



AUDIT REPORT

OF

NAGAR PALIKA PARISHAD, NAGDA

DISTRICT - UJJAIN (M.P.)

FOR THE YEAR ENDED ON 31ST MARCH 2022

FINANCIAL YEAR : 01.04.2021 TO 31.03.2022

AUDITORS

S B C J & ASSOCIATES

CHARTERED ACCOUNTANTS

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

UJJAIN - 456 010 (M.P.)

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AUDIT REPORT SIGNED BY

CA. KAMALNAYAN JAIN

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

S B C J & Associates
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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, 2022**. 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


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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 do not 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, due to the following reasons:

(a) An amount of Rs. 48,53,779/- regarding disbursement of 7th Pay Arrear to the employees is appearing in expenses side of the receipt and payment account of F.Y. 2021-22, however, we found during the course of audit that this expenses have been incorporated in cash book of F.Y. 2020-21 also. As per the information and explanation given to us by the management, though the expenses were recorded in cash book of F.Y. 2020-21 however due to single entry system of accounting, effect of the same was not given in bank account balance in Cash book as well as Receipt and Payment Account of F.Y. 2020-21.


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(b) During the course of audit, we found that an amount of Rs. 1,71,962/- is included in 'Nikshap' on Expenses side in Receipts and Payment Account. However, any voucher or other supporting documents were not presented before us for verification.

(c) Apart from the above, the most of the bank account balances as per cash book and as per bank statement are not significantly reconciled 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.

(d) We have observed during the course of audit that Income received by municipality through online Z Cash Book under SAP Portal is not reflected in respective bank accounts on the same day. Generally there is a delay of 3 – 4 working days. Further, it is also explained to us by the management that any online receipt pertaining to Property tax, Water Tax, Tender Fee, Rent, Application Fees etc. which is directly transferred in bank account of Nagar Palika by the payer can not be classified exactly under the proper head. Therefore, we can not comment on the assertions of Receipts and Payment Account.

(e) It is informed to us that opening balances as appearing in Receipts & Payments Account for the F.Y. 2021-22 were taken from closing balances of last year's audit report. However, we found during the course of audit that these balances are not matching with opening balances as appearing in cash book. In fact, opening balances of some bank accounts are appearing in Receipts and Payment Account of F.Y. 2021-22 which were closed during the F.Y. 2020-21.

Date – 27th September 2022
Place – Ujjain (M.P.)

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For S B C J & Associates
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Kamalnayan Jain

CA. Kamalnayan Jain
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OBSERVATIONS ON THE SCOPE OF AUDIT WORK PRESECIBED
NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

(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.	09.04.2021	9,64,089/-	The receipt of Rs. 5,52,089/- of EPF and Rs 4,12,000/- of recovery of advance was not recorded in khatoni which is duly rectified and effect of same has been incorporated in Receipts & Payment A/c.
2.	07.06.2021	48/-	The receipt of Rs 48/- was not recorded in Z-cash book. Entry only existed in Accountant Cash Book.
3.	26.06.2021	16,00,000/-	The receipt of Rs 16,00,000/- of MP Aawas Yojna was not recorded in khatoni. The same has been rectified.
4.	06.08.2021	12,93,794/-	The receipt of Rs. 5,52,794/- of EPF and Rs 7,41,000/- of recovery of advance was not recorded in khatoni which is duly rectified and effect of same


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			has been incorporated in Receipts & Payment A/c.
5.	11.08.2021	26,73,000/-	The total receipt amount of Rs 26,73,000/- of SDRF fund was not recorded in books and khatoni. The same has been rectified and effect of same incorporated in Receipts & Payment A/c
6.	16.09.2021	300/-	The receipt of Rs. 300/- of late fees was included in Sampatti Kar which was rectified during the course of audit.
7.	05.10.2021	2,300/-	House Rent receipt of Rs 2300/- was not posted to khatoni from Accounts books. Now rectified.
8.	05.10.2021	1164/-	Receipt of Jalkar of Rs 1164/- was not posted to khatoni from Accounts Books. Now rectified.
9.	11.10.2021	2504/-	Deposit amount received of Rs 2504/- was not recorded in khatoni which was rectified during the course of audit.
10.	01.11.2021	2000/-	Receipt of Rs 2300 under head Road Roller/Bus/JCB only recorded in Accounts Books. However amount posted in khatoni was Rs 4300/- which was rectified during the course of audit.

