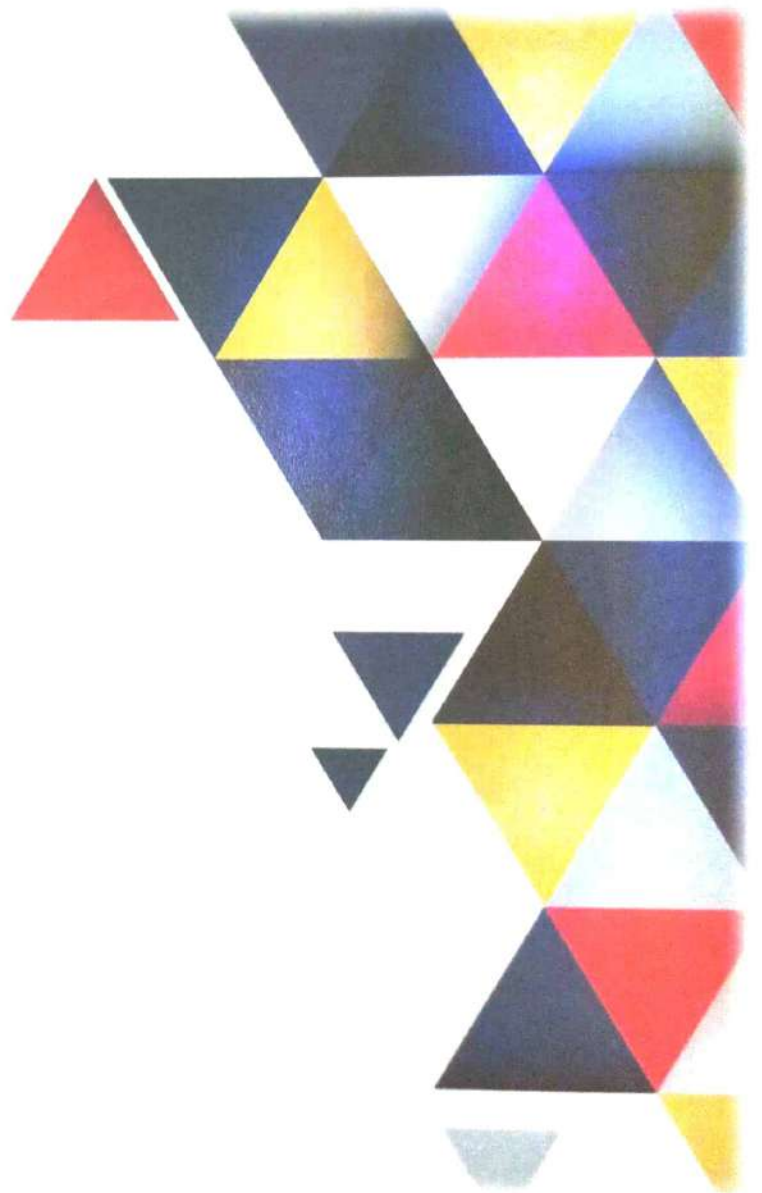


NAGAR PARISHAD ISAGARH

AUDIT REPORT- FINANCIAL YEAR 2023-24



PATIDAR AND ASSOCIATES
CHARTERED ACCOUNTANTS



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INDEPENDENT AUDITOR'S REPORT

To the Stakeholders of NAGAR PARISHAD ISAGARH

1. Report on the Financial Statements

We have audited the accompanying financial statements of NAGAR PARISHAD ISAGARH ("the ULB"), which comprise the Receipt & Payment Account for the year then ended, and other explanatory information.

2. Management's Responsibility for the Financial Statements

The ULB's Management is responsible for the matters with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the ULB in accordance with the provisions of Madhya Pradesh Municipalities Act, 1961 and accounting principles generally accepted in India, including the Municipal Accounting Manual ("the Manual") and Accounting Standards applicable to the Urban Local Bodies. This responsibility also includes maintenance of adequate accounting records in accordance with the Municipal Accounting Manual for safeguarding of the assets of the ULB and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the Municipal Accounting Manual, the accounting and auditing standards and matters which are required to be included in the audit report as per the letter issued by Directorate, Urban Administration & Development, M.P., Bhopal in this regard. The Commissioner/CMO has not directed us to perform audit of any other section in his office in addition to the above scope.

We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards requires that we comply





with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the ULB's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the ULB's officers, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the report attached below, the Receipt & Payment Account annexed to this report give true and fair view of financial transactions affected by ULB and recorded these transactions in cash book for the financial year ending as on 31st March, 2024.

5. Basis for Qualified Opinion

The details which form the basis of qualified opinion are reported in the Annexure 1 and Annexure 2 annexed to this report.

6. Emphasis of Matters

We draw attention to the following matters reported in Annexure - 2, annexed to this report.

- Accounts prepared as per the Manual in lieu of accounting standards for local bodies as issued by Institute of Chartered Accountants of India.
- Revenue department's records related to recovery of revenue taxes and other revenue dues has differences with accounting records maintained by accounting department.
- Non-maintenance or incomplete registers as prescribed under manual and mentioned at point 3 of annexure 2.





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d) Non verification of Statutory & employee related liabilities, as same has not been made available to us by the ULB.

Our opinion is not modified in respect of these matters.

