

कार्यालय नगरपालिका परिषद् नागदा ,जिला उज्जैन ,पिनकोड -456335

दूरभाष क्रमांक : 07366 - 238036, फेक्स - 07366-238151 , ई मेल - cmonagda@mpurban.gov.in

क्रमांक : लेखा/सी.ए.ऑडिट /2020/ 4742

नागदा, दिनांक : 04/09/2020

प्रति,

संयुक्त संचालक,
नगरीय प्रशासन एवं विकास
उज्जैन संभाग उज्जैन

विषय : नगरीय निकायों की वित्त वर्ष 2019 -20 की ऑडिट रिपोर्ट प्रस्तुत करने बाबत।

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उपरोक्त विषयातंगत संदर्भित पत्र में वित्तीय वर्ष 2019 -20 के लेखाओं के सी0ए0 ऑडिट कार्य S.B.C.J & ASSOCIATES फर्म उज्जैन द्वारा पूर्ण कर कार्यालय नगर पालिका परिषद् नागदा को दिनांक 02/09/2020 को प्राप्त हुई है उक्त रिपोर्ट मय हस्तक्षर के पत्र के संलग्न श्रीमान् की ओर प्रेषित है।


संलग्न :- सी0ए0 ऑडिट रिपोर्ट वित्तीय वर्ष 2019 -20

पृष्ठां : क्रमांक लेखा/सी.ए.ऑडिट /2020/4743

प्रतिलिपि :-

01 संयुक्त संचालक, (वित्त)नगरीय प्रशासन एवं विकास , भोपाल की ओर सूचनार्थ एवं आवश्यक कार्यवाही हेतु ।


मुख्य नगर पालिका अधिकारी
नगर पालिका परिषद् ,नागदा
नागदा, दिनांक : 28/09/2020


मुख्य नगर पालिका अधिकारी
नगर पालिका परिषद् नागदा





AUDIT REPORT

OF

NAGAR PALIKA PARISHAD, NAGDA

DISTRICT - UJJAIN (M.P.)

FOR THE YEAR ENDED ON 31ST MARCH 2020

FINANCIAL YEAR : 01.04.2019 TO 31.03.2020

AUDITORS

S B C J & ASSOCIATES

CHARTERED ACCOUNTANTS

7/26, PRAGATI NAGAR, NEAR NANAKHEDA BUS STAND,

UJJAIN - 456 010 (M.P.)

MOBILE - 9098935635

EMAIL - KNJCA@YAHOO.COM

AUDIT REPORT SIGNED BY

CA. KAMALNAYAN JAIN

(M.Com., LL.B., FCA)

S B C J & Associates
Chartered Accountants

Head Office :

LIG-212-B, E-7, Arera Colony,
Near Union Bank of India,
Bhopal - 462 026 (M.P.)



CA. Kamalnayan Jain
(M.Com. LL.B. FCA)

7/26, Pragati Nagar
Near Nanakheda Bus Stand
Ujjain - 456 010 (M.P.)
Mobile - 90989 35635
Email - knjca@yahoo.com

AUDITOR'S REPORT

NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)

Report on the Financial Statements

We have audited the accompanying financial statement of **NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)**, which comprises of the **Receipts and Payments Account** for the year ended on **31st March, 2020**. The above Institution do not keep its accounts on double entry system of accounting therefore, there are no Balance Sheet and Income & Expenditure Account. The Institution only prepares Receipts and Payments Account. The Institution follows Cash System of Accounting. The observations on the scope of audit work prescribed and other notes, comments and explanatory information etc. are attached herewith.


Management's Responsibility for the Financial Statements

The Institution's Management is responsible for the preparation of the Receipts and Payments Account that give a true and fair view of the Receipts and Payments in accordance with the Accounting Standards and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Receipts and Payments Account that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the above Receipts and Payments Account based on our audit. We conducted our audit in accordance with the standards on Auditing issued by


[Chief Municipal Officer]


[Accountant]



the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Receipts and Payments Account is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Receipts and Payments Account. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Receipts and Payments Account, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institution's preparation and fair presentation of the Receipts and Payments Account in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institution's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management as well as evaluating the overall presentation of the Receipts and Payments Account. we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. Test check methods have been applied in areas where ever the same has been considered appropriate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Receipts and Payments Account give a true and fair view, in conformity with the accounting principles generally accepted in India, read with significant accounting policies, of the Receipts and Payments of the Institution for the year ended on that date, subject to the following reasons:

(a) As per the last year's audit report and auditors comments therein, any records (i.e. Cash Book, Vouchers, Bank Reconciliation etc.) pertaining to PMAY Scheme were not maintained by the institution and therefore, Closing Balance of the PMAY Cash Book was appearing at Rs. NIL in the audited receipts and payments account. However, the institution has taken PMAY Bank Accounts (Specifically maintained for the PMAY Scheme as per the Govt. Guidelines) opening balances as the PMAY Cash Book opening balance for the current period in absence of non availability of opening balance as per cash book; and


[Chief Municipal Officer]

[Accountant]



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(b) Apart from the above, the most of the bank account balances as per cash book and as per bank statement are significantly unreconciled and due to that many significant items / amounts of receipts / payments might have been omitted to be included in the receipt and payment account. It is informed to us that the differences between bank balances as per bank statement and as per cash book includes various differences pertaining to the earlier many years, therefore, it is not possible to prepare bank reconciliation statements and to exactly reconcile the above differences instantly.

Date – 28^h August, 2020
Place – Ujjain (M.P.)



For S B C J & Associates
Chartered Accountants

A handwritten signature in blue ink, appearing to read 'Kamalnayan Jain', written over a horizontal line.

CA. Kamalnayan Jain
(Partner)

MRN. – 409833

FRN. – 007051C

UDIN - 20409833AAAABR1297

A handwritten signature in green ink, appearing to read 'A.P.', written over a horizontal line.

[Chief Municipal Officer]

A handwritten signature in blue ink, appearing to read 'K.S. Jain', written over a horizontal line.

[Accountant]

S B C J & Associates
Chartered Accountants



Head Office :
LIG-212-B, E-7, Arera Colony,
Near Union Bank of India,
Bhopal - 462 026 (M.P.)

CA. Kamalnayan Jain
(M.Com. LL.B. FCA)

7/26, Pragati Nagar
Near Nanakheda Bus Stand
Ujjain - 456 010 (M.P.)
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OBSERVATIONS ON THE SCOPE OF AUDIT WORK PRESECIED

NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

(1) AUDIT OF REVENUE :

(i) The Institution is following Cash System of Accounting for recording receipts. The receipts of revenue from all the sources on the above basis have been examined.

