing of Hand Cart/Tractor etc.	152/22.4.15	126491	This is general nature of expenses, not related to the scheme
	-do-	153/22.4.15	184650	
	-do-	154/22.4.15	40555	
	-do-	155/22.4.15	192679	
2.	Repairing of Ambulance	1834/11.1.16	153980	
3.	Stationery Item- Purchase of Street light & Fixing-fittings charges	3500/31.03.15	200000	
	-do-	156/22.4.15	180000	
	-do-	2427/4.3.16	54000	
	-do-	2428/4.3.16	60000	
	-do-	2429/4.3.16	74700	
	-do-	2430/4.3.16	9900	
4.	Purchase of 200 nos. Tarpolin	855/8.9.15	128700	
	<b>Total</b>		1405655	

**20. Avoidable expenditure towards maintenance of Primary Schools-Rs. 343.47 lakh**

It was ordered vide letter no. 352-Edu (P)/24-92 dt. 15.04.1992 issued by the Education Department, Government of West Bengal under Primary Education Act, 1973 (West Bengal Act.-XI, III of 1973), that with effect from the 15<sup>th</sup> day of April, 1992 all the Primary Schools under the Urban Local bodies should be transferred to the District Primary School Council (DPSC) together with their lands, buildings and other properties and all the teachers and other staff employed in such Primary Schools. As such those teachers and staff were deemed to be employed by the District Primary School Council with effect from 15<sup>th</sup> April 1992.

Sl. No.	Name of the Institution
1.	Patpur Municipal Manaed F.P.School
2.	Muktab F.P.School
3.	Harisova F.P.School
4.	Pratapbagan Municipal F.P.School

Records showed that despite Government notification the authority maintained four (4) Primary School in their municipal area till date. The Municipality incurred a total expenditure of Rs. 343.47 lakh towards payment of salary bonus of the staff/teachers of the above School as of 31.03.2016 as stated below:

Expenditure incurred up to 2013-14 as per audit report upto 31.03.2014	<b>Rs. 288.70 lakh</b>
2014-15	Rs. 33.44 lakh
<b>Total</b>	<b>Rs. 322.14 lakh</b>

It was, thus, observed in audit that due to non-adherence of Government directives, the Municipality incurred avoidable expenditure of **Rs. 22.14 lakh** out of specified other fund towards maintenance of Primary Schools.



Please state the source of fund i.e. from which fund Rs. 54.77 lakh for pay and allowances of the teachers were met up during the year 2014-16 and confirm the facts and figures above.

## 21. Discrepancy in Bank Reconciliation of Mid-Day Meal scheme

Bankura Municipality maintained a savings account for Mid-Day Meal scheme in Punjab National Bank with account no. 3748 and submitted a Bank Reconciliation Statement (BRS) for the scheme.

The BRS furnished by the Municipality was reproduced below:

Balance as per Cash Book as on 31.03.2015	Rs. 80,46,404.99
Add uncashed cheques, {chq. No. 644751 dt 10-01-15 amount 2511.00 and chq. no. 644755 dt 15-01-15 amnt 453000.00}	Rs. 4,55,511.00
Balance as per Pass Book as on 31.03.2015	Rs. 85,01,915.99

Scrutiny of the above Bank Reconciliation Statement (BRS) as on 31/03/2015 furnished to audit revealed the following discrepancies in audit:

- 1) Difference of Rs. 1.00 lakh between the closing balance of Bank Pass Book in BRS and actual Pass Book-The bank balance shown in the BRS was Rs. 85,01,915.99 whereas the actual balance as per the Pass Book was Rs. 86,01,915.99 as detailed below:

Date	Particulars	Amount
31-03-2015	Pass Book Balance	86,01,915.99
31-03-2015	Balance shown in BRS	85,01,915.99
	Difference	1,00,000.00

Thus it was noticed that the BRS was not correct as there was discrepancy of Rs. 1.00 lakh between the BRS and Actual Pass Book balance.