Remark as to above defects :-

The above errors mentioned in S. No. 1. to 10. has already been rectified in the Cash Book and the same has been incorporated in Receipt & Payment Account.

Additional Points:

- Entries from Amrit Yojna Books were not posted to Khatoni which was discovered during the course of audit. However, entries were posted later on and effect of same was incorporated in Receipts & Payment A/c also.
- Online receipt of amount under the head 'Online MP State Electronic' was neither recorded in Accounts Books nor in Khatoni. However, during the course of audit, entries were made in Khatoni and duly incorporated in Receipts & Payments A/c.
- Various instances of recording Compounding / Settlement Fees under the head 'Surcharge' was found during the course of audit. However, classification of same was rectified later on.


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- Some entries of receipt of interest on bank a/c were not recorded in books. However the same were directly entered in Khatoni and effect of same has been taken in Receipts & Payments A/c also.

(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 2021-22 (Rs.)	Recovery In Financial Year 2020-21 (Rs.) (As per Chart of Audit Report of F.Y. 2020-21)	Increase / (-) Decrease (Rs.)	% of Increase / (-) Decrease
(1)	(2)	(3)	(4)	(5)
Property Tax (Sampatti Kar)	9601151.00	9584735.00	16416.00	0.17%
Samekit Kar	2311246.00	3609162.00	(1297916.00)	-35.96%
Shiksha Upkar	1641426.00	1586188.00	55238.00	3.48%
Jal Kar	9853949.00	10198505.00	(344556.00)	-3.38%
Nagariya Vikas Upkar	2311640.00	2262330.00	49310.00	2.18%

(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 on test check basis. No instances of any discrepancy were found. However, Municipality receives various taxes online directly through SAP which were not recorded in Cash Book.

(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


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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 2021-22 (Rs.)	Over Target / (-) Shortfall (Rs.)	% of Over Target / (-) Shortfall
Property Tax (Sampatti Kar)	1,98,00,000.00	96,01,151.00	(1,01,98,849.00)	-51.51%
Samekit Kar	74,00,000.00	23,11,246.00	(50,88,754.00)	-68.77%
Shiksha Upkar	40,00,000.00	16,41,426.00	(23,58,574.00)	-58.96%
Jal Kar	3,00,00,000.00	98,53,949.00	(2,01,46,051.00)	-67.15%
Nagariya Vikas Upkar	42,00,000.00	23,11,640.00	(18,88,360.00)	-44.96%

(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.
- 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"**.


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

(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 :

- (i) 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.
- (ii) The entries of expenditure made in the cash book have been verified from the relevant vouchers and supporting. Some of the discrepancies which came across on test check are as under :

Date	Amount	Description
23.06.2021	Rs. 3,25,419/-	Electricity pole expansion expenses of Rs 325419/- was recorded in books but was wrongly posted as Rs 268962/- in khatoni. Now rectified.
09.07.2021	Rs. 9,33,574/-	Electricity expenses of Rs 933574/- was not posted to khatoni from Accounts Books. Now rectified.
09.07.2021	Rs.20,96,826/-	Amount entered in cash book as Rs. 2096826/- but the same was transferred in Khatoni as Rs. 2036826/-. However, correct effect of the same is taken in the Receipt & Payment Account by the institution.
12.08.2021	Rs. 16,050/-	Expenses of Vigyapti / Vigyapan amounting to Rs 16050/- was wrongly posted at Rs 15960 in Khatoni. Now rectified.
22.10.2021	Rs. 57,001/-	Expenses on JCB Rent was wrongly posted in Khatoni at Rs 5701/- which was actually Rs 57001/-. Now rectified.
02.11.2021	Rs. 23,734/-	Office Expenses of Rs 23734/- was not posted to Khatoni from books. However, during the course of audit the same was rectified.
05.01.2022	Rs 4975/-	Office Expenses of Rs 4975/- was wrongly posted to Khatoni at Rs. 4875/-. However, during the course of audit the same was rectified.


