

कार्यालय नगरपालिका परिषद् नागदा, जिला उज्जैन, पिनकोड -456335

दूरभाष क्रमांक : 07366 - 238036, फेक्स - 07366-238151, ई मेल - [emonagda@mpurban.gov.in](mailto:emonagda@mpurban.gov.in)

क्रमांक : लेखा/सी.ए.ऑडिट /2022/ 735

नागदा, दिनांक : 03/02/2022



प्रति,

संयुक्त संचालक,  
नगरीय प्रशासन एवं विकास  
उज्जैन संभाग उज्जैन

विषय : नगरीय निकायों की वित्त वर्ष 2020 -21 की ऑडिट रिपोर्ट प्रस्तुत करने बाबत।

—00—

उपरोक्त विषयातंगत संदर्भित पत्र में वित्तीय वर्ष 2020 -21 के लेखाओं के सी0ए0 ऑडिट कार्य PUROHIT & JOSHI चार्टर्ड एकाउन्टेन्ट/ फर्म, 28 पटवा बाखल पटनी बाजार, उज्जैन द्वारा पूर्ण कर दिनांक 31/01/2022 को कार्यालय नगर पालिका परिषद् नागदा को प्राप्त हुई है उक्त रिपोर्ट मय हस्तक्षर के पत्र के संलग्न श्रीमान् की ओर प्रेषित है।

संलग्न :- सी0ए0 ऑडिट रिपोर्ट वित्तीय वर्ष 2020 -21

मुख्य नगर पालिका अधिकारी  
नगर पालिका परिषद्, नागदा

नागदा, दिनांक : 03/02/2022

पृष्ठां : क्रमांक लेखा/सी.ए.ऑडिट /2022/ 736

प्रतिलिपि :-

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

मुख्य नगर पालिका अधिकारी  
नगर पालिका परिषद्, नागदा

Acms  
31/03/22



## AUDIT REPORT

OF

**NAGAR PALIKA PARISHAD, NAGDA**

DISTRICT UJJAIN (M.P)

FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2021

FINANCIAL YEAR: 01.04.2020 TO 31.03.2021

### AUDITORS

**PUROHIT & JOSHI**

CHARTERED ACCOUNTANTS

305 & 307, ROYAL DIAMOND, 3, Y.N. ROAD,  
OPP. STATE BANK OF INDIA INDORE (M.P) 452001

M.NO: 9826054421

EMAIL: [purohit.joshi@gmail.com](mailto:purohit.joshi@gmail.com)

[Ca.purohitsaurabh@gmail.com](mailto:Ca.purohitsaurabh@gmail.com)

### AUDIT REPORT SIGNED BY

CA. SAURABH PUROHIT

(B.Com, FCA)

**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 31<sup>st</sup> March, 2021. 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 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

Chief Municipal Officer

**Purohit & Joshi**

Chartered Accountants



305 & 307, Royal Diamond, ERM Road, Indore 452001 (MP) +91.731.2534421, 2434421, 4044612  
 email : ca.purohitsaurabh@gmail.com, purohit.joshi@gmail.com



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) Most of the bank account opening 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. In Financial year 2020-21 Bank balances are not brought forward each day in cash book in both manual and computerized system.

(b) As per our observation, SAP software is used by the Nagar palika parishad since last 2 years and they haven't got proper training to use the software because of which they are not able to operate it effectively. During the course of audit it was found that, there were many receipts of a day which was not accounted for in cash book of software for particular days, on discussing it was informed that the day has not been closed on the software. Cash receipts during the day are accounted for in Cashier Cash book and can be seen in Software. The Nagar palika parishad is not able to reconcile the online receipts with their bank statement as the amount is transferred after 2 to 3 days for a day or collectively for days. During the course of audit it was found that the revenue receipts of a head on several occasions were found to be part of other head due to which total revenue from a particular head is not reliable.

