

AUDIT REPORT

OF

MUNICIPAL COUNCIL JAWAD

DISTRICT -NEEMUCH

YEAR 2020-21



AUDITOR

SOBHANI & AGARWAL
CHARTERED ACCOUNTANTS

-: INDEX :-

AUDIT OBSERVATION
(અંકેક્ષણ અબલોકન)

RECEIPT & PAYMENT ACCOUNT
(પ્રાપ્તિ ભુગતાન ખાતા)

INCOME & EXPENDITURE ACCOUNT
(આય વ્યય ખાતા)

ABSTRACT SHEET



SOBHANI & AGARWAL

CHARTERED ACCOUNTANTS

PLOT NO 162 S-7,ASHIRWAD COMPLEX
ZONE 1 MP NAGAR BHOPAL (M.P.) PH 0755-
2559859

AUDIT REPORT

We have examined the Receipts & Payments Account of **MUNICIPAL COUNCIL JAWAD, DISTRICT NEEMUCH (M.P)** for the year ended 31st March 2021, which are in agreement with the books of account maintained by the said Municipal council. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit. In our opinion, proper books of account have been kept by the above said concern so far as appears from our examination of books, subject to the comments given below:

1. These financial statements are the responsibility of the management of the concern. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Our audit includes examining on test basis, evidence supporting the amounts and disclosed in the financial statements. Our audit also assigns the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement.
3. In our opinion and to the best of our information and according to explanations given to us, they said accounts give a true and fair view in respect of Receipt & Payment Account for the year ending as on 31st March 2021.

For SOBHANI & AGARWAL
CHARTERED ACCOUNTANTS



Place: BHOPAL

UDIN – 21400931AAAAEP5936

CA Mayank Agarwal
(Partner)

MUNICIPAL COUNCIL JAWAD

AUDIT OBSERVATIONS

Audit of Revenue

- We have audited the resources of revenue on the sample basis.
- Yes, we checked some Revenue receipts from the counter file of Receipt Book on test check basis and verified that the money received is duly deposited in respective Bank Accounts on time.
- CMO gives 2 working days for the deposition of money to the Bank and at the time of audit, we found that there was no delay in deposit the amount of revenue collected.
- Cash Book has been verified with Receipts.
- There were some FDR's found during the audit.
- Interest income on FDRs is recorded only when they are withdrawn not on accrual basis.
- No, we have not seemed any Investment on lesser interest rate.

Audit of Expenditures

- We covered the Expenditures on test check basis during the process of Audit.



- We have checked entries in cash book with respective vouchers and found them satisfactory.
- While checking Accountant Cash Book, the bills and vouchers were correct according to books. As per our examination, we have not found any reportable instance.
- No mistake was found in monthly balance of the Cash Book.
- We verified that Expenditures of Particular schemes were not over Budget and expended according to guidelines, directives, acts and rules issued by Government of India/ State Government.
- All the Expenses were under financial propriety and the Expenditure was according to the financial, technical and administrative sanction accorded by the competent authority.
- In our view, no such material cases were observed in which appropriate sanction has not been taken, hence there is no need to report the instances to CMO.
- As per the ULB guideline, if the Fire Brigade goes outside of Municipal area, there is some decided amount which has to be paid by the other MC/Gram Panchayat is not taken by the ULB.



Audit of Book Keeping

- We checked the books of accounts which were maintained and provided during the audit by the Municipal Council.
- Except Cash book, some of registers/records have not been maintained properly. Observations in respect of records of ULB are as follows –

Accounts Department

Audit observations about accounts department are as follows -

- Cash book was found without stamp of council & store keeper.
- EMD and SD Registers are not kept by the council.
- FDR register has not been kept by the council.

Store Department

During the examination of stock records, we found that proper records were maintained and balances of items were brought forward from last year properly but yet some irregularities were observed -



- Generally, demand letters are not obtained for issuing material.
- Fixed asset register is not kept by the council.
- Issued receipts books were not submitted back to store department.

Revenue Department

During the examination of revenue records, we found that proper records were maintained and balances of dues were brought forward from last year properly. Sometimes, revenue in charge has not verified the collection registers; we made them correct during the audit.