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03.02.2022	Rs. 2,38,479/-	Vehicle Rents and Repairs Expenses of Rs 238479/- was erroneously posted to Khatoni at Rs 251249/-. Now rectified and effect of same incorporated in Receipts & Payment A/c.
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Additional Points:

- Salary & Wages Expenses of temporary workers were not segregated and recorded in Khatoni. The same was rectified during the course of audit.
- Various instances of not recording Bank Expenses in Khatoni were found.
- Entries from Amrit Yojna Books were not posted to Khatoni which was discovered during the course of audit. However, entries were posted later on and effect of same was incorporated in Receipts & Payment A/c also.
- 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
14.05.2021	11,75,830/-	Entry in books on 17.05.2021 whereas voucher was made on 14.05.2021.
26.07.2021	5,523/-	Entry in books on 26.07.2021 whereas voucher was made on 25.07.2021.

- (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"**. 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


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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.

(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.


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- (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.

(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


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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".
- FDR account no. 674021002919 with Jila Sehkari Bank was renewed at Rs. 1,34,391/- instead of full maturity value.

(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.


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- (ii) The Municipality has generally followed competitive tendering procedures for the bids. However, in most of the cases have come across during the course of audit wherein only single bidder has participated in the tender process. Further, it is informed to us that tender process is completely online, therefore, there may be instances where tendering / bidding is done only by a single bidder. Some instances where only single bidder participated are mentioned as under :

Sr. No.	Work Description	Tender No.	Value (Rs.)	Bidder Name
01	CC Road, Ward No. 33	3391	8.29 lacs	Ramkumar Borasi

- (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. 2021-22.
- (v) Since no Bank Guarantee has been obtained during the F.Y. 2021-22, 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.
- (iii) It is informed to us that neither any loan has been provided for physical infrastructure nor any asset was created.


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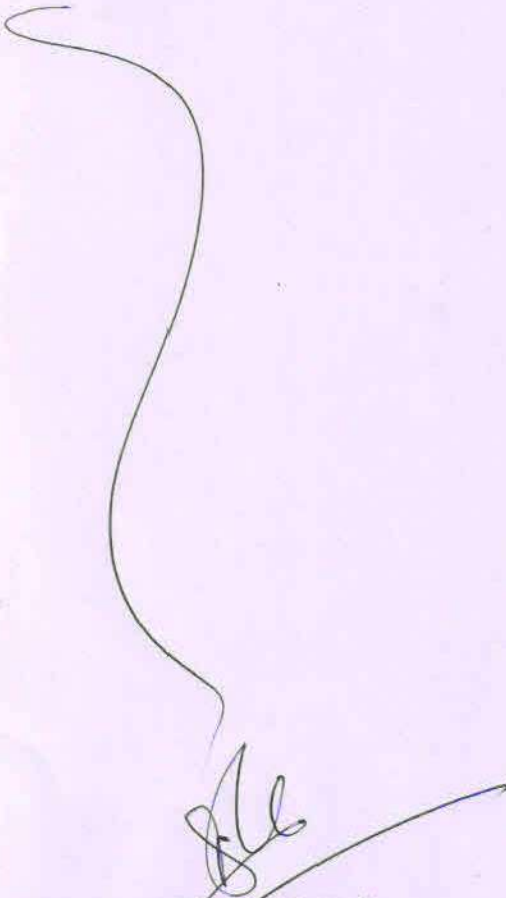


- (iv) No instances of diversion of funds from capital receipts / grants / loans to revenue expenditure and from one scheme to another came across during the course of audit.

OTHER OBSERVATIONS / NOTES / COMMENTS / INFORMATION :

- (i) We have observed during the course of audit that Income received by municipality through online Z Cash Book under SAP Portal is not reflected in respective bank accounts on the same day. Generally there is a delay of 3 – 4 working days.
- (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 in "Annexure C".




