

STATUTORY AUDIT REPORT

NAGAR PARISHAD, MAJHOLI

District - Jabalpur (M.P.)

(Financial Year: 2021-22)

KHARE PAMECHA & CO.

CHARTERED ACCOUNTANTS



KHARE PAMECHA & CO.
Chartered Accountants


Branch off.: Shop No. 03, Anand Apartment,
Home Science College Road, Jabalpur (M.P.)
H.O.: Goutam Nagar, Bhopal (M.P.) - 462011
M.No. - 9425377863
Email: ca.bhupendrasharma@gmail.com


AUDIT REPORT

We have examined the Receipts & Payments Account of **MUNICIPAL COUNCIL MAJHOLI DISTRICT JABALPUR** for the year ended 31st March 2022, which is 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:

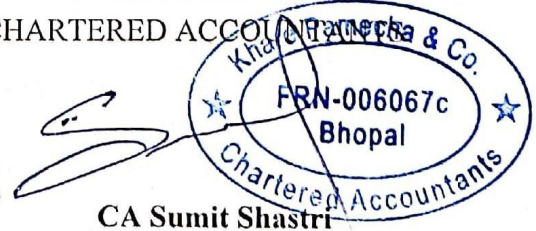
1. These financial statements are the responsibility of the management of the concern. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Our audit includes examining 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, the said accounts give a true and fair view in respect of Receipt & Payment Account for the year ending as on 31st March 2022.

Date:-02/11/2022


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For **KHARE PAMECHA & CO.**
CHARTERED ACCOUNTANTS



CA Sumit Shastri
(Partner)

Mem. No. : 161894

UDIN: 22161894BBVSQA9291

MUNICIPAL COUNCIL MAJHOLI

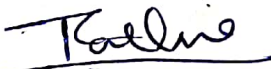
AUDIT OBSERVATION

Audit of Revenue:

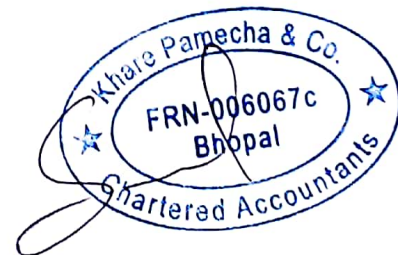
- We have audit all the resources of revenue
- Yes, we checked all the Revenue receipt from the counter file of Receipt Book and verified that the money received is also deposited in respected Bank Account.
- CMO gives 2 Working days for the Deposition of Money to the Bank but at the time of auditing we found that there is no delay in the Revenue Receipt and also deposited to the Bank time to time.
- Cash Book has been verified with Receipts and payments vouchers & ROKARIYA receipts cash book.
- No, Lapses in the Revenue Recovery and the payment has been done Quarterly and Monthly.
- FDRs have been made during the year and physically found there.
- No, we have not seemed any Investment on lesser interest rate.

Audit of Expenditure:

- We covered all the Expenditure during the process of Audit.
- While checking the Cashier Cash Book and Accountant Cash Book, all the bills and voucher are correct according to books however there are some little mistake are observed they are as follow :
 - GST TDS has not deducted on Some Bills.
- No mistake we found in monthly balance of the Cash Book.
- We verified that Expenditure of Particular schemes were not over Budget and expended according to guideline, directives, acts and rules issued by Government of India/ State Government.


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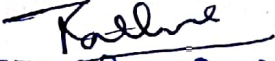
- All the Expenses were under financial propriety and the Expenditure is according to the financial and administrative sanction accorded by the competent authority.
- In our view, no such cases occurred in which appropriate section has not been taken, hence there is no need to report the instances to Commissioner/CMO.
- All Utilization certificates has been checked with expenses vouchers and tallied with income & expenditure records.
- As per the ULB guideline if the Fire Brigade going outside of Municipal Area there is some decide amount which has to be paid by the other MC/GP is not taken by the ULB.


Audit of Book Keeping:

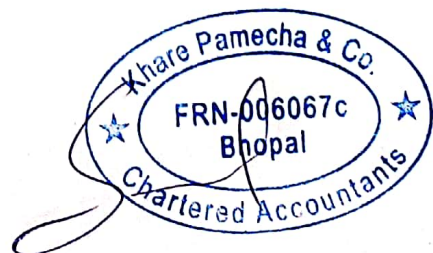
- We checked all the books of accounts which maintained by the Municipal Council. As per stock register entries are done.
- All registers in Excel has been maintained properly but not physically.
- There are no any Advances given to the employee During the Year.
- Bank reconciliation statement has been prepared by Municipal Council.
- All Receipts and payments have been entered in Grant Register.
- Grants register was complete.
- We examine and reconcile all the accounts of receipts and payments of fund for special purpose.

