

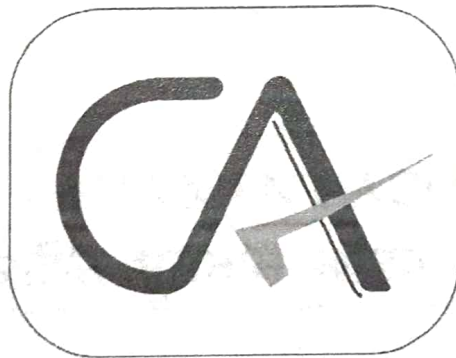
AUDIT REPORT

OF

MUNICIPAL COUNCIL KARAH

DISTRICT – KHARGON

Year 2022-23



Auditor

Pramod k. sharma & co.

Chartered Accountants

-: INDEX :-

AUDIT OBSERVATION
(अंकेक्षण अबलोकन)

INCOME & EXPENDITURE ACCOUNT
(आय व्यय खाता)

RECEIPT & PAYMENT ACCOUNT
(प्राप्ति भुगतान खाता)

ABSTRACT SHEET



PRAMOD K. SHARMA & CO.

Chartered Accountants

HEAD OFFICE : 11 & 12, IInd Floor, Sarnath Commercial Complex, Opp. Board Office, Shivaji Nagar, Bhopal - 462016
MOBILE NO. (+91) 94250-15041, 95892-51041, Phone No. (0755) 4273005, 2670003
E-mail : pksharma_com@rediffmail.com

AUDIT REPORT

We have examined the Receipts & Payments Account of **MUNICIPAL COUNCIL KARAH I DISTRICT KHARGON (M.P)** for the year ended 31st March 2023, 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 2023.

Date:-01-11-2023

Place:-Bhopal

UDIN-23076883BGTPCX9398

For PRAMOD K. SHARMA & CO.
CHARTERED ACCOUNTANTS



16/11/2023

CA Pramod K Sharma
(Partner)

Mem. No. : 076883

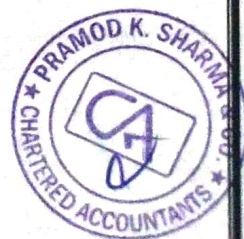
MUNICIPAL COUNCIL KARAHI

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 files of Receipt Book and verified that the money received is duly deposited in respective Bank Account.
- CMO gives 2 Working days for Deposit the Money to the Bank but at the time of auditing we found that there is no delay in deposit the amount of revenue collected.
- Cash Book has been verified with Receipts.
- Annual recovery sheet has been provided by the council but it had poor revenue collection, during the year. Quarterly recovery sheet was not available during the audit, so we are unable to comment upon comparison of quarter wise revenue recovery.

मुख्य नगर पालिका अधिकारी
नगर परिषद करही पाकल्या खुद



- There was no FDR made by the council up to the end of the year.
- No, we have not seemed any Investment on lesser interest rate.

Audit of Expenditures

- We covered the Expenditures on the sample 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, all the bills and vouchers were satisfactory according to books. However during the audit of vouchers, some mild observations were found and made them rectified at the time and suggested to pay attention ahead. Some observations are as follow -
- 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.

मुख्य नगर पालिका अधिकारी
नगर पारिषद करही पाइल्ला खुद



- The Expenses were under financial propriety and the Expenditure was according to the financial 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 going outside of Municipal area, there is some decided amount which has to be paid by the other MC is not taken by the ULB.

Audit of Book Keeping

- We checked the books of accounts of council. Although most of the records were maintained properly and we duly satisfied with them, however, some observations have been seen and mentioned in this report.
- Double Entry Accounting System has been applied in the ULB but completed only up to 2016. Currently it is not being practiced.

मुख्य नगर पालिका अधिकारी
नगर परिषद करही पांडल्या खुद



- Except Cash book, some of registers/records have not been maintained properly. Observations in respect of records of ULB are as follows –

Accounts Department

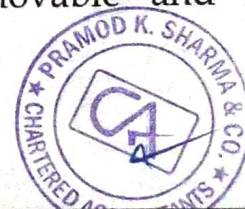
Audit observations about accounts department are as follows –

- Bank book, Journal book have not kept by the council which are necessary as per section 6, chapter 2 of Madhya Pradesh Municipal (Accounts and Finance) rule, 2018.
- EMD & SD registers was not found during the audit.
- Bank Reconciliation Statements were not prepared by the ULB.
- Employee Advances have been given during the year but advance register was not found during the audit.

