

**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 un-audited 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/-

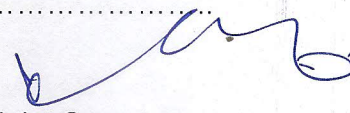
Secretary to the Government of West Bengal

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

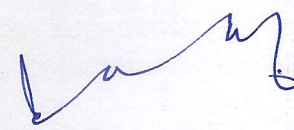

Joint Secretary

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

o/c