



AUDIT REPORT

OF

NAGAR PALIKA PARISHAD, NAGDA

DISTRICT - UJJAIN (M.P.)

FOR THE YEAR ENDED ON 31ST MARCH 2019

FINANCIAL YEAR : 01.04.2018 TO 31.03.2019

AUDITORS

S B C J & ASSOCIATES

CHARTERED ACCOUNTANTS

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

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AUDIT REPORT SIGNED BY

CA. KAMALNAYAN JAIN

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

S B C J & Associates
Chartered Accountants

Head Office :

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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, 2019**. The above Institution do not keep its accounts on double entry system of accounting therefore, there are no Balance Sheet and Income & Expenditure Account. The Institution only prepares Receipts and Payments Account. The Institution follows Cash System of Accounting. The observations on the scope of audit work prescribed and other notes, comments and explanatory information etc. are attached herewith.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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


[Chief Municipal Officer]
नगर पालिका परिषद, नागदा


[Accountant]
सहायक लेखा अधिकारी
नगर पालिका परिषद, नागदा



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 reasons that :

(a) It is informed by the Institution that the amounts received and payments made under the P.M Awas Yojna constitutes significant part of the receipts and payments of the Institution. However, the receipts and payments account prepared by Nagar Palika Parishad, Nagda does not include receipts, payments and balances relating to P. M. Awas Yojna. The Cash Book and all the related vouchers, bank statements and essential documents etc. related to P.M. Awas Yojna were also not available for the purpose of the audit.

(b) It is explained by the Institution that while preparing Receipts & Payments Account for the F.Y. 2017-18, the closing bank balance as on 31.03.2018 in Bank of Baroda A/c No. 3986 was


[Chief Municipal Officer]


[Accountant]



wrongly considered at Rs. 1,29,21,539/- instead of actual correct amount Rs. 2,15,42,747/- as per the bank statement and the cash book of Amrit Yojna. Such types of grave mistakes are there in books of account which may affect current year's financial statements also.

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

(d) There are various instances of mistakes in entries in cash book which have come across during audit and have been mentioned in the audit report in succeeding paras due to that many significant items / amounts of receipts / payments might have been omitted to be included in the receipts and payments account. These have been elaborated in the attached observations on the scope of audit work prescribed.

Date – 07th October, 2019
Place – Ujjain (M.P.)

For S B C J & Associates
Chartered Accountants



CA. Kamalnayan Jain
(Partner)

MRN. – 409833

FRN. – 007051C

UDIN - 19409833AAAABG1039

[Chief Municipal Officer]
[Accountant]

S B C J & Associates
Chartered Accountants

Head Office :

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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, 2019


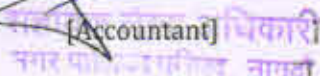
(1) AUDIT OF REVENUE :

(i) The Institution is following Cash System of Accounting for recording receipts. The receipts of revenue from all the sources (except P.M. Awas Yojna) 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 :

Date	Amount (Rs.)	Observation
02.04.2018	2,14,915/-	The amount was duly recorded in Cashier's cash book but the same has not been incorporated in Accountant's cash book.
01.09.2018	900/-	The receipt of Rs. 4,56,587/- has been wrongly recorded as Rs. 4,57,487/- in Accountant's cash book.
03.10.2018	9,28,000/-	The amount of Rs. 9,28,000/- has been duly recorded in Cashier's cash book but the same has not been incorporated in Accountant's cash book.
14.12.2018	27,000/-	The total receipt amount of the day as recorded in cashier's cash book was stood at Rs. 1,30,962/- whereas the same has been recorded in Accountant's cash book at Rs. 1,03,962/-.
08.03.2019	2,11,104/-	The total receipt amount of the day as recorded in cashier's


[Chief Municipal Officer]


[Accountant] 



		cash book was stood at Rs. 2,34,560/- whereas the same has been recorded in Accountant's cash book at Rs. 23,456/-.
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Remark as to above defects :-


The above mentioned mistakes are required to be rectified in the Cash Book of Nagar Palika Parishad however it has been informed to us that the effect of the above entries has been taken in the closing balances as mentioned in the Receipts and Payments Account.

The revenue receipts are generally found on test check, 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.

(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 2017-18 are as under :

Head of Income	Recovery In Financial Year 2018-19 (Rs.)	Recovery In Financial Year 2017-18 (Rs.) (As per Chart of Audit Report of F.Y. 2017-18)	Increase / (-) Decrease (Rs.)	% of Increase / (-) Decrease
(1)	(2)	(3)	(4)	(5)
Property Tax (Sampatti Kar)	97,82,082/-	88,75,878/-	+ 9,06,204/-	+ 10.21 %
Samekit Kar	54,68,250/-	34,05,000/-	+ 20,63,250/-	+ 60.59 %
Shiksha Upkar	17,67,342/-	17,39,291/-	+ 28,051/-	+ 1.61 %
Jal Kar	91,36,804/-	88,33,023/-	+ 3,03,781/-	+ 3.44 %
Nagariya Vikas Upkar	24,09,297/-	22,83,415/-	+ 1,25,882/-	+ 5.51 %


[Chief Municipal Officer]


[Accountant]



There is some variance between the amounts of Property Tax, Samekit Kar and other items in Receipts and Payments account and in Chart attached with audit report of F.Y. 2017-18. In such circumstances, the figures as mentioned in the chart have been adopted for the purpose of above comparison.

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

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

Date	Cash Book No.	Cash Book Folio No.	Description
30.05.2018	01	68	Amount entered in cash book as Rs. 1,17,157/- instead of the correct figure which is Rs. 1,17,167/-
08.06.2018	01	N.A.	Amount received from Treasuries Rs. 3,27,000/- is appearing in Bank of India (A/c No. 502) Statement but the same is not entered in cash book.
21.08.2018	01	N.A.	Amount credited in Jila Sehkari Bank Account Rs. 1,53,032/- is not entered in cash book.
01.09.2018	01	176	The receipt of Rs. 4,56,587/- has been wrongly recorded as Rs. 4,57,487/- in cash book.
14.12.2018	02	90	Amount entered in cash book as Rs. 1,03,962/- instead of the correct figure which is Rs. 1,30,962/-
08.03.2019	02	177	Amount entered in cash book as Rs. 23,456/- instead of the correct figure which is Rs. 2,34,560/-

(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


[Chief Municipal Officer]


[Accountant]



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 2018-19 (Rs.)	Over Target / (-) Shortfall (Rs.)	% of Over Target / (-) Shortfall
Property Tax (Sampatti Kar)	1,83,00,000/-	97,82,082/-	(85,17,918/-)	(46.55 %)
Samekit Kar	85,00,000/-	54,68,250/-	(30,31,750/-)	(35.67 %)
Shiksha Upkar	32,00,000/-	17,67,342/-	(14,32,658/-)	(44.77 %)
Jal Kar	1,40,00,000/-	91,36,804/-	(48,63,196/-)	(34.74%)
Nagariya Vikas Upkar	35,00,000/-	24,09,297/-	(10,90,703/-)	(31.16%)

(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 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"**.

