

AUDIT REPORT

We have examined the Receipts & Payments Account of **MUNICIPAL COUNCIL BINA ETAWA, DISTRICT SAGAR (M.P)** for the year ended 31st March 2020, 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 2020.

For RAHUL CHOUDHARY & ASSOCIATES

CHARTERTED ACCOUNTANT

Date:

Place : Bhopal


मुद्रा नगरपालिका (सगर) २०२०
२०२०



Rahul Choudhary

(Partner)

Mem. No.: 077703

MUNICIPAL COUNCIL BINA ETAWA

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 and verified that the money received is also deposited in respective 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, 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.
- While checking Accountant Cash Book, all the bills and vouchers are correct according to books. However some irregularities were found during the audit of vouchers are as follows -
 - Voucher no. 422, Date 28/07/18, Rs. 36000/- paid to Shivkumar Katore for supplying food packets -
 - Date of Government letter was found 03/07/18 while date of quotation notice was 03/07/2017.



- Voucher no. 705, Date 04/10/19, Rs. 19880/- paid for JCB hire charges but note sheet was not available on record.
- 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 and administrative sanction accorded by the competent authority.
- In our view, no such cases occurred 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. During the audit we have not seen any instance regarding this.

Audit of Book Keeping

- We couldn't check all the books of accounts which were maintained by the Municipal Council.
- Except Cash book, many registers/records have not been maintained properly. Some observations in respect of records of ULB are as follows -

Accounts Department

Audit observations about accounts department are as follows -

- Cashbook was found without storekeeper stamp, signature of store keeper and council stamp.




- Manually Cash book was maintained till 10/10/19.
Although record was maintained on SAP after that date
- FDR register was not maintained.
- Grant Register was not maintained.


Store Department

- All store registers were issued without store keeper seal & signatures.
- Council stamp and CMO verification was not found on store registers.
- Material recipients' signatures were not found on respective registers.
- Fixed Assets Register was not found during the audit.
- Demand letters were not obtained for issuing the materials from store.
- All the formalities regarding issue of records from store should be followed properly.

Revenue Department

- Cashier cash book was found without council stamp for the whole year.
- CMO verification was not found on cashier cash for the month of March.
- Collection book no. 672 & 629 were found having non cancelled pages from 46 to 100 & 85 to 100 respectively.
- Collection registers were found without page certification & CMO verification.


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Water Supply Department

- Proper records of repairing of motor pumps, hand pumps, pipe lines should be maintained by the ULB.
- No record of chemical usage was found during the audit.

Establishment Department

- Charge list or register was not maintained by the ULB.

Audit of FDR

- While Auditing, we found that there was no any FDR made by the ULB.
- NO FDRs/TDRs are kept at low rate of interest than the prevailing rate of interest.

Audit of Tenders

- During the audit we have audited some tender files on sample basis. However, on the basis of examination of files and note sheets attached to the vouchers, we found that proper tender procedures were followed by the ULB.
- No Bank guarantee has been received.

Audit of Grants & Loans

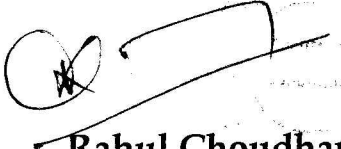
- We examined all the grants received from the State/Central government and some of their utilization on sample basis.
- During the Audit, we found that some grants are like mixed nature i.e. Capital & revenue nature therefore in that cases we

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.

For Rahul Choudhary & Associates

CHARTERED ACCOUNTANTS

मुद्रांक नं. १०००/२०१०
२०१०/११


Rahul Choudhary
(Partner)


