

MUNICIPAL COUNCIL KHIRKIYA

AUDIT REPORT- 2019-20



Pramod K. Sharma & Co.
Chartered Accountant



AUDIT REPORT

We have examined the Receipts & Payments Account of **MUNICIPAL COUNCIL KHIRKIYA, DISTRICT HARD A (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.

Date:-

Place:-Bhopal

For **PRAMOD K. SHARMA & CO.**

CHARTERED ACCOUNTANTS



Pramod K Sharma

(Partner)

Mem. No. : 076883

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MUNICIPAL COUNCIL KHIRKIYA

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, the bills and vouchers given to us were correct according to books. No such irregularities were found during the audit of vouchers which need to be reported.
- 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 is not taken by the ULB.

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 -

- Although records have been maintained properly but some observations were found.
- Income & Expenditure ledgers were not maintained.
- SD & EMD registers were not maintained.
- BRS were not prepared.



Store Department

- Diesel Register was not found during the audit.
- Fixed Assets Register was not maintained.
- Demand letters were not obtained for issuing the materials from store.

Revenue Department

- According to the store records, Collection books were not submitted back to store department.
- Any reportable issue was not found during the audit.

Sanitation Department

- During the audit, there was no any record found for usage of materials, chemicals issued by store department.
- List of vehicles was not found.
- Log books were not found.
- Registrations of vehicles were not found.
- Vehicle repairing register and light repairing register were not maintained.

Since proper records were not found in the department during the audit, so we are unable to express our opinion about sanitation department.

Water Supply Department

- Repairing of motor pumps, hand pumps, pipe lines couldn't be verified because of non maintenance of records.
- No record of chemical usage was found during the audit



Establishment Department

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

PWD Department

- Construction Register was not maintained by the ULB.
- Work files were not provided to us.

Audit of FDRs

- While Auditing, we found that there was no any FDR at the end of the year.

Audit of Tenders

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

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 its utilization which were made available to us during the audit.



- 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 PRAMOD K. SHARMA & CO.

Chartered Accountant



**Pramod Kumar Sharma
(Partner)**

MUNICIPAL COUNCIL KHIRKIYA

RECEIPT & PAYMENT ACCOUNT

FOR THE PERIOD FROM 1 APRIL 2019 TO 31 MARCH 2020

RECEIPTS	AMOUNT	AMOUNT	PAYMENTS	AMOUNT	AMOUNT
Opening Balance		4,15,99,981	Establishment Expenses		2,88,63,384
Cash in Hand			Salaries, Wages and Bonus Benefits and Allowances	2,01,34,496	
Cash in Bank	4,15,99,981		Pension	14,65,284	
			Wages-Temporary Staff	66,31,906	
Tax Revenue		35,81,829	Mandey	1,82,000	
Property Tax	9,65,109		Trevelling Allowance	25,605	
Water Tax	17,31,306		E.P.F.	4,24,094	
Consolidated Tax	3,90,428				
Education Cess	19,171		Administrative Expenses		38,23,423
Town Development Cess	2,13,650		Printing and Stationery	2,53,072	
Other Taxes	2,62,165		Advertisement Expenses	5,39,222	
			Events & Cultural Activities Exp.	5,76,568	
Assigned Revenues & Compensation		2,71,81,776	Office Exp.	1,70,661	
Compensation in lieu of Octroi	2,29,76,776		Rent Expenses	31,501	
Export Tax	20,27,000		Legal Charges	2,28,000	
Pilgrim Tax	14,96,000		Professional Fees	15,000	
Compensation in lieu of Stamp Duties	6,82,000		Other Exp.	19,72,155	
			Telephone/Communication Expenses	29,488	
			Priod Prior Expenses	7,756	
Rental Income from Municipal Properties		2,26,084	Operations & Maintenance		1,05,91,948
Rental Income	1,34,468		Power & Fuel	20,50,608	
Lease of Land	91,616		Electricity supply/Streat Lights	83,51,540	
			Hire Charge-Vehicle	1,89,800	
Fees & Charges		24,41,052	Water Supply Department		2,04,77,496
Fees for Certificate	13,275		Purchase	37,21,305	
Septic Tank Fees	1,38,968		Repair & Maintenance - Water Works	1,66,74,741	
Registration Fees	21,590		R&M- Motor Pump	81,450	
Application Fees	675				
Building Permission Fee	3,85,354		Electricity Department		11,76,801
Cattle Pounding Fees	9,464		Material Purchase	11,76,801	
Licence Fee	9,055		Repairs & Maintenance- Electricity	-	
Mutation Fees	60,126				
Rasan Card	845		Sanitation Department		27,82,436
Road Cutting	12,711		Sanitation Material & Other Ex.	17,23,178	
Market Fees	4,71,710		Repairs & Maintenance- vehicle	10,59,258	
Water Tanker Charges	21,896				
Penalty & Fines	23,750		Construction & Maintenance		60,92,279
Prior Period Income	12,71,633		R & M-Infrastructure Assets	8,75,756	
			R&M-Roads	14,910	
Revenue Grants, Contributions & Subsidies		11,55,63,060	R & M-Building	6,69,247	
Moolbhut	53,42,000		R&M- Civil	2,33,493	
State Finance Commission	41,14,000		R&M- Other	42,98,873	
Sadak Marammat	13,92,000				
PMAY	5,55,70,000		Construction Work		2,19,66,676
14th Finance	1,77,31,000		Roads & Bridges-Concrete Road	1,14,70,971	
Central Finance Dipartment	2,54,90,000		Roads & Bridges-Bridges	44,795	
SBM- Indv. Toilet Cintribution	25,480		Construction- Drain	38,38,396	
Other Grant	58,98,580		Construction-Building	24,15,949	
			Civiil Expenses	12,84,851	
Sales Of Publication/Stationary		15,000	Construction-Statue	9,05,167	
Water Sale	15,000				
Deposit Received		7,06,625			