Audit of FDR's:

- We have checked all the FDR and reconciled the fund out of which such FDRs were prepared.
- NO FDRs/TDRs are kept at low rate of interest than the prevailing rate of interest.
- FDR's Interest Entries has been passed at the year end.


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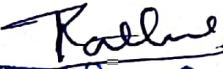


Audit of Tender's:

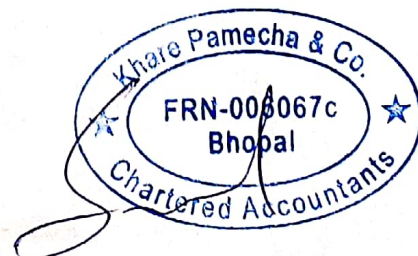
- We examine all the Tenders/bids documents invited by ULB's.
- All the Tenders have followed competitive tendering procedures.
- During the process of Audit we found that tender fee has been received and performance guarantee both during the construction and maintenance guarantee has received and verified.
- No Bank guarantee has been received.
- Contract closures is also be verified and Security Money return to contractor.

Audit of Grant's & Loans:

- Municipal council has received grant from Central Govt.
- We examine all the grants receive from the State government and its utilization.
- Neither Assets/Physical Infrastructure has been generated out of Loan taken in the current financial year.
- 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 use for the purpose for which grants have received.


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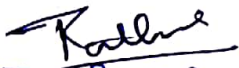
MUNICIPAL COUNCIL MAJHAULI, DIST- JABALPUR
RECEIPT & PAYMENT ACCOUNT
For the period from 1 April 2021 to 31 March 2022


RECEIPTS	AMOUNT	PAYMENTS	AMOUNT
Opening Balance		Establishment Expenses	
Cash in Hand	-	Salaries & Allowances	1,49,93,037
Cash in Bank	9,38,90,688	Staff Training Expenses	10,300
		Leave Encashment	2,19,688
Tax Revenue		PF Contribution	10,57,526
Water Tax	2,39,000	GPF Contribution	6,80,187
Consolidated Tax	2,89,487		
Property Tax	5,16,293	Administrative Expenses	
Town Development Cess	1,68,386	Administration Expenses	8,66,578
Education Cess	1,11,310	Vehicle Insurance	65,242
Surcharge		Web Internet Exp.	1,13,034
		Legal Exp.	33,300
Assigned Revenues & Compensation		Photo Studio, Photo Graphy	1,43,876
Stamp Value	4,82,593	Fuel, Petrol & Diesel- Vehicle	12,06,046
Compensation in lieu of Octroi	1,68,50,195	Office Main. Exp.	2,61,505
Compensation in lieu of Passenger Tax	3,80,000	Telephone Expenses	87,880
		Religious Festival Celebration	61,884
Rental Income from Municipal Properties		Cultural Exp.	18,150
Shop Rent	1,03,000	National Festival Exp	5,275
Market Rent	91,575	Office Maintained Cleaning	54,700
Rent from Community Hall	35,100	Printing Expenses	35,88,618
Lease rent of Land	99,240	Workshop & Seminar Exp.	73,324
		Rain Coat	1,54,465
Fees & Charges		Stationery Expenses	4,12,520
Fees From Certificate or Extracts	200	Professional Fee	21,57,093
Water Tanker Charges	5,100		
NOC Charges	1,500	Operations & Maintenance	
Covid 19 fine	73,450	Electricity Exp.	43,30,146
RTI Fee	268	Raw Water	47,530
Application Fee	660	Bulk Purchase-Sanitation, Conservancy	35,59,103
		Covid-19 Mask, Saitizer	5,14,726
Sale & Hire Charges		Bulk Purchase- Electrical Store	9,48,244
Sale of Tender Papers	27,000	Bulk Purchase - Water Ways Item	8,61,910
		Fire Suit Kit	1,42,688
Other Income		Hire Charges- Machinery	34,98,663
Interest Income	13,70,875	Hire Charges- Vehicles	8,67,898
Other Income	8,06,715	Repair & Maintance-Infrastructure	91,94,387
		Assets	
Grants, Contributions & Subsidies Rec.		Repair & Maintenance-Civic Amenities	23,29,502
Grant- 15th Central Finance Comm.	66,68,000	Repair & Maintenance Office Building	20,40,598
Grant- State Finance Commission	32,34,000	Repair & Maintenance-Vehicle	9,29,901
Grant- Mulbhoot	31,04,000	Repair & Maintenance-Furniture	84,700
		Repair & Maintenance-Office	3,69,863
Grant- Road Development	21,09,000	Equipments	
Grant- Others	54,96,350	Repair & Maintenance-Electrical	9,93,453
		Appliance	
Deposits		Repair & Maintenance-Plant & Machienery	4,74,327
EMD & Security Deposits	82,000	Other Exp. For O&M	20,35,903
		Repair & Maintenance-Computer	1,84,583
		Interest & Finance Charges	
		Bank Charges	32,069