MUNICIPAL COUNCIL BINA ETAWA

RECEIPT & PAYMENT ACCOUNT

FOR THE PERIOD FROM 1 APRIL 2019 TO 31 MARCH 2020

RECEIPTS	AMOUNT	PAYMENTS	AMOUNT
Opening Balance		Establishment Expenses	6,02,35,152
Cash in Hand		Salaries, Wages and Bonus Benefits and Allowances	4,13,71,134
Cash in Bank	3,95,00,389	Wages-Temporary Staff	14,55,408
		Muster Payment	93,28,064
Tax Revenue		Employee-GPF	4,42,056
Property Tax	2,46,351	Employee-EPF	32,25,089
Property Tax o/s	4,96,218	Employee-Pension	25,14,612
Water Tax	27,92,664	Arrears Salary/Leave Encashment	13,15,289
Water Tax o/s	5,78,425	Spacial Allowances	72,000
Consolidated Tax	1,33,665	Remuneration & Fee-Mayor-in-Council	5,11,500
Consolidated Tax o/s	4,43,172		
Education Cess	1,74,834	Administrative Expenses	2,13,38,662
Town Development Cess	1,95,728	Telephone Expenses	50,827
Surcharge	1,96,674	Own Programme	88,216
		Misc. Expense	1,97,499
Assigned Revenues & Compensation		Other	2,10,02,120
Compensation in lieu of Export Tax	10,09,000	Operations & Maintenance	1,80,11,662
Taxes & Stamp Duties Collected by other	24,72,000	Power & Fuel	24,66,247
Compensation in lieu of Octroi	5,37,05,354	Electricity supply/Streat Lights	1,55,45,415
Compensation in lieu of Passenger Tax	15,88,000		
		Water Supply Department	39,93,262
Rental Income from Municipal Properties		Material	39,93,262
Rent from Shops (Current)	5,36,673	Electricity Department	62,66,067
Shop Premium	4,70,386	Electricity Material	62,66,067
		Sanitation Department	1,24,42,800
Fees & Charges		Sanitation Material	25,06,478
Devlopment Fees	13,41,126	Repairs & Maintenance- vehicle/Other	99,36,322
Entry Fees	3,94,460	Sanitation Dpt.	
Connection Charges-Water Supply	28,12,336		
Misc. Income	31,17,368	Maintenance Work :-	19,67,163
Other Fees/Charge	-	R & M-Infrastructure Assets	
		R & M-Public Toilet	2,02,665
Revenue Grants, Contributions & Subsidies		R & M-Park	1,08,500
Grant GoI-RAY/HFA/PMAY	2,53,00,000	Construction Work :-	
Grant-14th Central Finance Comm	1,94,44,000	Container/Toilet	6,55,998
Grant- GoI-Shahari Ajeevika Mission	51,00,000	Other Construction work	10,00,000
Grant GoMP-Mulbhoot	1,41,05,000		
Grant GoMP-State Finance Commission	64,30,000	Fixed Assets	1,98,700
Grant GoMP- MLA Fund	7,13,000	Tree Guard	1,98,700
Grant GoMP-Road Development	45,37,000		
Grant For Indv. Toilet	17,628	Interest & Finance Charges	12,25,624
Grant For CM Sambal Yojna	4,00,000	HUDCO Loan	12,25,624
Grant GoMP-Other	-		
		Revenue Grants, Contributions & Subsidies (Other)	3,83,05,448
Taxes & Duties		Grant-14th Central Finance Comm	19,44,000
Service Tax	1,62,178	Grant GoMP-Mulbhoot	1,41,05,000
		Grant GoMP-State Finance Commission	6,43,000
		Grant GoMP-Road Development	45,37,000
		Grant For Indv. Toilet	6,16,760
		Grant GoI-RAY/HFA/PMAY	1,27,50,000
		Grant For CM Sambal Yojna	4,00,000

		N.U.L.M. Swachhata Sarvekshan 2019	15,40,888 17,68,800	
		Taxes & Duties TDS/Commercial Tax	11,35,846	11,35,846
		Closing Balance		2,32,93,243
		Cash in Hand		
		Cash in Bank	2,32,93,243	
	18,84,13,629	18,84,13,629	18,84,13,629	18,84,13,629


 18/08/2019
 18/08/2019


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MUNICIPAL COUNCIL BINA ETAWA
INCOME & EXPENDITURE ACCOUNT
FOR THE PERIOD FROM 1 APRIL 2019 TO 31 MARCH 2020

