



KHARE PAMECHA & CO.
Chartered Accountants

19-20

Shop No. 03, Anand Apartment,
Home Science College Road,
Jabalpur (M.P.) 482002
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 2020, 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 2020.

Date:-14/09/2019

Place:-Jabalpur

For KHARE PAMECHA & CO.
CHARTERED ACCOUNTANTS



CA Bhupendra Sharma
(Partner)

Mem. No. : 409124

UDIN: 20409124AAAAER9272

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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 :
 - TDS is not deducted on Some Bills.
 - Royalty deducted out of Invoices but not paid to the government.
- 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 sanction 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.
- Fixed Assets has prepared properly.
- 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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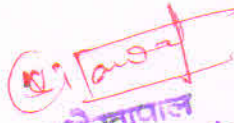


Audit of Tender's:

- 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 not received any 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 2019 to 31 March 2020

RECEIPTS	AMOUNT	PAYMENTS	AMOUNT
Opening Balance			
Cash in Hand	-	Establishment Expenses	1,45,46,842
Cash in Bank	10,58,90,633	Salaries, Wages and Bonus	18,44,568
		Benefits and Allowances	
		Pension	-
		Other Terminal & Retirement Benefits	-
Tax Revenue		Administrative Expenses	
Water Tax	3,68,673	Office maintenance	32,01,286
Consolidated Tax	1,34,740	Communication Expenses	31,847
Property Tax	3,56,610	News Paper	6,587
Town Development Cess	22,686	Printing and Stationery	4,59,086
Education Cess	14,264	Traveling & Conveyance	3,55,548
		Legal Exp.	5,36,409
		Advertisement and Publicity	2,96,497
		Other Administrative Expenses	4,10,000
Assigned Revenues & Compensation			
Stamp Value	-		
Compensation in lieu of Octroi	1,34,30,638		
Compensation in lieu of Pilgrim Tax	4,49,000		
Rental Income from Municipal Properties		Operations & Maintenance	
Shop Rent	2,12,881	Hire Charges Vehicle & Machinery	2,15,015
Mutation Fee	3,431	R&M - Buildings	57,730
Rent from Community Hall	38,100	R&M - Roads, Bridge & Flyover	4,75,442
		R&M - Drains	36,800
		R&M - Water Ways	5,53,483
		R&M - Plant & Machinery	3,05,849
		R&M - Vehicles	2,74,838
Fees & Charges			
Application Fee	450		
Regularization Fee	19,218		



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Building Permission	1,371	R&M - Office & Other Equipments	74,625
Water Tanker Charges	10,900	Consumption of Electric Fittings	40,48,629
Licensing Fee	4,072	Garbage & Clearance Expenses	4,68,623
Property Transfer Charges	89,000		
Fee From Casual Vendors	10,69,410	<u>Own Programme Exp.</u>	1,83,670
Road Cutting Fee	2,350		
Nal Connection Charges	7,500	<u>Fixed Assets</u>	
RTI Fee	98	Buildings	36,57,633
Electricity Connection NOC	4,800	Road	17,99,170
Misc Fee	99,527	Sewerage And Drainage	5,71,121
		Waterways	27,24,029
<u>Sale & Hire Charges</u>		Public Lighting	4,10,322
Sale of Tender Paper	84,000	Vehicles	10,41,639
Hire charges of Vehicle	-	Office & Other Equipments	42,000
		Furniture, Fixtures, Fitting & Electrical Appliance	2,96,179
<u>Contribution from Public</u>	4,200	Other Fixed Assets	5,76,620
			8,33,403
<u>Other Income</u>		<u>Loan & Finance</u>	
Interest	28,23,755	Bank Charges	1,352
Other Income			
<u>Grants, Contributions & Subsidies Rec.</u>	7,92,47,780	<u>Revenue, Grant & Contribution & Subsidies</u>	
		Anugrah Sahayta	11,00,000
		PMAY	5,92,10,000
<u>Deposits</u>		<u>Deposit & Recoveries</u>	
Water Deposit	10,400	EMD & Security Deposit	1,81,452
EMD & Security Deposits	-		
		<u>Closing Balance</u>	
		Cash in Hand	-
		Cash in Bank	-



