

**Internal Audit Report
Of
Tufanganj Municipality
For the F.Y:- 2014-2015,2015-2016**

Prepared by:

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To
The Chairman,
Tufanganj Municipality,
Near SDO Office,
P.O. - Tufanganj,
District - Cooch Behar,
Pin - 736159,

Sub : Internal Audit Report for the year 2014-15 & 2015-16

Dear Sir,

We have carried out the Internal Audit of your municipality for the financial year 2014-2015 and 2015-16 in terms our engagement letter.

We put on record our heartfelt thanks to all the departments of your municipality for cooperation in conducting this audit.

We assure you of the best possible professional standards under the given circumstances and available information in auditing and reporting of the municipality accounts. The complete Internal Audit Report and the Audit recommendations are enclosed herewith for your kind perusal.

Thanking you,

Yours truly,

MD SAIFUDDIN SHAH
Proprietor
Membership No.061377
Place: Kolkata
Date: 11.09.2017



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1. Scope of Audit

One of the milestones is Augmenting Double Entry Accounting System which includes appointment of Internal Auditor by the ULB. Accordingly, the State Mission Directorate and the Municipal Affairs Department, Government of West Bengal has issued a notification for implementation of the same. Our engagement is governed by the directives mentioned above. In absence of any specific scope of audit being mentioned in our engagement order, we have applied normal audit procedures as may be applicable to the ULB and given attention to the broad requirement, i.e. application of double entry accounting system by Tufanganj Municipality.

2. Audit Methodology

We have conducted the audit of the Municipality in accordance with the guidelines of the Municipal Affairs (W.B.). An audit includes examining on test basis, evidence supporting the amounts, review of Internal Controls and disclosures in the financial statement and also includes assessing the accounting principles used and significant estimates made the management, as well as evaluating the overall financial statement presentation. Following steps were adopted while performing the audit.

- Discuss with relevant personnel and develop an understanding of the processes and procedures established by the Municipality to achieve compliance with provisions of different Acts & Rules and Regulations;
- Document and evaluate whether the associated systems and procedures are appropriately designed to achieve the Municipality's objectives for the system. This includes comparisons of controls in place against those that we would expect to find;
- Determine whether the internal control system is effective and efficient through testing, where appropriate, that the controls are operating in practice, and if not establish the likely impact of the weakness in control.



3. General Organisational Information

- A) Complete name of the ULB : TUFANGANJ MUNICIPALITY
Complete Address of the ULB : Tufanganj Municipality,
Near SDO Office,
P.O. – Tufanganj,
District – Cooch Behar,
Pin – 736159
- B) No. of Wards of the ULB : 12
- C) Date of Establishment : 1983 Under Bengal Municipality Act.
- D) Population : 20,999 as per 2011 Census.
- E) Audit Period : Financial Year 2014-15 & 2015-16

The incumbency in the key administrative and executive areas of the Municipality was under:

Chairman	Sri Ananta Kumar Barma	May 2015 to 31/03/2016
Vice Chairman	Smt. Nanda Dey	May 2015 to 31/03/2016
Executive Officer	Sri Swapan Kumar Maitra	01/04/2014 to 31/03/2016

4. Comparison of Income on 2014-15 & 2015-16

A.

Sl. No.	Property Tax	2014-15	2015-16
1	Tax on residential property (Arrear)	8,34,824.00	8,21,020.00
2	Property Tax Receivable on Residential (Current)	14,27,380.00	16,22,965.00
	Total	22,62,204.00	24,43,985.00



b

Sl. No.	Non-Tax Revenue (levied and collected by Municipal Body) Fees & Fines	2014-15	2015-16
1	Trade License (including Arrear)	2,87,430.00	3,33,445.00
2	Mutation Fees	46,555.00	57,448.00
3	Building Sanction Fees	3,44,605.00	2,82,940.00
4	Hoarding Charge	34,520.00	60,490.00
5	Tolls and Parking Fees	7,88,425.00	9,18,145.00
6	Birth and Death Certificate Fees	7,395.00	7,986.00
	Total	15,08,930.00	16,60,454.00

c

Sl. No.	Non-Tax Revenue (levied and collected by Municipal Body) Users Charges	2014-15	2015-16
1	House Rent	2,53,010.00	4,16,905.00
2	Market Rent	70,800.00	1,24,210.00
3	Auditorium Rent	4,400.00	9,600.00
4	Temporary Shed Rent	24,930.00	39,451.00
5	Marriage Hall Rent	8,44,650.00	9,96,200.00
6	Roller Hire Charge	8,400.00	42,124.00
7	Other Hire Charge	2,670.00	7,907.00
8	Ambulance Hire Charges	1,75,034.00	86,129.00
	Total	13,83,894.00	17,22,526.00



d

Sl. No.	Other Non-Tax Revenue (levied and collected by Municipal Body)	2014-15	2015-16
1	Sale of Tender Form	95,350.00	1,17,350.00
2	Interest on Rates & Taxes	74,265.00	97,113.00
	Total	1,69,615.00	2,14,463.00

e.

Sl. No.	Other Revenue Income	2014-15	2015-16
1	Salami from Market	21,55,000.00	4,85,000.00
	Total	21,55,000.00	4,85,000.00

f.