(ii) The revenue receipts have been checked from the counterfoils of receipts books. They are generally found to have been duly recorded in the Challans, Cashier's Cash Book and Accountant's Cash Book. Few instances where some discrepancies have been noticed are mentioned as under :

S. No.	Date	Amount (Rs.)	Observation
1.	07.06.2019	20,000/-	The receipt of Rs. 1,83,151/- has been wrongly recorded as Rs. 1,63,151/- in Accountant's cash book.
2.	08.08.2019	20/-	The total receipt amount of the day as recorded in cashier's cash book was stood at Rs. 1,39,476/- whereas the same has been recorded in Accountant's cash book at Rs. 1,39,496/-.
3.	28.08.2019	1,000/-	The total receipt amount of the day as recorded in cashier's cash book was stood at Rs. 2,86,587/- whereas the same has been recorded in Accountant's cash book at Rs. 2,87,587/-.


[Chief Municipal Officer]


[Accountant]



S B C J & Associates
Chartered Accountants

Head Office :
LIG-212-B, E-7, Arera Colony,
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CA. Kamalnayan Jain
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7/26, Pragati Nagar
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Mobile - 90989 35635
Email - knjca@yahoo.com

OBSERVATIONS ON THE SCOPE OF AUDIT WORK PRESECIBED

NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

(1) AUDIT OF REVENUE :

(i) The Institution is following Cash System of Accounting for recording receipts. The receipts of revenue from all the sources on the above basis have been examined.

(ii) The revenue receipts have been checked from the counterfoils of receipts books. They are generally found to have been duly recorded in the Challans, Cashier's Cash Book and Accountant's Cash Book. Few instances where some discrepancies have been noticed are mentioned as under :

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2.	08.08.2019	20/-	The total receipt amount of the day as recorded in cashier's cash book was stood at Rs. 1,39,476/- whereas the same has been recorded in Accountant's cash book at Rs. 1,39,496/-.
3.	28.08.2019	1,000/-	The total receipt amount of the day as recorded in cashier's cash book was stood at Rs. 2,86,587/- whereas the same has been recorded in Accountant's cash book at Rs. 2,87,587/-.


[Chief Municipal Officer]


[Accountant]



4.	18.09.2019	2,565/-	The amount of Rs. 2,565/- has been duly recorded in Cashier's cash book but the same has not been incorporated in Accountant's cash book. (Amount pertaining to the cashless transaction)
5.	25.09.2019	800/-	The total receipt amount of the day as recorded in cashier's cash book was stood at Rs. 1,14,534/- whereas the same has been recorded in Accountant's cash book at Rs. 1,15,334/-.
6.	03.10.2019	5,254/-	The amount of Rs. 5,254/- has been duly recorded in Cashier's cash book but the same has not been incorporated in Accountant's cash book. (Amount pertaining to the cashless transaction)
7.	01.11.2019	2,392/-	The amount of Rs. 2,392/- has been duly recorded in Cashier's cash book but the same has not been incorporated in Accountant's cash book. (Amount pertaining to the cashless transaction)
8.	14.01.2020	610/-	The amount of Rs. 610/- has been duly recorded in Cashier's cash book but the same has been recorded twice in Accountant's cash book. (Amount pertaining to the cashless transaction)
9.	28.01.2020	100/-	The total receipt amount of the day as recorded in cashier's cash book was stood at Rs. 58,541/- whereas the same has been recorded in Accountant's cash book at Rs. 58,441/-
10.	06.03.2019	6,000/-	The total receipt amount of the day as recorded in cashier's cash book was stood at Rs. 1,24,974/- whereas the same has been recorded in Accountant's cash book at Rs. 1,18,974/-.

Remark as to above defects :-

The above errors mentioned in S. No. 1. to 7. has already been rectified in the Cash Book and the same has been incorporated in Receipt & Payment Account, whereas errors mentioned in S. No. 8 to 10 are required to be rectified in the Cash Book, however, it has been informed to us that the effect of the above entries has been taken in the closing balances as mentioned in the Receipts and Payments Account.


[Chief Municipal Officer]


[Accountant]



(iii) The percentage of increase / decrease in revenue collection in various heads prescribed, as compared to the corresponding figures mentioned in the Receipts and Payments Account of the previous year i.e., of Financial Year 2018-19 are as under :

Head of Income	Recovery In Financial Year 2019-20 (Rs.)	Recovery In Financial Year 2018-19 (Rs.) (As per Chart of Audit Report of F.Y. 2018-19)	Increase / (-) Decrease (Rs.)	% of Increase / (-) Decrease
(1)	(2)	(3)	(4)	(5)
Property Tax (Sampatti Kar)	98,03,145/-	97,82,082/-	+ 21,063/-	+ 0.22 %
Samekit Kar	48,99,941/-	54,68,250/-	- 5,68,309/-	- 10.39 %
Shiksha Upkar	17,44,532/-	17,67,342/-	- 22,810/-	- 1.29 %
Jal Kar	85,01,881/-	91,36,804/-	- 6,34,923 /-	- 6.95 %
Nagariya Vikas Upkar	24,26,620/-	24,09,297/-	+ 17,323/-	+ 0.72 %

(iv) The revenue receipts are generally found to have been deposited in bank account in time. On some days there are delays in deposit of money in bank account but they are generally of not more than 2 days. For these minor delays the account officer has offered explanation that they are mostly due to bank holidays. It is informed to us that the challan for deposit of money in bank is internally checked by an independent person apart from a person who has received money and has issued receipt to the tax payer etc. However, on the basis of test check, in few cases, it is noticed that the challans have not been checked / not signed for checking by such independent person. It is suggested that the pre bank deposit checking of challan with counterfoils of receipts by an independent person should be invariably done in all cases.

(v) The entries in Cash book have been verified with respective vouchers, counterfoils of receipts, bank deposit slips etc. Few instances of errors, omissions, mistakes etc. came across during the course of audit are as under:-

Date	Amount	Description
06.06.2019	Rs. 3,09,60,000/-	Amount received for PMAY Grant is appearing in Axis Bank (A/c No. 6533) Statement but the same is not entered in cash book.
03.09.2019	Rs. 9,28,000/-	Amount entered in cash book but not found in any of the

[Chief Municipal Officer]

[Accountant]



		bank statement (related to opening balance difference)
03.09.2019	Rs. 4,53,035/-	Amount entered in cash book but not found in any of the bank statement (related to opening balance difference)
24.03.2020	Rs. 20,000/-	Amount entered in cash book but not found in any of the bank statement.

(vi) It is informed to us that the Municipality has not laid down any monthly or quarterly targets for revenue recovery. It has only yearly target (Budget) for the same. The comparative figures of revenue recovery against the yearly budgetary figures in respect of the some major heads of revenue are mentioned as under :

Head of Income	Yearly Target (Budgeted Amount) (Rs.)	Recovery In Financial Year 2019-20 (Rs.)	Over Target / (-) Shortfall (Rs.)	% of Over Target / (-) Shortfall
Property Tax (Sampatti Kar)	1,83,00,000/-	98,03,145/-	-84,96,855/-	(46.43 %)
Samekit Kar	65,00,000/-	48,99,941/-	-16,00,059/-	(24.62 %)
Shiksha Upkar	40,00,000/-	17,44,532/-	-22,55,468/-	(56.39 %)
Jal Kar	1,55,00,000/-	85,01,881/-	-69,98,119/-	(45.15 %)
Nagariya Vikas Upkar	40,00,000/-	24,26,620/-	-15,73,380/-	(39.33 %)

(vii) The municipality is following cash system of accounting, therefore, interest income is also recorded on receipt basis. The interest income on Fixed Deposits has been verified from their maturity amount / renewal amount as recorded on the Fixed Deposit Receipts wherever available / wherever relevant details have been mentioned on Fixed Deposit. The entire details have been given in the attached Annexure "A". In cases where the Fixed Deposits are renewed at an amount other than the maturity amount mentioned on Fixed Deposit Receipt, it is difficult to verify that whether the full interest has been granted by the bank or any deduction has been made from maturity amount by bank. In this regard it is suggested that every year the municipality should obtain the interest certificate from the bank in respect of each Fixed Deposit and verify the actual amount received on renewal.