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[Accountant]



- Three FDRs of Rs. 30.00 lacs each (total amount Rs. 90.00 lacs) were made on 20.04.2018 in Axis Bank, but the same were not entered in cash book.
- FDR account no. 674021002919 with Jila Sehkari Bank was renewed at Rs. 1,34,391/- instead of Rs. 1,84,787/-.
- FDR account no. 174001068549 with Jila Sehkari Bank was renewed on 22.11.2018 instead of actual date of renewal which was 06.07.2017.

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

(2) AUDIT OF EXPENDITURE :

- The Institution is following Cash System of Accounting. The expenses have been recorded on payment thereof. The audit has been done in respect of general expenditure and expenditure incurred under the schemes.
- The entries of expenditure made in the cash book (except P.M. Awas Yojna for which the complete information, Cash Book, Vouchers etc. are not available) 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	Cash Book No.	Cash Book Folio No.	Description
10.05.2018	01	44	Amount of Rs. 3,71,128/- pertaining to Dainik Vetanbhogi Aisthayi Sthapna is entered in cash book but the amount was not found in Bank of India (A/c No. 502) statement.
10.05.2018	01	N.A.	Amount debited in Bank of India (A/c No. 502) Statement Rs. 3,64,858/- but the same is not entered in cash book.
08.11.2018	02	56	Amount entered in cash book as Rs. 10,683/- instead of the correct figure which is Rs. 10,689/-
28.12.2018	02	108	Amount entered in cash book as Rs. 37,46,874/- instead of the correct figure which is Rs.


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[Accountant]



			37,47,004/-
31.12.2018	02	N.A.	Payment made to Shri Balaji Trading Company amounting to Rs. 19,13,580/- has been debited in Central Bank of India's account but the same is nowhere entered in the cash book.

- (iii) The monthly balances of amounts laying in bank accounts as appearing in the cash book are almost not tallying with the balances as appearing in the respective bank statements. It is due to the reasons that (a) the municipality has no practice to prepare monthly bank reconciliation statements. (b) there are some mistakes in the cash book (some instances of which have been mentioned in this audit report at other respective places.). It is observed by us that the differences between the bank balances as per cash book and as per bank statements are there, from earlier many years. Therefore, the municipality is required to do the thorough efforts as a separate and distinct task to exactly reconcile the bank balances by considering the records of earlier years also. however, for the purpose of giving guidance bank reconciliation statements in respect of some banks have been prepared reconciling the differences to the extent information is available. The same are attached herewith at **Annexure "B-1" to Annexure "B-7"**. It is also observed by us that the number of bank accounts kept by the Municipality appears to be more than its reasonable requirements. Therefore, the number of bank accounts may be reduced to reasonable extent by considering the actual requirements of the municipality. This may be helpful in ensuring smooth, correct and timely accounting of bank entries in the cash book and in preparation of bank reconciliation statements.
- (iv) It is informed by the municipality that the expenditure in respect of Sadak Marammat and Mulbhut Suvidha has been incurred in excess of the Grant received for that purpose. The municipality has maintained the Grant Register but the same is not completed in all respects.
- (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.


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[Accountant]



- (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 do not keeps 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 other persons.

(3) AUDIT OF BOOK KEEPING :

- (i) All the books of accounts i.e., Accountant's Cash Book, Cashier's Cash Book, Khata Khatoni, Store and Stock Register, Grant Register, Karmchari Advance 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 completed.
- (ii) It is informed to us that the Municipality is required to maintain its accounting records as per Madhya Pradesh Municipal Accounting Manual (MPMAM) but presently the Municipality is not fully following the same.
- (iii) It is informed to us that the Municipality is providing advance only to its employees. No advance is given to the Contractors or other persons. The Municipality has kept register of advances to the employees but the same is not properly maintained. It is also informed to us that temporary advances are recovered through deduction in monthly salary.
- (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 other persons.
- (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. Those statements were also containing net unreconciled differences. 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


[Chief Municipal Officer]


[Accountant]
नगर पालिका प्रमुख, नागदा



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 complete in all respects.
- (vii) It is informed to us that the fixed asset register for the Financial Year 2018-19 is under preparation. 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 except for the P.M. Awas Yojan regarding which details have been mentioned in earlier paras. The details of the grants have also been mentioned in the grant register however the same is not in proper format.

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


[Chief Municipal Officer]


[Accountant]



have not been obtained from 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".
- Three FDRs of Rs. 30.00 lacs each (total amount Rs. 90.00 lacs) were made on 20.04.2018 in Axis Bank, but the same were not entered in cash book.
- FDR account no. 674021002919 with Jila Sehkari Bank was renewed at Rs. 1,34,391/- instead of Rs. 1,84,787/-.
- FDR account no. 174001068549 with Jila Sehkari Bank was renewed on 22.11.2018 instead of actual date of renewal which was 06.07.2017.

(5) AUDIT OF TENDERS / BIDS :

- (i) The tenders / bids invited by the Municipality have been audited on test check basis. It is noticed that no tender register has been kept and maintained by the Municipality, though it is informed to us that tender process is completely online as per govt. directives.
- (ii) The Municipality has generally followed competitive tendering procedures for the bids. However, some 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 :


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Sr. No.	Work Description	Value (Rs.)	Bidder Name
01	Gindwaniya Trenching Ground Damrikaran	39.71 lacs	Rajmal Gorecha & Sons
02	Ward No. 15 Bypass to Puwaldiya Damrikaran	22.97 lacs	Rajmal Gorecha & Sons

- (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. 2018-19.
- (v) Since no Bank Guarantee has been obtained during the F.Y. 2018-19, 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 (except for P.M. Awas Yojna for which details have been mentioned in earlier paras). 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.


