

**Government of West Bengal
Department of Municipal Affairs
Poura Prashasan Bhavan
Salt Lake, Kolkata**

No. 06(125)/MA/O/C-10/3S-12/2016

Dated : the 3rd day of January, 2017

**From : Joint Secretary to the
Government of West Bengal**

**To : 1. The Chairperson,
..... Municipality / Notified Area Authority,
P.O., Dist.**

**2. The Municipal Commissioner,
Kolkata Municipal Corporation,
5, S. N. Banerjee Road,
Kolkata-700 013.**

**3. The Commissioner,
..... Municipal Corporation,
.....**

Sub : Auditing of un-audited Accounts of the Urban Local Bodies by empanelled Chartered Accountants / Audit Firms enlisted / approved by the Comptroller & Auditor General of India.

Sir / Madam,

In inviting a reference to the subject noted above, I am directed to inform you that as per Guidelines of Fourteenth Finance Commission that in order to seek claim of Performance Grant, it has been stipulated that the Urban Local Bodies will have to submit audited accounts that relate to the year not earlier than two years preceding year in which the Urban Local Bodies seek to claim Performance Grant.

2. I am also directed to inform you that necessary Notification to engage the empanelled Chartered Accountants or Audit Firms enlisted / approved by the CAG of India by the Urban Local Bodies for conducting internal audit of the account of unaudited fund of the Urban Local Bodies where statutory audit of accounts could not be completed upto the requisite financial year has already been issued vide this Department's Notification No. 618/MA/C-10/3S-12/2016 dated 10.11.2016 (copy enclosed). A copy of the list of 693 Chartered Accountant Firms enlisted / approved by CAG of India is also enclosed for ready reference.

3. In this connection, I am directed to request you kindly to take necessary step to engage the Internal Auditor from amongst the Chartered Accountant Firms / Audit Firms enlisted / approved by the by CAG of India immediately to complete the internal audit of accounts of your Urban Local Body upto at least 2014-2015 within a short period of time and 2015-16 subsequently as per following guidelines as detailed below :-

Contd..2

- (i) In selecting the Internal Auditors from the list of CAG empanelled Chartered Accountant / Audit Firms to complete the Internal Audit of your Urban Local Body within a very short period of time, State Government Policy on procurement of services may be followed.
 - (ii) Necessary e-tendering shall be invited among CAG empanelled Chartered Accountant Firms / Audit Firms for selection of the Firms before engagement.
 - (iii) Volume of work, time limit to finish such work and other criterion of the Internal Auditors to be.
4. A report indicating the compliance on selection of Internal Auditor & completion of Audit be sent to Director of Local Bodies, West Bengal with an intimation to this end very early.

Encl : As stated.

Yours faithfully,
Sd/-
Joint Secretary

No. 06 /1/(136)/MA/O/C-10/3S-12/2016

Dated : the 3rd day of January, 2017

Copy forwarded for information to :

1. Sr. Administrative Office / CA-V, Office of the Comptroller & Accountant General of India, 9, Deendayal Upadhyaya Marg, New Delhi-110 124.
2. Principal Accountant General (A.& E.), West Bengal, Treasury Buildings, Kolkata-700 001.
3. Principal Accountant General (G.& S.S. Audit), West Bengal, treasury Buildings, Kolkata-700 001.
4. Director of Local Bodies, West Bengal, with a request to collect necessary information from the Urban Local Bodies.
5. Executive Officer / Finance Officer, Municipality / Notified Area Authority, P.O....., Dist.
6. Financial Adviser, Municipal Affairs Department.
7. Finance Department (Group 'N'),
8. Examination of Local Accounts, West Bengal.
9. P. S. to MIC, MA & UD Department.
10. Sr. P. A. to Secretary, U.D. & M.A. Department.
11. P. A. to Mayor, Municipal Corporation.


