

Code No.	Description of Item	Schedule No	Current Year		Previous Year	
			Amount	Amount	Amount	Amount
<u>SOURCES OF FUNDS</u>						
Reserves and Surplus						
310	MUNICIPAL (GENERAL) FUND	B-1	0.00		0.00	
311	EARMARKED FUNDS	B-2	21576632.00		20307171.00	
312	RESERVES	B-3	242568714.21		241865358.38	
				264145346.21		262172529.38
Grants,Contribution for Specific purposes						
320	GRANTS ,CONTRIBUTIONS FOR SPECIFIC PURPOSES	B-4	425726728.92		276904423.02	
				425726728.92		276904423.02
Loans						
330	SECURED LOANS	B-5	0.00		0.00	
331	UNSECURED LOANS	B-6	0.00		0.00	
				0.00		0.00
TOTAL				689872075.13		539076952.40

APPLICATION OF FUNDS

Fixed Assets

TK
Finance Officer,
Kharagpur Municipality

Chairman
Chairman,
Kharagpur Municipality

Code No.	Description of Item	Schedule No	Current Year		Previous Year	
			Amount	Amount	Amount	Amount
	Gross Block					
410	FIXED ASSETS	B-11	540646064.47		496383480.47	
	Less: Accumulated Depreciation					
411	ACCUMULATED DEPRECIATION	B-11	275151831.56		230504896.00	
	Net Block		265494232.91		265878584.47	
412	CAPITAL WORK-IN-PROGRESS	B-11	71871386.50		0.00	
				337365619.41		265878584.47
	Investments					
420	INVESTMENTS-GENERAL FUND	B-12	4279041.00		1279041.00	
421	INVESTMENTS-OTHER FUND	B-13	21576632.00		20307171.00	
				25855673.00		21586212.00
	Working Capital					
	Current assets, loans & advances					
430	STOCK-IN-HAND	B-14	40273007.00		284027.80	
431	SUNDRY DEBTORS (RECEIVABLES)	B-15	33725310.05		32633003.57	
432	ACCUM. PROVISIONS AGAINST DEBTORS (RECEIVABLES)	B-15	0.00		0.00	
440	PRE-PAID EXPENSES	B-16	0.00		0.00	
450	CASH AND BANK BALANCE	B-17	318745585.61		270559222.53	

Code No.	Description of Item	Schedule No	Current Year		Previous Year	
			Amount	Amount	Amount	Amount
460	LOANS, ADVANCES AND DEPOSITS	B-18	14321747.60		3055309.60	
461	ACCUM.PROVISIONS AGAINST LOANS,ADVANCES & DEPOSITS	B-18	0.00		0.00	
	Less: Current Liabilities & Provisions					
340	DEPOSITS RECEIVED	B-7	17878764.54		10429504.54	
341	DEPOSITS WORKS	B-8	9828323.00		6752257.00	
350	OTHER LIABILITIES (SUNDRY CREDITORS)	B-9	147218386.20		101020644.95	
360	PROVISIONS	B-10	0.00		0.00	
				232140176.52		188329157.01
	Other Assets					
470	OTHER ASSETS	B-19	0.00		0.00	
				0.00		0.00
	Misc.Expenditure(to the extent not written off)					
480	MISCELLANEOUS EXPENDITURE TO BE WRITTEN OFF	B-20	94510606.20		63282998.92	
				94510606.20		63282998.92
	TOTAL			689872075.13		539076952.40

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR 2013-2014

Code No	Item/Head of Account	Schedule No	Previous Year Amount (Rs.)	Current Year Amount (Rs.)
1	2	3	4	5
INCOME				
110	TAX REVENUE ITEMS	I-1	21252249.00	22581415.46
120	ASSIGNED REVENUES AND COMPENSATIONS	I-2	8246600.00	9980103.00
130	RENTAL INCOME FROM MUNICIPAL PROPERTIES	I-3	556472.50	784138.00
140	FEES AND USER CHARGES	I-4	13482945.50	17473316.00
150	SALE AND HIRE CHARGES	I-5	1503324.00	1181478.00
160	REVENUE GRANTS, CONTRIBUTIONS AND SUBSIDIES	I-6	120902417.26	132607848.42
170	INCOME FROM INVESTMENTS	I-7	106832.00	1641.41
171	INTEREST EARNED	I-8	142979.92	298639.05
180	OTHER INCOME	I-9	5577000.00	13257845.00
A	Total - INCOME		171770820.18	198166424.34

EXPENDITURE				
210	ESTABLISHMENT EXPENSES	I-10	84586994.12	92953529.25
220	ADMINISTRATIVE EXPENSES	I-11	23943072.43	8062498.00
230	OPERATION AND MAINTENANCE	I-12	33347035.80	79362746.30
240	INTEREST AND FINANCE CHARGES	I-13	53275.33	40493.56
250	PROGRAMME EXPENSES	I-14	150328.85	255135.00
260	REVENUE GRANTS, CONTRIBUTIONS AND SUBSIDIES	I-15	1417400.00	48000.00
272	DEPRECI	I-0	42255939.61	46869865.51

Form 88 [Vide Rules 239 & 260]

Name of Urban Local Body : KHARAGPUR Municipality

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR 2013-2014

Code No	Item/Head of Account	Schedule No	Previous Year Amount (Rs.)	Current Year Amount (Rs.)
1	2	3	4	5
280	PRIOR PERIOD	I-0	0.00	0.00
B	Total - EXPENDITURE		185754046.14	227592267.62
A-B	Gross surplus/(deficit) of income over expenditure		13983225.96	29425843.28
			DEFICIT	DEFICIT

Th
 Finance Officer,
 Kharagpur Municipality

B
 Chairman,
 Kharagpur Municipality

AUDIT REPORT FOR THE YEAR 2013 - 14

We have audited the Balance Sheet, Income Expenditure Account and Receipts & Payments Accounts for the Financial Year 2013 – 14 of Kharagpur Municipality and report that, 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.