Some of the important observations regarding FDRs are as follows :

- The municipality has maintained FDR Register but the same is not updated.

[Chief Municipal Officer]

[Accountant]



- Details of deductions (like TDS etc.) is not available.
- Interest Certificates have not been obtained from some banks, instead estimated interest on FDR has been accounted in cash book.
- Bank wise and FDR wise details of FDRs are not recorded in cash book, therefore, it is not possible to check principal amount and / or any adjustment made in the FDR amount.
- Renewal details of FDR are not available in some cases. The entire details have been given in the attached **Annexure "A"**.
- FDR account no. 674021002919 with Jila Sehkari Bank was renewed at Rs. 1,34,391/- instead of Rs. 1,84,787/-.

(viii) The entire details of Fixed Deposits alongwith the rate thereof and comments regarding lesser rate of interest (wherever appears to be so) have been given in the attached **Annexure "A"**.

(2) AUDIT OF EXPENDITURE :

- The Institution is following Cash System of Accounting. The expenses have been recorded on payment thereof. The audit has been done in respect of general expenditure and expenditure incurred under the schemes.
- The entries of expenditure made in the cash book have been verified from the relevant vouchers and supporting. Wherever quotations have not been obtained, a certificate has been appended by the concerned person that the payment has been made not in excess of the prevailing market rate. Some of the discrepancies which came across on test check are as under :

Date	Amount	Description
09.05.2019	Rs. 40,000/-	Amount entered in cash book but not found in any of the bank statement (related to opening balance difference)
30.05.2019	Rs. 50,40,000/-	Amount of PMAY is appearing in Axis Bank (A/c No. 6533) Statement but the same is not entered in cash book.
26.02.2020	Rs. 29,730/-	Amount entered in cash book as Rs. 29,730/- but the same was transferred in Khatoni as Rs. 27,083/-. However, correct effect of the same is taken in the Receipt & Payment Account by the institution.

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[Chief Municipal Officer]

[Signature]

[Accountant]



- (iii) The monthly balances of amounts laying in bank accounts as appearing in the cash book are almost not tallying with the balances as appearing in the respective bank statements. It is due to the reasons that (a) the municipality has no practice to prepare monthly bank reconciliation statements. (b) there are some mistakes in the cash book (some instances of which have been mentioned in this audit report at other respective places.). It is observed by us that the differences between the bank balances as per cash book and as per bank statements are there, from earlier many years. Therefore, the municipality is required to do the thorough efforts as a separate and distinct task to exactly reconcile the bank balances by considering the records of earlier years also. however, for the purpose of giving guidance bank reconciliation statements in respect of some banks have been prepared reconciling the differences to the extent information is available. The same are attached herewith at **Annexure "B-1" to Annexure "B-7"**. It is also observed by us that the number of bank accounts kept by the Municipality appears to be more than its reasonable requirements. Therefore, the number of bank accounts may be reduced to reasonable extent by considering the actual requirements of the municipality. This may be helpful in ensuring smooth, correct and timely accounting of bank entries in the cash book and in preparation of bank reconciliation statements.
- (iv) It is informed by the municipality that the expenditure has not been incurred in excess of the Grant received for that purpose. Further, the municipality has maintained the Grant Register but the same is not updated.
- (v) The expenditures incurred were generally in accordance with the guidelines, directives, acts and rules issued by the Government of India / State Government. No adverse cases of contravention of the same came across during the course of test check.
- (vi) The expenditures are found to be generally supported by the financial and administrative sanction of the competent authority limited to the administrative and financial limits of the sanctioning authority.
- (vii) Appropriate sanction of the competent authority has been obtained for incurring expenses. Expenditures without proper sanction were not come to our notice during the course of audit on test check basis.
- (viii) It is explained to us that the Utilization Certificates have not been issued by the Municipality in all the cases. The same have been issued by the Municipality only in the cases where they have been asked by the higher authorities. The Municipality does not keep and maintains its accounts on double entry system of accounting therefore, there is no Income and Expenditure Account and Balance Sheet. Further, Fixed Assets Register is not maintained by the municipality.
- (ix) It is informed to us that the Municipality is providing advance only to its employees. No temporary or other advance is given to the Contractors or any other persons. Further, the employee advances are duly recovered from the salary due for the next month.


[Chief Municipal Officer]


[Accountant]



(3) AUDIT OF BOOK KEEPING :

- (i) All the books of accounts i.e., Accountant's Cash Book, Cashier's Cash Book, Khata Khatoni, Grant Register and Fixed Deposit Register have been examined during the course of audit. Some of the records and registers maintained by the Municipality are not in proper format and also not updated.
- (ii) It is informed to us that the Municipality is required to maintain its accounting records as per Madhya Pradesh Municipal Accounting Manual (MPMAM) but presently the Municipality is not fully following the same.
- (iii) It is informed to us that the Municipality is providing advance only to its employees. No advance is given to the Contractors or to any other persons. The Municipality has kept register of advances to the employees but the same is not properly maintained.
- (iv) It is informed to us that the Municipality is providing advance only to its employees. No temporary or other advance is given to the Contractors or to any other persons. It is also informed to us that advances given to employees are recovered through deduction in monthly salary.
- (v) It is informed to us that the municipality has no practice to prepare bank reconciliation statements and it is not possible to prepare the exact reconciliation instantly as the balances are unreconciled / not exactly reconciled from last many earlier years. The preparation of exact reconciliation requires examination of records of many earlier years. In respect of some of bank accounts, the previous auditor had included bank reconciliation statement in his audit report but the same were on the indicative basis and for the purpose of providing guidance only. Therefore, looking to the prevailing circumstances, the municipality is required to do the thorough efforts as a separate and distinct task to reconcile the bank balances by considering the records of earlier years also. However, for the purpose of providing guidance, the reconciliation statements have been prepared and attached herewith in respect of some of the bank accounts. The differences have been reconciled to the extent of information available.
- (vi) The receipts and payments of grants as per grant register have been verified from the entries in the cash book. On verification, it is observed that grant register is not updated.
- (vii) It is informed to us that the fixed asset register is not maintained by institute. Therefore, it is not possible for us to comment on status of fixed assets.
- (viii) The receipts and payments for the grants / project funds have been included in the receipts and payments account and cash book of the institution. The details of the grants have also been mentioned in the grant register however the same is not updated.