7. We further report that:

- We have sought and, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by Municipal Accounting Manual have been kept by the ULB so far as appears from our examination of those books.
- The Receipt & Payment Account deal with by this Report are in agreement with the books of account.
- Except for the matter described in the Basis for Qualified Opinion paragraph above, the Receipt & Payment Account comply with the Municipal Accounting Manual and Accounting Standards applicable to the Urban Local Bodies.
- The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the ULB.
- The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- With respect to the adequacy of the internal financial controls over financial reporting of the ULB and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 1'.

Date:10/01/2025

UDIN: 25418806BMJGZX2626

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नगर परिषद ईसागढ़
अशोकनगर (म.प्र.)

For Patidar & Associates
Chartered Accountants

CA Neelesh Patidar
(Partner)
MRN - 418806



Annexure '1'

Report on Internal Financial Controls over Financial Reporting

1. Report on the Internal Financial Controls of the ULB ("the ULB")

We have audited the internal financial controls over financial reporting of NAGAR PARISHAD ISAGARH ("the ULB") as of March 31, 2024 in conjunction with our audit of the financial statements of the ULB for the year ended on that date.

2. Management's Responsibility for Internal Financial Controls

The ULB's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the ULB. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to ULB's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required in accordance with the Madhya Pradesh Municipalities Act, 1961 including the Municipal Accounting Manual and accounting principles generally accepted in India applicable to the Urban Local Bodies.

3. Auditors' Responsibility

Our responsibility is to express an opinion on the ULB's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting,





assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the ULB's internal financial controls system over financial reporting.

4. Meaning of Internal Financial Controls Over financial Reporting.

A ULB's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A ULB's internal financial control over financial reporting includes those policies and procedures that

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the ULB;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the ULB are being made only in accordance with authorizations of management and officers of the ULB; and
- c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the ULB's assets that could have a material effect on the financial statements.

5. Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.





6. Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2024:

- The ULB did not have an appropriate internal financial control system over financial reporting since the internal controls adopted by the ULB did not adequately consider risk assessment, which is one of the essential components of internal control, with regard to the potential for fraud when performing risk assessment
- The ULB did not have an appropriate internal control system for tax and user charges collection, tax demand evaluation, which could potentially result in the ULB recognizing revenue without establishing reasonable certainty of ultimate collection.
- The ULB did not have an appropriate internal control system for inventory with regard to receipts, issue for production and physical verification. Further, the internal control system for identification and allocation of overheads to inventory was also not adequate. These could potentially result in material misstatements in the ULB's trade payables, consumption, inventory and expense account balances.
- The ULB did not have an appropriate internal control system for fixed asset with regard to purchase, construction, transfer and physical verification. Further, the internal control system for identification and allocation of overheads to fixed asset was also not adequate. These could potentially result in material misstatements in the ULB's grants, payable to contractors, tax and other statutory dues, fixed assets, capital work in process and accumulated depreciation account balances.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the ULB's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, because of the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the ULB has not maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as of March 31, 2024 based on the criteria established by the ULB.

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We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2024 financial statements of the ULB, and these material weaknesses do not affect our opinion on the financial statements of the ULB.

Date: 10/01/2025

मुख्य नगर पंचायत
नगर पंचायत
जिला अश्वमेध (म.प्र.)

For Patidar & Associates
Chartered Accountants

CA Neelesh Patidar
Partner
MRN - 418806



Annexure '2'

The Annexure referred to in paragraph 5 & 6 of Our Report:

1. Audit of Revenue

- 1) The auditor is responsible for audit of revenue from various sources.

We have verified the revenue from various sources which was recognized and entered in the books of account produced before us for verification. However, some receipt heads were not mentioned in the cashbook but only amounts were written. The receipts heads were later clarified by the ULB but are subject to verification. Receipt under miscellaneous income head was not clarified by the ULB for its nature & source. The receipts under tax revenue was not bifurcated as current year or arrear receipts.

- 2) He is also responsible to check the revenue receipts from the counter files of receipt book and verify that the money receipt is duly deposited in respective bank account. The counter foils or revenue receipts were made available to us for verification. It was informed to us that the revenue/tax collector/officer directly deposits the amount collected with main cashier at the cash counter, who in turn deposit this amount directly to the bank account. A register is being maintained by revenue/tax collector/officer from which collected amount move into cashier cash book . A detailed statement containing outstanding demand and tax collected during the year was provided to us by the concerned department duly certified by the concerned officer.

- 3) Percentage of revenue collection increase or decrease in various heads in property tax, samekitkar, shikshaupkar, nagriyavikasupkar, and other tax compared to previous year shall be part of report.
Details are given in Annexure C attached to this report.

- 4) Delay beyond 2 working days shall be immediately brought to the notice of commissioner/CMO.
No such instances were noticed during the test check of entries conducted by us except the circumstances like public holidays, government or local holidays etc.

- 5) The entries in Cash book shall be verified.

We have verified the entries in cash book on test check basis and found issue relating to totalling and balancing of amount. Along with these, there are receipts entries





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recorded without proper narrations. The opening balance of the cashbook was also not accurately brought forward from previous year cashbook balance.

- 6) The auditor shall specifically mention in the report the revenue recovery against the quarterly and monthly targets any lapses in revenue recovery shall be a part of the report.