EMD	6,21,280		SBM- Toilet Construction	6,43,336	
Sood	85,345		Other Construction Work	13,63,211	
Interest Received		14,00,869	Fixed Assets		2,30,552
Bank Interest	14,00,869		R & M Machinery	1,60,732	
			R & M Computer	34,540	
			Purchase-Dustbins	35,280	
			Revenue Grants, Contributions & Subsidies (Other)		4,49,21,692
			Scheme Expenses		
			PMAY	4,46,60,857	
			Swachhata Mission Expenses	1,65,835	
			CM Sambal Yojna	95,000	
			Deposit Return (EMD)		16,000
			EMD	16,000	
			Loan & Finance Charges		4,91,855
			Bank Charges	12,747	
			HUDCO Loan	4,79,108	
			Taxes & Duties		6,87,278
			TDS	3,27,437	
			GST	3,59,841	
			Closing Balance		5,05,94,656
			Cash in Hand		
			Cash in Bank	5,05,94,656	
	19,27,16,276	19,27,16,276		19,27,16,476	19,27,16,476

Date :
Place : Bhopal

For Pramod K. Sharma & co.
Chartered Accountant



Pramod Sharma
(Partner)
Mem. No. : 076883

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

EXPENDITURE	AMOUNT	AMOUNT	INCOME	AMOUNT	AMOUNT
Establishment Expenses		2,88,63,384	Tax Revenue		35,81,829
Salaries, Wages and Bonus Benefits and Allowances	2,01,34,496		Property Tax	9,65,109	
Pension	14,65,284		Water Tax	17,31,306	
Wages-Temporary Staff	66,31,906		Consolidated Tax	3,90,428	
Mandey	1,82,000		Education Cess	19,171	
Trevelling Allowance	25,605		Town Development Cess	2,13,650	
E.P.F.	4,24,094		Other Taxes	2,62,165	
Administrative Expenses		38,23,423	Assigned Revenues & Compensation		2,71,81,776
Printing and Stationery	2,53,072		Compensation in lieu of Octroi	2,29,76,776	
Advertisement Expenses	5,39,222		Export Tax	20,27,000	
Events & Cultural Activities Exp.	5,76,568		Pilgrim Tax	14,96,000	
Office Exp.	1,70,661		Compensation in lieu of Stamp Duties	6,82,000	
Rent Expenses	31,501		Rental Income from Municipal Properties		2,26,084
Legal Charges	2,28,000		Rental Income	1,34,468	
Proffessional Fees	15,000		Lease of Land	91,616	
Other Exp.	19,72,155		Fees & Charges		24,41,052
Telephone/Communication Expenses	29,488		Fees for Certificate	13,275	
Priod Prior Expenses	7,756		Septic Tank Fees	1,38,968	
Operations & Maintenance		1,05,91,948	Registration Fees	21,590	
Power & Fuel	20,50,608		Application Fees	675	
Electricity supply/Streat Lights	83,51,540		Building Permission Fee	3,85,354	
Hire Charge-Vehicle	1,89,800		Cattle Pounding Fees	9,464	
Water Supply Department		38,02,755	Licence Fee	9,055	