[Chief Municipal Officer]


[Accountant]



(4) AUDIT OF FIXED DEPOSITS / TERM DEPOSITS WITH BANKS :

- (i) The municipality is maintaining register of Fixed Deposits with banks. The audit of fixed deposits has been done with the help of Fixed Deposit Receipts issued by banks and the Fixed Deposit Register (but the same is not in proper format) maintained by the Municipality. The details regarding fixed deposits made, their maturity, renewal, interest thereon, physical verification of Fixed Deposit Receipts etc. have been given in the attached **Annexure "A"**.
- (ii) It is observed during the course of audit that renewal of some of the fixed deposits / term deposits was not timely done by the municipality. The complete details regarding renewal of fixed deposits / term deposits have been given in the attached **Annexure "A"**.
- (iii) The details regarding rate of interest at which the each Fixed Deposit have been given in the attached **Annexure "A"**. It is suggested that since the Municipality makes big deposits therefore, every time when new Fixed Deposit is made / Old Fixed Deposits are renewed, it may issue request letters to the reputed banks to quote best possible higher interest rates. So that the Municipality may have good options available for earning higher interest rates. The option for auto renewal should be invariably opted (only as a precautionary measure, without prejudice to the above mentioned suggestion) so that in case when renewal could not be done timely, the Municipality may not suffer any interest loss.
- (iv) The Municipality is following cash basis of accounting. Therefore, the entries of interest received have been verified in the cash book on the above basis. Interest Certificates have not been obtained from some of the bank, instead estimated interest on FDR has been accounted in cash book.

Besides the above, Some of the important observations regarding FDRs / TDRs which came across to our notice during the course of audit are as follows :

- The municipality has maintained FDR Register but the same is not in proper format.
- Details of deductions (like TDS etc.) is not available.
- Interest Certificates have not been obtained from the bank, instead estimated interest on FDR has been accounted in cash book.
- Bank wise and FDR wise details of FDRs are not recorded in cash book, therefore, it is not possible to check principal amount and / or any adjustment made in the FDR amount.
- Renewal details of FDR are not available in some cases. The entire details have been given in the attached **Annexure "A"**.


[Chief Municipal Officer]


[Accountant]




- FDR account no. 674021002919 with Jila Sehkari Bank was renewed at Rs. 1,34,391/- instead of Rs. 1,84,787/-.

(5) AUDIT OF TENDERS / BIDS :

- (i) The tenders / bids invited by the Municipality have been audited on test check basis. It is noticed that no tender register has been kept and maintained by the Municipality, though it is informed to us that tender process is completely online as per govt. directives.
- (ii) It is observed during the test check the Municipality has generally followed competitive tendering procedures for the bids as prescribe by statutory authority.
- (iii) The Municipality has obtained tender fee / bid processing fee. No adverse case of non obtaining of the same came across on test check during the course of audit.
- (iv) It is informed to us that the Municipality has not obtained any bank guarantee during the F.Y. 2019-20.
- (v) Since no Bank Guarantee has been obtained during the F.Y. 2019-20, this clause is not applicable to the municipality.
- (vi) It is informed to us that this clause is not applicable to the municipality.
- (vii) The Municipality has maintained Nikshep i.e., Amanat Register for deposits obtained and returned to the outsiders. However, the municipality is not getting signatures of the outsiders on the back of the Deposit Receipts. It is suggested that signatures of the outsider should invariably be taken on the back of the document in interest of the Municipality.

(6) AUDIT OF GRANTS AND LOANS :

- (i) The audit has been done in respect of grants given by the Central Government. These grants are included in the receipts and payments account and cash book maintained by the institution. In this regard no adverse cases of non proper utilization have come across on test check during the course of audit.
- (ii) The audit has been done in respect of grants given by the State Government. These grants are included in the receipts and payments account and cash book maintained by the institution. In this regard no adverse cases of non proper utilization have come across on test check during the course of audit.


[Chief Municipal Officer]


[Accountant]



- (iii) It is informed to us that neither any loan has been provided for physical infrastructure nor any asset was created.
- (iv) No instances of diversion of funds from capital receipts / grants / loans to revenue expenditure and from one scheme to another came across during the course of audit.

OTHER OBSERVATIONS / NOTES / COMMENTS / INFORMATION :

- (i) The receipts and payments account has been prepared and attached herewith. It is pertinent to state here that the Municipality was not maintaining the PMAY record till last Financial Year i.e. F.Y. 2018-19, therefore, opening balance of PMAY for the current year is taken in the cash book at the same amount which is appearing in the bank statements as on 01.04.2019.
- (ii) The Municipality has maintained Nikshep i.e., Amanat Register for deposits obtained and returned to the outsiders. However, the municipality is not getting signatures of the outsiders on the back of the Deposit Receipts. It is suggested that signatures of the outsider should invariably be taken on the back of the document in interest of the Municipality.
- (iii) It is informed to us that demands have been raised by the Income Tax Department on the Municipality in respect of old TDS matters. Further, Service Tax cases were also under litigation at various stages for earlier year matters.
- (iv) The abstract sheet for reporting in audit paras is attached herewith.




[Chief Municipal Officer]


[Accountant]

NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)
Receipts & Payments Account (Page 1/3)
For the Period From 01st April, 2019 to 31st March, 2020

(Rounded Off to Rupees)