मुख्य नगर पालिका अधिकारी
[Chief Municipal Officer]
नगर पालिका कार्यालय, नामदा



[Accountant]

NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)
Receipts & Payments Account (Page 1/3)
For the Period From 01st April, 2021 to 31st March, 2022

(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	6717094
Cash in Hand	0	Yatra Bhatta	3864
Bank Balances :		Printing, Stationery, Photocopy Etc.	1190274
State Bank Of India, City Branch	33778398	Computer, CCTV Maintenance Etc.	520146
State Bank Of India, Main Branch	1630356	Vetanman pr Vyay	4881121
Bank Of India A/C 502	291480	Rajasva Vibhag Sthapana - Sthayi Karmi	5997373
Jila Sahakari Bank (Sanchit Nidhi)	11231749	Karyaylin Asthayi Karmi Ka Vetan	1405160
Fixed Deposits In Banks	88880408	Agnishaman (Fire) Sthapana - Sthayi Karmi	418164
HDFC Bank - 444	14799806	Vidhyut Sthapana - Sthayi	539772
Axis Bank	39216545	Vidyut Samagri Material Purchase	3034680
IDBI Bank	4951546	Vidyut Pavah Street Light	8626820
Bandhan Bank	7422	D P Shifting Aur Viduy Pole Vistarikaran	2940199
HDFC Bank SBM	1611506	Vidyut Marammat Aur Anya Prakash Vyavastha	427721
Bank Of Baroda (Amrit Yojna)	6264300	Vidhyut Asthayi Sthapana	552729
Axis Bank 6533 (PMAY)	11271250	Jal Pradaya Sthapana - Sthayi Karmi	9046493
Total Opening Balance	213934766	Jal Pradaya Marammat And Sadharan	9658559
To Receipts During The Year :		Jal Pradaya Naye Karyo Ka Vyay	7713118
Chungi Kshatipurti	133318205	Miscellaneous / Nirvachan	40760
Sampatti Kar (Due Amount)	2521961	Jal Vidyut Vyay	21193289
Sampatti Kar (Current Year)	7079190	Raw Water Alum / Bleaching Etc.	1750698
Samekit Kar	2311246	Jal Praday Aisthayi Sthapana	7675734
Shiksha Upkar	1641426	Swasthya Adhikari Sthapana - Sthayi Karmi	6003730
Nagriya Nikay Vikas Upkar	2311640	Swasthya Adhikari Sthapana - Asithayi Karmi	8137898
Surcharge	408927	Vyaktigat Shochalaya	1235764
Niryat Kar Kshatipurti	10544000	Shochalaya Marammat	403789
Yatri Kar Kshatipurti	1734000	Sadak Safai Sthapana - Sthayi Karmi	34870004
Vikas Shulk	3115373	Sadak Safai Sthapana - Asthayi Karmi	32342544
Pashu Panjiyan Fees	23310	JCB Rent	535697
Bazar Baithak Fees	107900	Safai Upkaran	1940411
Dukan, Saray, Community Hall, Hotel etc. Rent	3881187	Vahan Marammat / Rent	2008784
Malba Pani	32100	Kitnashak Vyay	2543297
Pashu Vadh Grih House Fees	36180	Indhan Diesel	7359887
All Licence Fees	71330	Udhyan Sthapana - Sthayi Karmi	4921439
Company Settlement Fees	32347218	Udhyan Sthapana - Asthayi Karmi	6842130
Vigyapti Shulk	275400	Udhyan Sandharan	225711
Bhawan Nirman Anumati Shulk	363000	Vridhashram, Day Care Vyavastha	87784
Sadak Kshatipurti	8115029	Vridhashram Muster Karmi Vetan	393504
Bank Interest	18544131	Lok Nirman Sthapana - Sthayi Karmi	5690500
Vidhayak / Sansad Swacchata Anudan	713000	Lok Nirman Sthapana - Asthayi Karmi	999713
Mudrank Shulk	7515760	Bhawan, Complex, Shop Nirman, Repair Etc.	98500
Sadak Anuksharan	15985000	Sadak Marammat	17389220
15th Vitt Ayog	47903000	Sadako Ka Nirman	50256222
Rajya Vitt Ayog Anudan	17804802	Marammat evam Navinikaran	9217890
Mulbhoot Anudan	28201000	Nala Nali Nirman	19447891
Jalkar	9853949	Vigyapatti, Vigyapan etc.	1368681
Pani Tanker se aay	66940	Swagat Samaroh Rashtriya Parv, Moharram, Dashera	262021
		Mela, Khel Pratiyogita, Garba, Yog Diwas Etc.	947123
		Legal Expense	904800
Balance Carried Forward To Page 2	570760970	Balance Carried Forward To Page 2	310768702