Purchase	37,21,305		Mutation Fees	60,126	
R&M- Motor Pump	81,450		Rasan Card	845	
Electricity Department		11,76,801	Road Cutting	12,711	
Material Purchase	11,76,801		Market Fees	4,71,710	
Repairs & Maintenance- Electricity	-		Water Tanker Charges	21,896	
Sanitation Department		27,82,436	Penalty & Fines	23,750	
Sanitation Material & Other Ex.	17,23,178		Prior Period Income	12,71,633	
Repairs & Maintenance- vehicle	10,59,258		Revenue Grants, Contributions & Subsidies	6,35,59,683	6,35,59,683
Construction & Maintenance		60,92,279	Sales Of Publication/Stationary		15,000
R & M-Infrastructure Assets	8,75,756		Water Sale	15,000	
R&M-Roads	14,910		Interest Received		14,00,869
R & M-Building	6,69,247		Bank Interest	14,00,869	
R&M- Civiel	2,33,493				
R&M- Other	42,98,873				
R & M Machinery		1,95,272			
R & M Machinery	1,60,732				
R & M Computer	34,540				



Revenue Grants, Contributions & Subsidies (Other)		4,49,21,692	EXCESS OF EXPENDITURE OVER INCOME	38,43,697	38,43,697
Scheme Expenses					
PMAY	4,46,60,857				
Swachhata Mission Expenses	1,65,835				
CM Sambal Yojna	95,000				
	10,22,49,990	10,22,49,990		10,22,49,990	10,22,49,990

Date :
Place : Bhopal

Municipal Council Khirkiya
Bank Balance Sheet.
From 1 April 2019 To 31 March 2020

S.No.	Bank Name	Account No.	Bank Balance		Cash Book Balance	
			Opening Balance	Closing Balance	Opening Balance	Closing Balance
1	Central Bank Of India	29500	25,16,344.00	23,52,253.19	25,16,344.00	23,52,253.19
2	Central Bank Of India	5268	23,98,710.68	17,89,351.00	23,98,710.68	17,89,351.00
3	Central Bank Of India	1810	-	12,26,960.35	-	12,26,960.35
4	Central Bank Of India	2948	33,18,161.50	39,44,979.50	33,18,161.50	39,44,979.50
5	Central Bank Of India	44	1,063.15	1,063.15	1,063.15	1,063.15
6	Central Bank Of India	4785	94,732.00	98,101.00	94,732.00	98,101.00
7	Central Bank Of India	74414	1,35,909.87	1,40,743.87	1,35,909.87	1,40,743.87
8	State Bank Of India	29251	7,741.76	8,220.76	7,741.76	8,220.76
9	State Bank Of India	29502	12,37,784.99	10,71,930.45	12,37,784.99	10,71,930.45
10	State Bank Of India	43038	2,04,007.66	2,10,703.66	2,04,007.66	2,10,703.66
11	State Bank Of India	43049	8,80,983.39	9,08,892.39	8,80,983.39	9,08,892.39
12	State Bank Of India	28702	2,30,40,567.21	1,88,70,156.47	2,30,40,567.21	1,88,70,156.47
13	Bank Of India	8	62,35,011.20	-	62,35,011.20	-