Sl. No.	State Assigned Revenue	2014-15	2015-16
1	Entertainment Tax	6,95,000.00	7,20,000.00
2	Motor Vehicle Tax	-	3,71,849.00
3	Trade Tax	1,08,485.00	-
4	Others	4,30,000.00	-
	Total	12,33,485.00	10,91,849.00



g.

Sl. No.	State Finance Commission Grants	2014-15	2015-16
1	SFC	10,38,000.00	37,86,500.00
	Total	10,38,000.00	37,86,500.00

h.

Sl. No.	Other State Government Transfers	2014-15	2015-16
1	Salary / DA/ Others	1,44,35,488.00	1,53,80,437.00
2	Pension Relief	4,32,172.00	4,00,315.00
3	Others Grants	13,41,064.00	26,05,837.00
4	PHE Water Supply	30,38,000.00	9,08,000.00
5	SSP	8,37,000.00	10,53,000.00
6	Latrine Survey	-	25,704.00
7	NS AP	71,16,812.00	73,97,099.00
	Total	2,72,00,536.00	2,77,70,392.00

i.

Sl. No.	Central Finance Commission (CFC) Grant	2014-15	2015-16
1	14 th Finance Commission	-	31,09,000.00
	Total	-	31,09,000.00



j.

Sl. No.	Other Central Government Transfers	2014-15	2015-16
1	MPLADS Fund	9,90,000.00	-
2	Miscellaneous Grant	-	7,17,939.00
	Total	9,90,000.00	7,17,939.00

k.

Sl. No.	State Capital Account Grant	2014-15	2015-16
1	BMS	41,51,710.00	1,75,53,000.00
2	Dev. Grant	-	1,13,45,000.00
3	SINKING tube well Grant	13,00,000.00	5,00,000.00
4	WBUPE	32,02,075.00	15,88,000.00
5	Housing for Urban Poor	27,48,000.00	54,96,000.00
6	ILCS	3,000.00	9,000.00
	Total	1,14,04,785.00	3,64,91,000.00

L.,

Sl. No.	Central Capital Account Grant	2014-15	2015-16
1	PMAY House for All	-	2,65,30,000.00
2	SJSRY	32,40,072.00	-
	Total	32,40,072.00	2,65,30,000.00



5.. Comparison of Expenses on 2014-15 & 2015-16

Sl. No.	Details	2014-15	2015-16
1	Administrative Expenses, Establishment and Salaries	1,75,45,015.00	2,05,58,272.00
2	Operation and Maintenance (O & M)	13,95,700.00	24,36,964.00
3	Loan Repayment (Interest Payments)	0.00	0.00
4	Others (any other revenue expenditure which is not salaries, O&M or Interest Payment)		1,77,569.00
5	All developmental works under Central/State specific schemes	24,55,768.00	49,87,581.00
6	Loan Repayments	130017.00	0.00
7	Other Capital Expenditure	2,55,60,494.00	2,86,17,929.00
	Total	4,70,86,994.00	5,67,78,315.00

6.. General Provident Fund as on 31.03.2016 (as furnished by the Municipality)

(A) Balance as per abstract of Ledger :

Year	Opening Balance (Rs.)	Subscription & Recoveries (Rs.)	Interest (Rs.)	Total (Rs.)	Advance / Withdrawal (Rs.)	Closing Balance (Rs.)
2015-16	71,63,170.00	5,85,276.00	-	77,48,446.00	0.00	77,48,446.00



7. . Less collection of Building plan Sanction fee:

As per rule 24 of the WB Municipal (Building) Rules, 2007, the Board of Councilors shall levy a fee for sanction of building plan at such rates, specified as following on the basis of the sanctioned total covered area in all floors: However, maximum fee not exceeding 5 times the minimum specified fees marble determined by the Board of Councilors at a meeting (i) for buildings work up to 30 sq. mt. of total covered area in all floors .Rs.250.0 (ir) for every additional 10 sq.mt.of covered area or part thereof beyond the frst 30 sq. mt.....Rs.50.00. It was also revealed that the above rate had been revised as per BOC resolution dated 23.11.2012. As per the revised rate, for first 30 sq. meters of building works, the fee charged by municipality was Rs.500.00 and even after revision, for next slab of additional 10 sq. meters instead of Rs.75 as per rule, the amount chargeable was Rs.7.50 per sq. meters. A sample check of 166 nos. of Residential Building plans above 140 sq.mt. area sanctioned during May 2011 to March 2014 had been conducted during audit and it was revealed that the Municipality sustained a loss of Rs. 127344.00 (Annexure - C) for nonreflecting the said rule provisions. The around of loss u'oid be more if ail the buildings plans irrespective of residential and commercial / industrial had been covered. In addition to above, from the previous Inspection Report for the year 2009-11, it was revealed that the municipality sustained a loss of Rs.1,48,040.00 for non-effecting the above rule provision.



3. **Non-collection of labor cess.** As per G.O. No. 639(126)ININOIC-4128-2106 dated 24tr December 2007 issued by Department of Municipal Affairs, Government of West Bengal, every Local Bodr. along with the application for sanction of building plans should collect cess @ 1 % of the cost of construction (if the total cost of such construction is more than rupees ten lakh) and deposit the same to the respective Govt. account.