Store Department

During the examination of stock records, we found that registers were not maintained properly. As per our observation, some irregularities were found as follow –

- As per section 147 (1) under chapter – VI of Madhya Pradesh (Accounts and Finance) Rules, 2018, all movable and



immovable Fixed Assets will be recorded in the Fixed Assets Register which was not found during the audit.

- As per section 174 (1) under chapter - VIII of Madhya Pradesh (Accounts and Finance) Rules, 2018, Stock or material will be issued only after obtaining duly authorized demand letter from respective department but store keeper has not obtained the demand letters for issuing the store material.

Revenue Department

During the examination of revenue records, we found that records were maintained well and balances of dues were brought forward from previous year properly. As per our observation, the revenue collections were duly deposited during the year. The average percentages of revenue recovery were 25.70% and 30.12% respectively against various heads of current and outstanding dues. Council should make such policies and increase revenue recovery so that council could have more liquidity.

मुख्य नगर पालिका अधिकारी
नगर परिषद करली पाडल्या खुद



Sanitation Department

We did not find the record of sanitation department during the audit.

Audit comments/suggestions are as follow -

- Separate records were not kept for vehicle and light repairing.
- Chemical usage register was not found during the audit.
- All the log books should be filled on daily basis with reference of diesel register and officer in-charge should verify them timely.
- Since diesel register was not found during the audit so we could not verify the log books and fuel used.
- GPS system was not available for vehicles.

Establishment Department

- Charge file or register was not found during the audit so we could not verify the accountability of staff.



Public Works Department

- As per section 139 (1) under chapter - V of Madhya Pradesh (Accounts and Finance) Rules, 2018, Construction register will be maintained by the council which was not found during the audit.
- As per section 139 (2) under chapter - V of Madhya Pradesh (Accounts and Finance) Rules, 2018, The council Engineer or PWD in charge has to examine the stock and construction register at least once in 6 months but we have not found such examination during the audit.
- As per section 141 read with section 138 under chapter - V of Madhya Pradesh (Accounts and Finance) Rules, 2018, Engineer or department in-charge will have to maintained stock record for recording each and every purchase of materials. During the audit of the PWD department we found that there was no any stock register for recording construction materials and i.e. muram etc.
- Tender Register was not maintained by the ULB.

मुख्य नगर पालिका अधिकारी
नगर परिषद कच्छ, पाटलीखुर्द



- Repairing and maintenance register should be maintained and updated timely.

Audit of FDRs

- While auditing, we found that there was no any FDR made by the council.

Audit of Tenders

- During the audit we examined some tender files. On the basis of examination the given files and note sheets attached with the vouchers, we found that tender process has been followed by the council. Although some irregularities were found and suggested to rectify them properly.
- As per section 121 read with section 86 under chapter-V of Madhya Pradesh Municipal (Accounts & Finance) Rule, 2018 and Letter of Department of Urban Administration and development, Ministry Bhopal, M.P. government, letter no./2022-23/87 dated 06/08/2022, E-tendering must be done in case of purchase costing above



one lakh rupees. It is suggested to council to comply with the regulations.

- Council has not received any Bank Guarantee during the year.

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 some of their utilization.
- 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.
- As specified by the accounts department, there is a loan of Mukhyamantri Shahri Adhoshanrachna in the council but the installments are directly deducted by the Directorate, Urban Administration and development, Bhopal. Council has no any



information regarding paid installment and outstanding loan amount.

- o Loan register was not found during the audit.

PRAMOD K. SHARMA & CO.

Chartered Accountants

मुख्य नगर पालिका अधिकारी
नगर परिषद काठमाडौं



1000

Pramod Kumar Sharma

(Partner)