For PUROHIT & JOSHI  
Chartered Accountants

FRN : 009276C

UDIN : 22077592AAAACL8707




Saurabh Purohit  
(Partner)

M. No. :077592

Place: Indore

Date: 22-01-2022

  
मुख्य नगर पालिका अधिकारी  
नगर पालिका परिषद, नागदा  
Chief Municipal Officer,

Accountant

**OBSERVATIONS ON THE SCOPE OF AUDIT WORK PRESCRIBED  
NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)  
FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2021**

**(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 on test check basis. The receipts are generated from software. They are generally found to have been duly recorded in the challans, Cashier's Cash Book and Accountant's Cash Book (software). Few instances where some discrepancies have been noticed are mentioned as under:

S. No.	Date	Amount	Observation
1	15.05.2020	2400/-	The receipt of Miscellaneous Income as per cashier cash book Rs. 4100 and as per SAP cash book Rs.2400/-
2	05.06.2020	139405/-	The receipt of water tax as per cashier cash book Rs. 147455 and as per SAP cash book Rs.139405/-
3	05.06.2020	0/-	The receipt of Application form as per cashier cash book Rs. 200 and as per SAP cash book nil.
4	06.06.2020	104977/-	<b>Receipts as per Cashier cash book:</b> 1) Water Tax: 125875/- 2) Bazar Bethak: 1860/- 3) Pani Shulk: 1300/- <b>Receipts as per SAP cash book:</b> 1) Water Tax: 103417/- 2) Bazar Bethak: 1560/- 3) Pani Shulk : Nil
5	19.01.2021	189634/-	Receipts in cash book Rs. 212748 Receipts in SAP cash book Rs. 189634/- Samekit Kar head missing in SAP cash book
6	15.02.2021	0/-	Receipts of 15.02.2021 were not recorded on SAP and were recorded in Cashier Cash book Rs. 17000/-
7	17.02.2021	0/-	Receipts of 17.02.2021 were not recorded on SAP and were recorded in Cashier Cash book Rs. 32359/-

  
मुख्य नगर पालिका अधिकारी  
नगर पालिका परिषद, नागडा  
Chief Municipal Officer



**Purohit & Joshi**  
Chartered Accountants

305 & 307, Royal Diamond, 3, YN Road, Indore 452001 (MP) +91.731.2534421, 2434421, 4044612  
email: ca.purohitsaurabh@gmail.com, purohit.joshi@gmail.com



**Remark as to above defects :**

The above errors mentioned in S. No. 1 to 7 are due to day closing errors and different head considered to record the receipts of the day and online receipts not considered in Cashiers Cash book. The errors were rectified and days were closed in SAP and it has been informed to us that the effect of the above entries has been taken in the closing balances as mentioned in Receipts and Payments Account

- 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 2020-21 are as under:

Head of Income	Recovery in Financial year 2020-21(Rs.)	Recovery in Financial Year 2019-20 (Rs.)(As per chart of Audit Report of F.Y. 2019-20)	Increase / (-) Decrease (Rs.)	% of Increase / (-) Decrease
Property Tax (Sampatti Kar)	9584735	9803145	(218410)	(2.2%)
Samekit Kar	3609162	4899941	(1290779)	(26.3%)
Shiksha Upkar	1586188	1744532	(158344)	(9.1%)
Jal Kar	8690958	8501881	189077	2.2%
Nagariya Vikas Upkar	2262330	2426620	(164290)	(6.8%)

- iv. The revenue receipts are 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.

  
मुख्य नगरपालिका अधिकारी  
Chief Municipal Officer, नारादा



- vi. It is informed to us that the Nagar palika parishad 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 2020-21 (Rs.)	Over Target / (-) Shortfall (Rs.)	% of Over Target / (-) Shortfall
Property Tax (Sampatti Kar)	18300000	9584735	(8715265)	(47.62 %)
Samekit Kar	6500000	3609162	(2890838)	(44.47 %)
Shiksha Upkar	4000000	1586188	(2413812)	(60.35 %)
Jal Kar	25500000	8690958	(16809042)	(65.92%)
Nagariya Vikas Upkar	4200000	2262330	(1937670)	(46.14%)

However there is some following discrepancy found related to revenue recovery against monthly and annual target:-

Nagar Palika Parishad Nagda have an agreement with Grasim industry related to maintenance of industrial area in which Nagar Palika is having a right to collect maintenance charges every year from Grasim Industry but Nagar Palika didn't collect charges from past 3 years which amounted to Rs. 3,05,94,260/-. Out of which 3 installments are paid as per the proposed agreement and 2 installments are due to be paid.

- vii. The Nagar palika parishad 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 Nagar palika parishad should obtain the interest certificate from the bank in respect of each Fixed Deposit and verify the actual amount received on renewal.