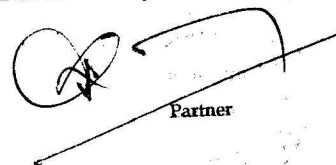
EXPENDITURES	AMOUNT	INCOME	AMOUNT
Establishment Expenses			
Salaries, Wages and Bonus Benefits and Allowances	4,13,71,134	Tax Revenue	52,57,731
Wages-Temporary Staff	14,55,408	Property Tax	2,46,351
Muster Payment	93,28,064	Property Tax o/s	4,96,218
Employee-GPF	4,42,056	Water Tax	27,92,664
Employee-EPF	32,25,089	Water Tax o/s	5,78,425
Employee-Pension	25,14,612	Consolidated Tax	1,33,665
Arrears Salary/Leave Encashment	13,15,289	Consolidated Tax o/s	4,43,172
Spacial Allowances	72,000	Education Cess	1,74,834
Remuneration & Fee-Mayor-in-Council	5,11,500	Town Development Cess	1,95,728
		Surcharge	1,96,674
		Assigned Revenues & Compensation	5,87,74,354
		Compensation in lieu of Export Tax	10,09,000
Administrative Expenses	2,13,38,662	Taxes & Stamp Duties Collected by other	24,72,000
Telephone Expenses	50,827	Compensation in lieu of Octroi	5,37,05,354
Own Programme	88,216	Compensation in lieu of Passenger Tax	15,88,000
Misc. Expense	1,97,499		
Other	2,10,02,120	Rental Income from Municipal Properties	10,07,059
		Rent from Shops (Current)	5,36,673
Operations & Maintenance		Shop Premium	4,70,386
Power & Fuel	24,66,247		
Electricity supply/Streat Lights	1,55,45,415	Fees & Charges	76,65,290
		Development Fees	13,41,126
Water Supply Department		Entry Fees	3,94,460
Material	11,97,979	Connection Charges-Water Supply	28,12,336
		Misc. Income	31,17,368
Electricity Department		Other Fees/Charge	-
Electricity Material	18,79,820		
		Revenue Grants, Contributions & Subsidies	3,88,85,200
Sanitation Department		Grant Gol-RAY/HFA/PMAY	2,53,00,000
Sanitation Material	7,51,943	Grant-14th Central Finance Comm	58,33,200
Repairs & Maintenance- vehicle	99,36,322	Grant GoMP-State Finance Commission	32,15,000
		Grant GoMP-Road Development	45,37,000
Maintenance Work :-		Grant GoMP-Other	-
R & M-Public Toilet	2,02,665		
R & M-Park	1,08,500	Taxes & Duties	1,62,178
		Service Tax	
Interest & Finance Charges			
HUDCO Loan	12,25,624		
Revenue Grants, Contributions & Subsidies (Other)	65,53,712		
Scheme Expenses			
PMAY	1,27,50,000		
Grant For CM Sambal Yojna	4,00,000		
N.U.L.M.	15,40,888		
Swachhata Sarvekshan 2019	17,68,800		

Taxes & Duties
TDS/Commercial Tax

11,35,846	11,35,846	EXCESS OF INCOME OVER EXPENDITURES	2,55,16,963	2,55,16,963
13,90,37,575	13,72,68,775		13,72,68,775	13,72,68,775

For Rahul Choudhary & Associates

महोदय,
व. पा. धर्मदत्त (स. नं. १०००) - १००


Partner

NAME OF ULB :- BINA ETAWA

NAME OF AUDITOR :- RAHUL CHOUDHARY & ASSOCIATES

Sr No	PARAMETERS	DESCRIPTION			OBSERVATION IN BRIEF	SUGGESTION
		Receipts in Rs.		% of Growth		
1	Audit of Revenue	2018-19	2019-20			
	A. REVENUE COLLECTION					
a.	Property Tax	37,28,636	7,42,569.00	-80.08%	Tax collection has reduced in a worse way.	Council Should take strict action for removing the negativity and increasing growth rate.
b.	Consolidated Tax	23,06,491	5,76,837.00	-74.99%	Tax collection has reduced in a worse way.	Council Should take strict action for removing the negativity and increasing growth rate.
c.	Development Tax	7,43,187	1,95,728.00	-73.66%	Tax collection has reduced in a worse way.	Council Should take strict action for removing the negativity and increasing growth rate.
d.	Education Cess	5,49,014	1,74,834.00	-68.15%	Tax collection has reduced in a worse way.	Council Should take strict action for removing the negativity and increasing growth rate.
TOTAL (A)		73,27,328	16,89,968			
	B. NON REVENUE COLLECTION					
a.	Rent of Land & Building/Shops	20,88,854.00	5,36,673.00	-74.31%	Rent collection has reduced in a worse way.	Council Should take strict action for removing the negativity and increasing growth rate.
b.	Water Tax	33,06,945	33,71,089	1.94%	Tax collection has increased.	Council Should keep efforts to increase growth rate in upcoming years in collection of revenue.
c.	Solid waste management	3,70,890	-	-	Revenue collection has completely reduced.	Council Should take strict action for removing the negativity and increasing growth rate.
d.	Other Fees & Taxes	73,83,647	50,49,628	-31.61%	Tax collection has reduced with a huge rate.	Council Should take strict action for removing the negativity and increasing growth rate.
TOTAL (B)		1,31,50,336	89,57,390			
GRANT TOTAL (A) + (B)		2,04,77,664.00	1,06,47,358.00			

For the purpose of audit, the Council should take strict action for removing the negativity and increasing growth rate.

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 and must be completed.
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.
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.	662.77%	No Such Major Observation found	The Total Expenses is very High in the comparison of Income, so council should make more efforts to meet out the Expenditure from its Revenue Receipts.
b	Percentage of Capital Expenditure with respect to total Expenditure	13.55%	No Such Major Observation found	The capital expenditures are slightly 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.

Date :
Place : Bhopal

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Rahul Choudhary
(Partner)
Mem. No.: 077703

For Rahul Choudhary & Associates
Chartered Accountant