[Chief Municipal Officer]


[Accountant], नागदा



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

OTHER OBSERVATIONS / NOTES / COMMENTS / INFORMATION :

- (i) The receipts and payments account has been prepared and attached herewith. However, the Municipality has not included opening balance, closing balance, receipts and payments related to P.M. Awas Yojna in its receipts and payments account.
- (ii) In the audited receipts and payments account for the previous financial year i.e. Financial Year 2017-18, the balances of Amrit Yojna was not tallied either with the cash book or with the bank statement. Therefore, rectification adjustment entry has been included by the municipality in the opening balances of Amrit Yojna in the receipts and payments account for the Financial Year 2018-19.
- (iii) In the audited receipts and payments account for the previous financial year i.e. Financial Year 2017-18, the balance of P.M. Awas Yojna was stood at Rs. 1,86,51,815/-. Since, the receipts and payments account for the F.Y. 2018-19 does not include any figure relating to P.M. Awas Yojna, therefore, rectification adjustment entry has been done by the municipality in the opening balances of P.M. Awas Yojna in the receipt and payment account for the Financial Year 2018-19.
- (iv) 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.
- (vi) 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 are also under litigation at various stages for earlier year matters.
- (viii) The Municipality is a registered entity under GST Act, therefore, it is suggested that GST should be deposited to govt. for all the taxable activities from where the Municipality is getting revenue.
- (ix) The abstract sheet for reporting in audit paras is attached herewith.



[Chief Municipal Officer]

[Accountant]

NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)
Receipts & Payments Account (Page 1/3)
For the Period From 01st April, 2018 to 31st March, 2019

(Rounded Off to Rupees)

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
To Opening Balances :		By Payments During The Year :	
Cash in Hand		0 Samanya Prashashan Sthapana - Sthayi Karmi ✓	5824214
Bank Balances :		Yatra Bhatta ✓	344349
Jila Sahkari Kendriya Bank		0 Printing, Stationery, Photocopy Etc.	1069706
State Bank Of India, City Branch	44504627	Computer, CC TV Maintenance Etc.	602815
State Bank Of India, Main Branch	3857852	Parishad Bhatta	966190
Bank Of India A/C 502	1130268	Rajasva Vibhag Sthapana - Sthayi Karmi ✓	5113728
Central Bank	4158964	Karyaylin Asthayi Karmi Ka Vetan ✓	995379
Uco Bank	3472860	Agnishaman (Fire) Sthapana - Sthayi Karmi ✓	335544
Jila Sahakari Bank (Sanchit Nidhi)	6218011	Vidhyut Sthapana - Sthayi ✓	422076
Fixed Deposits In Banks	78122461	Vidyt Samagri Material Purchase	7390017
ICICI Bank	3091	Vidyut Pravah Street Light	9883704
HDFC Bank	9579483	D P Shifting Aur Viduy Pole Vistarikaran	5759758
Bank Of India (Yojna) A/C 288	2620713	Vidyut Marammat Aur Anya Prakash Vyavastha	569917
Bank Of Baroda	176128	Vidhyut Asthayi Sthapana ✓	579470
Axis Bank	24932719	Jal Pradaya Sthapana - Sthayi Karmi ✓	8373281
Canara Bank	249607	Jal Pradaya Marammat And Sadharan	7021465
IDBI Bank	18236695	Jal Pradaya Naye Karyo Ka Vyay	1352230
Bandhan Bank	8965352	Samanya Prashashan Sthapana - Aisthayi Karmi ✓	727256
<u>Narmada Jhabua Bank (P.M. Awas Yojna)</u>		0 Jal Pradaya Filter Plant, Sampwell, Nalkup etc.	170743
(See Footnote 1)		Jal Praday Amrit Distribution Pipe line	6757500
<u>Bank Of Baroda (Amrit Yojna)</u>		Jal Vidyut Vyay	13091617
Balance as on 31.03.2018 as per Receipt & Payments Account (F.Y. 2017-18 Audited)	12921539	Raw Water Elum / Bleaching Etc.	1287891
Add : Difference In Balance as on 31.03.2018 Between Receipt & Payment A/c with Cash Book & Bank Statement (See Footnote 2)	8621208	Jal Praday Aisthayi Sthapana ✓	7400495
	227771579	Swasthya Adhikari Sthapana - Sthayi Karmi ✓	5371570
		Swasthya Adhikari Sthapana - Asisthayi Karmi ✓	7720773
		Vyaktigat Shochalaya	24480
		Shochalaya Marammat	181336
		Sadak Safai Sthapana - Sthayi Karmi ✓	32025729
		Sadak Safai Sthapana - Asthayi Karmi ✓	23119558
		JCB Rent & New Purchase	146118
To Receipts During The Year :			
Chungi Kshatipurti ✓	133415271	Safai Upkaran	2366756
Sampatti Kar (Due Amount) ✓	1895806	Vahan Marammat	4866332
Sampatti Kar (Current Year) ✓	7886276	Naveen Vahan Kray	580000
Samekit Kar ✓	5468250	Kitnashak Vyay	1306841
Shiksha Upkar ✓	1767342	Indhan Diesel	7128475
Nagriya Nikay Vikas Upkar ✓	2409297	Hotel, Jim Sandharan	34730
Surcharge ✓	534654	Udhyan Sthapana - Sthayi Karmi ✓	4392193
Niryat Kar Kshatipurti ✓	8519000	Udhyan Sthapana - Asthayi Karmi ✓	4691023
Yatri Kar Kshatipurti ✓	920000	Navin Udhyan	8626630
Vikas Shulk ✓	4378552	Udhyan Sandharan	2307292
Pashu Panjiyan Fees ✓	48240	Tarantal Nirman	10368457
Bazar Baithak Fees ✓	1189990	Vridhashram, Day Care Vyavastha	92775
Dukan, Saray, Community Hall, Hotel etc. Rent ✓	2727911	Vridhashram Muster Karmi Vetan ✓	317571
Malba Pani ✓	41200	Lok Nirman Sthapana - Sthayi Karmi ✓	5382008
Pashu Vadh Grlh House Fees ✓	43770	Lok Nirman Sthapana - Asthayi Karmi ✓	308763
All Licence Fees ✓	44277	Bhawan, Complex, Shop Nirman, Repair Etc.	11000
Karmkar Mandal ✓	56200	Sadak Marammat	16676847
Balance Carried Forward To Page 2	399117615	Balance Carried Forward To Page 2	224086602

