

Abhyuday & Associates

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Executive Summary

1. Introduction

- **Madhyamgram Municipality** is one of the 126 urban local bodies(ULB) within the state of West Bengal. Madhyamgram Municipality was founded on 7th September, 1993. Erstwhile Rural Panchayats covered are : Madhyamgram Panchayat, Basunagar Panchayat, and Ganga Nagar Panchayat. Finally, on 27th May 1994 the present Madhyamgram Municipality was formed through general election of Councillors.

It is situated on the east bank of the Hooghly. The adjoining municipalities are, to north and east Barasat, Rohanda panchayat, to west Noai Canal and New Barrackpore.

It is served by the Eastern railway with stations at Madhayamgram, Sodepur road, Jessor road (NH-35), Badu road. It is 23 kms, 20 kms, and 15 kms from the Railway stations at Howrah , Sealdah and Kolkata respectively. Netaji Subhas Chandra International Airport is 2 kms from the Municipality.

The Municipality is headed by the Chairman. The Chairman is assisted by the elected Board of Councillors in carrying out the day to day affairs of the Municipality.

- **Period covered under current internal audit:**
1st April 2017 to 31st March 2018
- **Sanctioned strength and working strength – Manpower.**

During the Financial year 2017-18, the Municipality had a manpower strength of 184 officers and staffs against a sanctioned strength of 290.

- **Current year (2017-18) Receipts and Expenditure (Revenue and Capital) of the municipality for 2017-18.**

Details breakup of receipt and expenditure is enclosed in Annexure A.



2. Objective and Scope

The West Bengal Municipal Act 1993 (West Bengal Act XXII of 1993) provides for audit of the ULBs and has the power to direct the ULBs to conduct internal audit of the affairs of the ULBs. Under the Rule 10 of the West Bengal Municipal (Internal Audit) Rules 1997 vide notification no: 518/MA/C-10/3S-12/216 dated 10th day of November 2016 directed the ULBs to complete internal audit of 2014-15 where statutory audit by the Examiner of Local accounts are pending. Further, vide letter no 295(55)/MA/AMRUT/R-1/2015 dt 04/04/2018, Mission Director, AMRUT directed to undertake internal audit of the ULBs for the year 2016-17.

The appointed internal auditor shall authenticate the accounts of the unaudited funds of the Municipality for the year 2017-18.

3. Methodology

Methodology adopted for conduct of internal audit:

We held discussion with the senior level officers on the scope of work at the beginning of the audit. A comprehensive audit programme was planned involving interview and observation at the department level, extraction of reports from the system, sampling of the underlying/supporting documents, determining sample size used for checking records and entries, verification of the transactions involving payment and receipt of funds of the Municipality.

To cover the activities of the Municipality we visited and verified records of the various departments as given below:

1. General administration and Establishment.
2. Accounts.
3. Public Works Department.
4. Building.
5. Assessment.
6. Public Health including Hospital
7. Collection.
8. License.
9. Water Supply.
10. Vehicles.
11. Stores
12. Electrical.
13. Birth & Death Registration.
14. Education cell
15. NULM cell.
16. Law cell
17. Canteen (Ahaar)



4. Observation

The activities and the financial statements of the Municipality have been audited by the AG upto 2015-16 in February 2018. AG has issued 09 nos of audit queries. The Municipality has replied to all the queries on transaction audit(16-17) and audit queries on annual financial statements for the periods 2015-16 action taken and entries passed for queries on financial statements. Action on queries on transaction audit are under process.

- a) Inter department reconciliation , namely between stores and other department in the hospital to be done periodically based on the registers maintained in the respective departments.
- b) At the hospital, billing and receipts are to be computeriised for better record keeping.
- c) The registers and data base maintained manually at the hospital may be digitized for better record keeping and report generation.
- d) Firefighting system may be strengthened within the hospital. Presently the system entirely depends on few fire extinguishers placed in various parts of the building.