MUNICIPAL COUNCIL KARAHI

District- Khargon

INCOME & EXPENDITURE ACCOUNT

As On 31.03.2023

Head of Account	Schedule No.	Municipal Council Karahi		Head of Account	Schedule No.	Municipal Council Karahi	
		1-Apr-22 to 31-Mar-23	1-Apr-22 to 31-Mar-23			1-Apr-22 to 31-Mar-23	1-Apr-22 to 31-Mar-23
REVENUE / CAPITAL EXPENDITURE			2,50,92,418.00	REVENUE/CAPITAL RECEIPT			2,48,03,350.35
Administrative Expenses (प्रशासनिक व्यय)	IE-7	58,77,388.00		Assigned Revenues & Compensation	IE-1	1,01,31,039.00	
Establishment Expenses (स्थापना व्यय)	IE-8	1,21,43,828.00		Fees & User Charges (शुल्क / उपयोगिता प्रभार)	IE-2	18,71,546.00	
Programme Expenses (कार्यक्रम व्यय)	IE-9	11,59,860.00		Grants, Contribution for specific purposes	IE-3	1,10,92,587.35	
Operations & Maintenance (परिचालन / अनुरक्षण)	IE-10	55,54,149.00		Rental Income from Municipal Properties	IE-4	3,06,057.00	
Scheme Expenses - (योजना व्यय)	IE-11	3,57,193.00		Sale & Hire Charges (विक्रय / भाड़ा प्रभार)	IE-5	14,02,121.00	
				Tax Revenue (करों से आय)			2,89,067.65
				EXCESS OF EXPENSES OVER INCOME			
			2,50,92,418.00				2,50,92,418.00

मुख्य नगर पालिका अधिकारी
नगर परिषद करली पाडल्या खुर्द

FOR Pramod K. Sharma & Co.

Chartered Accountants

CA Pramod Sharma
(Partner)



District- Khargon

RECEIPT & PAYMENT ACCOUNT

As On 31.03.2023

[illegible]

FOR PRAMOD K. SHARMA & CO.
Chartered Accountants

(Partner)



मुल्य नगर पालिका अधिकारी
नगर परिषद कार्यालय खद

Schedule RP-1 : Assigned Revenues & Compensation

Particulars	Amount
Compensation-Octroi (चुंगी)	1,01,31,039.00
Total : Assigned Revenues & Compensation	1,01,31,039.00

Schedule RP-2 : Deposits Received

Particulars	Amount
Earnest Money Deposit (अमानत राशी)	10,500.00
Total : Deposits Received	10,500.00

Fees & User Charges

Particulars	Amount
Connection Charges-Water Supply (नल कनेक्शन)	21,160.00
Fee-Application (आवेदन शुल्क)	4,630.00
Fee-Copy of Certificate/ Extract (प्रमाण पत्र शुल्क)	12,000.00
Fee-RTI Act (आर टी आई)	30.00
Fees- Vehicle Rent (वाहन किराया)	27,600.00
Mutation Fee (नामांतरण शुल्क)	91,500.00
Development Fees (विकास शुल्क)	6,87,353.00
Other Income (अन्य आय)	81,603.00
Supervision Fess	3,59,300.00



Shelter Fees (आश्रय शुल्क)	5,37,070.00
Penalty & Fine-User Charges (अर्थदंड)	500.00
User Charges-Septic Tank Cleaning (सेप्टिक टैंक सफ)	21,600.00
User Charges-Water Supply by Tanker (पानी टैंकर)	27,200.00
Total : Fees & User Charges	18,71,546.00

Schedule RP-4 : Grants,Contribution for specific purposes

Particulars	Amount
Grant GoI - 15th Finance (15 वित्त आयोग)	23,44,000.00
Grant GoMP- Mulbhoot (मूलभूत सुविधा)	19,36,207.00
Grant GoMP- State Finance Commission (राज्यवित्त आयोग)	18,39,457.00
Grant GoMP- Other Grant (अन्य अनुदान)	31,07,815.00
Grant GoMP- Road Development (सड़क मरम्मत)	8,78,000.00
Grant GoMP- Ladli Behna Yojna	75,000.00
Grant GoMP- Kayakalp Abhiyaan	31,00,000.00
Grant GoMP - Urban Infra Development (अधोचराचना)	37,85,040.00
Total : Grants,Contribution for specific purposes	1,70,65,519.00

Schedule RP-5 : Rental Income from Municipal Properties

Particulars	Amount
Rent-Lease of Land (भूमि किराया)	84,382.00
Rent-Market (बाजार बैठक)	2,21,675.00
Total : Rental Income from Municipal Properties	3,06,057.00




Schedule RP-6 : Sale & Hire Charges

Particulars	Amount
Sale-Tender (टेंडर से आय)	-
Total : Sale & Hire Charges	-

Schedule RP-7 : Tax Revenue

Particulars	Amount
Education Cess (शिक्षा उपकार)	11,062.00
Property Tax (सम्पत्ति कर)	1,36,714.00
Samekit Kar-Consolidated (समेकित कर)	40,320.00
Urban Development Cess - नगरीय विकाश उपकार	32,125.00
Water Tax -(जल कर)	10,46,710.00
Sanitation Tax (स्वच्छता शुल्क)	1,22,070.00
Surcharge	13,120.00
Total : Tax Revenue	14,02,121.00