The revenue recovery against demand has been provided on yearly basis in the form of wasooli patrak prepared by the revenue department of the ULB.

Some of the long outstanding amount under various revenue heads has been made available as below:

In case of Water charges

Name	Date	Total Amount
Puneet Shrivastav	2006-2024	22,800.00
Keshavnarayan Sharma	2009-2024	20,895.00
Sudhir Dixit	2012-2024	18,320.00
Devendra Sharma	2011-2024	19,245.00
Shayamlal Rathore	2002-2024	24,645.00

In case of property tax

Name	Date	Total Amount
Suresh Singh Yadav	1997-2024	36,254.00
Rakesh Prakash Sharma	1997-2024	35,226.00
Urmila Bai Yadav	1997-2024	22,150.00
Rajeev Singh Yadav	1997-2024	32,250.00
Jaipal Singh Yadav	1997-2024	22,240.00

In case of Shop Rent

Name	Date	Total Amount
Rani Shrivastav	2013-2024	1,43,270.00
Umashankar Shrivastav	2013-2024	1,43,270.00
Navdeep Sharma	2017-2024	1,08,012.00
Kapuri Bai Lodhi	2018-2024	1,23,431.00
Pratapsingh Lodhi	2020-2024	1,09,667.00

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7) The auditor shall verify the interest income from FDR's and verify that interest is duly and timely accounted for in cash book.
We have verified the interest income from FDR's and noticed that interest income is not recognised in the cashbook during the year.

8) The case where, the investments are made on lesser interest rates shall be brought to the notice of the Commissioner/CMO.
The physical copies of FDR and registers were not made available to us, hence we could not comment over lesser interest rates.

2. Audit of Expenditure:

1) The auditor is responsible for audit of expenditure under all the schemes.
We have verified the expenditure recorded in the cashbook produced before us for verification.

2) He is also responsible for checking the entries in cash book and verifying them relevant vouchers.
We have verified the entries in cash book on test check basis which were supported by relevant vouchers/note sheets. However, considering the bulk quantum of entries and the weak internal control procedures, the discrepancies in the entries of cash book cannot be ruled out.

3) He should also check monthly balance of the cash book and guide the accountant to rectify errors, if any.
Issues relating to totalling & balancing during the year were noticed and guidance has been provided to ULB to rectify the issues. The opening balance of the cashbook has also been incorrectly brought forward in the current year with difference amounting to Rs. 8,63,109/-.

4) He shall verify that the expenditure for a particular scheme is limited to the funds allocated for that particular scheme any over payment shall be brought to the notice of the Commissioner / CMO.
Details relating to deviation of expenditure, if any, of particular scheme is specified at sub point 4 of point 6.

5) He shall also verify that the expenditure is accordance with the guideline, directives, acts and rules issue by Government of India/ State Government.





As explained to us, ULB follows the necessary guidelines, directives, acts and rules issued by Government of India and State Government. However, ULB didn't provided such directives with written confirmation and hence it was not possible for us to verify the expenditures in accordance with such guidelines etc.

- 6) During the audit financial propriety shall also be checked. All the expenditure shall be supported by financial and administrative sanctions accorded by competent authority and shall be limited to the administrative and financial limits of the sanctioning authority.

We have verified the expenditure on test check basis and it was found that such expenditure were duly supported by financial and administrative sanctions accorded by competent authority. ULB follows the hierarchy of sanctions and approvals depending upon the nature of the transactions and financial limits.

- 7) All the cases where appropriate sanctions have not been obtained shall be reported and the compliance of audit observation shall be ensured during the audit. Non-compliance of audit paras shall be brought to the notice of Commissioner / CMO. No such instances were noticed during the test check of such entries conducted by us.

- 8) The auditor shall be responsible for verification of scheme wise/ project wise Utilization Certificate (UC's). UC's shall be tallied with the Receipt & Payment Account and creation of Fixed Asset. Utilization certificates of various schemes for verification of scheme wise project/ wise Utilization Certificate (UCS) were not provided to us by the ULB. Hence same cannot be commented upon.

We are unable to verify the details of capitalization of expenditure since there is neither any proof available nor completion of work from respective department. There is no cross check mechanism exist to ensure the completion of project except payment of final bill. It is suggested that a proper internal control system should be framed to identify the fixed asset and its recognition in fixed asset register and books of account of the ULB.

- 9) He shall verify that all temporary advances of other than employees have been fully recovered.





Details regarding temporary advances were not provided to us by the ULB and hence we cannot comment on the same.

3. Audit of Book Keeping

- 1) The auditor is responsible for audit of the books of accounts as well as stores.

As per the information and explanation provided to us by the management of the ULB and on perusal of books of accounts, it was noticed by us that the ULB has not maintained/provided Fixed Asset Registers, Security Deposit Registers, Stock Registers, Investment Registers, Register of Settlement of Contractor / Supplier Bills as prescribed under MP MAM.

- 2) He shall verify that all the books of accounts and stores are maintained as per Accounting Rules applicable to the Urban local Bodies. Any discrepancies shall be brought to the notices of Commissioner / CMO.

As stated in point no. 1 above, as the books stores are not provided for verification, so it was not possible for us to verify whether the same is maintained as per Accounting Rules applicable to the urban local Bodies.