Sanitation Department

During the examination of sanitation records, some irregularities were observed –

- Chemical usage records were not found.
- Proper light & Vehicle repairing register should be kept.
Record of them should be maintained separately not only in store register.



Water Supply Department

During the examination of water supply records, some irregularities were observed –

- Record of repairing of motor pumps, hand pumps, pipe lines should be maintained in stock register only.
- Record of chemical usage was not found during the audit.

Establishment Department

- Charge list or register was not maintained by the ULB.
- Dispatch register was not provided during the audit.

PWD Department

- Construction Register was not maintained by the ULB.
- Repairing register was not maintained.



Audit of FDRs

- While auditing, we found that there were some FDRs made by the council.
- FDR register was not kept by the council.

Audit of Tenders

- During the audit, on the basis of examination of tender files provided and note sheets attached with the vouchers, we found that tender procedure has been followed by the council. However, some irregularities were found and suggest them to rectify.
- No Bank guarantee has been received. Although FDRs are obtained regarding Earning Money Deposit.

Audit of Grants & Loans

During the audit, we found some observations about grants are as follows -



- We examined all the grants received from the Central/State government and of their utilization on test check basis.
- During the Audit, we found that some grants are like mixed nature i.e. Capital & revenue nature therefore in that cases we can't bifurcate how much portion belongs to revenue or capital except that all grants have been used for the purpose for which grants have received.
- Council had no any loan liability during the year.

For SOBHANI & AGARWAL
Chartered Accountants

CA Mayank Agarwal
(Partner)



A handwritten signature in blue ink, appearing to read "Mayank Agarwal", written over a horizontal line.

नगर परिषद – जावद, जिला नीमच (म.प्र.)
वर्ष 2020 – 21 में प्राप्त अनुदान, व्यय एवं शेष राशि की जानकारी

क्र.	मद का नाम	प्रारम्भिक शेष	प्राप्त राशि व्यय राशि अंतिम शेष	प्राप्त राशि व्यय राशि अंतिम शेष	प्राप्त राशि व्यय राशि अंतिम शेष
1	मूलभूत अनुदान	8,645.00	4,059,000.00	2,614,196.00	1,453,449.00
2	राज्य वित्त आयोग	4,171.00	4,007,000.00	2,156,249.00	1,854,922.00
3	सड़क मरम्मत अनुदान	1,904,196.00	1,862,000.00	663,205.00	3,102,991.00
4	15 वां वित्त आयोग	11,535,113.00	15,839,000.00	13,076,884.00	14,297,229.00
5	आंगनवाडी भवन	100,000.00	-	-	100,000.00
6	स्वच्छ भारत मिशन व्यक्तिगत शौचालय निर्माण	476,241.00	-	-	476,241.00
7	मध्याह्न भोजन	91,516.00	-	-	91,516.00
8	विशेष निधि	129,352.00	-	-	129,352.00
9	अग्निशमक कय हुतु	385,000.00	-	-	385,000.00
10	स्वच्छता मिशन सूचना, शिक्षा, संप्रेषण	225,582.00	-	33,750.00	191,832.00
11	स्वच्छ भारत मिशन शहरी	169,270.00	-	48,756.00	120,514.00
12	अन्य अनुदान	-4,054.00	-	-	-4,054.00
13	प्रधानमंत्री आवास योजना	17,381,120.00	-	-	17,381,120.00
14	अंत्येष्टी सहायता राशि	43,000.00	195,000.00	160,000.00	78,000.00
15	अनुग्रह सहायता राशि	-	-	-	-
16	सांसद/विधायक निधि/जनभागीदारी	344,329.00	1,149,992.00	-	1,494,321.00
17	श्रम विभाग छात्रवृत्ति	163,168.00	-	-	163,168.00
18	FSTP	-	732,000.00	725,148.00	6,852.00
	मुख्यमंत्री अधा संरचना विकास	-	700,000.00	-	700,000.00
19	मुख्यमंत्री स्वच्छता कार्यक्रम	82,733.00	-	-	82,733.00
	योग	33,039,382.00	28,543,992.00	19,478,188.00	42,105,186.00