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ULB Name: Majholi Jabalpur Nagar Parishad

Bank Reconciliation Statement

SBI-31119583352

As on 31.03.2020

	Amount	Total
Balance as per Cash Book		1,52,217.84
Add:- Cheque issued but not presented for the payment		-
Less:- Bank amount paid but not entered cash book		
Add:- Bank interest recived but not entered cash book		
Date	Amonut	
25/12/2019	1,139.00	
25/3/2020	1,319.00	
		2,458.00
Less:- Opening Bal. diff.		
Balance As per Calculation		
Balance as per Bank Book		1,54,675.84
Difference		



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ULB Name: Majholi Jabalpur Nagar Parishad

Bank Reconciliation Statement

CBI-2274636380

As on 31.03.2020

	Amount	Total
Balance as per Cash Book		2,89,00,004.00
Add:- Pre. Year Amount Deduct but not presented for the payment Bank		
Date		
29/03/2019	74,466.00	
29/03/2019	23,064.00	
29/03/2019	4,775.00	
29/03/2019	272.00	
		1,02,577.00
Less:- Bank amount paid but not entered cash book		
Add:- Bank interest recived but not entered cash book		
Less:- Opening Bal. diff.		
Balance As per Calculation		
Balance as per Bank Book		2,90,02,581.00
Diffirence		



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ULB Name: Majholi Jabalpur Nagar Parishad

Bank Reconciliation Statement

CBI-2274645715

As on 31.03.2020

	Amount	Total
Balance as per Cash Book		38,83,176.00
Add:- Cheque issued but not presented for the payment		
Less:- Bank amount paid but not entered cash book		
Add:- Bank interest recived but not entered cash book		
Date	Amonut	
29/2/2020	31,196.00	31,196.00
Less:- Wrong inter cashbook bank interest		(33,097.00)
Balance As per Calculation		
Balance as per Bank Book		38,81,275.00
Diffirence		




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ULB Name: Majholi Jabalpur Nagar Parishad

Bank Reconciliation Statement

SBI-10904541417

As on 31.03.2020

	Amount	Total
Balance as per Cash Book		4,31,74,135.00
Add:- Amonut Deduct Cash but not present in Bank		
Less:- Bank amount paid but not entered cash book		
Add:- Bank interest recived but not entered cash book		
Less:- Totling mistake in cashbook		(1,46,469.00)
Balance As per Calculation		
Balance as per Bank Book		4,30,27,666.00
Difference		



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ULB Name: Majholi Jabalpur Nagar Parishad

Bank Reconciliation Statement


SBI 3798982441 (Sanchit Nidhi)

As on 31.03.2020

	Amount	Total
Balance as per Cash Book		7,99,049.00
Add:- Cheque issued but not presented for the payment		
Less:- Bank amount paid but not entered cash book		
Add:- Bank interest recived but not entered cash book		
Date	Amonut	
29/2/2020	843.00	843.00
Less:- Opening Bal. diff.		
Balance As per Calculation		
Balance as per Bank Book		7,99,892.00
Diffirence		




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ULB Name: Majholi Jabalpur Nagar Parishad

Bank Reconciliation Statement

AXIS-917010045761513 (14 th Finance)

As on 31.03.2020

	Amount	Total
Balance as per Cash Book		1,33,96,248.00
Add:- Cheque issued but not presented for the payment		
Add:- Bank interest recived but not entered cash book		
Date	Amonut	
30/6/2019	1,33,595.00	
30/9/2019	1,30,199.00	
31/12/2019	1,31,421.00	
31/3/2020	1,31,303.00	
		5,26,428.00
Less:- Opening Bal. diff.		
Balance As per Calculation		
Balance as per Bank Book		1,39,22,676.00
Difference		



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ULB Name: Majholi Jabalpur Nagar Parishad

Bank Reconciliation Statement

ICICI-330901000166 (CM Infra)

As on 31.03.2020

	Amount	Total
Balance as per Cash Book		62,51,828.00
Add:- Cheque issued but not presented for the payment		
Add:- Bank interest recived but not entered cash book		
Date	Amonut	
31/12/2019	63,032.00	
30/3/2020	62,284.00	
		1,25,316.00
Less:- Opening Bal. diff.		
Balance As per Calculation		
Balance as per Bank Book		63,77,144.00
Difference		




