



## AUDIT REPORT

We have examined the balance sheet of **MUNICIPAL CORPORATION, SAGAR** as at 31<sup>st</sup> March 2016 and the Income & Expenditure account for the Year ended on that date, which are in agreement with the books of account maintained by the said trust or institution. 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 assign 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 :-
  - a. Receipt & Payment Account for the year ending as on 31<sup>st</sup> March 2016,

Date:-

Place:- Bhopal

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



**PRAMOD SHARMA**

(Partner)

Mem No.076883

FRN No :007857C

# MUNICIPAL CORPORATION ,SAGAR

## 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.
- Commissioner 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.
- Interest income from FDR's is not timely accounted in the Cash Book. The Accountant recorded it at the end of the F.Y.
- 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.
- 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.
- 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.

### **Audit of Book Keeping:**

- We checked all the books of accounts which maintained by the Municipal Corporation. As per stock register entries is done but physically stock was not found in the office.
- Expect Cash book, neither register has maintained properly.
- Advances register has present for our verification but that has not maintained properly.
- Bank reconciliation statement has been prepared by Municipal Corporation that is tallied with Bank Statements and Cash book.
- All Receipts and payments have been entered in Grant Register and all entries cross verified with cash book.
- Fixed Assets Register is not prepared and we inform to Commissioner/CMO about the Register.
- We examine and reconcile all the accounts of receipts and payments of fund for special purpose.
- Stock entry booked on bill raised dated instead of put to use date.
- Stock register was signed by Store keeper only.
- ESIC & EPF Registration license of Contractor not attached with respective file maintained by corporation.
- Advances given to the contractual basis employees, but not yet recovered till date.
- Advance given to Badoniya Associates for (BUS City Link) Rs.75000/-
- Ledger are maintained electronically i.e. Computer.
- Return copies of statutory dues not presented during audit process, i.e. Vat, TDS, etc.
- Revenue register maintained on system.



### SANITATION DEPARTMENT

- No records maintained for chemical i.e. Phenyl, Bleaching Powder, Malaria Oil etc, utilized by "Safai Daroga".
- Phenyl, Bleaching Powder, Malaria oil etc were purchased from "Aman Traders" dated 26<sup>th</sup> Dec 2015 Quantity 400 liters and above without tender.
- Chemical purchased by single vendor during the year even costing of Rs 20000/- and above.

### VEHICLE DEPARTMENT

- In a case MP 15 DA 0313 travelled distance were not written in log book i.e. Dated from 26<sup>th</sup> Feb. 2016 to 15<sup>th</sup> March 2016.
- In the case MP 15 DA 0103 signature of the officer travelled not found dated from 08<sup>th</sup> June 2015 to 28<sup>th</sup> Aug 2015.
- On many pages of log book driver's signature were not found.
- Log book was filled even "FIRE BRIGADE" was standing at work station, up to dated 28<sup>th</sup> Aug 2015.

### WATER DEPARTMENT

- In the case "Security Money" deposit for water connection signature of the concerning officer & cashier were not found during audit process.
- Items purchased without tender on old rates by "Water Department".



### Audit of FDR's

- While Auditing we found Twenty Two FDR's in the Municipal Corporation.
- All the Records of FDR's are properly Maintained and all the renewals are timely done.
- NO FDRs/TDRs are kept at low rate of interest than the prevailing rate of interest.
- FDR's Interest Entries are verified in the Cash Book, we found that all the entries are mention at the end of the year.

### Audit of Tender's:

- We examine all the Tenders/bids documents invited by Corporation.
- 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.
- Quality Testing Report of material is submitted by Contractor only, in respective contractor record file.
- Evaluation of tender has been verified by competent authority.