(Chief Municipal Officer)

(Accountant)



NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)
Receipts & Payments Account (Page 2/3)
For the Period From 01st April, 2018 to 31st March, 2019

(Rounded Off to Rupees)

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
Balance Carried From Page 1	399117615	Balance Carried From Page 1	224086602
Namantaran Shulk	3639165	Sadako Ka Nirman	76282241
Vigyapti Shulk	465074	Marammat evam Navinikaran	8648695
Bhawan Nirman Anumati Shulka	278125	Nala Nali Nirman	12901876
Sadak Kshatipurti	1992492	Puliya Nirman	1896575
Bank Interest	22124536	Bus Stand Nirman	3336123
Khel Pratiyogita	22700	Mukhamantri Kanyadan Anudan Ke Viruddh Vyay	477355
Vidhayak / Sansad Swacchata Anudan	823000	Vigyapatti, Vigyapan etc.	896626
Mudrank Shulk	770440	Swagat Samaroh Rashtriya Parv, Moharram, Dashera	4561517
Sadak Anuksharan	10865000	Mela, Khel Pratiyogita, Garba, Yog Diwas Etc.	8081966
14th Vitt Ayog	45384000	Legal Expense	963060
Vidhayak/ Sansad Nidhi	233000	Telephone, Internet Etc.	169728
Rajya Vitt Ayog Anudan	16694000	Audit Fees	1000000
Mulbhoot Anudan	41163000	Samagra Muster	240440
Jalkar	9136804	Nikshep	188722885
Pani Tanker se aay	99940	Paribhashit Anshdan Pension Nikay Ansh	938057
Road Roller, Bus, JCB, Fire Brigade etc.	479640	Aaksmitye	562977
Jal - Vividh Praptiyan	58525	Vetanmaan par vyay	2607355
Sarvajanik Pradarshani / Shivratri Mela	384000	Swachhta Mission	1309844
Mudranalaya Praptra Shulk	157548	Thos Apshisht Kary Prabandhan	2844035
Miscellaneous Receipts	3230870	Mutralaya Marammat	98000
Agrim Vasuli	3292415	Karmchari Vardi, Uni Vastra, Raincoat	681285
Nikshep Amanat Prapti	217445139	Kanji House vyavastha	4000
Atikraman Shulk	6600	Community Hall, Sanskratik Bhawan Nirman	5049479
Kanji House	9280	Swagat Dwar	9963002
Dukan Nilami Rashi	2360000	Vachanalay	29988
Namantaran Aavedan Shulk	824125	Vachanalay / Bhandar Sthapana - Asthayi Karmi	1110550
Aavedan Shulk	418206	Tehsildar Nagda Se Prapt Rashi Ke Viruddh Vyay	97475
Pratilipi Shulk	56	Vividh Nagar Uday Abhiyan	14000
Kachara Sangrahan Shulk	3157482	Vidhayak / Sansad Swacchanudan	3760741
Tehsildar Rashi	50000	Agrim Dey	1510000
E.P.F. Receipts	4865902	TDS Katotra Jama	12294508
CGST	207512	EPF Challan	10874009
SGST	207513	Anyar Nirman	2812049
Amrit Yojna Cash Book Receipts - Grant	50000000	Chouraha Soundaryikaran	512093
Amrit Yojna Cash Book Receipts - Samayojan	8825374	Awas Yojna Samaroh Vyay	40000
Amrit Yojna Bank Intererst	821020	Miscellaneous Expenses	2442835
		Amrit Yojna Cash Book Expenses	50002100
		To Closing Balances :	
		Cash in Hand	0
		Bank Balances :	
		State Bank Of India, City Branch	13676000
		State Bank Of India, Main Branch	3615179
		Bank Of India - 502	2304333
		Central Bank	2622643
Balance Carried Forward To Page 3	849610098	Balance Carried Forward To Page 3	664042226

(Chief Municipal Officer)

(Accountant)



NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)
Receipts & Payments Account (Page 3/3)
For the Period From 01st April, 2018 to 31st March, 2019

(Rounded Off to Rupees)

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
Balance Carried From Page 2	849610098	Balance Carried From Page 2	664042226
		Uco Bank	6539353
		Jila Sahakari Bank (Sanchit Nidhi)	2523169
		Fixed Deposits With Banks	93544195
		HDFC Bank	7400569
		Bank Of India (Yojna) - 288	1276135
		Bank Of Baroda	969302
		Axis Bank	11919494
		IDBI Bank	11626855
		Bandhan Bank	12352569
		HDFC Bank SBM	6229189
		Bank Of Baroda (Amrit Yojna)	31187041
		<u>P.M. Awas Yojna Bank Accounts : (See Footnote 1)</u>	
		Axis Bank	0
		Narmada Jhabua Gramin Bank	0
Grand Total Rs.	849610098	Grand Total Rs.	849610098

Footnote - 1

It is informed by the Institution that the amounts received and payments made under the P.M Awas Yojna constitutes significant part of the receipts and payments of the Institution. However, the receipts and payments account prepared by the institution does not include receipts, payments and balances relating to P. M. Awas Yojna. In the audited receipts and payments account for the previous financial year i.e. Financial Year 2017-18, the balance of P.M. Awas Yojna was stood at Rs. 1,86,51,815/-. Since, the receipts and payments account for the F.Y. 2018-19 does not include any figure relating to P.M. Awas Yojna, therefore, adjustment entry has been done by the municipality in the opening balances of P.M. Awas Yojna in the receipts and payments account for the Financial Year 2018-19 and since the receipts and payments account for the F.Y. 2018-19 does not include any figure relating to P.M. Awas Yojna, therefore, there are no closing balances of P.M. Awas Yojna Bank Accounts have been shown by the municipality in the above receipts & payments account for the F.Y. 2018-19.