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
To Opening Balances:		By Payments During The Year :	
(As per last year's Audit Report) :		Samanya Prashashan Sthapana - Sthayi Karmi	7167306
Cash in Hand	0	Yatra Bhatta	61228
Bank Balances :		Printing, Stationery, Photocopy Etc.	1134421
State Bank Of India, City Branch	13676000	Computer, CCTV Maintenance Etc.	775099
State Bank Of India, Main Branch	3615179	Parishad Bhatta	887394
Bank Of India A/C 502	2304333	Rajasva Vibhag Sthapana - Sthayi Karmi	5697785
Central Bank	2622643	Karyaylin Asthayi Karmi Ka Vetan	176730
Uco Bank	6539353	Agnishaman (Fire) Sthapana - Sthayi Karmi	377840
Jila Sahakari Bank (Sanchit Nidhi)	2523169	Vidhyut Sthapana - Sthayi	435315
Fixed Deposits In Banks	93544195	Vidyt Samagri Material Purchase	1175295
HDFC Bank - 084	7400569	Vidyut Pravah Street Light	7867228
Bank Of India (Yojna) A/C 288	1276135	D P Shifting Aur Viduy Pole Vistarikaran	823925
Bank Of Baroda	969302	Vidyut Marammat Aur Anya Prakash Vyavastha	132425
Axis Bank	11919494	Vidhyut Asthayi Sthapana	615544
IDBI Bank	11626855	Jal Pradaya Sthapana - Sthayi Karmi	8917099
Bandhan Bank	12352569	Jal Pradaya Marammat And Sadharan	2409798
HDFC Bank SBM	6229189	Jal Pradaya Naye Karyo Ka Vyay	2008055
Bank Of Baroda (Amrit Yojna)	31187041	Samanya Prashashan Sthapana - Aisthayi Karmi	937014
P.M. Awas Yojna Bank Accounts (See Footnote 1)		Deduction from Chungi Kshatipurti	30261193
Axis Bank 6533 (PMAY)	125075031	Jal Vidyut Vyay	15169149
Narmada Jhabua Gramin Bank 0710 (PMAY)	57210172	Raw Water Alum / Bleaching Etc.	2948854
		Jal Praday Aisthayi Sthapana	6562496
		Swasthya Adhikari Sthapana - Sthayi Karmi	5013790
	390071229	Swasthya Adhikari Sthapana - Asithayi Karmi	7315697
		Vyaktigat Shochalaya	726920
	-1340115	Shochalaya Marammat	378243
Less: Difference in Opening Balances		Sadak Safai Sthapana - Sthayi Karmi	36443867
Opening Balances as per Cash book Rs. 175258871		Sadak Safai Sthapana - Asthayi Karmi	22221491
Opening Balances as per last year's Audit Report Rs. 176598986			
Total Opening Balance	388731114	JCB Rent	16815
		Safai Upkaran	4148764
To Receipts During The Year :		Vahan Marammat	3288963
Chungi Kshatipurti	152397217	Kitnashak Vyay	1172248
Sampatti Kar (Due Amount)	2009473	Indhan Diesel	7449718
Sampatti Kar (Current Year)	7793672	Udhyan Sthapana - Sthayi Karmi	4847307
Samekit Kar	4899941	Udhyan Sthapana - Asthayi Karmi	5790170
Shiksha Upkar	1744532	Udhyan Sandharan	275876
Nagriya Nikay Vikas Upkar	2426620	Vridhashram, Day Care Vyavastha	89202
Surcharge	629483	Vridhashram Muster Karmi Vetan	360842
Niryat Kar Kshatipurti	10448000	Lok Nirman Sthapana - Sthayi Karmi	4407933
Yatri Kar Kshatipurti	1753000	Lok Nirman Sthapana - Asthayi Karmi	401066
Vikas Shulk	3949644	Bhawan, Complex, Shop Nirman, Repair Etc.	103750
Pashu Panjiyan Fees	43635	Sadak Marammat	10685725
Bazar Baithak Fees	1211260	Sadako Ka Nirman	41772013
Dukan, Saray, Community Hall, Hotel etc. Rent	2482931	Marammat evam Navinikaran	3764912
Malba Pani	400	Nala Nali Nirman	6452528
Pashu Vadh Grih House Fees	43380	Vigyapatti, Vigyapan etc.	1033330
All Licence Fees	39882	Swagat Samaroh Rashtriya Parv, Moharram, Dasherah	921376
Namantaran Shulk	2632972	Mela, Khel Pratiyogita, Garba, Yog Diwas Etc.	3231022
Balance Carried Forward To Page 2	583237156	Balance Carried Forward To Page 2	268854761


(Chief Municipal Officer)


(Accountant)



NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)
Receipts & Payments Account (Page 2/3)
For the Period From 01st April, 2019 to 31st March, 2020

(Rounded Off to Rupees)

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
Balance Carried From Page 1	583237156	Balance Carried From Page 1	268854761
Vigyapti Shulk	376075	Legal Expense	801051
Bhawan Nirman Anumati Shulk	249503	Telephone, Internet Etc.	114922
Sadak Kshatipurti	1402720	Audit Fees	1076700
Bank Interest	7951068	Samagra Muster	238310
Vidhayak / Sansad Swacchata Anudan	1491000	Nikshep	16789219
Mudrank Shulk	2467000	Paribhashit Anshdan Pension Nikay Ansh	1065328
Sadak Anuksharan	6192000	Aaksmitaye	248510
14th Vitt Ayog	76283000	Vetanmaan par vyay	9939536
Rajya Vitt Ayog Anudan	13521000	Swachhta Mission	1527075
Mulbhoot Anudan	23498000	Thos Apshisht Kary Prabandhan	99120
Jalkar	8501881	Karmchari Vardi, Uni Vastra, Raincoat	73802
Pani Tanker se aay	68300	Kanji House vyavastha	1344
Road Roller, Bus, JCB, Fire Brigade etc.	337975	Community Hall, Sanskratik Bhawan Nirman	2471161
Jal - Vividh Praptiyan	381535	Swagat Dwar	1600130
Sarvajanik Pradarshani / Shivratri Mela	2562515	Vachanalay	16409
Mudranalaya Praptra Shulk	203824	Vachanalay / Bhandar Sthapana - Asthayi Karmi	1010199
Miscellaneous Receipts	3519189	Tehsildar Nagda Se Prapt Rashi Ke Viruddh Vyay	7000
Agrim Vasuli	3121792	Vividh Nagar Uday Abhiyan	190315
Nikshep Amanat Prapti	35760781	Vidhayak / Sansad Swecchanudan	1136000
Atikraman Shulk	1450	Agrim Dey	3025000
Dukan Nilami Rashi	2922220	TDS Katotra Jama	7234941
Namantaran Aavedan Shulk	859367	EPF Challan	11971256
Aavedan Shulk	63338	Anya Nirman	7400347
Pratilipi Shulk	278	Miscellaneous Expenses	11948805
Kachara Sangrahan Shulk	3293725	Rising pipeline Expenses	8896531
E.P.F. Receipts	5746646	PM Awas Yojna Vyay	186990000
CGST	211695	Amrit Yojna Expenses	16866672
SGST	211695		
Amrit Yojna Receipts	2668596	To Closing Balances :	
Shochalaya Rashi	68000	Cash in Hand	0
Entertainment Tax	614	Bank Balances :	
Vishesh Nidhi	7500000	State Bank Of India, City Branch	26287693
Anya Anudan	6692982	State Bank Of India, Main Branch	7295691
PM Awas Yojna Receipts	62016812	Bank Of India - 502	3479007
Prize, Award, Samman etc. Receipts	1589000	Central Bank	2662848
		Uco Bank	8053356
		Jila Sahakari Bank (Sanchit Nidhi)	10256996
		Fixed Deposits With Banks	96601999
		HDFC Bank - 084	27986563
		Bank Of India (Yojna) - 288	1322080
		Bank Of Baroda	969302
		Axis Bank	14952687
		IDBI Bank	10608677
		Bandhan Bank	6218885
		HDFC Bank SBM 2059	6493113
		HDFC Bank New SB 9444	5888412
Balance Carried Forward To Page 3	864972732	Balance Carried Forward To Page 3	790671753


(Chief Municipal Officer)


(Accountant)



NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)
Receipts & Payments Account (Page 3/3)
For the Period From 01st April, 2019 to 31st March, 2020

(Rounded Off to Rupees)

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
Balance Carried From Page 2	864972732	Balance Carried From Page 2	790671753
		Bank Of Baroda 3986 (Amrit Yojna)	16988965
		Axis Bank 6533 (PMAY)	41351843
		Narmada Jhabua Gramin Bank 0710 (PMAY)	15960171
Grand Total Rs.	864972732	Grand Total Rs.	864972732

Footnote - 1

As per the last year's audit report and auditors comments therein, any records (i.e. Cash Book, Vouchers, Bank Reconciliation etc.) pertaining to PMAY Scheme were not maintained by the institution and therefore, Closing Balance of the PMAY Cash Book was appearing at Rs. NIL in the audited receipts and payments account. However, the institution has taken PMAY Bank Accounts (Specifically maintained for the PMAY Scheme as per the Govt. Guidelines) opening balances as the PMAY Cash Book opening balance for the current period in absence of non availability of opening balance as per cash book.