5. Opinion and Recommendation

Collection process of property tax must be strengthened for timely collection of the legal dues of the municipality .

Directives of West Bengal pollution Board regarding various categories of trades and industries are to be followed at the time of enlisting /renewing their licenses.

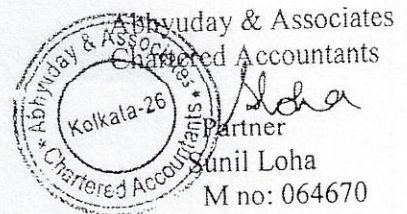
A periodic , preferable weekly , Management Information system may be introduced covering all the revenue earning department and other cost centers for regular monitoring of the activities of the Municipality

6. Acknowledgement

We sincerely thank Chairman and his Officers and staffs for extending to us necessary cooperation and help to complete the internal audit assignment within the targeted timeline.

Place: Madhyamgram

Date: 30/06/2018



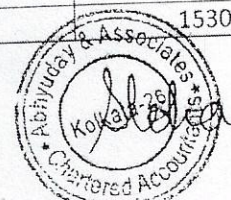
Annexure-A

Current year Receipts & Expenditure (Revenue & Capital)

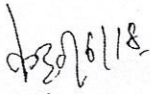
During the course of Audit ,we have verified the Income(Revenue and Capital) and Expenditure (Revenue & Capital) of Madhyamgram Municipality for the year 2017-18 from the cash book, Receipts & Payments Account ,Annual Budget and Grants and contribution for specific purposes ,measurement books, scheme register. The summary of Income and Expenditure (both Revenue and Capital) are shown below.

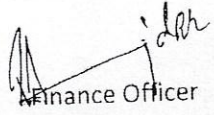
Current year Income (Revenue and Capital)

Sl no	Heads of Income	Amount(Rs)
	Total Receipts (A+B)	901648287
A	Revenue Receipts(1+2+3)	901648287
1	Own Revenue Receipts (a+b)	184108552
a)	Tax Revenue (levied and collected by municipal body)	28437899
i)	Property Tax	27237319
ii)	Other tax (levied and collected by municipal body)	1200580
b)	Non- tax revenue (levied and collected by municipal body)	155670653
i)	Fees & Fines	150807257
ii)	User charges	0
iii)	Other non- tax revenue (levied and collected by municipal body)	4863396
2	Other Revenue receipts:	16645028
a)	Income from interest/investments	0
b)	Other Revenue income	16645028
3	Transfer /Grants/Assigned Revenues	700894707
a)	State Assigned Revenue	11634934
b)	State Finance Commission (SFC) Grants/Devolution	0
c)	Octroi compensation	0
d)	Other State Government Transfers	308354724
e)	Central Finance Commission (CFC) Grant	101736953
f)	Other Central Government Transfers	265460863
g)	Others	13707233
B	Capital Receipts:	0
1	Sale of Municipal Land	0
2	Loan (from State Government or Banks etc)	0
3	State Government Account Grant (under State Schemes)	0
4	Central Government Account Grant (under Central Schemes)	0
5	Other Capital Receipts	0
	Total Expenditure(1+2)	774069397
1	Revenue Expenditure	405292028
1.1	Administrative Expenses, Establishment and salaries (All Departments – Regular and contractual staff)	224203666
1.2	Operation and Maintenance (O & M)	171850190
1.3	Loan Repayment (Interest payment)	1530404

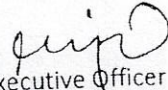


1.4	Others(any other revenue expenditure which is not salaries ,O & M or Interest payment)	7707768
2	Capital Expenditure:	368777369
2.1	All developmental works under Central/State specific schemes	200815365
2.2	Loan repayment (principal amount)	5283900
2.3	Other capital expenditure	162678104.00


AFC


Finance Officer

Madhyamgram Municipality


Executive Officer

Madhyamgram Municipality


Chairman

Abhyuday & Associates