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		<u>Own Programme Exp.</u>	
		Election Exp.	47,344
		Swachha Bharat Mission Exp.	14,03,608
		Social Programme Exp	18,55,723
		<u>Revenue Grants, Contribution & Subsidy</u>	
		Anugrah Sahayta	1,50,000
		<u>Miscellaneous Exp.</u>	
		Other Miscellaneous Exp.	17,71,433
		<u>Other Deduction</u>	
		Recoveries Payable-TDS	13,68,122
		Recoveries Payable Gst TDS	3,50,560
		<u>Fixed Assets</u>	
		Road	1,03,98,211
		Sewerage And Drainage	13,95,686
		Public Lighting	31,92,868
		Sanitation & Solid Waste Management	8,31,608
		Plant & Machinery	15,68,247
		Office & Other Equipment	16,81,944
		Furniture, Fixtures, Fitting & Electrical Appliance	6,18,676
		Other Fixed Assets: Road Solar Penal	4,78,800
		Other Fixed Assets: Speed Breaker	9,56,707
		Other Fixed Assets: Tree Guard	1,82,894
		Capital Work-in-progress	1,50,31,835
		<u>Deposit & Recoveries</u>	
		EMD & Security Deposit	1,39,218
		<u>Closing Balance</u>	
		Cash in Hand	-
		Cash in Bank	3,31,08,080
TOTAL	13,62,35,986	TOTAL	13,62,35,986


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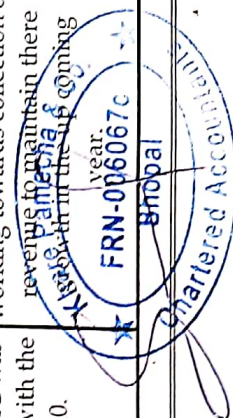

 CA Sumit Shastri
 (Partner)
 Mem. No. : 161894



ABSTRACT SHEET FOR REPOTION ON AUDIT PARAS FOR FINANCIAL YEAR 2020-21

NAME OF ULB :- MUNICIPAL COUNCIL MAJHOLI
NAME OF AUDITOR :- CA SUMIT SHASTRI

Sr No.	PARAMETERS	DESCRIPTION			OBSERVATION IN BRIEF	SUGGESTION
		Receipts in Rs.				
		2020-21	2021-22	% of Growth		
1	Audit of Revenue					
	A. REVENUE COLLECTION					
a.	Property Tax	6,63,589.00	5,16,293.00	-22.20%	Revenue collection by MC was Negative in comparison with the previous FY 2019-20.	Council Should make special focus on collection and should strict action for increase in reveue in upcoming vears. Council Should keep on working towards collection of revenue to maintain there growth in the up coming year.
b.	Consolidated Tax	1,76,195.00	2,89,487.30	64.30%	Revenue collection by MC was positive in comparison with the previous FY 2019-20.	Council Should keep on working towards collection of revenue to maintain there growth in the up coming year.
c	Town Development Cess	67,109.00	1,68,386.00	150.91%	Revenue collection by MC was positive in comparison with the previous FY 2019-20.	Council Should keep on working towards collection of revenue to maintain there growth in the up coming year.
d	Education Cess	84,216.00	1,11,310.30	32.17%	Revenue collection by MC was positive in comparison with the previous FY 2019-20.	Council Should keep on working towards collection of revenue to maintain there growth in the up coming year.