These financial statements have been prepared by us. We certify the correctness of the above particulars.

As Per Our Report Of Even Date Attached

(Chief Municipal Officer)


(Accountant)

Date - 28th August, 2020
Place - Ujjain (M.P.)



For S B C J & Associates
Chartered Accountants


CA. Kamalnayan Jain
Partner
MRN. 409833
FRN. 007051C

UDIN - 20409833AAAABR1297


(Chief Municipal Officer)


(Accountant)

NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)

Annexure "A" (Forming Part of Statement Of Observations On The Scope Of Audit Work Prescribed)
Details Of Fixed Deposits / Term Deposits Made With Banks

Name Of Bank	Account No.	Date Of FDR / Renewal	Date Of Maturity	Interest Rate	Principal / Renewed Amount	Maturity Amount	Renewal Due Date	Physical Verification of FDR
AXIS BANK	918040034819681	21.09.2019	22.02.2021	6.80%	3306751	3639770	22.02.2021	Verified
AXIS BANK	918040034817012	21.09.2019	22.02.2021	6.80%	3306751	3639770	22.02.2021	Verified
AXIS BANK	918040034814204	21.09.2019	22.02.2021	6.80%	3306751	3639770	22.02.2021	Verified
AXIS BANK	918040089716087	01.10.2019	08.10.2020	6.60%	12937746	13830488	08.10.2020	Verified
AU SMALL BANK	1831231910710381/1	19.06.2018	20.06.2019	7.75%	6000000	6480064	N.A.	Verified
AU SMALL BANK	1831231911231645/1	27.12.2018	28.06.2020	8.50%	6000000	6808412	N.A.	Verified
IDBI BANK	1815105000000374	09/01/2020	10/07/2020	5.75%	3907455	4021235	10/07/2020	Verified
IDBI BANK	1815107000001243	05/01/2019	09/01/2022	7.20%	9900000	12273010	09/01/2022	Verified
HDFC Bank	50300062808730	15.11.2018	INA	INA	2731882	INA	INA	Verified
HDFC Bank	24494470000316	17.07.2015	02.08.2016	8.20%	3303472	3596008	02.08.2016	Verified
Narmada Jhabua	042640160001962	31.12.2016	10.05.2020	INA	829496	1028595	10.05.2020	Verified
Jila Sahakari Bank	674021002919	22.11.2018	27.03.2020	INA	134391	134391	27.03.2020	Verified
Jila Sahakari Bank	174001068549	06.07.2019	06.07.2020	7.50%	31933887	34397135	06.07.2020	Verified
Central Bank	3329018233	17.09.2019	17.09.2020	6.55%	4348090	4639962	17.09.2020	Verified
Central Bank	1926420813	09.10.2019	09.10.2020	6.55%	3002156	3203680	09.10.2020	Verified

N.A. REFERES FOR NOT APPLICABLE

INA REFERES FOR INFORMATION NOT AVAILABLE

The above statements has been prepared by us. We certify the correctness of the above particulars.


(Chief Municipal Officer)


(Accountant)



NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)
Annexure "B-1" (Forming Part of Statement Of Observations On The Scope Of Audit Work Prescribed)

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - CENTRAL BANK OF INDIA
ACCOUNT NO. - 1926414378
PERIODICITY - 01.04.2019 TO 31.03.2020

PARTICULARS	AMOUNT						
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2020	2662848						
LESS : OPENING BALANCE DIFFERENCE AS PER CASH BOOK AND BANK STATEMENT	(1492015)						
<table border="1" style="width: 100%;"><tr><td>OPENING BALANCE AS PER BANK STATEMENT</td><td style="text-align: right;">1130628</td></tr><tr><td>OPENING BALANCE AS PER CASH BOOK</td><td style="text-align: right;">2622643</td></tr><tr><td>DIFFERENCE</td><td style="text-align: right;">(1492015)</td></tr></table>	OPENING BALANCE AS PER BANK STATEMENT	1130628	OPENING BALANCE AS PER CASH BOOK	2622643	DIFFERENCE	(1492015)	
OPENING BALANCE AS PER BANK STATEMENT	1130628						
OPENING BALANCE AS PER CASH BOOK	2622643						
DIFFERENCE	(1492015)						
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2020	1170833						

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NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)
Annexure "B-2" (Forming Part of Statement Of Observations On The Scope Of Audit Work Prescribed)

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - NARMADA JAHUBA GRAMIN BANK
ACCOUNT NO. - 42610200000710
PERIODICITY - 01.04.2019 TO 31.03.2020

PARTICULARS	AMOUNT
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2020	15960171
ADD / LESS : ADJUSTMENT ENTRIES	0
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2020	15960171

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NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)
Annexure "B-3" (Forming Part of Statement Of Observations On The Scope Of Audit Work Prescribed)

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - BANK OF INDIA
ACCOUNT NO. - 912210210000288
PERIODICITY - 01.04.2019 TO 31.03.2020

PARTICULARS	AMOUNT						
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2020	1322080						
ADD : OPENING BALANCE DIFFERENCE AS PER CASH BOOK AND BANK STATEMENT	2						
<table border="1"><tr><td>OPENING BALANCE AS PER BANK STATEMENT</td><td>1276137</td></tr><tr><td>OPENING BALANCE AS PER CASH BOOK</td><td>1276135</td></tr><tr><td>DIFFERENCE</td><td>2</td></tr></table>	OPENING BALANCE AS PER BANK STATEMENT	1276137	OPENING BALANCE AS PER CASH BOOK	1276135	DIFFERENCE	2	
OPENING BALANCE AS PER BANK STATEMENT	1276137						
OPENING BALANCE AS PER CASH BOOK	1276135						
DIFFERENCE	2						
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2020	1322082						

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NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)
Annexure "B-4" (Forming Part of Statement Of Observations On The Scope Of Audit Work Prescribed)

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - BANDHAN BANK
ACCOUNT NO. - 50170001876547
PERIODICITY - 01.04.2019 TO 31.03.2020

PARTICULARS	AMOUNT
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2020	6218885
ADD / LESS : ADJUSTMENT ENTRIES	0
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2020	6218885

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NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)
Annexure "B-5" (Forming Part of Statement Of Observations On The Scope Of Audit Work Prescribed)