  
मुख्य नगर पालिका अधिकारी  
Chief Municipal Officer  
नगर पालिका परिषद, नागडा



Some of the important observations regarding FDRs are as follows:

- The Nagar palika parishad has maintained FDR Register but the same is not in proper format and some details are missing.
  - 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".
- viii. The entire details of Fixed Deposits along with 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
22/07/2020	209830/-	GST has been charged by Vendor Surana Sales in 3 Sales bills and GSTIN is Cancelled from March 2019 payment voucher No.198,200,201
13/10/2020	1,09,160/-	The Invoices pertains to service received from Agrawal Flex for Mahashivratri Mela in 2016 however new Bill was issued by them on 18/08/2020 for Amount Rs. 1,09,160/- including GST. Voucher No. 475 &476.
09/10/2020	6,42,624/-	Payment made to Arihant Tent House for making police camps in containment areas Amount paid Rs. 6,42,624/- Invoices issued 15 No GST No. is there of the supplier and SD GST is not deducted (Voucher No.426)

  
मुख्य नगर पालिका अधिकारी  
Chief Municipal Officer, नागदा





- iii. The monthly balances of bank accounts are not appearing in the cash book only opening and closing balances of the year were accounted for. It is due to the reasons that :
- (a) The Nagar palika parishad has no practice to prepare monthly bank reconciliation statements.
- (b) there are mistakes in opening balances in the cash book, In Financial year 2020-21, Bank balances are not brought forward each day in cash book both manual and software because of which they have taken closing balance as per bank statement.

In this regard it is suggested that the Nagar palika parishad should account for opening and closing bank balances daily in cash book or SAP. Bank reconciliation statement should also be made on a monthly basis. It is observed that the number of bank accounts kept by the Nagar palika parishad appears to be more than its reasonable requirement. In this year some bank accounts were closed, still there are some bank accounts where transactions are not made and are yet to be closed. Therefore number of bank accounts may be reduced to reasonable extent by considering the actual requirement of Nagar palika parishad. This may be helpful in ensuring smooth, correct and timely accounting of bank entries in the cash book and in preparation of bank reconciliation statement.

- iv. It is informed by the Nagar palika parishad that the expenditure has not been incurred in excess of the Grant received for that purpose, but the expenditure incurred in PMAY Scheme (Rs.16.45 Cr.) is in excess of Rs. 6.05 Cr. than the receipts (Rs. 10.40 Cr.) during the year as grant was not utilized in the previous year. Further, the Nagar palika parishad has maintained the Grant Register but the same is not updated in respect to expenditure done from particular grant.
- v. The expenditures incurred were 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 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 Nagar palika parishad in all the cases. The same have been issued by the Nagar palika only in the cases where they have been asked by the higher authorities. The Nagar palika does not keep and maintains its accounts on double entry system of accounting. Therefore, there is no Income

  
मुख्या नगर पालिका अधिकारी  
Chief Municipal Officer  
नगर पालिका परिषद, नागदा



and Expenditure Account and Balance Sheet. Further, Fixed Assets Register is not maintained by the Nagar palika.

- ix. It is informed to us that the Nagar palika parishad is providing advance only to its employees which amounts to Rs. 539000/-. 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. Advances related to retired employees pertaining to past years are brought forward and are not recovered till date.

### (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 Nagar palika parishad are not in proper format and also not updated.
- ii. It is informed to us that the Nagar palika parishad is required to maintain its accounting records as per Madhya Pradesh Municipal Accounting Manual (MPMAM) but presently the Nagar palika parishad is not fully following the same.
- iii. It is informed to us that the Nagar palika parishad is providing advance only to its employees. No advance is given to the Contractors or to any other persons. The Nagar palika has kept register of advances to the employees but the same is not properly maintained.
- iv. It is informed to us that the Nagar palika parishad has no practice to prepare bank reconciliation statements and it is not possible to prepare the exact reconciliation instantly as the balances are un-reconciled / 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 Nagar palika parishad 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.
- v. The receipts and payments of grants as per grant register have been verified from the entries in the SAP cash book. On verification, it is observed that utilization of grant was not updated in grant register. Grant register of PMAY was only maintained by the Nagar Palika Parishad
- vi. It is informed to us that the fixed asset register is not maintained by Nagar palika parishad. Therefore, it is not possible for us to comment on status of fixed assets.

  
मुख्य नगर पालिका अधिकारी  
Chief Municipal Officer, नागदा



- vii. The receipts and payments for the grants / project funds have been included in the receipts and payments account and cash book of the Nagar palika parishad. The details of the grants have also been mentioned in the grant register however the same is not updated.

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

- i. The Nagar palika parishad 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 maintained by the Nagar palika parishad. 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 Nagar palika parishad. 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 Nagar palika parishad 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 Nagar palika may have good options available for earning higher interest income. 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 Nagar palika parishad may not suffer any interest loss.
- iv. The Nagar palika parishad 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 Nagar palika parishad has maintained FDR Register but the same is not in proper format.
- 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.