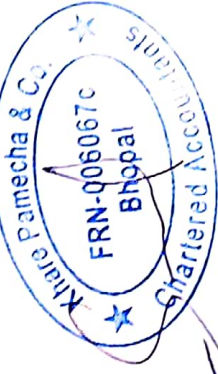


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B. NON REVENUE COLLECTION					
a.	Rent of Land & Building	2,02,430.00	3,28,915.00	62.48%	Revenue collection by MC was negative in comparison with the previous FY 2019-20. Council Should look out the areas of leakage of recovery and work hard on collection.
b.	Water Tax	2,66,000.00	2,39,000.00	-10.15%	Revenue collection by MC was negative in comparison with the previous FY 2019-20. Council Should make special focus on collection and should strict action for increase in revenue in upcoming years.
c.	Solid Wastage Management			-	
d.	Other Fees & Taxes	1,72,48,541.00	2,03,27,471.00	17.85%	Revenue collection by MC was negative in comparison with the previous FY 2019-20. Council Should look out the areas of leakage of recovery and work hard on collection.
TOTAL (B)		1,77,16,971.00	2,08,95,386.00		

GRANT TOTAL (A) + (B) 1,87,08,080.00 2,19,80,862.60

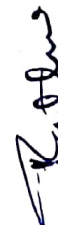


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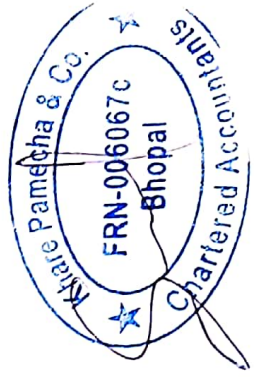
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Sr No.	PARAMETERS	DESCRIPTION	OBSERVATION IN BRIEF	SUGGESTION
2	Audit of Expenditure	01. Some Voucher are found without signed by CMO / President . 02. In some cases we found that council has purchased material from unregistered firms. 03. Some Vouchers are not found at the time of Audit. 04. Some Vouchers are found without Note sheet.	There were some discrepancies observed, they are as follow : • GST TDS is not deducted on Some Bills.	01. Council should properly follow the purchase rules. 02. Voucher must be signed by the concerned officer. 03. Council should purchase material through registered dealer and through proper valid bill. 04. Sanctioned letter should be attached with Voucher.
3	Audit of Book Keeping	01. Proper Registers which are required to maintained were not found in PWD Department. 02 Books of Account of accounts department were properly Maintained. 03 Store Deptt : Demand letters were not found for any material as water supply. 04 Fixed Assets Register was not maintained. 05. Charge List & Register were not prepared by the council	Accountant Cash book should be updated timely with revenue cash book.	01. Council should Maintained All Books of account which are mandatory as per ULB guidelines.
4	Audit of FDRs	Fixed Deposit has been created by Municipal Council during the year.	There were no quotation from other Banks for Best interest rate.	The Council should take quotation form all the Bank for Interest rate of FDR.

11/11/20


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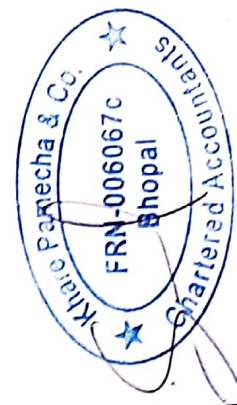

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5	Audit of Tenders / Bids	We examine some Tenders/bids documents. Recorded of Tender File are Proper Maintained.	01. All the Tenders have followed competitive tendering procedures. 02. During the process of Audit we found that tender fee has been received and performance guarantee both during the construction and maintenance guarantee has received and verified. 03. No Bank guarantee has been received.	Record of Tender File & bids documents should be Properly Maintained.
6	Audit of Grants & Loans	01. Grants Register Was complete. 02. Some Payments were made more than grant amount received.	01. Municipal council has received and utilized grant from Central Govt. 02. Grant Register was found with detail of opening balances, closing balances & amount which paid excessively, from which head it head adjusted. 03. We examine all the grants receive from the State government and its utilization. 04. 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 use for the purpose for which grants have 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	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.	No any fund diversion was found	Council must not use any fund other than objective which was sanctioned for


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8	Any Other				
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.	1514.85%	Revenue expenses are very high in comparison of revenue income	Council should seriously take action to increase revenue collection	
b	Percentage of Capital Expenditure with respect to total Expenditure	35.88%	Capital expenditures occupied very much low part of expenditures	Council should make efforts for more capital exp. For the development of council.	


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