Footnote - 2

It is explained by the Institution that while preparing Receipts & Payments Account for the F.Y. 2017-18, the closing bank balance as on 31.03.2018 in Bank of Baroda A/c No. 3986 was wrongly considered at Rs. 1,29,21,539/- instead of actual correct amount Rs. 2,15,42,747/- as per the bank statement and the cash book of Amrit Yojna. Therefore, the opening balance of the above bank account has been taken at the correct figure of Rs. 2,15,42,747/- as appearing in the cash book and bank statement by adding differnetial amount of Rs. 86,21,208/-

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

As Per Our Report Of Even Date Attached

(Chief Municipal Officer)

(Accountant)

Date - 07th October, 2019

Place - Ujjain (M.P.)

For S B C J & Associates
Chartered Accountants



CA. Kamalnayan Jain

Partner

MRN. 409833

FRN. 007051C

UDIN - 19409833AAAABG1039

(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	20.04.2018	21.09.2019	6.90%	3000000	3306751	N.A.	Verified
AXIS BANK	918040034817012	20.04.2018	21.09.2019	6.90%	3000000	3306751	N.A.	Verified
AXIS BANK	918040034814204	20.04.2018	21.09.2019	6.90%	3000000	3306751	N.A.	Verified
AXIS BANK	918040089716087	24.09.2018	01.10.2019	7.45%	12000000	12937746	N.A.	Verified
AU SMALL BANK	1831231910710381/1	19.06.2018	20.06.2019	7.75%	6000000	6480064	N.A.	Verified
AU SMALL BANK	1831231911231645/1	27.12.2018	28.06.2020	8.50%	6000000	6808412	N.A.	Verified
IDBI BANK	1815105000000374	04.07.2017	INA	INA	3224766	3331016	INA	Verified
IDBI BANK	1815105000004732	18.12.2017	18.12.2018	6.75%	9000000	9623051	INA	Verified
HDFC Bank	50300062808730	15.11.2018	INA	INA	2731882	INA	30.10.2017	Verified
HDFC Bank	24494470000316	17.07.2015	02.08.2016	8.20%	3303472	3396008	02.08.2016	Verified
Narmada Jhabua	042640160001962	31.12.2016	10.05.2020	INA	829496	1028595	INA	Verified
Jila Sahakari Bank	674021002919	22.11.2018	27.03.2020	INA	134391	134391	INA	Verified
Jila Sahakari Bank	174001068549	22.11.2018	06.07.2019	6.80%	29996765	32089151	06.07.2017	Verified
Central Bank	3329018233	17.09.2017	17.09.2018	7.40%	3878538	4098928	17.09.2018	Verified
Central Bank	1926420813	08.10.2018	09.10.2019	6.60%	2848476	3041180	N.A.	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.




(Chief Municipal Officer)
मुख्य नगरपालिका अधिकारी
नगर पालिका परिषद, नागडा


(Accountant)
सहायक लेखा अधिकारी
नगर पालिका परिषद, नागडा


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

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - BANDHAN BANK
ACCOUNT NO. - 50170001876547
PERIODICITY - 01.04.2018 TO 31.03.2019

		AMOUNT						
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2019		12352569.00						
LESS : OPENING BALANCE DIFFERENCE AS PER CASH BOOK AND BANK STATEMENT		(200000.00)						
<table><tr><td>OPENING BALANCE AS PER BANK STATEMENT</td><td>8765352.00</td></tr><tr><td>OPENING BALANCE AS PER CASH BOOK</td><td>8965352.00</td></tr><tr><td>DIFFERENCE</td><td>-200000.00</td></tr></table>		OPENING BALANCE AS PER BANK STATEMENT	8765352.00	OPENING BALANCE AS PER CASH BOOK	8965352.00	DIFFERENCE	-200000.00	
OPENING BALANCE AS PER BANK STATEMENT	8765352.00							
OPENING BALANCE AS PER CASH BOOK	8965352.00							
DIFFERENCE	-200000.00							
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2019		12152569.00						


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

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - CENTRAL BANK OF INDIA
ACCOUNT NO. - 1926414378
PERIODICITY - 01.04.2018 TO 31.03.2019

		AMOUNT									
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2019		2622643.00									
ADD : OPENING BALANCE DIFFERENCE AS PER CASH BOOK AND BANK STATEMENT		421565.00									
<table><tr><td>OPENING BALANCE AS PER BANK STATEMENT</td><td>4580529.00</td></tr><tr><td>OPENING BALANCE AS PER CASH BOOK</td><td>4158964.00</td></tr><tr><td>DIFFERENCE</td><td>421565.00</td></tr></table>		OPENING BALANCE AS PER BANK STATEMENT	4580529.00	OPENING BALANCE AS PER CASH BOOK	4158964.00	DIFFERENCE	421565.00				
OPENING BALANCE AS PER BANK STATEMENT	4580529.00										
OPENING BALANCE AS PER CASH BOOK	4158964.00										
DIFFERENCE	421565.00										
LESS : AMOUNT DEBITED IN BANK ACCOUNT BUT NOT ENTERED IN CASH BOOK		(1913580.00)									
<table><tr><td>DATE</td><td>PARTICULARS</td><td>AMOUNT</td></tr><tr><td>31.12.2018</td><td>SHRI BALAJI TRADING</td><td>1913580.00</td></tr><tr><td></td><td>TOTAL</td><td>1913580.00</td></tr></table>		DATE	PARTICULARS	AMOUNT	31.12.2018	SHRI BALAJI TRADING	1913580.00		TOTAL	1913580.00	
DATE	PARTICULARS	AMOUNT									
31.12.2018	SHRI BALAJI TRADING	1913580.00									
	TOTAL	1913580.00									
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2019		1130628.00									

मुख्याधिकारी
नगरपालिका परिषद, नागडा

मुख्याधिकारी लेखा अधिकारी
नगरपालिका परिषद, नागडा



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

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - UCO BANK
ACCOUNT NO. - 04710100000311
PERIODICITY - 01.04.2018 TO 31.03.2019