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



(Accountant)



NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)
Receipts & Payments Account (Page 2/3)
For the Period From 01st April, 2021 to 31st March, 2022

(Rounded Off to Rupees)

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
Balance Carried From Page 1	570760970	Balance Carried From Page 1	310768702
Road Roller, Bus, JCB, Fire Brigade etc.	195760	Telephone, Internet Etc.	138782
Jal - Vividh Praptiyan	2024730	Audit Fees	76700
Anya Anudan	4189399	Samagra Muster	293240
Mudranalaya Praptra Shulk	101585	Nikshep	8305946
Collector se Prapt Rashi	800000	Paribhashit Anshdan Pension Nikay Ansh	1707461
Agrim Vasuli	7966185	Rajaswa Aaksmitaye	67655
Nikshep Amanat Prapti	29527060	Agnishamak Aaksmitaye	18300
Atikraman Shulk	0	Swachhta Mission	3881157
Dukan Nilami Rashi	7258853	Thos Apshisht Kary Prabandhan	3753775
Namantaran Aavedan Shulk	1412	Karmchari Vardi, Uni Vastra, Raincoat	1517230
Aavedan Shulk	861732	Kanji House vyavastha	30908
Pratilipi Shulk	7856	Community Hall, Sanskratik Bhawan Nirman	441027
Kachara Sangrahan Shulk	3156422	Swagat Dwar	3742954
E.P.F. Receipts	7005195	Vachanalay	14641
CGST	403	Vachanalay / Bhandar Sthapana - Asthayi Karmi	1224448
SGST	403	Vividh Nagar Uday Abhiyan	9281110
Aashray Nidhi	1452516	Vidhayak / Sansad Swecchanudan	703000
Swacch Bharat Mission	32640	Agrim Dey	5230000
Sansad / Vidhayak Nidhi	1000000	TDS Katotra Jama	14373459
SDRF Fund	25864000	EPE / ESIC Challan	14882189
Settlement / Compounding Fees	2640974	Filter Plant / Sampwell / Nalkup Expenses	70464072
PMAY	66900000	Rising pipeline Expenses	48770384
PMAY Limit	59750000	Amrit Distribution Pipeline	5202021
Amrit Yojna	370144.00	Overhead Tank	28001880
Online MP State Electronic	1022000.00	Sarvjanik Shochalaya Nirman	6176203
		Covid Related Expenses	2230119
		Hotel / Gym Sandharan	7472136
		Kanji House Nirman	10000
		Naveen Udhyan	2393205
		Swimming Pool Nirman	1333943
		Puliyaon ka Nirman	7026886
		Fish Market Expenses	14500
		Chauraha Saundariyakaran	5476875
		Anya Nirman	6734613
		Shiksha Upkar ke Viruddh Vyay	539543
		Bank Charges	33033
		PMAY	80367754
		PMAY Limit	58090000
		Disabled / Citizen Park	370144
		To Closing Balances :	
		Cash in Hand	0
		Bank Balances :	
		State Bank Of India, City Branch	6390206
		State Bank Of India, Main Branch	3933129
		Bank Of India A/C 502	0
Balance Carried Forward To Page 3	792890239	Balance Carried Forward To Page 3	707625330


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


(Accountant)



NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)
Receipts & Payments Account (Page 3/3)
For the Period From 01st April, 2021 to 31st March, 2022

(Rounded Off to Rupees)

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
Balance Carried From Page 2	792890239	Balance Carried From Page 2	707625330
		Jila Sahakari Bank (Sanchit Nidhi)	0
		Fixed Deposits In Banks	60014751
		HDFC Bank - 444	12508982
		Axis Bank	564679
		IDBI Bank	10207787
		Bandhan Bank	0
		HDFC Bank SBM	249248
		Bank Of Baroda (Amrit Yojna)	0
		Axis Bank 6533 (PMAY)	59462
		PNB (PMAY Limit)	1660000
Grand Total Rs.	792890239	Grand Total Rs.	792890239

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


As Per Our Report Of Even Date Attached


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


(Accountant)



For S B C J & Associates
Chartered Accountants


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

Date - 27th September 2022
Place - Ujjain (M.P.)

