

NAGAR PARISHAD THANDLA

DISTRICT JHABUA

AUDIT REPORT: FINANCIAL YEAR 2023-24

AUDITORS
BAHETI & CO.
CHARTERED ACCOUNTANTS



BAHETI & COMPANY
CHARTERED ACCOUNTANTS

+91-9826010409
deepakkumarbaheti@gmail.com

TABLE OF CONTENT

<u>S.NO.</u>	<u>PARTICULAR</u>	<u>PAGE NO.</u>
1.	Independent Auditor's Report	2-4
2.	Annexure 1 & 2	5-18
3.	Reporting on Audit Para's	19-20
4.	Annexure C & D	21-22
5.	Receipt & Payment Statement	23-24



INDEPENDENT AUDITOR'S REPORT

To the Stakeholders of NAGAR PARISHAD THANDLA

1. Report on the Financial Statements

We have audited the accompanying financial statements of NAGAR PARISHAD THANDLA ("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. However, in this case ULB is not in practice of maintaining balance sheet & Income and expenditure account, so receipt and payment account shall be considered as final statement on which we express our opinion.

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.


मुख्य नगर पालिका अधिकारी
नगर परिषद थान्दला, जि. झाबुआ





BAHETI & COMPANY
CHARTERED ACCOUNTANTS

+91-9826010409
deepakkumarbaheti@gmail.com

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.


मुख्य नगर पालिका अधिकारी
नगर परिषद थांदला, जि.झाबुआ





BAHETI & COMPANY
CHARTERED ACCOUNTANTS

+91-9826010409
deepakkumarbaheti@gmail.com

c) Non-maintenance or incomplete registers as prescribed under manual and mentioned at point 3 of annexure 2.

Our opinion is not modified in respect of these matters.

7. We further report that:

- a) 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.
- b) 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.
- c) The Receipt & Payment Account deal with by this Report are in agreement with the books of account.
- d) 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.
- e) 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.
- f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- g) 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: 18/09/2024

UDIN: 24075063BKBILE1894

मुख्य नगर पालिका अधिकारी
नगर परिषद थांदला, जि. झाबुआ



For Baheti & Company
Chartered Accountants

CA Deepak Baheti
(Partner)
MRN – 075063



Annexure '1'

Report on Internal Financial Controls over Financial Reporting

1. Report on the Internal Financial Controls of the ULB

We have audited the internal financial controls over financial reporting of NAGAR PARISHAD THANDLA ("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

मुख्य नगर पालिका अधिकारी
नगर परिषद थान्दला, जि.झाबुआ





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.

मुख्य नगर पालिका अधिकारी
नगर परिषद थांदला, जि.झापा





BAHETI & COMPANY

CHARTERED ACCOUNTANTS

+91-9826010409
deepakkumarbaheti@gmail.com

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.

मुख्य नगर पालिका अधिकारी
नगर परिषद थांदला, जि.इ.स.स.स.





BAHETI & COMPANY
CHARTERED ACCOUNTANTS

+91-9826010409
deepakkumarbaheti@gmail.com

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.

For Baheti & Company
Chartered Accountants

Date: 18/09/2024

मुख्य नगर पालिका अधिकारी
नगर परिषद थांदला, जि. झाबुआ



CA Deepak Baheti
Partner
MRN – 075063



BAHETI & COMPANY
CHARTERED ACCOUNTANTS

+91-9826010409
deepakkumarbaheti@gmail.com

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 cashbook and summarised in the R&P statement prepared by the ULB. The nature & source of receipts under the other fees head and miscellaneous income head in the receipt & payment were not explained by the ULB. Also, we have noticed variation in total own revenue receipts during the year with the records of revenue department. The recovery shown by revenue department is less as compared to accounts department's records and clarification in this respect was not provided by the ULB.

- 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. ULB also collects revenue directly into 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. However, due to quantum of transactions and inherent limitation of audit we cannot provide our

मुख्य नगर पालिका अधिकारी
नगर परिषद थांदला, जि.झाबुआ





BAHETI & COMPANY

CHARTERED ACCOUNTANTS

+91-9826010409
deepakkumarbaheti@gmail.com

absolute assurance on the entries of the cash book. It is generally recommended that entries of the cash book should be duly supported by necessary documentary evidences and authorizations.