		AMOUNT																
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2019		6539353.00																
LESS : OPENING BALANCE DIFFERENCE AS PER CASH BOOK AND BANK STATEMENT		(128404.00)																
<table><tr><td>OPENING BALANCE AS PER BANK STATEMENT</td><td>3344456.00</td></tr><tr><td>OPENING BALANCE AS PER CASH BOOK</td><td>3472860.00</td></tr><tr><td>DIFFERENCE</td><td>-128404.00</td></tr></table>		OPENING BALANCE AS PER BANK STATEMENT	3344456.00	OPENING BALANCE AS PER CASH BOOK	3472860.00	DIFFERENCE	-128404.00											
OPENING BALANCE AS PER BANK STATEMENT	3344456.00																	
OPENING BALANCE AS PER CASH BOOK	3472860.00																	
DIFFERENCE	-128404.00																	
LESS : AMOUNT WRONGLY ENTERED IN CASH BOOK		(136.00)																
<table><tr><th>DATE</th><th>AMOUNT RECORDED IN CASH BOOK</th><th>AMOUNT AS PER BANK</th><th>DIFFERENTIAL AMOUNT</th></tr><tr><td>08.11.2018</td><td>10683.00</td><td>10689.00</td><td>(6.00)</td></tr><tr><td>01.01.2019</td><td>3746874.00</td><td>3747004.00</td><td>(130.00)</td></tr><tr><td>TOTAL</td><td>3757557.00</td><td>3757693.00</td><td>(136.00)</td></tr></table>		DATE	AMOUNT RECORDED IN CASH BOOK	AMOUNT AS PER BANK	DIFFERENTIAL AMOUNT	08.11.2018	10683.00	10689.00	(6.00)	01.01.2019	3746874.00	3747004.00	(130.00)	TOTAL	3757557.00	3757693.00	(136.00)	
DATE	AMOUNT RECORDED IN CASH BOOK	AMOUNT AS PER BANK	DIFFERENTIAL AMOUNT															
08.11.2018	10683.00	10689.00	(6.00)															
01.01.2019	3746874.00	3747004.00	(130.00)															
TOTAL	3757557.00	3757693.00	(136.00)															
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2019		6410813.00																

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

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - BANK OF INDIA
ACCOUNT NO. - 912210110000502
PERIODICITY - 01.04.2018 TO 31.03.2019

		AMOUNT												
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2019		2304333.00												
ADD :	OPENING BALANCE DIFFERENCE AS PER CASH BOOK AND BANK STATEMENT	361994.00												
<table><tr><td>OPENING BALANCE AS PER BANK STATEMENT</td><td>- 1492262.00</td></tr><tr><td>OPENING BALANCE AS PER CASH BOOK</td><td>1130268.00</td></tr><tr><td>DIFFERENCE</td><td>361994.00</td></tr></table>		OPENING BALANCE AS PER BANK STATEMENT	- 1492262.00	OPENING BALANCE AS PER CASH BOOK	1130268.00	DIFFERENCE	361994.00							
OPENING BALANCE AS PER BANK STATEMENT	- 1492262.00													
OPENING BALANCE AS PER CASH BOOK	1130268.00													
DIFFERENCE	361994.00													
ADD :	AMOUNT DEBITED IN CASH BOOK BUT NOT FOUND IN BANK STATEMENT	371128.00												
<table><tr><td>DATE</td><td>PARTICULARS</td><td>AMOUNT</td></tr><tr><td>10.05.2018</td><td>DAILY WAGES - AISTHAYI STHAPNA</td><td>371128.00</td></tr><tr><td></td><td>TOTAL</td><td>371128.00</td></tr></table>		DATE	PARTICULARS	AMOUNT	10.05.2018	DAILY WAGES - AISTHAYI STHAPNA	371128.00		TOTAL	371128.00				
DATE	PARTICULARS	AMOUNT												
10.05.2018	DAILY WAGES - AISTHAYI STHAPNA	371128.00												
	TOTAL	371128.00												
ADD :	AMOUNT CREDITED IN BANK ACCOUNT BUT NOT ENTERED IN CASH BOOK	327000.00												
<table><tr><td>DATE</td><td>PARTICULARS</td><td>AMOUNT</td></tr><tr><td>08.06.2018</td><td>AMOUNT RECD. FROM TREASURIES</td><td>327000.00</td></tr><tr><td></td><td>TOTAL</td><td>327000.00</td></tr></table>		DATE	PARTICULARS	AMOUNT	08.06.2018	AMOUNT RECD. FROM TREASURIES	327000.00		TOTAL	327000.00				
DATE	PARTICULARS	AMOUNT												
08.06.2018	AMOUNT RECD. FROM TREASURIES	327000.00												
	TOTAL	327000.00												
LESS :	AMOUNT DEBITED IN BANK ACCOUNT BUT NOT ENTERED IN CASH BOOK	(364884.00)												
<table><tr><td>DATE</td><td>PARTICULARS</td><td>AMOUNT</td></tr><tr><td>10.05.2018</td><td>AS PER ORDER 2018/3400</td><td>364858.00</td></tr><tr><td></td><td>BANK EXPENSES DURING THE YEAR</td><td>26.00</td></tr><tr><td></td><td>TOTAL</td><td>364884.00</td></tr></table>		DATE	PARTICULARS	AMOUNT	10.05.2018	AS PER ORDER 2018/3400	364858.00		BANK EXPENSES DURING THE YEAR	26.00		TOTAL	364884.00	
DATE	PARTICULARS	AMOUNT												
10.05.2018	AS PER ORDER 2018/3400	364858.00												
	BANK EXPENSES DURING THE YEAR	26.00												
	TOTAL	364884.00												
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2019		2999571.00												

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नगर पालिका परिषद्, नागदा



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

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - JILA SEHKARI KENDRIYA BANK (SANCHIT NIDHI)
ACCOUNT NO. - 674021014947
PERIODICITY - 01.04.2018 TO 31.03.2019