MUNICIPAL COUNCIL JAWAD
INCOME AND EXPENDITURE STATEMENT
For the Period From 1 April 2020 to 31 March 2021

	Item/ Head of Account	Schedule No	Current Year (Rs)
A	INCOME		
	Tax Revenue	IE-1	2,547,378
	Assigned Revenues & Compensation	IE-2	2,868,000
	Rental Income from Municipal Properties	IE-3	1,675,875.00
	Fees & User Charges	IE-4	1,116,829
	Sale & Hire Charges	IE-5	-
	Revenue Grants, Contributions & Subsidies	IE-6	16,993,965
	Income from Investments	IE-7	-
	Interest Earned	IE-8	287,676
	Other Income	IE-9	-
	Total - INCOME		25,489,722.55
B	EXPENDITURE		
	Establishment Expenses	IE-10	26,342,463
	Administrative Expenses	IE-11	1,310,852
	Operations & Maintenance	IE-12	13,471,620
	Interest & Finance Expenses	IE-13	101,257
	Programme Expenses	IE-14	423,359
	Revenue Grants, Contributions & subsidies	IE-15	10,371,181
	Provisions & Write off	IE-16	-
	Miscellaneous Expenses	IE-17	-
	Depreciation		16,906,173
	Total - EXPENDITURE		68,926,905
C	<i>Gross surplus/ (deficit) of income over expenditure before Prior Period Items (A-B)</i>		(43,437,182)
D	Add/Less: Prior period Items (Net)	IE-18	-
E	<i>Gross surplus/ (deficit) of income over expenditure after Prior Period Items (C-D)</i>		(43,437,182)
F	Less: Transfer to Reserve Funds		-
G	<i>Net balance being surplus/ deficit carried over to Municipal Fund (E-F)</i>		(43,437,182)



FOR SOBHANI & AGRAWAL
Chartered Accountants

CA MAYANK AGRAWAL
(Partner)

Schedule IE - 1 : Tax Revenue

Account Code	Particulars	Current year (Rs.)
11001	Property tax	399,124
11002	Water tax	1,247,764
11003	Sewerage Tax	
11004	Conservancy Tax	
11005	Lighting Tax	
11006	Education tax	
11007	Vehicle Tax	
11008	Tax on Animals	
11009	Electricity Tax	
11010	Professional Tax	
11011	Advertisement tax	
11012	Pilgrimage Tax	
11013	Export Tax	
11031	Consolidates Tax	
11051	Octroi & Toll	
11080	Other taxes	900,490
0	Sub-total	2,547,378
11090	Less: Tax Remissions and Refund [Schedule IE- 1 (a)]	-
	Sub-total	-
	Total tax revenue	2,547,378

Schedule IE-1 (a): Remission and Refund of taxes

Account Code	Particulars	Current Year (Rs.)
11090-01	Property taxes	-
11090-11	Other Tax	-
	Total refund and remission of tax revenues	-

Schedule IE-2: Assigned Revenues & Compensation

Account Code.	Particulars	Current Year (Rs.)
12010	Taxes and Duties collected by others	
12020	Compensation in lieu of Taxes / duties	2,868,000
12030	Compensations in lieu of Concessions	-
	Total assigned revenues & compensation	2,868,000



Schedule IE-3: Rental income from Municipal Properties

Account Code.	Particulars	Current Year (Rs.)
13010	Rent from Civic Amenities	1,582,185
13020	Rent from Office Buildings	
13030	Rent from Guest Houses	
13040	Rent from lease of lands	7,850
13080	Other rents	85,840.00
	Sub-Total	
13090	Less: Rent Remission and Refunds	-
	Sub-total	
	Total Rental Income from Municipal Properties	1,675,875.00

Schedule IE- 4: Fees & User Charges - Income head-wise

Account Code.	Particulars	Current Year (Rs.)
14010	Empanelment & Registration Charges	-
14011	Licensing Fees	840
14012	Fees for Grant of Permit	90,923
14013	Fees for Certificate or Extract	2,040
14014	Development Charges	
14015	Regularization Fees	
14020	Penalties and Fines	113,040
14040	Other Fees	598,603
14050	User Charges	
14060	Entry Fees	
14070	Service / Administrative Charges	49,170
14080	Other Charges	262,213
	Sub-Total	1,116,829
14090	Less: Rent Remission and Refunds	
	Sub-total	-
	Total income from Fees & User Charges	1,116,829