  
मुख्य नगर पालिका अधिकारी  
Chief Municipal Officer, नागदा



- Renewal details of FDR are not available in some cases. The entire details have been given in the attached Annexure "A".

**(5) AUDIT OF TENDERS / BIDS:**

- The tenders / bids invited by the Nagar palika parishad have been audited on test check basis. It is noticed that no tender register has been kept and maintained by the Nagar palika parishad, though it is informed to us that tender process is completely online as per government directives.
- It is observed during the test check the Nagar palika parishad has generally followed competitive tendering procedures for the bids as prescribed by the statutory authority.
- The Nagar palika parishad 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.
- The Nagar palika parishad has obtained only one bank guarantee in lieu of bid processing fee/performance guarantee during the F.Y. 2020-21. Such Bank Guarantee is verified with respective Letter of Guarantee issued by the Bank.
- The Condition of Bank Guarantee is verified in all respective and there no such condition found which is against the interest of Nagar palika parishad.
- There is no such case found where the Bank Guarantee will extend.
- The Nagar palika parishad has not maintained Nikshep i.e., Amanat Register for deposits obtained and returned to the outsiders. However, the Nagar palika parishad 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 Nagar palika parishad

**(6) AUDIT OF GRANTS AND LOANS :**

- 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.
- 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.

  
मुख्य नगर पालिका अधिकारी  
Chief Municipal Officer  
नगर पालिका परिषद, नागदा



- 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 front 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:**

- a) The Nagar palika parishad should maintain a double entry system. Employees should be trained to use the software effectively. Proper accountant cash book should be maintained and should be reconciled with SAP cash book.
- b) It is informed to us that demands have been raised by the Income Tax Department on the Nagar palika parishad in respect of old TDS matters.
- c) The abstract sheet for reporting in audit paragraphs is attached herewith.