- 3) The auditor shall verify advance register and see that all the advance to employees are timely recovered according to the condition of advance. All the case of non-recovery shall be specifically mentioned in audit report.

As per the information and explanation provided to us by the management of the ULB, there are no advances during the year. Hence, it is not possible for us to verify the cases of timely recovery of advances, if any.

- 4) Bank reconciliation statement (BRS) shall be verified from the records of ULB and the bank concerned. If bank reconciliation Statement are not prepared the auditor will help in the preparation of BRS's

Bank Reconciliation is provided to us by the ULB and attached with this report.

- 5) He shall be responsible for verifying the entries in the Grant register. The receipts and payment of grants shall be duly verified from the entries in cash book. Grant registers were not made available to us. Hence verification of the same cannot be done from the entries in cash book.

- 6) The auditor shall verify the fixed assets register from other records and discrepancies shall be brought to the notices of Commissioner / CMO.





Fixed asset registers were not provided to us for verification. Therefore we are not able to verify the same and comment upon whether it is complete and correctly balanced.

- 7) The auditor shall reconcile the account of receipt and payment especially for project funds.

ULB maintain separate cash books for different schemes and projects and the transactions are consolidated in the single receipt & payment statement prepared by the ULB for the year.

4. Audit of FDR

- 1) The auditor is responsible for audit of all fixed deposits and term deposits. Physical records or register of the fixed deposits and term deposits held by the ULB during the year were not made available for verification. The FD/TD were recorded in the cashbook as follows:

BANK NAME	FDR NO.	YEAR END VALUE AS PER CASHBOOK
CCB	4389	4,75,891.00
SBI	4909	6,55,514.00
SBI	6419	2,66,538.00
SBI	1008	25,000.00

- 2) It shall be ensured that proper record of FDR's are maintained and renewals are timely done.

Records of FDRs were not provided to confirm the renewal are done timely or not.

- 3) The case where FDR'S / TDR are kept at low rate of interest than the prevailing rate shall be immediately brought to the notice of Commissioner/ CMO.

The copies of FDR/TDR and register were not provided to us, hence we cannot comment over low interest rates than prevailing rates.

- 4) Interest earned on FDR/TDR Shall be verified from entries in the cash book. We have not found interest entries in the cashbook during the year.

5. Audit of Tenders / Bids

- 1) The auditor is responsible for audit of all tenders / bids invited by the ULB.

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Tender related documents were provided to us on test check basis. On verification of produced documents we can conclude that procedure of tendering was followed by the ULB.

Bid were invited online where the tender amount exceeding Rs. One Lakh and for value less than one lakh, manual bids were asked. The KYC documents and SD were not kept with the other tender documents in the file.

- 2) He shall check whether competitive tendering procedures are followed for all bids. Tender related documents were provided to us on sampling basis, and except few minor irregularities we found them complete and appropriate. Competitive tendering procedures were followed for all bids.
- 3) He shall verify the receipts of tender fee / bid processing fee / performance guarantee both during the construction and maintenance period. Tender related documents were provided on test check basis, and we have verified the receipts of tender fee / bid processing fee / performance guarantee etc. No major irregularities were found during our verification in the produced documents.
- 4) The bank guarantees, if received in lieu of bid processing fee / performance guarantee shall be verified from the issuing banks.
No such bank guarantees were produced before us for verification.
- 5) The conditions of BG shall also be verified; any BG with any such condition which is against the interests of the ULB shall be verified and brought to the notice of Commissioner /CMO.
No such bank guarantees were produced before us for verification. Therefore, it is not possible for us to comment on the conditions of BG.
- 6) The cases of extension of BG shall be brought to the notice of Commissioner / CMO. Proper guidance to extend the BC's shall also be given to ULB
No such bank guarantees were produced before us for verification. Therefore, it is not possible for us to comment on the conditions/extensions of BG.
- 7) The contract closure shall also be verified by the auditor.
No contract closure documents were made available to us for verification.



6. Audit of Grants and Loans

- 1) The auditor is responsible for audit of grants given by Central Government and its utilization.

The grant register were not made available to us for verification and hence we cannot comment over Central Government and its utilization. The grant receipts as per cashbook are as follows:

Grants	Received
15th Finance Commission Grant	61,39,375.00
State Finance Commission Grant	46,97,000.00
Sadak Marammat anudan	20,00,238.00
Mulbhoot Suvidha	54,41,525.00
Kayakalp Yojana	19,09,000.00
MLA-LAD	1,51,283.00
CM Urban Development Grant	60,00,000.00
SDRF	73,00,000.00
Total	3,36,38,421.00

- 2) He is responsible for audit of grants received from State Government and its utilization.

The grant register were not made available to us for verification and hence we cannot comment over State Government and its utilization. The grant receipts as per cashbook has been provided in the previous sub point.

- 3) He shall perform audit of loans provided for physical infrastructure and its utilization. During his audit the auditor shall specifically comment on the revenue mechanism i.e. whether the asset created out of the loan has generated the desired revenue or not. He shall also comment on the possible reasons for non-generation of revenue.

As per information provided by the ULB and according to our verification, ULB has accorded loan from HUDCO. The loan repayment has been timely made at each quarterly/annually (as applicable) rest. However, there was no document or information provided to verify whether the asset created out of the loan has generated the desired revenue or not. We cannot comment on the possible reasons for non generation of revenue.