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ULB Name: Majholi Jabalpur Nagar Parishad


Bank Reconciliation Statement


SBI-36462518974 (PMAY)

As on 31.03.2020

	Amount	Total
Balance as per Cash Book		62,13,755.00
Balance as per Bank Book		62,13,755.00
Diffirence		




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ULB Name: Majholi Jabalpur Nagar Parishad
Bank Reconciliation Statement
AXIS-918010047895235 (Swachh Bharat Mission)

As on 31.03.2020

	Amount	Total
Balance as per Cash Book		7,00,000.00
Add:- Cheque issued but not presented for the payment		
Add:- Bank interest received but not entered cash book		
Date	Amonut	
31/12/2019	2,484.00	
31/3/2020	6,130.00	8,614.00
Less:- Opening Bal. diff.		
Balance As per Calculation		
Balance as per Bank Book		7,08,614.00
Difference		




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ABSTRACT SHEET FOR REPOTION ON AUDIT PARAS FOR FINANCIAL YEAR 2019-20

NAME OF ULB :- MUNICIPAL COUNCIL MAJHOLI
NAME OF AUDITOR :- CA BHUPENDRA SHARMA

Sr No.	PARAMETERS	DESCRIPTION			OBSERVATION IN BRIEF	SUGGESTION
		2018-19	2019-20	% of Growth		
1	Audit of Revenue					
A. REVENUE COLLECTION						
a.	Property Tax	2,32,852.00	3,56,610.00	53.15%	Revenue collection by MC was positive in comparison with the previous FY 2018-19.	Council Should keep on working towards collection of revenue to maintain there growth in the up coming year.
b.	Consolidated Tax	3,03,972.00	1,34,740.00	-55.67%	Revenue collection by MC was negative in comparison with the previous FY 2018-19.	Council Should look out the areas of leakage of recovery and work hard on collection.
c	Town Development Cess	38,019.00	22,686.00	-40.33%	Revenue collection by MC was negative in comparison with the previous FY 2018-19.	Council Should look out the areas of leakage of recovery and work hard on collection.
d	Education Cess	5,242.00	14,624.00	178.98%	Revenue collection by MC was positive in comparison with the previous FY 2018-19.	Council Should keep on working towards collection of revenue to maintain there growth in the up coming year.
TOTAL (A)		5,80,085.00	5,28,660.00			



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B. NON REVENUE COLLECTION						
a.	Rent of Land & Buliding	14,33,699.00	2,54,412.00	-82.25%	Revenue collection by MC was negative in comparison with the previous FY 2018-19.	Council Should look out the areas of leakage of recovery and work hard on collection.
b.	Water Tax	34,692.00	3,68,673.00	962.70%	Revenue collection by MC was positive in comparison with the previous FY 2018-19.	Council Should keep on working towards collection of revenue to maintain there growth in the up coming year.
c.	Solid Wastage Management	-	-	-	-	-
d.	Other Fees & Taxes	2,46,77,395.00	1,81,00,289.00	-26.65%	Revenue collection by MC was negative in comparison with the previous FY 2018-19.	Council Should look out the areas of leakage of recovery and work hard on collection.
TOTAL (B)		2,61,45,786.00	1,87,23,374.00			

GRANT TOTAL (A) + (B) 2,67,25,871.00 1,92,52,034.00



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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 : • TDS is not deducted on Some Bills. • Royalty deducted out of Invoices but not paid to the government.	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 Book 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	There were some totalling mistake in 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.



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5	Audit of Tenders / Bids	We examine some Tenders/bids documents. Record 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 & wids documents should be Properly Maintained.
6	Audit of Grants & Loans	01. Grants Register Was Incomplete. 02. Some Payments were made more than grant amount received.	01. Municipal council has received and utilised grant from Central Govt. 02. Grant Register was found without detail of opening balances, closing balances & amount which paid excessively, form 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.	528.38%	Revenue expenses are very high in comparison of revenue income	Council should seariously take action to increase revenue collection	
b	Percentage of Capital Expenditure with respect to total Expenditure	29.63%	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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