Schedule IE-5: Sale & Hire Charges

Account Code	Particulars	Current Year (Rs.)
15010	Sale of Products	
15011	Sale of Forms & Publications	
15012	Sale of stores & scrap	
15030	Sale of Others	
15040	Hire Charges for Vehicles	
15041	Hire Charges for Equipment	
	Total Income from Sale & Hire charges - income head-wise	-

Schedule IE-6: Revenue Grants, Contributions & Subsidies

Account Code	Particulars	Current Year (Rs.)
16010	Revenue Grant	16,993,965
16020	Re-imbursement of expenses	
16030	Contribution towards schemes	
	Total Revenue Grants, Contributions & Subsidies	16,993,965

Schedule IE-7: Income from Investments - General Fund

Account Code	Particulars	Current Year (Rs.)
17010	Interest on Investments	-
17020	Dividend	-
17030	Income from projects taken up on commercial basis	-
17040	Profit in Sale of Investments	-
17080	Others	-
	Total Income from Investments	-



Schedule IE- 8: Interest Earned

Account Code	Particulars	Current Year (Rs.)
17110	Interest from Bank Accounts	287,676
17120	Interest on Loans and advances to Employees	-
17130	Interest on loans to others	-
17180	Other Interest	-
	Total - Interest Earned	287,676

Schedule IE- 9: Other Income

Account Code	Particulars	Current Year (Rs.)
18010	Deposits Forfeited	-
18011	Lapsed Deposits	-
18020	Insurance Claim Recovery	-
18030	Profit on Disposal of Fixed assests	-
18040	Recovery from Employees	-
18050	Unclaimed Refund/ Liabilities	-
18060	Excess Provisions written back	-
18080	Miscellaneous Income	
	Total Other Income	-

Schedule IE-10: Establishment Expenses

Account Code	Particulars	Current Year (Rs.)
21010	Salaries, Wages and Bonus	25,499,362
21020	Benefits and Allowances	843,101
21030	Pension	
21040	Other Terminal & Retirement Benefits	
	Total establishment expenses	26,342,463



Schedule IE-11: Administrative Expenses

Account Code	Particulars	Current Year (Rs.)
22010	Rent, Rates and Taxes	
22011	Office maintenance	298,737
22012	Communication Expenses	47,650
22020	Books & Periodicals	
22021	Printing and Stationery	114,084
22030	Traveling & Conveyance	9,000
22040	Insurance	
22050	Audit Fees	
22051	Legal Expenses	30,000
22052	Professional and other Fees	178,040
22060	Advertisement and Publicity	246,056
22061	Membership & subscriptions	
22080	Other Administrative Expenses	387,285
	Total administrative expenses	1,310,852

Schedule IE-12: Operations & Maintenance

Account Code	Particulars	Current Year (Rs.)
23010	Power & Fuel	4,626,834
23020	Bulk Purchases	2,770,980
23030	Consumption of Stores	158,000
23040	Hire Charges	
23050	Repairs & maintenance -Infrastructure	1,295,987
23051	Repairs & maintenance - Civic Amenities	
23052	Repairs & maintenance - Buildings	
23053	Repairs & maintenance - Vehicles	120,686
23054	Repairs & maintenance - Furnitures	
23055	Repairs & maintenance - Office Equipments	
23056	Repairs & maintenance - Electrical Appliances	220,252.00
23059	Repairs & maintenance - Others	164,952.00
23080	Other operating & maintenance expenses	4,113,929
	Total operations & maintenance	13,471,620



Schedule IE-13: Interest & Finance Charges

Account	Particulars	Current Year
24010	Interest on Loans from Central Government	-
24020	Interest on Loans from State Government	-
24030	Interest on Loans from Government Bodies & Associations	-
24040	Interest on Loans from International Agencies	-
24050	Interest on Loans from Banks & Other Financial Institutions	-
24060	Other Interest	-
24070	Bank Charges	2,697
24080	Other Finance Expenses	98,560.00
	Total Interest & Finance Charges	101,257.00