9/1/17
Joint Secretary

**GOVERNMENT OF WEST BENGAL
DEPARTMENT OF MUNICIPAL AFFAIRS
POURA PRASASHAN BHAWAN
DD – 1, SALT LAKE, KOLKATA - 700064**

No. 618/MA/C-10/3S-12/2016

Dated Kolkata the 10th day of November, 2016

NOTIFICATION

WHEREAS in terms of provisions of section 86 of the West Bengal Municipal Act, 1993 (West Ben. Act XXII of 1993) the Examiner of Local Accounts has been appointed to examine the Municipal accounts as contained in the annual financial statement and conduct of statutory audit thereof for the purpose;

AND WHEREAS the process of statutory audit could not be completed by the office of Examiner of Local Accounts in most of the Municipalities of this State beyond financial year 2013-14, and as a result there is a backlog of auditing of municipal accounts in this State (hereinafter referred to as the said backlog);

AND WHEREAS in the eligibility for performance grant for the Municipalities, as enshrined in Para 13 of the Guidelines for release and Utilization of Grant recommended by the 14th FC (FFC) for Rural and Urban Local Bodies circulated vide Memo No. 13(32)FFC/FCD/2015-16 dated 08.10.2015 of Ministry of Finance, Government of India (hereinafter referred to as the said guidelines), it has been stipulated that the Municipality will have to submit audited accounts that relate to year not earlier than two years preceding the year in which the Municipality seeks to claim Performance Grant;

AND WHEREAS in view of the said backlog, it is not possible to get the accounts of the Municipalities audited upto the financial year as prescribed in the said guideline by the Examiner of Local Accounts in order to make the Municipalities eligible for seeking performance grant under the 14th Finance Commission Recommendations;

NOW, THEREFORE, in order to make the Municipalities eligible for seeking Performance Grant, the Governor, in exercise of power conferred by rule 10 of the West Bengal Municipal (Internal Audit) Rules 1997, is pleased hereby to create that the empanelled Chartered Account/s or Audit Firm/s enlisted / approved by the Comptroller and Auditor General of India, (hereinafter referred to as the said panel), may be appointed by the Municipalities for conducting of internal audit of the account of unaudited funds of the Municipalities, where statutory audit of accounts could not be completed upto the requisite financial year as prescribed in the said guideline (hereinafter referred to as the said Municipalities), and to direct that, -

- (1) the said Municipalities shall engage Internal Auditor from the said panel immediately to complete the internal audit of accounts of the Municipality upto at least 2014-15 within a very short time and 2015-16 subsequently;
- (2) the Internal Auditor, as mentioned above, shall be paid by the Municipality concerned such fee for conducting internal audit as may be determined by the Chairman of the Municipality concerned;
- (3) it shall be duty of the Internal Auditor to submit a copy of the audit report to the Chairman of the Municipality, as well as the State Government in this Department; within 4 weeks.

- (4) in case of audit objection, if any, it shall be duty of the Internal Auditor to assist the Municipality to ensure remedy of the defects, for which such objections were raised, and to authenticate the final report after such remedy is done; and
- (5) inspite of conducting Internal Audit of the account of funds of any Municipality for any period, for which statutory audit could not be conducted, statutory audit shall also be conducted by the office of Examiner of Local Accounts.

This order issues with the concurrence of Finance Department vide U.O. No. 2056-Gr. N dated 27.10.2016.

By order of the Governor,
Sd/-


Secretary to the Government of West Bengal

No. 618/1(250)/MA/C-10/3S-12/2016

Dated Kolkata the 10th day of November, 2016

Copy forwarded for information and necessary action to, the :

1. Chairman/Chairperson/ Administrator/ Board of Administrators,
..... Municipality/Notified Area Authority.
PO -..... Dist
2. Municipal Commissioner, Kolkata Municipal Corporation.
3. Commissioner, Municipal Corporation,
PO -..... Dist


Joint Secretary

No. 618/2(150)/MA/C-10/3S-12/2016

Dated Kolkata the 10th day of November, 2016

Copy further forwarded for information to, the :

1. The Principal Accountant General (A & E), West Bengal, Treasury Buildings, Kol-1.
2. The Principal Accountant General (G & SS Audit), West Bengal, Treasury Buildings, Kol-1.
3. Director of Local Bodies, West Bengal with a request to circulate among all concerned.
4. Director, State Urban Development Agency.
5. Project Director, Change management Unit.
6. State Mission Director, AMRUT.
7. Chief Engineer, Municipal Engineering Directorate.
8. Financial Advisor, Municipal Affairs Department.
9. Finance Department, Group - N.
10. Examiner of Local Accounts.
11. PS to MIC, Municipal Affairs and Urban Development Department.
12. Sr. PA to Secretary, Municipal Affairs Department.
13. PA to Mayor, Municipal Corporation
14. Executive Officer/Finance Officer, Municipality/Notified Area Authority.

Joint Secretary