14	Bank Of India	81	3,04,361.50	8,24,419.71	3,04,361.50	8,24,419.71
15	Bank Of India	1252	2,69,225.44	2,78,525.44	2,69,225.44	2,78,525.44
16	Bank Of India	176	64,528.21	64,528.21	64,528.21	64,528.21
17	Canara Bank	2390	-	1,15,85,180.50	-	1,15,85,180.50
18	Canara Bank	3299	-	60,75,481.00	-	60,75,481.00
19	Gramin Bank	1807	4,36,290.00	4,62,978.00	4,36,290.00	4,62,978.00
20	Co-oprative Bank	5476	2,94,031.00	3,58,574.00	2,94,031.00	3,58,574.00
21	HDFC Bank	8261	47,465.00	58,629.00	47,465.00	58,629.00
22	ICICI Bank	132	3,951.00	24,970.00	3,951.00	24,970.00
23	Panjab National Bank	6161	7,756.00	-	7,756.00	-
24	Axis Bank	1236	1,01,355.00	2,38,014.00	1,01,355.00	2,38,014.00
TOTAL			4,15,99,980.56	5,05,94,655.65	4,15,99,980.56	5,05,94,655.65



REVISED ABSTRACT SHEET FOR REPORTING ON AUDIT PARAs FOR FINANCIAL YEAR 2019-2020

NAME OF ULB :- KHIRKIYA


NAME OF AUDITOR :- PRAMOD K. SHARMA & Co.

Sr No	PARAMETERS	DESCRIPTION			OBSERVATION IN BRIEF	SUGGESTION
1	Audit of Revenue	Receipts in Rs.				
		2018-19	2019-20	% of Growth		
	A. REVENUE COLLECTION					
a.	Property Tax	12,20,552	9,65,109.00	-20.93%	Tax collection has decreased.	Council Should pay attention towards collection of tax for increasing the collection of revenue in up coming years.
b.	Consolidated Tax	5,40,480	390428.00	-27.76%	Tax collection has decreased poorly.	Council Should pay attention towards collection of tax for increasing the collection of revenue in up coming years.
c.	Devlopment Tax	1,76,037	213650.00	21.37%	Tax collection has increased in a good way.	Council Should keep efforts to maintain such a good growth rate in up coming years in collection of revenue.
d.	Education Cess	24,500	19171.00	-21.75%	Tax collection has decreased poorly.	Council Should pay attention towards collection of tax for increasing the collection of revenue in up coming years.
	TOTAL (A)	19,61,569	15,88,358			

	B. NON REVENUE COLLECTION					
a.	Rent of Land & Buliding/Shops	95589.00	226084.00	136.52%	Rent collection has increased gracefully.	Council Should keep efforts to increase growth rate of collection of revenue in up coming years.
b.	Water Tax	9,51,775	1731306.00	81.90%	Rent collection has increased gracefully.	Council Should keep efforts to maintain such a good growth rate in up coming years in collection of revenue.
c.	Market Fees	9,39,460	4,71,710.00	-49.79%	Tax collection has decreased poorly.	Council Should pay attention towards collection of tax for increasing the collection of revenue in up coming years.
d.	Other Fees & Taxes	5,42,340	13,73,227	153.20%	Rent collection has increased gracefully.	Council Should keep efforts to maintain such a good growth in up coming years in collection of revenue.
	TOTAL (B)	25,29,164	38,02,327			

GRANT TOTAL (A) + (B)	44,90,733.00	53,90,685.00
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Sr No.	PARAMETERS	DESCRIPTION	OBSERVATION IN BRIEF	SUGGESTION
2	Audit of Expenditure	Expenditures were made with the competent authority	Bills and vouchers were found satisfactory. Some bills and vouchres were found with some irregularities which were suggested for rectification.	Council should obtain proper bills and maintain the bills and 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 regards of 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 there was no FDR in the ULB.	No Observation Found	If FDR is made, proper register should be maintained & Interest on FDRs should be recorded in cashbook timely.
5	Audit of Tenders / Bids	01. We examined Tenders/bids documents on the basis of note sheets attached with the vouchers which were made available for us during the audit. 02. Tenders which were found during the audit have followed proper tendering procedures.	As per our observations, council has followed proper tendering process regarding some tenders.	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 apporved 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.	649.64%	No Such Major Observation found	The Total Expenses is very High in the 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	32.28%	No Such Major Observation found	The capital expenditures are slightly low in comparasion of Total expenditures, Council should make policies to increase the percentage of capital expenditures sothat council can have more valuable assets.

Date :
Place : Bhopal

For Pramod K. Sharma & co.
Chartered Accountant



Pramod Sharma