Schedule IE-14: Programme Expenses

Account Code	Particulars	Current Year (Rs.)
25010	Election Expenses	50,820
25020	Own Programs	372,539
25030	Share in Programs of others	-
	Total Programme Expenses	423,359

Schedule IE-15: Revenue Grants, Contributions & Subsidies

Account Code	Particulars	Current Year (Rs.)
26010	Grants [specify details]	10,371,181
26020	Contributions [specify details]	
26030	Subsidies [specify details]	
	Total Revenue Grants, Contributions & Subsidies	10,371,181



Schedule IE-16: Provisions & Write off

Account Code	Particulars	Current Year (Rs.)
27010	Provisions for doubtful receivables	-
27020	Provision for other Assets	-
27030	Revenues written off	-
27040	Assets written off	-
27050	Miscellaneous Expense written off	-
	Total Provisions & Write off	-

Schedule IE-17: Miscellaneous Expenses

Account Code	Particulars	Current Year (Rs.)
27110	Loss on disposal of Assets	-
27120	Loss on disposal of Investments	-
27180	Other Miscellaneous Expenses	-
	Total Miscellaneous expenses	-

Schedule IE-18: Prior Period Items (Net)

Account Code	Particulars	Current Year (Rs.)
	Income	
18510	Taxes	-
18520	Other - Revenues	-
18530	Recovery of revenues written off	-
18540	Other income	-
	Sub - Total Income (a)	-
	Expenses	
28550	Refund of Taxes	-
28560	Refund of Other Revenues	-
28580	Other Expenses	-
	Sub - Total expense (b)	-
	Total Prior Period (Net) (a-b)	-



FOR SOBHANI & AGRAWAL
Chartered Accountants

CA MAYANK AGRAWAL
(Partner)

REVISED ABSTRACT SHEET FOR REPOTION ON AUDIT PARAs FOR FINANCIAL YEAR 2020-21

NAME OF ULB :- JAWAD

NAME OF AUDITOR :- SHOBANI & AGARWAL

Sr No	PARAMETERS	DESCRIPTION			OBSERVATION IN BRIEF	SUGGESTION
1	Audit of Revenue	Receipts in Rs.				
		2019-20	2020-21	% of Growth		
	A. REVENUE COLLECTION					
a.	Property Tax	290,409.00	399,124.00	37.44%	Tax collection has increased.	Council Should keep on working towards increasing the collection rate in the up coming years.
b.	Consolidated Tax	288,378.00	-	-100.00%	Tax collection has decreased completely.	Council Should take action towards generating revenue.
c.	Development Cess	94,283.00	-	-100.00%	Cess collection has decreased completely.	Council Should take action towards generating revenue.
d.	Education Cess	1,830.00	-	-100.00%	Cess collection has decreased completely.	Council Should take action towards generating revenue.
	TOTAL (A)	674,900	399,124			
	B. NON REVENUE COLLECTION					
a.	Rent of Land & Buliding/Shops	658,923.00	1,675,875.00	154.34%	Rent collection has increased gracefully.	Council Should keep on working towards maintaining such rate in the up coming years.
b.	Water Tax	925,473.00	1,247,764.00	34.82%	Tax collection has increased slightly.	Council Should keep on working towards increasing the collection rate in the upcoming years.
c.	Solid Wastage Management	-	-	0.00%	No comments	No comments
d.	Other Fees & Taxes	921,860.00	1,705,936.00	85.05%	Tax and Fees collection have increased gracefully.	Council Should keep on working towards maintaining such high growth rate in the up coming years.
	TOTAL (B)	2,506,256	4,629,575			
	GRANT TOTAL (A) + (B)	3,181,156.00	5,028,699.00			



[Handwritten Signature]