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - BANK OF BARODA (AMRIT YOJNA)
ACCOUNT NO. - 44500100003986
PERIODICITY - 01.04.2019 TO 31.03.2020

PARTICULARS		AMOUNT
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2020		16988965
ADD : AMOUNT CREDITED IN BANK ACCOUNT BUT NOT ENTERED IN CASH BOOK		655924
DATE	PARTICULARS	AMOUNT
10/08/2019	BANK INTEREST	280411
13/11/2019	BANK INTEREST	216429
12/02/2020	BANK INTEREST	159084
	TOTAL	655924
LESS : AMOUNT DEBITED IN BANK ACCOUNT BUT NOT ENTERED IN CASH BOOK		(270000)
DATE	PARTICULARS	AMOUNT
08/08/2019	PAYMENT TO VASTUSHILPI PROJECTS	270000
	TOTAL	270000
ADD : AMOUNT CREDITED IN CASH BOOK BUT NOT ENTERED IN BANK ACCOUNT		300000
DATE	PARTICULARS	AMOUNT
08/08/2019	PAYMENT TO VASTUSHILPI PROJECTS	300000
	TOTAL	300000
LESS : AMOUNT DEBITED IN CASH BOOK BUT NOT ENTERED IN BANK ACCOUNT		(3000)
DATE	PARTICULARS	AMOUNT
08/08/2019	ADJUSTMENT ENTRY OF TDS	3000
	TOTAL	3000
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2020		17671889

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NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)
Annexure "B-7" (Forming Part of Statement Of Observations On The Scope Of Audit Work Prescribed)

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - * HDFC BANK (NEW)
ACCOUNT NO. - 50100330829444
PERIODICITY - 01.04.2019 TO 31.03.2020

PARTICULARS		AMOUNT									
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2020		5888412									
LESS : AMOUNT DEBITED IN CASH BOOK BUT NOT ENTERED IN BANK ACCOUNT		-760									
<table border="1"><thead><tr><th>DATE</th><th>PARTICULARS</th><th>AMOUNT</th></tr></thead><tbody><tr><td>12/12/2019</td><td>AMOUNT OF OTHER BANK A/C WRONGLY ENTERED</td><td>760</td></tr><tr><td></td><td>TOTAL</td><td>760</td></tr></tbody></table>		DATE	PARTICULARS	AMOUNT	12/12/2019	AMOUNT OF OTHER BANK A/C WRONGLY ENTERED	760		TOTAL	760	
DATE	PARTICULARS	AMOUNT									
12/12/2019	AMOUNT OF OTHER BANK A/C WRONGLY ENTERED	760									
	TOTAL	760									
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2020		5887652									

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[Signature]



S B C J & Associates
Chartered Accountants

Head Office :
LIG-212-B, E-7, Aera Colony,
Near Union Bank of India,
Bhopal - 462 026 (M.P.)



CA. Kamalnayan Jain
(M.Com. LL.B. FCA)

7/26, Pragati Nagar
Near Nanakheda Bus Stand
Ujjain - 456 010 (M.P.)
Mobile - 90989 35635
Email - knjca@yahoo.com

REVISED ABSTRACT SHEET FOR REPORTING ON AUDIT PARAS FOR FINANCIAL YEAR 2019-20

NAME OF ULB : NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)
NAME OF AUDITOR : S B C J & ASSOCIATES, CHARTERED ACCOUNTANTS

S. No.	Parameters	Description			Observation in Brief	Suggestions
		Recovery In Financial Year 2018-19 (Rs.)	Recovery In Financial Year 2019-20 (Rs.)	% Of Growth		
01	AUDIT OF REVENUE					
	<u>Rajswa Kar Vasuli</u>					
	Property Tax (Sampatti Kar)	97,82,082/-	98,03,145/-	+ 0.22 %	There is no significant change in comparison with earlier year.	Attempt should be made to increase the revenue collection.
	Samekit Kar	54,68,250/-	48,99,941/-	- 10.39 %	However, it is less than current year's target. There are no monthly / quarterly target for revenue collection.	Apart from yearly targets, monthly / quarterly targets should also be made for revenue collection.
	Shiksha Upkar	17,67,342/-	17,44,532/-	- 1.29 %		
	Nagariya Vikas Upkar	24,09,297/-	24,26,620/-	+ 0.72 %		
	Total Rs.	1,94,26,971/-	1,88,74,238/-	-2.85 %		

[Chief Municipal Officer]

[Accountant]



<u>Gair Rajaswa Vasuli</u>						
Bhawan Bhumi Kiraya	27,27,911/-	24,82,931/-	- 8.98 %	% has increased in comparison with earlier year. However, it is less than current year's target.	Attempt should be made to increase the revenue collection.	
Jal Upbhokta Prabhar	91,36,804/-	85,01,881/-	- 6.95 %		Apart from yearly targets, monthly / quarterly targets should also be made for revenue collection.	
Thos Apsisht Prabandhan	0.00	0.00	0.00 %			
Other Tax, Fees etc.	1,26,69,870/-	1,64,88,820/-	+ 30.14%	There are no monthly / quarterly target for revenue collection.		
Total Rs.	2,45,34,585/-	2,74,73,632/-	+ 11.98%			
Grand Total Rs.	4,39,61,556/-	4,63,47,870/-	+ 5.43%			

AUDITOR'S COMMENTS / OBSERVATIONS / SUGGESTIONS ON REVISED ABSTRACT SHEET PARAMETERS

S. No.	Parameters	Description	Observation in Brief	Suggestions
01	Audit of Revenue	<p>Checking of revenue receipts</p> <p>Checking of % increase / decrease in revenue collection as compared to previous year.</p> <p>Checking of Delay in bank deposit</p> <p>Verification of cash book entries.</p> <p>Checking of Recovery against revenue targets</p> <p>Verification of interest on fixed deposits and timely accounting.</p> <p>Checking for Instances of lesser rates of fixed deposit interest</p>	<p>Mistakes found in cash book entries (details in report).</p> <p>Deficiency in internal control found (details in report).</p> <p>Decrease in collection of major items as compared to previous year and also the collection is less than current year's target (details in report).</p> <p>Deficiency found regarding recording of bank interest (details in report).</p> <p>Lesser interest rate fixed deposit found (details in report).</p>	<p>Entries in cash book (specially for bank transactions) should be made carefully and timely.</p> <p>Internal control should be strengthened i.e., before deposit of receipts in bank, the challan should be invariably checked by an independent person from counterfoils of receipts.</p> <p>Efforts should be made to achieve revenue targets.</p> <p>Efforts required to achieve better FD rate of interest</p> <p>Bank interest entries should be regularly made in cash book.</p>
02	Audit of Expenditure	Checking of expenses in cash book from	Few instances found for non	Bank reconciliation statements should

[Chief Municipal Officer]

[Accountant]