Details of loan, as provided by the ULB to us, are provided here below:





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Quarter	Interest Payment by ULB	Principal Payment by ULB	Total Payment
Quarter 1	28,976.00	61,750.00	90,726.00
Quarter 2	27,486.00	61,750.00	89,236.00
Quarter 3	25,627.00	61,750.00	87,377.00
Quarter 4	24,475.00	61,750.00	86,225.00
	1,06,564.00	2,47,000.00	3,53,564.00

Outstanding as per loan statement Rs. 47,38,559/-

Above loan was utilised for CM adhosanrachna scheme.

- 4) The auditor shall specifically point out any diversion of funds from capital receipts/ grants/ bans to revenue expenditure.

In the absence of complete grant records and utilisation certificates we could not comment over any diversions of funds from capital receipts/ grants/ bans to revenue expenditure.

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Other Audit Observations

1. Non recovery of taxes

Urban Local Bodies (ULB) earns revenue from their own resources through taxes, rent, fees, issue of licenses etc. In test check of records as of 31 March 2024 a sum of Rs 169.37 lakhs (as shown in Table Below) plus Interest & Penalties were outstanding against the taxpayers, although the ULBs had powers under section 165 of Madhya Pradesh Municipalities Act, 1961 to approach a Magistrate to seek orders for recovery by distress and sale of any movable property of attachment and sale of immovable property belonging to defaulters, however they had not invoked these power to recover the outstanding taxes. Failure to invoke its powers resulted in non-recovery of outstanding taxes and resource crunch, leading to hindrance in development works.

Non Recovery of dues

(Amount in Lakhs)

Revenue Head	Previous year's recoverable as on 01/04/2023	Received From Previous Dues	Un-Recovered Due for More than a Year	Current Year Demand	Current Year's Recovery	Un-Recovered due of Current Year	Total Recovery	Total un-recovered amount
Sampatti Kar	29.41	1.57	27.84	10.07	1.01	9.06	2.58	36.90
Samekit Kar	15.27	1.00	14.26	5.39	0.42	4.97	1.43	19.24
Nagar Vikas Upkar	7.59	0.36	7.23	2.65	0.19	2.45	0.55	9.68
Siksha Upkar	6.84	0.32	6.52	2.36	0.18	2.18	0.50	8.69
Shop Rent	16.81	3.13	13.68	8.98	2.69	6.29	5.82	19.97
Water Tax	58.12	7.73	50.40	31.68	7.19	24.49	14.91	74.89
Total	134.04	14.12	119.92	61.13	11.68	49.45	25.80	169.37
Total Un-Recovered amount								169.37

The demand and recovery figures were taken out of wasooli patrak of the revenue department of the ULB. There are variation in the opening balance of current year and closing balance of previous year wasooli patrak. Also the receipts as per accounting records and wasooli patrak are in variation.

For Patidar & Associates
Chartered Accountants


CA Neelesh Patidar
Partner
MRN - 418806

Date: 10/01/2025

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नगर परिषद ईसागढ़
जिला अशोकनगर (म.प्र.)

**Reporting on Audit Paras for Financial Year 2023-24****Name of ULB:** NAGAR PARISHAD ISAGARH**Name of Auditor:** **PATIDAR & ASSOCIATES, CHARTERED ACCOUNTANTS**

<u>S. no.</u>	<u>Parameters</u>	<u>Description</u>	<u>Observation in brief</u>	<u>Suggestions</u>
2	Audit of Expenditure	Verification of Expenditures are as per guidelines, directives, and rules under all schemes and entries of expenditures in cash book, Diversion of Funds, financial propriety of expenditures, scheme project wise utilisation certificate.	Observations were listed in brief in point no. 2 of annexure 2 of audit report attached	Scheme/project wise utilisation certificates should be prepared along with grant registers.
3	Audit of Book keeping	Verification of books of accounts and stores are maintained as per accounting rules, advance register and check timely recovery, Bank reconciliation statement, grant register, fixed asset register	Observations were listed in brief in point no. 3 of annexure 2 of audit report attached	Required books of accounts as prescribed under MP MAM Should be maintained
4	Audit of FDR/TDR	Verify fixed deposits and term deposits and their maintenance	Observations were listed in brief in point no. 4 of annexure 2 of audit report attached	Physical records and register of FDR should be kept under authorization in the ULB.
5	Audit of Tenders and Bids	Verify Tenders/Bids invited by ULB and competitive tendering procedures followed	Observations were listed in brief in point no. 5 of annexure 2 of audit report attached	Procedure for Tenders opening and Performance review should be carefully monitored.
6	Audit of Grants &	Verification of Grant	Observations were	Grant register should





PATIDAR & ASSOCIATES

CHARTERED ACCOUNTANTS

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	Loans	received from Government and its utilisation	listed in brief in point no. 6 of annexure 2 of audit report attached	be maintained and balanced regularly with its Utilization Certificate.
7	Verify whether any diversion of funds from capital receipt /grants /Loans to revenue expenditure and from one scheme /project to another.		Observations related to diversion of funds has been pointed out in point no. 6 (iv) of annexure 2 of report attached	Necessary records of fund utilisation should be prepared to verify any diversions.
8	Percentage of revenue expenditure (Establishment, salary, Operation& Maintenance) with respect to revenue receipts (Tax & Non Tax).		3,54,54,410.63 ÷ 2,76,46,183.00 128.24%	
	Percentage of Capital expenditure wrt Total expenditure.		2,80,88,955.65 ÷ 6,35,43,366.28 44.20%	
9	Whether all the temporary advances have been fully recovered or not.		Cases of outstanding advances have been outlined in point no. 3 (3) of report attached.	NA
10	Whether bank reconciliation statements is being regularly prepared		BRS prepared by the ULB	BRS should be prepared for all the bank accounts which has closing differences