- 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

No details with respect to quarterly & monthly targets set for the FY 2023-24 & the revenue recovery against such targets were made available to us. Hence, it was not possible for us to report the revenue recovery against the quarterly and monthly targets. However, list of outstanding revenue from various sources such as property tax, shop rent were provided to us as produced below:

Property tax:

Property ID	Owner Name	Arrears	Current due	Total due
7001427227	Catholic School	76,305.00	69,368.00	1,45,673.00
1003879051	M/s Belack Gold Daymond	1,11,415.00	15,945.00	1,27,360.00
7001427904	MP Vidhyut mandal	77,858.00	47,965.00	1,25,823.00
7001429943	Lalit Kankaria	61,567.00	61,567.00	1,23,134.00
7003881065	Gorsingh Vasuniya	49,029.00	44,572.00	93,601.00

Registers of property tax not provided. The outstanding details were taken from list provided by the ULB. Penalty, Interest and since due not provided for the outstanding amount.

Shop Rent:

Shop No.	Owner Name	Arrears	Current due	Total due
40	B N Bhatvera vikas adhikari	96,525.00	29,700.00	1,26,225.00
74	Sukanyabai Ratilal patel	71,340.00	7,380.00	78,720.00
90	Raju Ratna Chouhan	54,000.00	14,400.00	68,400.00
91	Raju Ratna Chouhan	57,600.00	14,400.00	72,000.00
94	Kishore Padariya	72,900.00	10,800.00	83,700.00

Registers of shop rent not provided. The outstanding details were taken from list provided by the ULB. Penalty, Interest and since due not provided for the outstanding amount.

- 7) The auditor shall verify the interest income from FDR's and verify that interest is duly and timely accounted for in cash book.

As explained to us, ULB does not have FDR's during the year Hence we could not comment on the interest income and its accounting in cashbook

मुख्य नगर पालिका अधिकारी
नगर परिषद थांदला, जि. झांझा



BAHETI & COMPANY
CHARTERED ACCOUNTANTS

+91-9826010409
deepakkumarbaheti@gmail.com

- 8) The case where, the investments are made on lesser interest rates shall be brought to the notice of the Commissioner/CMO.

As explained to us, ULB does not have FDR's during the year. Hence, we could not comment on 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 under various heads which was recognized and entered in the cashbook and summarised in the R&P prepared by the ULB. The expenditure entries were verified on test check basis from the cashbook.

- 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. During the year ULB maintained cashbook in two parts, for the first half of the year manual cashbook was maintained and for the second half, Z cashbook through ENP portal was maintained. 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.

No issue of any difference in test check totalling amount was noticed in course of our verification.

- 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.

मुख्य नगर पालिका अधिकारी
नगर परिषद थांदला, जि.झाबुआ





BAHETI & COMPANY

CHARTERED ACCOUNTANTS

+91-9826010409
deepakkumarbaheti@gmail.com

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 was 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.

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.

मुख्य नगर पालिका अधिकारी
नगर परिषद थांदला, जि. झाबुआ





BAHETI & COMPANY

CHARTERED ACCOUNTANTS

+91-9826010409
deepakkumarbaheti@gmail.com

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 fixed asset register, SD register, Loan register 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.
The books stores are maintained & provided for verification by the ULB. However, the registers were not authorised by the person in charge or CMO of the organisation. The closing value of stock at year was not mentioned in the register.
- 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, no advances are provided 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 produced below:

S.N o.	Bank Name	Bank Account No.	Closing Balance as per Cash book as on 31/03/2024	Closing Balance as per Pass book as on 31/03/2024
1	SBI	34345	68,88,117.39	67,04,649.09
2	BOB	6698		19,415.90





BAHETI & COMPANY

CHARTERED ACCOUNTANTS

+91-9826010409
deepakkumarbaheti@gmail.com

3	Indian Bank	5523		54,982.40
TOTAL			68,88,117.39	67,79,047.39
	<u>Difference:</u>			1,09,070.00
	Amount deposited after			
	31/03/2024 in bank account			
	02/04/2024	SBI-4345	85,720.00	
	02/04/2024	SBI-4345	20,150.00	
	02/04/2024	SBI-4345	3,200.00	
		Total		1,09,070.00

- 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 made available to us. The receipt and payments out of grants were verified on test check basis. A summarised statement of grants has been provided at the point 6(1) of this report.
- 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 does not maintain separate cash books for different schemes and projects and hence we cannot comment on reconciliation with Receipt & Payment.

4. Audit of FDR

- 1) The auditor is responsible for audit of all fixed deposits and term deposits. As explained to us ULB does not have any FDR during the year. Hence we could not comment upon fixed deposit and term deposit.
- 2) It shall be ensured that proper record of FDR's are maintained and renewals are timely done. As explained to us ULB does not have any FDR during the year. Hence we could not comment upon renewal of FDR.