		<p>vouchers</p> <p>Checking of monthly balances</p> <p>Checking for Administrative powers for expenditure, proper sanction</p> <p>Checking of utilization certificates.</p> <p>Checking of temporary advances.</p>	<p>proper scrutiny of quotations / invoices.</p> <p>Cash book balances (in bank) contains unreconciled differences from earlier years also (details in report).</p> <p>Utilization certificates not prepared in all cases (details in report).</p>	<p>be got prepared for reconciling differences pending from earlier years also.</p> <p>Quotations should be carefully scrutinized before accepting the same. Sanctioning norms should be carefully followed.</p> <p>Utilization certificates should be prepared invariably in all cases.</p>
03	Audit of Book Keeping	<p>Checking of system of accounting</p> <p>Checking of books of account, advance registers, bank reconciliation, grant register, fixed asset register etc.</p>	<p>Single entry system of accounting is followed by the institution.</p> <p>Double entry system is not followed. Balance Sheet and Income Expenditure Account is not prepared.</p> <p>Manual books of account are kept. Computerized books of account are not kept. Due to that there are various totaling and posting (Khatoni) errors (details in report).</p> <p>Differences are there between bank balances and cash book balances (details in report).</p> <p>Differences are there between Accountant cash book and Khata Khatoni book (details in report).</p> <p>Advance register was not</p>	<p>Double entry system should be followed. Balance Sheet and Income Expenditure Account should be prepared.</p> <p>Computerized books of account should be maintained through appropriate software to avoid totaling and posting (Khatoni) mistakes.</p> <p>Bank reconciliation should be prepared regularly and timely and also in respect of all bank accounts and also differences carried from earlier years should also be reconciled.</p> <p>Till full computerization is made, Khatoni entries and totaling should be carefully made and differences should be regularly reconciled.</p> <p>Advance register should be regularly updated.</p>

[Chief Municipal Officer]

[Accountant]



			completed (details in report). Fixed asset register was not maintained for the year (details in report). Large number of bank accounts may be in excess of real requirement (details in report).	Fixed asset register should be completed regularly. Number of bank accounts should be kept at minimum as per real requirement for better controlling. Books of Accounts should be maintained as per MPMAM.
04	Audit of FDR / TDR	Checking of appropriateness of rate of interest Verification of fixed deposit receipts Checking of timely renewals Checking of interest entries etc.	Instance of lesser rate of interest found (details in report). Instance of non timely renewal found (details in report). Unexplained deduction by banks from maturity amount found (details in report). Non timely recording of interest in cash book found (details in report).	Attempt should be made to earn best rates of interest. Timely renewal of fixed deposit should be made. Regular and timely entry of interest should be done in cash book. Deductions made by banks should be asked and refunds should be obtained. Renewed fixed deposit receipts should be obtained invariably from banks.
05	Audit of Tenders / Bids	Checking of competitive procedures in tenders / bids Checking for tender fees Checking of bank guarantees etc.	Competitive Tender process is followed (details in report). Online Tendering process is followed. Tender register not maintained (details in report).	Bank guarantee expiry / renewal etc. matters should be carefully dealt with. On expiry it should be got renewed within time. Tender register should be maintained.
06	Audit of Grants & Loans	Checking of grants , its utilization and diversion of grants for other purposes	No such instances of excess expenditure than grant observed (details in report). Utilization certificate not	Utilization certificates should be invariably prepared in all cases. Grant received should be tallied with the grant issued / sanctioned.

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		prepared in all cases (details in report). Grant register is not updated.	Entries should be made for deductions if any. Grant register should be maintained in proper format and it should be updated regularly.
07	Incidence relating to diversion of funds from Capital receipts / Grants / Loans to Revenue Nature Expenditure and from one scheme / project to another.	Incidence relating to diversion of funds	No incidence came across during audit. Utilization certificates should be invariably prepared for all cases.
08 (a)	Percentage of Revenue Expenditure (Establishment, Salary, Operation & Maintenance) with respect to Revenue Receipts (Tax and non-tax)	The municipality is not maintaining its accounts on double entry system. Therefore, in respect of various items, exact classification as to its treatment as revenue expenditure / capital expenditure is not clarified. Therefore, in the present circumstances, calculation of this percentage is not practicable.	The municipality is not maintaining its accounts on double entry system. Therefore, in respect of various items, exact classification as to its treatment as revenue expenditure / capital expenditure is not clarified. Therefore, in the present circumstances, calculation of this percentage is not practicable. The municipality should keep its books of accounts on double entry system. The municipality should also follow the detailed guidelines mentioned in MPMAM for keeping its books of accounts.
08 (b)	Percentage of Capital Expenditure with respect to Total Expenditure.	The municipality is not maintaining its accounts on double entry system. Therefore, in respect of various items, exact classification as to its treatment as	The municipality is not maintaining its accounts on double entry system. Therefore, in respect of various items, exact classification as to its treatment as

[Chief Municipal Officer]

[Accountant]



		<p>revenue expenditure / capital expenditure is not clarified. Therefore, in the present circumstances, calculation of this percentage is not practicable.</p>	<p>classification as to its treatment as revenue expenditure / capital expenditure is not clarified. Therefore, in the present circumstances, calculation of this percentage is not practicable.</p>	<p>MPMAM for keeping its books of accounts.</p>
09	<p>Whether all the temporary advances have been fully recovered or not.</p>	<p>Checking of terms and conditions of temporary advances. Checking of advance register. Checking of recovery installments. Checking of interest income (if any) on temporary advance given.</p>	<p>The Municipality is providing advance only to its employees. No advance is given to the Contractors or other persons. The Municipality has kept register of advances to the employees but the same is not properly maintained. Temporary advances are recovered through deduction in monthly salary. Interest is not charged / recovered from the employees on temporary advance given.</p>	<p>The eligibility criteria for advance to employees should invariably be scrutinized thoroughly in each case before sanctioning of advance. The terms and conditions of advance should not be detrimental to the interest of the municipality. The municipality should maintain the advance register in proper format. The advance register should be regularly updated. Interest should be charged on advance given to employees.</p>
10	<p>Whether the Bank Reconciliation Statements are being regularly prepared.</p>	<p>Checking of Bank statements with cash book. Checking of Bank Reconciliation Statement.</p>	<p>Differences are there between bank balances and cash book balances (details in report). The municipality has no practice to prepare bank reconciliation statements. Bank balances are unreconciled from last many earlier years.</p>	<p>Bank reconciliation should be prepared regularly and timely and also in respect of all bank accounts. Differences carried from earlier years should also be reconciled. The number of bank accounts should be reduced to reasonable extent by considering the actual requirements of</p>


 [Chief Municipal Officer]


 [Accountant]



			the municipality. This may be helpful in ensuring smooth, correct and timely accounting of bank entries in the cash book and in preparation of bank reconciliation statements.
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For S B C J & Associates
Chartered Accountants



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CA. Kamalnayan Jain
(Partner)
MRN. - 409833
FRN. - 007051C
UDIN *20409833AAAAABR1297

Date - 28th August, 2020
Place - Ujjain (M.P.)

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[Chief Municipal Officer]

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[Accountant]