मुख्य नगर पालिका अधिकारी  
नगर पालिका परिषद, नागडा



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

**Receipts & Payments Account**

**For the Period From 01st April, 2020 to 31st March, 2021**

<b>Receipts</b>	<b>Amount (Rs.)</b>	<b>Payments</b>	<b>Amount (Rs.)</b>
<b>To Opening Balances:</b>		<b>By Payments During the Year:</b>	
(As per Last Year's Audit Report):		Samanya Prashashan Sthayi Karmi	7874302
Cash in Hand	0	Yatra Bhatta	5714
<b>Bank Balances</b>		Paribhashit Anshdaan Pension Nikay Ansh	1139412
IDBI	10608677	Printing, Stationery, Photocopy Etc.	946785
HDFC-9444	5888412	Computer	1120518
Axis Bank 805	14952687	Parishad Bhatta	22200
SBI CITY	26287693	Vetanmaan Par Vyay	6839228
SBI MAIN	7297691	Rajasava Sthayi Karmi Vetan	6177826
HDFC-084	27986563	Karyaylin Asthayi Karmi Vetan	1123335
CENTRAL	2662848	Aakasmikta	13100
UCO Bank	8053356	Agnishaman (Fire) Sthapana - Sthayi Karmi	375684
Fixed Deposit	96601999	Vidhyut Sthayi Vetan	471996
Bank of Baroda - 027	969302	Vidhyut Asthayi Vetan	592074
Axis Bank PMAY	41351843	Vidyut Samagri Material Purchase	4870645
Bank of Baroda - 3986 (Amrit Yojna)	16988965	D P Shifting & Vidhyut Pole Vistarikaran	831210
Bank of India -288	1322080	Vidyut Pravah Street Light	8848961
Bank of India -502	3479007	Vidhyut Vivwasta/ Marmmaat	253726
Gramin Bank	15960171	Jal Pradaya Sthapana - Sthayi Karmi	8847104
HDFC 2059	6493113	Jal Pradaya - Asthayi Karmi	9141658
JSKB	10256996	Jal Vidyut Vyay	19487865
Bandhan Bank - 547	6218885	Raw Water Alum/Bleaching Etc.	4348090
	<b>303380288</b>	Jal Marmmaat Sandharan	3389703
		Nay Karyo Par Vyay	5331706
<b>To Receipts During The Year :</b>		Filter Plant/Sampwel/Nal Kup	62222347
Chungi Chhatipurti	114839570	Raiging Pipe Line	6694743
Sampatti Kar [ Due]	2624881	Overhead Tank	35469042
Sampatti Kar [ Current]	6959854	Others	23905
Samekit Kar	3609162	Swasthya Adhikari - Sthayi Karmi	5718497
Shiksha Upkar	1586188	Swasthya Adhikari Sthapana - Asithayi Karmi	7599132
Nagriya Vikas Upkar	2262330	Safai Upkaran	6017432
Swachh Bharat Mission	87428	Kitnashak	2706390
Surcharge	550035	Swachhata Mission	2662204
Kachara Sangrahan Shulk	2821476	Thos Apshisht Kary Prabandhan	9120513
Niryat Kar Chhatipurti	12460000	Vyaktigtat Shochalaya	89760
Yatri Kar Chhatipurti	1736000	Sarv Shochalaya Nirman	4260926
Vikas Shulk	2597978	J.C.B. Kiraya & Naveen Kray	1048226
Pashu Panjtyan Fees	13385	Vahan Marmmaat	2390041
Bazar Baithak Fees	1275260	Vahan Kray	8980000
Dukan & Other Rent	2798390	Diesel	4760279
Settlement Fees	13859539	Covid Sambandhi Vyay	5015962
Pashu Vadh Fees	31320	Sadak Safai Sthapana - Sthayi Karmi	34971807
All Licence Shulk	112260	Sadak Safai Sthapana - Asthayi Karmi	27288424
Namantaran Shulk	110865	Sewerage Treatment Kray	506914
Vigypti Shulk	300900	Karmchari Wardi/ Urni Vastra/ Raincoat	293750
Bhawan Nirman Anumati Shulk	365255	Kanji House Vyavastha	16500
Sadak Chhatipurti	1363124	Wrashashram Master Karmi Vetan	437501
Jal Kar	8690958	Wrashashram Daycare Vyavastha	135069
Jal Vividh	1507547	Uddhaan Sthayai Karmi Vetan	5179673
Collector Se Prapt	1000000	Uddhaan Asthayai Karmi Vetan	6589243
Mudranalaya Partrashulk	96290	Naveen Udhaan	75000
Dukan Nilami Rashi	7361564	Udhaan Sandharan	170076
Aavedan /Pratiliipi Shulk	680323	Samagra Master	346440
Anya/ Vividh Covid Penalty	132670	Lok Nirmaan Sthayai Karmi	6280025
Pani Tanker	38740	Lok Nirmaan Asthayai Karmi	725140
Vahan Kiraya	154115	Marmmaat & Naveenikaran	5942647
Mulbhoot Anudan	23693000	Sadako Ka Nirmaan	29072082
Sadak Nurkshan Anudan	10871000	Sadak Marammat	10982607
Rajya Vitt Ayog Anudan	16306000	Nala/Nali Nirmaan	8656602
15 Th Vitt Ayog Anudan	91396000	Puliyao Ka Nirmaan	1727680
Mudarank Shulk	6178000	Community Hall/Sanskritik Bhawan Nirmaan	2163644
Balance carried Forward to Page 2	643851695	Balance carried Forward to Page 2	398393065

मुख्य नगर पालिका अधिकारी  
नगर पालिका परिषद, नागडा

(Chief Municipal Officer)



(Accountant)

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
Balance Carried From Page 1	643851695	Balance Carried From Page 1	398393065
PM Awas Yojna Anudan	104000000	Swagat Dwar	3707724
Mukhyamantri Adhusarachna	39565600	Choraha Sondariyakaran	400000
Anya Anudan	2090000	Anya Nirmaan	1102133
Bank Interest	11367083	Vachnalay	21065
Nikshap / Amanat	19470819	Vachnalay/Bhandar Asthayai	1065965
Malba/Pani	25700	Vigyapati/Vigyapan	1881152
Vividha/	3978264	Mela/Khel Pratiyogita/Garba/Atheletic/Yog Diwas	1892593
Vidhayak/Sansad Nidhi	2033000	Swagat Samaroh/ Rastriya Parv/ Shikshak Diwas	67145
		Kannuni Prabhar	78/500
	<b>826382161</b>	Telephone	160992
		Audit Fees	1000000
		Vividh/Shasan Yojnao Ka Kriyanwan	1003181
		Pmay Vyay	164530092
		Amrit Yojna	9747796
		Vidhayak / Sansad Swekshaanudan	5711000
		Nikshap	5132823
		T.D.S Deduction Deposits	8692089
		E.P.F Challan	7151080
			<b>612447395</b>
		<b>To Closing Balances:</b>	
		IDBI	4951546
		HDFC-9444	14799806
		AXIS 805	39216545
		SBI CITY	33778398
		SBI MAIN	1630356
		FDR	88880408
		Axis PMAY	11271250
		BOB-3986 Amrit Yojna	6264300
		BOI - 502	291480
		HDFC 2059	1611506
		JSKB	11231749
		Bandhan Bank - 547	7422
	<b>826382161</b>		<b>826382161</b>