				AMOUNT												
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2019				2523169.00												
ADD : OPENING BALANCE DIFFERENCE AS PER CASH BOOK AND BANK STATEMENT				494278.00												
<table><tr><td>OPENING BALANCE AS PER BANK STATEMENT</td><td>6712289.00</td></tr><tr><td>OPENING BALANCE AS PER CASH BOOK</td><td>6218011.00</td></tr><tr><td>DIFFERENCE</td><td>494278.00</td></tr></table>				OPENING BALANCE AS PER BANK STATEMENT	6712289.00	OPENING BALANCE AS PER CASH BOOK	6218011.00	DIFFERENCE	494278.00							
OPENING BALANCE AS PER BANK STATEMENT	6712289.00															
OPENING BALANCE AS PER CASH BOOK	6218011.00															
DIFFERENCE	494278.00															
ADD : AMOUNT WRONGLY ENTERED IN CASH BOOK				10.00												
<table><tr><td>DATE</td><td>AMOUNT RECORDED IN CASH BOOK</td><td>AMOUNT AS PER BANK STATEMENT</td><td>DIFFERENTIAL AMOUNT</td></tr><tr><td>30.05.2018</td><td>117157.00</td><td>117167.00</td><td>10.00</td></tr><tr><td>TOTAL</td><td>117157.00</td><td>117167.00</td><td>10.00</td></tr></table>				DATE	AMOUNT RECORDED IN CASH BOOK	AMOUNT AS PER BANK STATEMENT	DIFFERENTIAL AMOUNT	30.05.2018	117157.00	117167.00	10.00	TOTAL	117157.00	117167.00	10.00	
DATE	AMOUNT RECORDED IN CASH BOOK	AMOUNT AS PER BANK STATEMENT	DIFFERENTIAL AMOUNT													
30.05.2018	117157.00	117167.00	10.00													
TOTAL	117157.00	117167.00	10.00													
ADD : AMOUNT CREDITED IN BANK ACCOUNT BUT NOT ENTERED IN CASH BOOK				153032.00												
<table><tr><td>DATE</td><td>PARTICULARS</td><td>AMOUNT</td></tr><tr><td>21.08.2018</td><td>TDS RET.</td><td>153032.00</td></tr><tr><td></td><td>TOTAL</td><td>153032.00</td></tr></table>				DATE	PARTICULARS	AMOUNT	21.08.2018	TDS RET.	153032.00		TOTAL	153032.00				
DATE	PARTICULARS	AMOUNT														
21.08.2018	TDS RET.	153032.00														
	TOTAL	153032.00														
LESS : AMOUNT ENTERED IN CASH BOOK BUT NOT FOUND IN BANK STATEMENT				(531886.00)												
<table><tr><td>DATE</td><td>PARTICULARS</td><td>AMOUNT</td></tr><tr><td>14.12.2018</td><td>NOT FOUND IN BANK STATEMENT</td><td>531886.00</td></tr><tr><td></td><td>TOTAL</td><td>531886.00</td></tr></table>				DATE	PARTICULARS	AMOUNT	14.12.2018	NOT FOUND IN BANK STATEMENT	531886.00		TOTAL	531886.00				
DATE	PARTICULARS	AMOUNT														
14.12.2018	NOT FOUND IN BANK STATEMENT	531886.00														
	TOTAL	531886.00														
LESS : AMOUNT DEBITED IN BANK ACCOUNT BUT NOT ENTERED IN CASH BOOK				(59.00)												
<table><tr><td>DATE</td><td>PARTICULARS</td><td>AMOUNT</td></tr><tr><td>20.12.2018</td><td>BANK EXPENSES CHARGED BY BANK</td><td>59.00</td></tr><tr><td></td><td>TOTAL</td><td>59.00</td></tr></table>				DATE	PARTICULARS	AMOUNT	20.12.2018	BANK EXPENSES CHARGED BY BANK	59.00		TOTAL	59.00				
DATE	PARTICULARS	AMOUNT														
20.12.2018	BANK EXPENSES CHARGED BY BANK	59.00														
	TOTAL	59.00														
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2019				2638544.00												

[Signature]
उपनिवेश अधिकारी
नगर पालिका परिषद, नागदा

[Signature]
उपनिवेश अधिकारी
नगर पालिका परिषद, नागदा



NAGAR PALIKA PARISHAD, NAGDA, DISTRICT UJJAIN (M.P.)
Annexure "B-6" (Forming Part of Statement Of Observations On The Scope Of Audit Work Prescribed)

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - BANK OF BARODA
ACCOUNT NO. - 44500100003986
PERIODICITY - 01.04.2018 TO 31.03.2019

	AMOUNT
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2019	31187041.00
ADD / LESS : ADJUSTMENT ENTRIES	0.00
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2019	31187041.00


मुखाधिकारी
नगरपालिका परिषद, नागडा


सहायक लेखा अधिकारी
नगरपालिका परिषद, नागडा



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

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - BANK OF BARODA
ACCOUNT NO. - 44500200000027
PERIODICITY - 01.04.2018 TO 31.03.2019

	AMOUNT
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2019	969302.00
ADD / LESS : ADJUSTMENT ENTRIES	0.00
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2019	969302.00


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नगर पालिका परिषद, नागदा


सहायक लेखा अधिकारी
नगर पालिका परिषद, नागदा



S B C J & Associates

Chartered Accountants

Head Office :
 LG-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

REVISED ABSTRACT SHEET FOR REPORTING ON AUDIT PARAS FOR FINANCIAL YEAR 2018-19

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 2017-18 (Rs.)	Recovery In Financial Year 2018-19 (Rs.)	% Of Growth		
01	AUDIT OF REVENUE					
	<u>Rajaswa Kar Vasuli</u>					
	Property Tax (Sampatti Kar)	88,75,878/-	97,82,082/-	+ 10.21 %	% 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.
	Samekit Kar	34,05,000/-	54,68,250/-	+ 60.59 %		Apart from yearly targets, monthly / quarterly targets should also be made for revenue collection.
	Shiksha Upkar	17,39,291/-	17,67,342/-	+ 1.61 %		
	Nagariya Vikas Upkar	22,83,415/-	24,09,297/-	+ 5.51 %	There are no monthly / quarterly target for revenue collection.	
	Total Rs.	1,63,03,584/-	1,94,26,971/-	+ 19.16 %		

[Chief Municipal Officer]

मुख्य नगरपालिका अधिकारी
 नगरपालिका, नागडा

[Signature]
 [Accountant]
 तहसील अधिकारी, नागडा



<u>Gair Rajaswa Vasuli</u>					Attempt should be made to increase the revenue collection. Apart from yearly targets, monthly / quarterly targets should also be made for revenue collection.
Bhawan Bhumi Kiraya	14,02,034/-	27,27,911/-	+ 94.57 %	% has increased in comparison with earlier year. However, it is less than current year's target. There are no monthly / quarterly target for revenue collection.	
Jal Upbhokta Prabhar	88,33,023/-	91,36,804/-	+ 3.44 %		
Thos Apshisht Prabandhan	0.00	0.00	0.00 %		
Other Tax, Fees etc.	1,24,66,900/-	1,26,69,870/-	+ 1.60 %		
(Niryat Kar, Yatri Kar & Misc. Receipts)					
Total Rs.	2,27,01,957/-	2,45,34,585/-	+ 8.07 %		
Grand Total Rs.	3,90,05,541/-	4,39,61,556/-	+ 12.71 %		