Name of ULB
Name of Auditor

Nagar Parishad Isagarh
Patidar & Associates

Annexure C
Amt in Lakhs

Amt in lakhs									
S.no.	Parameters	Description		% of growth	Observation in brief			Suggestions	
	Audit of Revenue	Receipt in (Rs.)							
	Rajaswa Kar wasooli	2022-23	2023-24						
1	Sampatti Kar	6.97	2.58	-62.96	Collection % w.r.t. total dues is 6.54%	Not upto the mark	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.	
2	Samekit Kar	7.08	1.43	-79.87	Collection % w.r.t. total dues is 6.90%	Not upto the mark	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.	
3	Nagar Vikas Upkar	1.86	0.55	-70.32	Collection % w.r.t. total dues is 5.39%	Not upto the mark	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.	
4	Siksha Upkar	1.79	0.50	-71.98	Collection % w.r.t. total dues is 5.47%	Not upto the mark	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.	
	Total	17.71	5.06						
	Gair-Rajaswa wasooli								
5	Shop Rent	8.05	5.82	-27.62	Collection % w.r.t. total dues is 22.58%	Not upto the mark	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.	
6	Water Tax	20.25	14.91	-26.35	Collection % w.r.t. total dues is 16.61%	Not upto the mark	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.	
	Total	28	21						
	Grand Total	46	26						

The above recovery figures are taken from wasooli patrak provided by the Revenue deparatment of the Parishad.

(P.T.) राजकपूर लाल
श्रीगुरुदेव प्रसाद लाल
मुख्य नगर पालिका अधिकारी
नगर परिषद ईसागढ़
जिला अशोकनगर (ग.)



Revised abstract sheet for reporting on audit paras 2023-24

Annexure D

Income & Expenditure Information

S.no.	Division	District	ULB name	ULB type
1	2	3	4	5
1	Gwalior	Ashoknagar	Isagarh	Nagar Panchayat

Revenue receipts						
Property Tax	Other tax revenue	Fees & user charges	Revenue from municipal property	Assigned revenue	Revenue grants, Contribution & Subsidies	Other Income
6	7	8	9	10	11	12
5,04,895.00	-	25,27,332.00	1,01,74,741.00	1,36,50,447.00	-	7,88,768.00

Capital receipts			Total Receipts
Capital receipts	Central Finance Commission receipts	State Finance Commission receipts	Other Grants
13	14	15	16
-	61,39,375.00	46,97,000.00	2,28,02,046.00
			6,12,84,604.00

Revenue Expenditure							Total Expenditure
Establishment Expenditure	Administrative Expenditure	Operation & Maintenance	Interest & Finance Charges	Other Expenses	Loan repayment (Principle)	Other Capital Expenditure	
18	19	20	21	22	23	24	25
1,78,28,690.00	14,42,949.20	1,47,50,911.98	1,13,644.00	13,18,215.45	2,47,000.00	2,80,88,955.65	6,37,90,366.28

Note- Property Tax includes -Samekit kar , Education cess , Development tax

मुख्य नगर सचिव
नगर परिषद ईसागढ़
जिला अशोकनगर (म.प्र.)

Auditor
FRN:
MRN:



NAGAR PARISHAD ISAGARH
Receipts and Payments Statement
1-Apr-23 to 31-Mar-24

Receipts	Amount	Payments	Amount
Opening Balance	2,99,87,283.51	Establishment Expenses	82,29,694.00
Opening Difference	8,63,109.00	Daily Wages	65,96,384.00
Tax Revenue		Employee Liability -Salary Payble	4,08,360.00
Property Tax C.Y.	1,45,700.00	Pension	3,04,285.00
Receivable Property Tax P.Y	1,06,258.00	Recovery Payble Epf Deduction	4,78,800.00
Receivable Samekit Kar P.Y	99,355.00	GPF	14,70,151.00
Samekit Kar C.Y.	48,650.00	Remuneration & Fees Councillors	2,98,614.00
Education Cess C.Y.	17,477.00	Arrears Salary	18,603.00
Education Cess P.Y	29,825.00	Vehicle Allowance	23,799.00
Urban Development Cess C.Y	30,614.00	Leave Encashment	
Urban Development Cess P.Y	27,016.00	Administrative Expenses	39,926.20
Assigned Revenues & Compensation		Web, Internet	22,655.00
Stamp Duty on Transfer of Properties	7,67,259.00	Newspapers	74,515.00
Compensation in Lieu of Octroi	1,17,84,188.00	Printing Expenses	1,10,215.00
Samekit Anudan	10,99,000.00	Stationery	1,24,098.00
Rental Income from Municipal Properties		Insurance Vehicle	37,800.00
Receivable Shop Rent C.Y	3,65,308.00	Consolidated Audit Fees	55,000.00
Receivable Shop Rent P.Y	1,91,738.00	Consolidated Professional and Other Fees	2,500.00
Rent From Markets	1,11,882.00	Technical Fees	72,000.00
Rent From Community Halls	2,84,000.00	Consultancy Fees, Charges	47,578.00
Mutation Fee	81,800.00	DPR	6,69,987.00
Shop Premium	90,97,203.00	Advertisement Expenses	1,86,675.00
Rent Lease of Land for Temporary	42,810.00	Religious Festival Celebration Expense	
Fees & User Charges			
Receivable Water Tax C.Y.	14,82,510.00	Operations & Maintenance	
Job Card Shulk	285.00	Bulk Purchase of Power-Electricity	50,99,894.00
Licensing Fees From Trading of Meat&Flesh	20,000.00	Bulk Purchase of Power-Fuel	13,01,589.00
Fees From Sanction of Building Plans	3,500.00	Sanitation/Conservancy Material	13,47,618.95
Birth&Death Registrat. Fee(VitalStatistic)	135.00	Bulk Purchase-Engineering Store	1,06,703.00
Fee-Copy of Certificate/extract	1,025.00	Bulk Purchase-Electrical Store	3,09,617.00
Marriage Registration	120.00	Bulk Purchase-Others	1,18,762.00
Development Charges	8,03,233.00	Hire Charges Vehicle	12,28,580.34
Penalty & Fine Other	33,729.00	Hire Charges-Others	56,800.00
Delay Fees	28,200.00	Other Roads	16,20,386.25
Road Cutting Charges	34,425.00	Open Drains	10,79,695.00
Application Fees	2,590.00	Water Ways	10,39,462.44
Water Supply	53,700.00	R&M Handpump	5,26,985.00
Septic Tank Cleaning Charges	8,000.00	Painting Work	1,60,177.00
Pay & Use Toilets	2,000.00	R&M Street Lights	12,500.00
Charges for Supply of Water By Tankers	40,930.00	R&M Other Structure	1,99,142.00
User Charge-Fire Extinguishing	8,000.00	R&M Truck	96,601.00
WATER DISCONNECTION CHARGES	4,950.00	R&M Fire Tenders	2,600.00
Sale & Hire Charges		R&M Tractor	36,830.00
Sale of Tender Papers	4,75,306.00	R&M Vehicle Others	76,680.00
Interest Earned		R&M Computers	98,380.00
Interest-Saving Bank Account	2,52,432.00	R & M-CC TV system	18,450.00
Miscellaneous Income		R&M Motor Pump	1,29,570.00

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Misc Income	61,030.00	Garbage & Clearance Expenses	19,800.00
		O & M-Others	64,089.00
Grants,Contribution for specific purposes		Interest on Loans from Banks & Other Financial Institutions	
Grants-Central Govt.		Interest HUDCO Loan	1,06,564.00
Central Finance Commission	61,39,375.00	Bank Charges	
Grants-State Govt.		Consolidated Bank Charges	7,080.00
Grants From State Finance Commission	46,97,000.00	Programme Expenses	
Grants for Road Development	20,00,238.00	Consolidated Own Programme	13,18,215.45
Grant Go Mp Mulbhoot	54,41,525.00	Loans from Banks & Other Financial Institutions	
Grant GoMP-Special Fund for Kayakalp	19,09,000.00	Hudco Loan	2,47,000.00
MLA LAD (Local Area Development Funds)	1,51,283.00	Deposits Received	
CM Urban Infra Development Scheme	60,00,000.00	Security Deposit	3,40,000.00
SDRF	73,00,000.00	Recoveries payable	
		GST	1,61,734.00
Totaling Mistake	94.00	Fixed Assets	
		Park & Gardens	86,400.00
		Almirah	18,100.00
		Building-Boundary Wall	43,64,987.00
		Building-Shops	68,51,215.86
		Roads & Bridges-Concrete Road	77,02,625.67
		Roads & Bridges-Daamhar/Bitumen Road	81,59,270.00
		Sewerage and Drainage-Drain-Open	3,65,266.00
		Waterways-Borewell	5,41,091.12
		Closing Balance	2,78,42,990.23
Total	9,21,35,090.51	Total	9,21,35,090.51


मुख्य नगर पालिका अधिकारी
NAGAR PARISHAD ISAGARH
 Chief Municipal Officer
मुख्य नगर पालिका ईसागरह
मुख्य नगर पालिका (नग)

NAGAR PARISHAD ISAGARH
 Accounts Officer



NAGAR PARISHAD ISAGARH

Bank Reconciliation Statement FY 2023-24

Bank Name	Bank No.	Closing as per Bank	Closing as per Cashbook	Difference
JSKB	9978	42,295.00	59,405.00	-17,110.00
JSKB	7289	254.00	21,128.00	-20,874.00
SBI	3293	2,31,214.00	2,25,062.00	6,152.00
MGB	1360	75,66,702.00	74,09,284.00	1,57,418.00
ICICI	363	37,77,235.00	37,77,235.00	-
SBI	3717	1,32,74,335.67	1,48,07,397.23	-15,33,061.56
SBI	5713	0.00	1,20,536.00	-1,20,536.00