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

मुख्य नगर पालिका अधिकारी  
नगर पालिका परिषद, नागदा

(Chief Municipal officer)

Accountant

Date: 22/01/2022  
Place: Indore

As per Our Report of Even Date Attached  
For PUROHIT & JOSHI  
Chartered Accountants  
Firm Reg No.: 009276C



Saurabh Purohit  
(Partner)  
Membership No: 077592  
UDIN: 22077592AAAAACL8707

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

**Annexure "A" (Forming Part of Statement of Observation on the Scope of Audit Work Prescribed)  
Details of Fixed Deposits / Term Deposits Made With Books**

Name of Bank	Account No	Date of FDR/Renewal	Date of Maturity	Interest Rate	Principal / Renewed Amount	Maturity Amount	Renewal Date	Physical verification Of FDR
AXIS BANK	918040034819681	22.02.2021	23.07.2022	5.10%	3639770	3911392	23.07.2022	Verified
AXIS BANK	918040034817012	22.02.2021	23.07.2022	5.10%	3639770	3911392	23.07.2022	Verified
AXIS BANK	918040034814204	22.02.2021	23.07.2022	5.10%	3639770	3911392	23.07.2022	Verified
AXIS BANK	918040089716087	Matured						
AXIS BANK	920040053447192	26.08.2020	26.08.2022	5.40%	13700000	15251431	26.08.2022	Verified
AU SMALL BANK	1831231910710381/1	Matured						
AU SMALL BANK	1831231911231645/1	Matured						
IDBI BANK	1815105000000370	11.01.2020	12.07.2021	4.40%	4122959	4214671	12.07.2021	Verified
IDBI BANK	1851050000001240	05.01.2020	09.01.2022	7.20%	9900000	12273010	09.01.2022	Verified
HDFC BANK	50300062808730	17.12.2020	02.01.2022	4.90%	3144960	3308992	02.01.2022	Verified
HDFC BANK	24494470000316	upto 2020						
NARMADA JHABUA	42640160001962	Matured						
Jila Sahakari Bank	674021002919	27.03.2020	INA	INA	134391	INA	INA	Verified
Jila Sahakari Bank	174001068549	06.07.2020	06.07.2021	6.50%	34397135	36688040	06.07.2021	Verified
Central Bank	329018233	17.09.2020	17.09.2021	4.90%	4613746	4844008	17.09.2021	Verified
Central Bank	1926420813	09.10.2020	09.10.2021	4.90%	3162851	3320702	09.10.2021	Verified

N.A. REFERS FOR NOT APPLICABLE

INA REFERS FOR INFORMATION NOT AVAILABLE

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

मुख्य नगर पालिका अधिकारी  
(Chief Municipal Officer)



(Accountant)





**NAGAR PALIKA PARISHAD NAGDA, DISTRICT UJJAIN (M.P.)**  
**Annexure "B-2" (Forming Part of Statement of Observation on the Scope of Audit Work Prescribed)**

**Bank Reconciliation Statement**

Name of the Bank : AXIS BANK  
Account No.: 913010056853805

		Amount
<b>CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2021</b>		39216545
<b>LESS: AMOUNT DEBITED IN CASH BOOK BUT NOT CREDITED IN BANK ACCOUNT</b>		
<b>DATE</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
31/03/2021	Account Transfer from SBI CITY -384 to AXIS - 805	32500000
	TOTAL	32500000
<b>CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2021</b>		6716545

  
मुख्य नगर पालिका अधिकारी  
नगर पालिका परिषद, नागदा -





**REVISED ABSTRACT SHEET FOR REPORTING ON AUDIT PARAS FOR FINANCIAL YEAR 2020-21**

NAME OF ULB : NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)