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>Deficiency found regarding recording of bank interest (details in report).</p> <p>Lesser interest rate fixed deposit found (details in report).</p>	<p>Entries in cash book (specially for bank transactions) should be made carefully and timely.</p> <p>Internal control should be strengthen i.e., before deposit of receipts in bank, the challan should be invariably checked by an independent person from counterfoils of receipts.</p> <p>Efforts should be made to achieve revenue targets.</p> <p>Efforts required to achieve better FD rate of interest</p> <p>Bank interest entries should be regularly made in cash book.</p>

[Chief Municipal Officer]
मुख्य नगरपालिका अधिकारी, नगरपालिका

[Accountant]
खाता ब्यापक, नगरपालिका



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>Cash book balances (in bank) contains unreconciled differences from earlier years also (details in report).</p> <p>Utilization certificates not prepared in all cases (details in report).</p>	<p>Bank reconciliation statements should be got prepared for reconciling differences pending from earlier years also.</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>
03	Audit of Book Keeping	<p>Checking of system of accounting</p> <p>Checking of books of account, advance registers, bank reconciliation, grant register, fixed asset register etc.</p>	<p>Single entry system of accounting is followed by the institution.</p> <p>Double entry system is not followed. Balance Sheet and Income Expenditure Account is not prepared.</p> <p>Manual books of account are kept. Computerized books of account are not kept. Due to that there are various totaling and posting (Khatoni) 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 khatoni cash book (details in</p>	<p>Double entry system should be followed. Balance Sheet and Income Expenditure Account should be prepared.</p> <p>Computerized books of account should be maintained through appropriate software to avoid totaling and posting (Khatoni) mistakes.</p> <p>Bank reconciliation should be prepared regularly and timely and also in respect of all bank accounts and also differences carried from earlier years should also be reconciled.</p> <p>Till full computerization is made, Khatoni entries and totaling should be carefully made and differences should be regularly reconciled.</p> <p>Advance register should be regularly</p>

[Chief Municipal Officer]

(Signature)

14/08/2024

(Signature)

[Accountant]

14/08/2024



			report). Advance register was not completed (details in report). Fixed asset register was under preparation (details in report). Large number of bank accounts may be in excess of real requirement (details in report).	updated. Fixed asset register should be completed regularly. Number of bank accounts should be kept at minimum as per real requirement for better controlling. Books of Accounts should be maintained as per MPMAM.
04	Audit of FDR / TDR	Checking of appropriateness of rate of interest Verification of fixed deposit receipts Checking of timely renewals Checking of interest entries etc.	Instance of lesser rate of interest found (details in report). Instance of non timely renewal found (details in report). Unexplained deduction by banks from maturity amount found (details in report). Non timely recording of interest in cash book found (details in report).	Attempt should be made to earn best rates of interest. Timely renewal of fixed deposit should be made. Regular and timely entry of interest should be done in cash book. Deductions made by banks should be asked and refunds should be obtained. Renewed fixed deposit receipts should be obtained invariably from banks.
05	Audit of Tenders / Bids	Checking of competitive procedures in tenders / bids Checking for tender fees Checking of bank guarantees etc.	Instances of acceptances of single bid found (details in report). Tender register not maintained (details in report).	Attempt should be made to avoid work allotment in case of only single bid. Bank guarantee expiry / renewal etc. matters should be carefully dealt with. On expiry it should be got renewed within time. Tender register should be maintained.
06	Audit of Grants & Loans	Checking of grants , its utilization and	Instances of excess expenditure	Utilization certificates should be



[Chief Municipal Officer]
Panchayat, Panchayat

[Signature]
Panchayat (Accountant)
Panchayat, Panchayat

		diversion of grants for other purposes	than grant observed (details in report). Utilization certificate not prepared in all cases (details in report). Grant register is not properly maintained.	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 (b)	Percentage of Capital Expenditure with respect	The municipality is not maintaining its accounts on double entry system.	The municipality is not maintaining its accounts on	The municipality should keep its books of accounts on double entry system.

[Chief Municipal Officer]

[Accountant]

पत्राचार अधिकारी, नगरपालिका

	to Total Expenditure.	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.	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 also follow the detailed guidelines mentioned in MPMAM for keeping its books of accounts.
09	Whether all the temporary advances have been fully recovered or not.	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.	The Municipality is providing advance only to its employees. No advance is given to the Contractors or other persons. The Municipality has kept register of advances to the employees but the same is not properly maintained. Temporary advances are recovered through deduction in monthly salary.	The eligibility criteria for advance to employees should invariably be scrutinized thoroughly in each case before sanctioning of advance. The terms and conditions of advance should not be detrimental to the interest of the municipality. The municipality should maintain the advance register in proper format. The advance register should be regularly updated. Interest should be charged on advance given to employees.
10	Whether the Bank Reconciliation Statements are being regularly prepared.	Checking of Bank statements with cash book. Checking of Bank Reconciliation Statement.	Differences are there between bank balances and cash book balances (details in report). The municipality has no practice to prepare bank reconciliation statements.	Bank reconciliation should be prepared regularly and timely and also in respect of all bank accounts. Differences carried from earlier years should also be reconciled. The number of bank accounts should


[Accountant]

[Chief Municipal Officer]



		Bank balances are unreconciled from last many earlier years.	be reduced to reasonable extent by considering the actual requirements of the municipality. This may be helpful in ensuring smooth, correct and timely accounting of bank entries in the cash book and in preparation of bank reconciliation statements.
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Date - 07th October, 2019
Place - Ujjain (M.P.)

For S B C J & Associates
Chartered Accountants



[Signature]

CA. Kamalnayan Jain
(Partner)

MRN. - 409833

FRN. - 007051C

UDIN - 19409833AAAAABG1039

[Chief Municipal Officer]
[Signature]
[Stamp: उज्जैन नगरपालिका, नगरपालिका, नगरपालिका]

[Signature]
[Stamp: Accountant, नगरपालिका, नगरपालिका, नगरपालिका]