- 2) Discrepancy of Rs. 3.59 lakhs in uncashed cheques shown in BRS which were already encashed earlier:

Scrutiny of the above BRS and the Pass Book revealed that the Municipality had added an amount of two uncashed cheque valuing Rs. 4,55,511.00 as on

31/03/2015 in the BRS but the said cheques actually valuing Rs. 96,882.00 had already been encashed, as detailed below:

Sl. No.	Uncashed Cheque No.	Date of issue	Date of encashment	Amount of cheque		Difference
		As per BRS	As per Bank	As per BRS	As per Bank	
1	644751	10-01-15	02-02-15	2511.00	66044.00	-63533.00
2	644755	15-01-15	29-01-15	453000.00	30838.00	422162.00
<b>Total</b>				455511.00	96882.00	358629.00

Thus it could be seen from the above table that the uncashed cheque no. 644751 dt 10-01-15 valued at 2511.00 as per the BRS was actually of value Rs. 66044.00 and it was encashed on 02-02-15. Hence the cheque should not have been shown as uncashed.

Similarly the uncashed cheque no. 644755 dt 15-01-15 valued at 453000.00 as per the BRS was actually of value Rs. 30838.00 and it was encashed on 29-01-15.

The above two cheques valued at Rs. 96882.00 were already encashed. There was difference of Rs. 358629/- in the value of uncashed cheques (i.e. Rs. 455511.00 minus Rs.96882.00)

Thus the Bank Reconciliation was not correct.

The reasons for the above discrepancy may be furnished.

The difference of Rs. 1.00 lakh in Bank Balance and of Rs. 3.59 lakhs in uncashed cheques may be explained to audit.





22. During course of our Audit we have verified the total Receipts (both revenue & capital) of the ULB for the year 2014-15. The details of the same are summarized as follows:

SL NO	HEAD OF INCOME	AMOUNT(Rs.)
	<b>Total Receipts (A+B)</b>	<b>2,349.46</b>
<b>A</b>	<b>Revenue Receipts (1+2+3)</b>	<b>1,912.26</b>
<b>1</b>	<b>Own source revenue(A+B)</b>	<b>456.66</b>
<b>a)</b>	<b>Tax Revenue (levied and collected by municipal body)</b>	<b>202.75</b>
i)	Property tax	176.49
ii)	Other tax (levied and collected by municipal body)	26.26
<b>b)</b>	<b>Non Tax Revenue (levied and collected by municipal body)</b>	<b>253.91</b>
i)	Fees & fines	162.92
ii)	User Charges	73.36
iii)	Other non-tax revenue (levied and collected by municipal body)	17.63
<b>2</b>	<b>Other Revenue Receipts</b>	<b>32.71</b>
a)	Income from interest/investments	32.71
b)	Other Revenue income	
<b>3</b>	<b>Transfer Grant &amp; Assigned Revenue</b>	<b>1,422.89</b>
a)	State Assigned Revenue	66.59
b)	State Finance Commission (SFC) Grants/Devolution	265.16
c)	Octroi compensation	
d)	Other State Government Transfers	852.06
e)	Central Finance Commission (CFC) Grant	239.08
f)	Other Central Government Transfers	
g)	Others	
<b>B</b>	<b>Capital Receipts (1+2+3+4+5)</b>	<b>437.20</b>
<b>1</b>	Sale of Municipal Fixed Assets (If any)	
<b>2</b>	Loans (from State Govt. or Banks etc.)	
<b>3</b>	State Capital Account Grant (under State Schemes etc.)	437.20
<b>4</b>	Central Capital Account Grant (under Central Schemes etc.)	
<b>5</b>	Other Capital Receipts	



**23.** During course of our Audit we have verified the total Expenditure (both revenue & capital) of the ULB for the year 2014-15. The details of the same are summarized as follows:

SL NO	HEAD OF EXPENDITURE	AMOUNT(Rs)
	<b>Total Expenditure [1+2]</b>	<b>3,251.21</b>
	<b>Revenue Expenditure (1)</b>	<b>2,360.21</b>
1.1	Administrative Expenses, Establishment Expenditure and salaries	1,568.69
1.2	Operation and Maintenance (O & M)	437.91
1.3	Loan Repayment (Inter-set Payment)	
1.4	Others (any other revenue expenditure which is not salaries O&M or inter-set payment)	353.61
<b>2</b>	<b>Capital Expenditure (B)</b>	<b>891.00</b>
2.1	All developmental works under Central/State specific schemes	779.61
2.2	Loan Repayments (Principal Amount)	
2.3	Other Capital expenditure	111.39