**SBI a/c ending 5713 has not been made available



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JSKB	9978	
Opening balance		
As per cashbook	59,453.00	
As per bank	59,405.00	
Difference		48.00
	Date	Amount
Closing bank balance		42,295.00
Less:		
Amount paid as per cashbook but not as per bank		
Totaling Mistake	01-04-2023	48.00
		48.00
Less:		
Amount received as per bank but not in cashbook		
		-
Add:		
Amount received as per cashbook but not in bank		
		-
Add:		
Amount paid as per bank but not in cashbook		
Incidental Charges	15-03-2024	17,110.00
		17,110.00
		59,405.00
		59,405.00
Closing cashbook balance		
	Difference	-


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JSKB	7289	
Opening balance		
As per cashbook	18,933.00	
As per bank	21,128.00	
Difference		-2,195.00
	Date	Amount
Closing bank balance		254.00
Less:		
Amount paid as per cashbook but not as per bank		
		-
Less:		
Amount received as per bank but not in cashbook		
Intrest	30-09-2023	318.00
intrest	31-03-2024	254.00
		572.00
Add:		
Amount received as per cashbook but not in bank		
Totaling Mistake	01-04-2023	2,195.00
		2,195.00
Add:		
Amount paid as per bank but not in cashbook		
Incidental Charges	22-02-2024	21,446.00
		21,446.00
		21,128.00
Closing cashbook balance		21,128.00
	Difference	-

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SBI	3293	
Opening balance		
As per cashbook	2,04,329.00	
As per bank	2,25,062.00	
Difference		-20,733.00
	Date	Amount
Closing bank balance		2,31,214.00
Less:		
Amount paid as per cashbook but not as per bank		
		-
Less:		
Amount received as per bank but not in cashbook		
Interest	25-06-2023	1,532.00
Interest	25-09-2023	1,542.00
Interest	25-12-2023	1,536.00
Interest	25-03-2024	1,542.00
		6,152.00
Add:		
Amount received as per cashbook but not in bank		
Totaling Mistake	01-04-2023	20,733.00
		20,733.00
Add:		
Amount paid as per bank but not in cashbook		
		-
		2,25,062.00
Closing cashbook balance		2,25,062.00
	Difference	-

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MGB	1360	
<u>Opening balance</u>		
As per cashbook	53,41,241.00	
As per bank	59,48,223.00	
Difference		-6,06,982.00
<u>Closing bank balance</u>	<u>Date</u>	<u>Amount</u>
		75,66,702.00
<u>Less:</u>		
<u>Amount paid as per cashbook but not as per bank</u>		
<u>Less:</u>		-
<u>Amount received as per bank but not in cashbook</u>		
Intrest		
Intrest	28-06-2023	43,472.00
Excess Receipt	24-09-2023	47,060.00
Intrest	25-09-2023	70.00
Intrest	25-12-2023	50,327.00
	25-03-2023	50,400.00
<u>Add:</u>		1,91,329.00
<u>Amount received as per cashbook but not in bank</u>		
Totaling Mistake	01-04-2023	6,14,051.00
Totaling Mistake	21-04-2023	18.00
Excess receipt	19-07-2023	26,824.00
<u>Add:</u>		6,40,893.00
<u>Amount paid as per bank but not in cashbook</u>		
		-
		74,09,284.00
<u>Closing cashbook balance</u>		74,09,284.00
	<u>Difference</u>	-

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ICICI	0363	
Opening balance		
As per cashbook		
As per bank		
Difference		-
	Date	Amount
Closing bank balance		37,77,235.00
Less:		
Amount paid as per cashbook but not as per bank		
		-
Less:		
Amount received as per bank but not in cashbook		
		-
Add:		
Amount received as per cashbook but not in bank		
		-
Add:		
Amount paid as per bank but not in cashbook		
		-
		37,77,235.00
Closing cashbook balance		37,77,235.00
	Difference	-


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SBI	3717	
Opening balance		
As per cashbook	2,30,46,026.51	
As per bank	2,11,85,873.50	
Difference		18,60,153.01
Closing bank balance	Date	Amount
		1,32,74,335.67
Less:		
Amount paid as per cashbook but not as per bank		
Arrear salary	02-08-2023	32,700.00
Excess payment	31-03-2024	3,17,757.00
Less:		3,50,457.00
Amount received as per bank but not in cashbook		
cash deposite	20-07-2023	15,060.00
cash deposite	29-09-2023	920.00
cash deposite	31-03-2023	2,75,000.00
Add:		2,90,980.00
Amount received as per cashbook but not in bank		
Excess receipt	30-05-2023	30.55
Excess receipt	11-07-2023	116.00
Excess receipt	30-03-2023	15,711.00
Add:		15,857.55
Amount paid as per bank but not in cashbook		
Transfer	01-06-2023	10,372.00
Transfer	10-11-2023	1,39,931.00
Transfer	30-01-2023	47,945.00
Transfer	30-01-2023	12,000.00
Transfer	30-01-2023	20,000.00
Transfer	30-01-2023	17,004.00
Transfer	30-01-2023	6,000.00
Transfer	01-02-2023	18,590.00
Transfer	12-02-2023	20,646.00
Transfer	12-02-2023	6,000.00
Transfer		
		2,98,488.00
		1,48,07,397.23
Closing cashbook balance	Difference	1,48,07,397.23
		-

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