UDIN - 22409833BECJOD7763

(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	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
IDBI BANK	1815107000002233	10.01.2022	14.01.2025	5.40%	12273010	14424244	14.01.2025	Verified
Jila Sahakari Bank	674021002919	27.03.2022	INA	INA	134391	INA	INA	Verified
Jila Sahakari Bank	174001068549	06.07.2020	INA	INA	34397135	INA	INA	Verified

N.A. REFERES FOR NOT APPLICABLE

INA REFERES FOR INFORMATION NOT AVAILABLE

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


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


(Accountant)

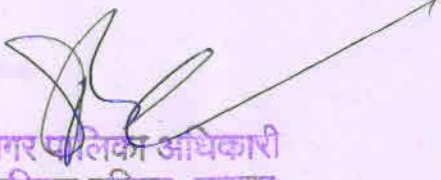


NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)
Annexure "B" (Forming Part of Statement Of Observations On The Scope Of Audit Work Prescribed)

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - HDFC SBM
ACCOUNT NO. - 50100216252059
PERIODICITY - 01.04.2021 TO 31.03.2022

PARTICULARS	AMOUNT
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2022	249248
Add/Less: Adjustment entries	0
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2022	249248


मुख्य नगर पालिका अधिकारी
नगर पालिका परिषद, नागदा



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

Annexure "C"

REVISED ABSTRACT SHEET FOR REPORTING ON AUDIT PARAS FOR FINANCIAL YEAR 2021-22

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 2020-21 (Rs.)	Recovery In Financial Year 2021-22 (Rs.)	% Of Growth		
01	AUDIT OF REVENUE					
	<u>Rajaswa Kar Vasuli</u>					
	Property Tax (Sampatti Kar)	9584735	9601151	0.17%	% has decreased in comparison with earlier year. However, in some heads it is less than current year's target. There are no monthly / quarterly target for	Attempt should be made to increase the revenue collection. Apart from yearly targets, monthly / quarterly targets should also be made for
	Samekit Kar	3609162	2311246	-35.96%		
	Shiksha Upkar	1586188	1641426	3.48%		


[Chief Municipal Officer]
नगर पालिका परिषद, नागडा


[Accountant]



Nagariya Vikas Upkar	2262330	2311640	2.18%	revenue collection.	revenue collection.
Total Rs.	17042415	15865463	-6.91%		
Gair Rajaswa Vasuli					
Bhawan Bhumi Kiraya	2798390	3881187	38.69%	% 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	10198505	9853949	-3.38%	There are no monthly / quarterly targets for revenue collection.	Apart from yearly targets, monthly / quarterly targets should also be made for revenue collection.
Other Tax, Fees etc.	21546917	40418048	87.58%		
Total Rs.	34543812	54153184	56.77%		
Grand Total Rs.	51586227	70018647	35.73%		

Foot Note: - All the figures for the F.Y. 2020-21 are taken from the last year audit report.

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>Increase in collection of major items as compared to previous year but less than current year's target (details in report).</p> <p>Lesser interest rate possibilities in absence of quotations.</p>	<p>Entries in cash book (especially 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>