The Balance Sheet and Income & Expenditure Account and Receipt & Payments Accounts 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 observation noted below :

In our opinion proper books of Accounts and other relevant records have been maintained by the Kharagpur Municipal authority as per Accounting Manual for Urban Local Bodies (Part – 5 : Forms & Formats] as it appears from our examination of such Books and subject to the observation noted below :

- 1) Compliance regarding Audit Report of Annual Financial Statement for the year 2012 – 13 by Examiner of Local Accounts, West Bengal of Local Audit Department.
 - a) Accrual basis of Accounting of Provident Fund Interest :
Process of recording of Interest on Accrual basis has been introduced from the Financial Year 2015 – 16.
 - b) Contribution received from beneficiary for construction of dwelling house under (IHSDP) :
During the financial year 2012 – 13, Contribution received from beneficiary for Construction of dwelling house under (IHSDP) included in Grants contribution for specific purpose instead of Deposit work. The authority said that the Total Deposit received from beneficiary will be transferred to the Deposit work in near future.
 - c) Cash & Bank Balance :
The reverse entry regarding all cheques relating to different Banks i.e. Bank of Baroda, Central Bank of India, United Bank of India, Punjab National Bank, Indian Overseas Bank, Allahabad Bank, issued by the Municipality which were lapsed prior to 31-03-2013 has been made on 31-03-2016.
 - d) Loans Advances and Deposits :
Advance made to M/S ISD Industries for supply of cement has been adjusted and necessary rectification entries are made by the authority.
 - e) Revenue Grants & Subsidies :
Non-accounting of ₹ 2.20 lacs Adhoc Bonus Grant receivable from Govt. during the F.Y. 2012 – 13 was accounted for in Grants Receivable Account through Journal entries vide voucher Nos. 1060, 1189 dated 31.03.2015 & 31.03.2016. respectively.



f) Establishment Expenditure :

Advised by the Local Audit Department regarding Creating separate Pension Fund under investment has not been started by the Municipality till now.

** Notes on Balance Sheet :

- 1) Grants received against Fixed Assets included in Reserve. Instead of Capital Reserve.
- 2) Software Licence Fees included in Fixed Assets Purchase instead of charged to Income & Expenditure Account.
- 3) Physical verification of Fixed Assets not done at periodic Interval. it should be followed on regular basis and by allotting specific number to each Assets which are countable.
- 4) Miscellaneous Expenditure to be written of ₹ 18,01,764/- included in contribution From Municipal Fund for Payment of Premium for Group Gratuity Scheme instead of charged to Income & Expenditure Account.
- 5) Capital Expenditure ₹ 13,23,590/- wrongly shown as Depreciation in Receipts & Payment Account.
- 6) Purchase / Addition to Fixed Assets not reflected in Receipts and Payment Account at full amount of Purchases, it has been done partly by cash Payment and partly by Charging to other Fund through Journal entries. So, we failed to ascertain the Total Amount of addition to Fixed Assets during the year as shown in Balance Sheet from the Receipts & Payment Account.

** General Observations :

- 1) In case of purchases where amount of purchases exceeds the permissible authorised limit the Municipality authority did not properly follow the purchases rule as prescribe by law. It should be followed properly.
- 2) Some payment vouchers were accepted by the Municipal authority without affixing revenue stamp where it is mandatory.
- 3) In some Cases, Several programme expenses were sanctioned and disbursed without calling proper tender where it is necessary.
- 4) In our opinion, Receipts & Payments Account was not followed the Accounting Principal properly as the Fixed Assets purchases shown under Depreciation head, Cash & Bank balance shown in Receipts side & also in Payment side , other than Opening /Closing Cash / Bank Balance. Provision shown in Payment side, Deposit received shown in Payment side.
- 5) The age-wise analysis of Properly Tax Receivable was not made as per accounting principle laid in Accounting Manual for ULB.
- 6) Narration in most of the Vouchers are insufficient.

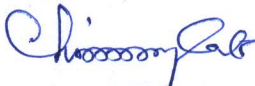


- 7) Segregation of Bank Interest for S.B. Account and Term /Time Deposit should be followed.
- 8) In several cases of Bill Payment through Master Roll exceeding ₹ 20,000/- has been made in Cash.
- 9) Unpaid Bill Register not properly Maintained.

Subject to the above observation, we report that the Balance Sheet, Income & Expenditure Account and Receipts & Payments Accounts are in agreement with the Books of accounts.

In our opinion and to the best of our information and according to the explanations given to us, the said Financial Statements subject to above report gives a true and fair view in conformity with Accounting Principles generally accepted relates to the Balance Sheet and the State of affairs of the Kharagpur Municipality as at 31st March 2014 and relates to the Income & Expenditure account for the year ended on that date.

FOR C.PATRA & CO.
CHARTERED ACCOUNTANTS


(CHINMOY PATRA)
PARTNER
M.No. 052908

Dated : 28th March '2017
Place : Midnapore – 721 101