NAME OF AUDITOR: PUROHIT & JOSHI, CHARTERED ACCOUNTANTS

S. No.	Parameters	Description			Observation in Brief	Suggestions
		Recovery In Financial Year 19-20(Rs.)	Recovery In Financial Year 20-21(Rs.)	% of Growth		
1	<b>AUDIT OF REVENUE</b>					
	Rajaswa Kar Vasuli					
	Property Tax (Samapati Kar)	9803145	9584735	(2.23)		
	Samakit Kar	4899941	3609162	(26.34)	There is significant change in comparison with earlier year. It is less than current Years Target. There are no monthly / quarterly target for revenue collection	Attempt Should be made to increase the revenue collection apart from, Yearly targets, monthly / quarterly targets should also be made for for revenue collection.
	Shiksha Upkar	1744532	1586188	(9.08)		
	Nagariya Vikas Upkar	2426620	2262330	(6.77)		
	Gair Rajaswa Vasuli					
	Bhawan Bhumi Kiraya	2482931	2798390	12.71		
	Jal Upbhokta Prabhar	8501881	10198505	19.96		
	Other Taxes, Fees etc.	16488820	21546917	30.68		
	<b>Total Rs.</b>	<b>27473632</b>	<b>34543812</b>			
	<b>Grand Total Rs.</b>	<b>46347870</b>	<b>51586227</b>			

मुख्य नगर पालिका अधिकारी  
नगर पालिका परिषद, नागदा



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

S. No.	Parameters	Description	Observation in Brief	Suggestions
1	Audit of Revenue	Checking of revenue receipts	Mistakes found in cash book entries(details in report)	Entries in cash book (especially for bank transactions) should be made carefully & timely online receipts should be tallied with bank account
2	Audit of Expenditure	<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 deposit and Timely accounting</p> <p>Checking of instances of lesser rates of fixed deposit interest</p> <p>Checking of Expenses in cash book from vouchers</p> <p>Checking of monthly balances</p> <p>Checking for administrative powers for expenditure, proper sanctions</p> <p>Checking of Utilisation Certificates</p> <p>Checking of temporary advances</p>	<p>There is significant change in comparison with earlier year. It is less than current Years Target. There are no monthly / quarterly target for revenue collection</p> <p>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.</p> <p>Opening and Closing bank balances for each day are not updated.</p> <p>Yearly revenue targets are made and there was a significant shortfall.</p> <p>Deficiency found in recording of bank interest</p> <p>Lesser interest rate fixed deposit found (details in report)</p> <p>Few instances found of no proper scrutiny of invoices / quotations</p> <p>Cash book balances (in Bank) contains unreconciled differences from earlier years also.</p> <p>The expenditure was done within the administrative powers and sanctions</p> <p>Utilization certificates not prepared in all cases</p> <p>Advances given only to employees</p>	<p>Attempt Should be made to increase the revenue collection. Apart from, Yearly targets, monthly / quarterly targets should also be made for for revenue collection.</p> <p>The revenue receipts should be deposited in bank account on time. There should not be a delay of more than 2 days except in case of Bank holidays.</p> <p>Opening and Closing bank balances for each day should be updated</p> <p>Yearly, quarterly and monthly targets should be made and efforts should be made to achieve them.</p> <p>Bank interest entries should be regularly made in cash book. FD interest certificates should be obtained.</p> <p>Efforts should be made to achieve better FD rate of interest.</p> <p>Invoices and quotations should be carefully scrutinized before accepting the same</p> <p>Bank reconciliation statement should be prepared for reconciling differences.</p> <p>Utilization certificates should be invariably prepared in all cases</p> <p>Efforts should be made for recovery of advances made to retired employees.</p>

  
 प्रमुख प्रार पतिता, अकाउंट्स, अण्ड  
 एण्ड प्रार पतिता क्वरिटर, अण्ड




3	<b>Audit of Book Keeping</b>	Checking of system of accounting	<p>Single entry system of accounting is followed by the institution.          Double entry system is not followed. Balance Sheet and Income &amp; Expenditure Account is not prepared.          Manual books of account are kept with Computerized books of account(SAP). There has been no proper training of SAP of the employees interacting with the software. Due to that there are various totaling and posting (Khatoni) errors (details in report).          Differences are there between bank balances and cash book balances (details in report).          Differences are there between Accountant cash book and Khata Khatoni book (details in report). Advance register was not maintained and was said that payment is made online and can be seen on SAP. Fixed Asset Register was not maintained for the year.</p>	<p>Double entry system should be followed. Balance sheet and Income &amp; expenditure account should be prepared.          Computerised books of account should be prepared and maintained through appropriate software (SAP). Proper training should be given to the employees interacting with the software. Bank reconciliation should be prepared regularly and timely and also in respect to all bank accounts and difference carried from previous years should also be reconciled.          Difference between computerized and Khatoni entries should be reconciled on a regular basis. Advance register should be made and regularly updated.          Fixed Asset register should be maintained and updated regularly.          Books of accounts should be maintained as per MP/MAM</p>
4	<b>Audit of FDR / TDR</b>	<p>Checking of books of account, advance registers, bank reconciliation, grant register, fixed asset register etc.</p> <p>Checking of appropriateness of rate of interest</p> <p>Verification of fixed deposit receipts</p> <p>Checking of timely renewals</p> <p>Checking of interest entries etc.</p>	<p>The Nagar Palika maintains cash book, grant register for particular grants(details in report) Bank Reconciliation is not prepared. Fixed asset register is not updated.          Instances of lesser rate of interest found (details in report)          Receipts of all the FDs were available.          The option for auto renewal should be invariably opted.          Non timely recording of interest in cash book found</p>	<p>Efforts should be made to maintain the books of account, advance registers, bank reconciliation, grant register. Fixed asset register should be updated.          Attempt should be made to earn best rates of interest          Interest certificates should also be obtained.          Timely renewal of fixed deposit should be made and interest rates should be          Regular and timely entry of interest should be done in cash book</p>