 Chief Municipal Officer
 नगर पालिका कार्यालय, नारायण


 Accountant



02	Audit of Expenditure	<p>Checking of expenses in cash book from 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>Few instances found for non proper scrutiny of quotations / invoices.</p> <p>Some vouchers were not found.</p> <p>Cash book balances (in bank) contains unreconciled differences (details in report).</p> <p>Utilization certificates not prepared.</p> <p>No advance (other than salary) given by municipality.</p>	<p>Bank interest entries should be regularly made in cash book.</p> <p>Bank reconciliation statements should be got prepared for reconciling differences</p> <p>Quotations should be carefully scrutinized before accepting the same.</p> <p>Sanctioning norms should be carefully followed.</p> <p>Utilization certificates should be prepared invariably in all cases.</p> <p>Advance Register should be maintained for Salary Advance.</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 few posting (Khatoni) mistakes (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</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.</p> <p>Till full computerization is made, Khatoni entries and totaling should be carefully made and differences should be regularly reconciled.</p> <p>Fixed asset register should be</p>


 Chief Municipal Officer
 नगर प्रशासन कार्यालय, हनुमान


 [Accountant]



			<p>khatoni cash book (details in report).</p> <p>Fixed asset register was not maintained (details in report).</p> <p>Large number of bank accounts may be in excess of real requirement (details in report).</p>	<p>completed regularly.</p> <p>Number of bank accounts should be kept at minimum as per real requirement for better controlling.</p> <p>Books of Accounts should be maintained as per MPMAM.</p>
04	Audit of FDR / TDR	<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>Instance of lesser rate of interest possible.</p> <p>Instance of non timely renewal not found on test check.</p> <p>Non timely recording of interest in cash book.</p>	<p>Attempt should be made to earn best rates of interest.</p> <p>Timely renewal / Auto Renewal of fixed deposit should be made.</p> <p>Regular and timely entry of interest should be done in cash book.</p> <p>Deductions made by banks (if any) should be asked and refunds should be obtained.</p> <p>Renewed fixed deposit receipts should be obtained invariably from banks.</p>
05	Audit of Tenders / Bids	<p>Checking of competitive procedures in tenders / bids</p> <p>Checking for tender fees</p> <p>Checking of bank guarantees etc.</p>	<p>Instances of acceptances of single bid found (details in report).</p> <p>Tender register not maintained (details in report).</p> <p>No Bank Guarantee found on test check of tender / bid files.</p>	<p>Attempt should be made to avoid work allotment in case of only single bid.</p> <p>Bank guarantee expiry / renewal etc. matters should be carefully dealt with.</p> <p>On expiry it should be got renewed within time.</p> <p>Tender register should be maintained.</p>
06	Audit of Grants & Loans	<p>Checking of grants , its utilization and</p>	<p>Instances of excess expenditure</p>	<p>Utilization certificates should be</p>

Chief Municipal Officer
 नगर पालिका कार्यालय, काठमाडौं

[Accountant]



		diversion of grants for other purposes	than grant were not found (details in report). Utilization certificate not prepared in some cases (details in report). Grant register is properly maintained (details in report).	invariably prepared in all cases. Grant received should be tallied with the 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.
07	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.	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	Percentage of Capital	The municipality is not maintaining its	The municipality is not	The municipality should keep its books


 Chief Municipal Officer
 ਮੁੱਖ ਪਿੰਡ ਸਿਵਲ ਆਫਿਸਰ


 Accountant



<p>(b) Expenditure with respect to Total Expenditure.</p>	<p>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.</p>	<p>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.</p>	<p>of accounts on double entry system. The municipality should also follow the detailed guidelines mentioned in MPMAM for keeping its books of accounts.</p>
<p>09 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>Presently, the Municipality is not providing any advance to the Contractors or to any other persons except employees. It is informed to us, Advance given to employees were recovered from upcoming months Salary.</p>	<p>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 or any other person. The above mentioned suggestions should strictly be followed.</p>
<p>10 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.</p>	<p>Bank reconciliation should be prepared regularly and timely and also in respect of all bank accounts. Differences 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
मुख्य नगरपालिका अधिकारी


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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Date - 27th September, 2022
Place - Ujjain (M.P.)

For S B C J & Associates
Chartered Accountants



[Handwritten Signature]

CA. Kamalnayan Jain
(Partner)
MRN. - 409833
FRN. - 007051C
UDIN - 22409833BECIOD7763

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[Handwritten Signature]
Chief Municipal Officer
नगरपालिका कार्यालय, उज्जैन

[Handwritten Signature]
[Accountant]