Sr No.	PARAMETERS	DESCRIPTION	OBSERVATION IN BRIEF	SUGGESTION
2	Audit of Expenditure	During the audit we checked the vouchers and found satisfactory.	There is no instance to report.	Council should keep working towards maintaining vouchers and expenditure as per rules and sanctions.
3	Audit of Book Keeping	We checked the books of accounts which maintained and made available for us during the audit by the Municipal Council.	All departments had some issues regarding book keeping. { For more details Refer Observation sheet }	Council should maintain proper books of accounts for all departments
4	Audit of FDRs	While Auditing, we found that there were some FDRs in the ULB.	FDR register was not kept by the council. { For more details Refer Observation sheet }	Proper Register should be maintained & Interest on FDRs should be recorded in cashbook timely.
5	Audit of Tenders / Bids	1. We examined Tenders/bids documents on the basis of note sheets attached with the vouchers and some files which were made available for us during the audit. 2. Tenders which were found during the audit have followed proper tendering procedures.	As per our observation, ULB has followed proper tender process.	Proper Files/Records should be maintained for Tenders & Bids and proper process should be followed.



6	Audit of Grants & Loans	Refer the "Audit of Grants & Loans" head of audit observation sheet	During Audit we found that some grants are like mixed nature i.e. Capital & revenue nature therefore in that cases we can't bifurcate how much portion belongs to revenue or capital. Except that all grants have been used for the purposes for which grants have been received.	Grants Register must be Prepared as per ULB approved format.
7	Incidences relating to diversion of fund from Capital receipts/ grants / Loans to Revenue Nature Expenditure and from one scheme / Project to another	No Such diversion of fund We didn't found any incidences relating to diversion of funds from Capital receipts\Grants\Loans to Revenue Nature Expenditure and from one scheme to another scheme.	No Such Observation Found	There Should be proper bifurcation of capital and revenue nature receipts and expenditure.
a.	Percentage of Revenue Expenditure (Establishment, Salary, Operation & Maintenance) with respect to revenue Receipts (Tax and non tax) excluding Octroi, Entry Tax, Stamp Duty and other grants etc.	745.57%	No Such Major Observation found	The total revenue expenses are high in comparasion of Income, so council should make more efforts to meet out the Expenditure form its Revenue Receipts.
b	Percentage of Capital Expenditure with respect to total Expenditure	5.93%	No Such Major Observation found	The capital expenditures are very low in comparison of Total expenditure, Council should make policies to increase the percentage of capital expenditures so that council can have more valuable assets.
8	Whether all the temporary advances have been fully recovered or not.	No, advances given during the year	No observations	No comments
9	Whether bank reconciliation statement is being regularly prepared.	Yes, Bank Reconciliation Statements were prepared.	No observations	Proper File should be maintaied for keeping such BRSs.

Date :

Place : Bhopal



FOR SOBhani & AGRAWAL
Chartered Accountants

CA MAYANK AGRAWAL
(Partner)

Revised Abstract Sheet For Reporting on Audit Paras
2020-21 INCOME & EXPENDITURE INFORMATION

Sr. No.	Division	District	ULB Name	ULB Type	REVENUE RECEIPTS										CAPITAL RECEIPTS				TOTAL RECEIPTS	REVENUE EXPENDITURE						TOTAL
					PROPERTY TAX	OTHER TAX REVENUE	FEE & USER CHARGES	REVENUE FROM MUNICIPAL PROPERTY	ASSIGNED REVENUE	REVENUE GRANTS, CONTRIBUTION & SUBSIDIES	OTHER INCOME	CAPITAL RECEIPTS	CENTRAL FINANCE COMMISSION RECEIPTS	STATE FINANCE COMMISSION RECEIPTS	OTHER GRANTS	ESTABLISHMENT EXPENSES	ADMINISTRATIVE EXPENSES	OPERATION & MAINTENANCE CHARGES		INTEREST & FINANCE CHARGES	OTHER EXPENSES	LOAN REPAYMENT (PRINCIPAL)	OTHER CAPITAL EXPENDITURE			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25		
1	Ujjain	Neemuch	Jawad	Municipal Council	399124	2148254	1116829	1675875	2868000		287676	0	15839000	4007000	149568	28,491,326.00	26342463	1310852	13471620	3389578	10794540	0	3484398	58793451		