  
 मुख्या मन्त्र पत्रिका अधिकाारी  
 मन्त्र पत्रिका परिसर, नगरपालिका



5	Audit of Tenders / Bids	Checking of competitive procedures in tenders / bids  Checking for tender fees  Checking for Bank guarantees	Competitive Tender process is followed (details in report)  Online tendering process is followed and fees is collected. Tender Register is not maintained During audit of tenders it has been found that municipality had invited E-Tender having value above Rs. 1 lakhs.	Tender register Should be Maintained
6	Audit of Grants & Loans	Checking of grants, its utilisation and diversion of grants for other purposes  Bank Guarantees were checked and proper Documents were attached.	PMAY Grant expenditure was done in excess than grant observed (details in report) Utilisation Certificate are not prepared in all cases. Grant Register is not updated.	Utilisation certificates should be invariably prepared in all cases, Grant received should be tallied with grant issued / sanctioned. Entries should be made for deductions if any. Grant register should be maintained in proper format and it should be updated regularly.
7	Incidences relating to diversion of funds from capital receipts / Grants / Loans to revenue nature expenditure and from one scheme / project to another	Incidences relating to diversion of funds	No incidence came across during audit	Utilisation certificates should be invariably prepared in all cases.
8 (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.	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 present circumstances calculation is not practicable	The municipality should keep its books of accounts on double entry system. The municipality should also follow detailed guidelines mentioned in MPMAM for keeping its books of accounts
8(b)	Percentage of Capital Expenditure with respect to Total Expenditure	The municipality is not maintaining its accounts on double entry system.	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 present circumstances calculation is not practicable	The municipality should keep its books of accounts on double entry system. The municipality should also follow detailed guidelines mentioned in MPMAM for keeping its books of accounts

  
 गुण प्रवर्धन समिति  
 गांधी नगर, गांधी



9	Whether all the temporary advances have been fully recovered or not	<p>Checking of terms &amp; conditions of temporary advances</p> <p>Checking of advance register</p> <p>Checking of recovery installments</p> <p>checking of interest income (if any) on temporary advance given</p>	<p>The Municipality is providing advances only to its employees. No advance is given to contractors or other persons.</p> <p>The municipality has kept register for advances to the employees.</p> <p>Advances given to employees are deducted through monthly salary</p> <p>11 installments are deducted from the monthly salary the last one being for the interest.</p>	<p>The eligibility criteria for advance to employees should invariably be scrutinized thoroughly in each case before sanctioning the advance</p> <p>The terms &amp; conditions of advance should not be detrimental to the interest of the municipality.</p> <p>Efforts should be made to recover advances</p> <p>An advance register should be properly maintained.</p>
10	Whether the Bank Reconciliation Statements are being regularly prepared	<p>Checking of Bank Statements with cash book</p> <p>Checking of Bank Reconciliation Statement</p>	<p>Differences are there between bank balances and cash book balances.</p> <p>The municipality has no practice to maintain a Bank reconciliation statements. Bank balances are unreconciled from last many earlier years.</p> <p>As per last year suggestion from the auditors the municipality has reduced the number of bank accounts.</p>	<p>Monthly bank reconciliation should be prepared regularly and timely and also in respect of all bank accounts</p> <p>Differences carried on from earlier years should also be reconciled.</p> <p>Still the requirement of reduction of number of bank account sustains and municipality should reduce it to reasonable extent considering its actual requirement.</p>

*[Handwritten Signature]*

मुख्य कार्यपालिका अधिकारी  
नगर पालिका वरिष्ठ, काठमाडौं