मुख्य नगर पालिका अधिकारी
नगर परिषद करही पाडल्या खुद



Schedule RP-9 : Administrative Expenses

Particulars	Amount
Consultancy Fee & Charge (सलाहकार फीस)	4,11,464.00
NGO	6,19,400.00
Electrical store (विधुत सामग्री क्रय)	4,11,230.00
Electricity Expense (विधुत बिल)	20,18,781.00
Fuel, Petrol & Diesel-(डीजल व्यय)	12,67,944.00
Accident Compromise	1,20,000.00
Insurance	1,05,952.00
DSC (डिजिटल सिग्नेचर)	12,000.00
Advertisement Expenses	1,05,081.00
Office Expenses (कार्यालयीन व्यय)	4,49,803.00
News Paper	6,120.00
Photocopy	1,37,734.00
Printing and Stationery (मुद्रांकन/लेखकान व्यय)	2,11,879.00
Total : Administrative Expenses	58,77,388.00

Schedule RP-10 : Capital Work-in-Progress

Particulars	Amount
Construction - Roads & Bridges-Paving Block	1,90,002.00
Construction-Sewerage and Drainage-Drain-Open	47,264.00
Other Construction (अन्य निर्माण कार्य)	37,11,775.00



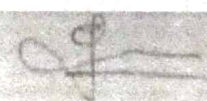
Total : Capital Work-in-Progress	39,49,041.00

Schedule RP-11 : Fixxed Assets

Particulars	Amount
Cement Chair (सीमेंट कुर्सी)	1,52,800.00
Purchase - Office Equipment (कार्यलयीन उपकरण)	1,71,100.00
Purchase - Furniture	85,530.00
Purchase - CCTV Camera	65,000.00
Total : Capital Work-in-Progress	4,74,430.00

Schedule RP-12 : Deposit Paid

Particulars	Amount
Security Deposit (सुरक्षा निधि)	1,50,270.00
Return-Earnest Deposite Money	10,000.00
Total : Deposit Paid	1,60,270.00


 मुख्य नगर पालिका अधिकारी
 नगर परिषद् करही पाडल्या खुद




Schedule RP-13 : Establishment Expenses

Particulars	Amount
Contribution-Family Pension (पेंशन)	5,71,916.00
GPF	1,22,844.00
Salaries & Allowances-(वेतन स्थाई कर्मचारी)	30,89,087.00
Remuneration Mayon-in-Councils	1,52,280.00
Wages-Temporary Staff (वेतन अस्थाई कर्मचारी)	82,07,701.00
Total : Establishment Expenses	1,21,43,828.00

Schedule RP-14 : Programme Expenses

Particulars	Amount
Programme Expenses	9,04,971.00
Election Expenses	2,54,889.00
Total : Interest & Finance Charges	11,59,860.00


मुख्य नगर पालिका अधिकारी
नगर परिषद करही पाडल्या खुद



Schedule RP-15 : Operations & Maintenance

Particulars	Amount
O & M- Raw Water	4,46,500.00
R & M-Other (अन्य मरम्मत)	8,76,767.00
R & M-Building Office (कार्यालय मरम्मत)	2,12,780.00
R&M Computer	60,500.00
Hire Charges - JCB	7,66,128.00
Hire Charges - Vehicle	1,00,340.00
R & M-Tranching Ground	95,707.00
R & M-Other (फेब्रीकेशन कार्य)	20,000.00
R & M-Vehicle (वाहन मरम्मत)	4,32,942.00
Tree Cutting	30,000.00
R & M-Water-Motor Pump	99,300.00
R & M-Waterways (जलप्रदाय मरम्मत)	2,82,472.00
Waterways Material Purchase (जलप्रदाय सामग्री क्रय)	2,82,741.00
Other Expenses (अन्य व्यय)	2,15,927.00
Sanitation/Conservancy Material (सफाई सामग्री क्रय)	16,32,045.00
Total : Operations & Maintenance	55,54,149.00

मुख्य नगर पालिका अधिकारी
नगर परिषद करही पाडल्या खुर्द



REVISED ABSTRACT SHEET FOR REPOTION ON AUDIT PARAs FOR FINANCIAL YEAR 2022-23

NAME OF ULB :- MUNICIPAL COUNCIL KARAH
NAME OF AUDITOR :- PRAMOD K. SHARMA & CO.

Sr No	PARAMETERS	DESCRIPTION			OBSERVATION IN BRIEF	SUGGESTION
		2021-22	2022-23	% of Growth		
1	Audit of Revenue					
	A. REVENUE COLLECTION					
a.	Property Tax	1,30,529.00	1,36,714.00	4.74%	Tax collection has increased slightly.	Council Should keep on working towards increasing growth rate in the up coming years.
b.	Consolidated Tax	1,32,480.00	40,320.00	-69.57%	Tax collection has decreased wotstly.	Council Should take strict action towards generating revenue and removing this negativity.
c.	Devlopment Cess	25,674.00	32,125.00	25.13%	Cess collection has increased with a good rate.	Council Should keep on working towards increasing or maintaining growth rate in the up coming years.
d.	Education Cess	11,221.00	11,062.00	-1.42%	Cess collection has decreased slightly.	Council Should take action towards generating revenue and removing this negativity.
TOTAL (A)		2,99,904	2,20,221			

	B. NON REVENUE COLLECTION					
a.	Rent of Land & Building/Shops	7,01,853.00	3,06,057.00	-56.39%	Rent collection has decreased worstly.	Council Should take strict action towards generating revenue and removing this negativity.
b.	Water Tax	11,45,580.00	10,46,710.00	-8.63%	Tax collection has decreased slightly.	Council Should take action towards generating revenue and removing this negativity.
c.	Solid Wastage Management	-	-	0.00%	No comments	No comments
d.	Other Fees & Taxes	12,57,084.00	20,06,736.00	59.63%	Other taxes and fees collection has increased gracefully.	Council Should keep on working towards increasing or maintaining growth rate in the up coming years.
TOTAL (B)		31,04,517	33,59,503			

GRANT TOTAL (A) + (B) 34,04,421.00 35,79,724.00



प्रामोद क. शर्मा & को.
चार्टर्ड अकाउंटन्ट्स

Sr No.	PARAMETERS	DESCRIPTION	OBSERVATION IN BRIEF	SUGGESTION
2	Audit of Expenditure	Some bills and vouchers were found with irregularities regarding necessary aspects.	During the audit, some bills and vouchers were found with irregularities such as date, signatures etc. which were suggested for rectification and for paying attention in future in this regard.	Council should obtain proper bills and should maintain vouchers properly with all regards.
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 in regard of book keeping. { For more details Refer Observation sheet }	Council should maintain proper books of records for all departments.
4	Audit of FDRs	While Auditing, we have found that there was no any FDR made by the council.	No Observation	No Comment
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 kept followed.

सह-
मुख्य नगर पालिका अधिकारी
नगर परिषद् करवीर पांडेल्या खुर्द



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.	490.29%	The Total revenue expenses are very high in comparison 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	15.25%	The capital expenditures are very low in comparison of Total expenditures.	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.	Yes, advances have been given during the year.	Advance Register was not maintained.	Such advances should be recovered as per rules properly.
9	Whether bank recociliation statement is being regularly prepared.	No, Bank Reconciliation Statements were prepared on monthly basis.	No observations	No Comments

Date :
Place : Bhopal

For PRAMOD K. SHARMA & CO.
Chartered Accountants



Pramod Kumar Sharma
(Partner)

प्रमाणित किया जाता है
कि प्रमाणित करने वाले का हस्ताक्षर

**Revised Abstract Sheet For Reporting on Audit Paras
2022-23 INCOME & EXPENDITURE INFORMATION**

2022-23 INCOME & EXPENDITURE INFORMATION																
Sr. No.	Division	District	ULB Name	ULB Type	REVENUE RECEIPTS					CAPITAL RECEIPTS					TOTAL RECEIPTS	
					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
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	Indore	Khargone	Karahi	Municipal Council	136714	1265207	1871546	306057	10131039	9774247	0	0	2344000	1839457	630524	2,82,98,791.00

REVENUE EXPENDITURE					TOTAL EXPENDITURE	
ESTABLISHMENT EXPENSES	ADMINISTRATIVE EXPENSES	OPERATION & MAINTENANCE CHARGES	INTEREST & FINANCE CHARGES	OTHER EXPENSES	LOAN REPAYMENT (PRINCIPAL)	OTHER CAPITAL EXPENDITURE
18	19	20	21	22	23	24
12143828	5877388	5407186	0	1517053	0	4424471
						25
						29368926

Date: _____
Place: Bhopal

For PRAMOD K. SHARMA & CO.
Chartered Accountants



Pramod Kumar Sharma
(Partner)

मुख्य नगर पालिका अधिकारी
नगर परिषद करही पाडल्या युद