मुख्य नगर पालिका अधिकारी
नगर परिषद थांदला, जि. झाबुआ





BAHETI & COMPANY

CHARTERED ACCOUNTANTS

+91-9826010409
deepakkumarbaheti@gmail.com

- 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.

As explained to us ULB does not have any FDR during the year. Hence we could not comment upon FDR'S / TDR are kept at low rate of interest than the prevailing rate.

- 4) Interest earned on FDR/TDR Shall be verified from entries in the cash book.

As explained to us ULB does not have any FDR during the year. Hence we could not comment upon FDR'S / TDR interest.

5. Audit of Tenders / Bids

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

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.

- 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.

मुख्य नगर पालिका अधिन्या
नगर परिषद थांदला, जि. रायचूर





- 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.

As explained to us ULB does not have any FDR during the year. Hence we could not comment upon FDR'S / TDR are kept at low rate of interest than the prevailing rate.

- 4) Interest earned on FDR/TDR Shall be verified from entries in the cash book.

As explained to us ULB does not have any FDR during the year. Hence we could not comment upon FDR'S / TDR interest.

5. Audit of Tenders / Bids

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

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.

- 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.

मुख्य नगर पालिका अधिवक्ता
नगर पश्चिम थांदला, जि. झापडा





BAHETI & COMPANY

CHARTERED ACCOUNTANTS

+91-9826010409
deepakkumarbaheti@gmail.com

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.

Verification had been conducted for the grants received from the Central/state government. Details of grant receipt and utilised as per Grant records are as follows:

S.No.	Grants	Opening Balance	Received	Utilized	Closing Balance
1	Garbage vehicle grant	5,80,289.00	-	-	5,80,289.00
2	SDRF	29,58,823.00	-	29,58,823.00	-
3	CM Infra Ph II	24,75,354.00	-	-	24,75,354.00
4	CM Ghosna antargat	20,00,000.00	-	-	20,00,000.00
5	Sambal Yojna	3,90,000.00	-	75,000.00	3,15,000.00
6	Kayakalp yojna	31,00,000.00	19,00,000.00	49,96,620.00	3,380.00
7	CM Ladli Behna	75,000.00	-	75,000.00	-
8	Adhosanrachna Vikas Karya	12,00,000.00	-	-	12,00,000.00
9	Sadak Marmmat anudan	-	25,04,630.00	11,02,037.00	14,02,593.00
10	State Finance	-	1,06,58,000.00	77,49,577.00	29,08,423.00
11	Mulbhoot Suvidha	-	36,83,277.00	21,20,094.00	15,63,183.00
12	Vishesh Nidhi	-	12,00,000.00	12,00,000.00	-
13	15th Finance grant	-	57,32,680.00	57,32,680.00	-





BAHETI & COMPANY
CHARTERED ACCOUNTANTS

+91-9826010409
deepakkumarbaheti@gmail.com

Total	1,27,79,466.00	2,56,78,587.00	2,60,09,831.00	1,24,48,222.00
-------	----------------	----------------	----------------	----------------

The closing balance of grant related to adhosanrachna vikas karya were not found in previous year registers, however in current year registers, the opening balance of this grant has been shown as brought forward. ULB has not provide any confirmation regarding such opening balance.

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

Verification had been conducted for the total grants received from the State/Central government. Details for the same are provided in table above.

- 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.

Quarterly statement not available with ULB to ascertain repayment and closing balance. The receipt & payment statement reflects consolidated repayment entry. Also, 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.

As per the utilisation report provided the loan fund was utilised fully under the respective scheme. There was not fund left for further utilisation. The recovery of revenue from such utilisation was not made available.

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

As per the information made available to us, and as per our verification, instances of diversion of funds from one grant account to another have not been noticed. However, due to inherent limitation of internal controls over financial reporting possibilities of fund diversion cannot be ruled out completely.

मुख्य नगर पालिका अधिकारी
नगर परिषद थांदला, जि.झाबुआ





BAHETI & COMPANY

CHARTERED ACCOUNTANTS

+91-9826010409

deepakkumarbaheti@gmail.com

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. As of 31 March 2024 a sum of Rs 27.63 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)

Sl. No	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
1	Sampatti Kar	6.87	5.77	1.10	11.99	4.38	7.61	10.14	8.72
2	Samekit Kar	7.37	1.96	5.41	4.92	0.63	4.28	2.59	9.69
3	Nagar Vikas Upkar	2.48	1.35	1.13	2.28	0.91	1.37	2.26	2.50
4	Siksha Upkar	2.08	1.30	0.78	2.28	0.94	1.34	2.24	2.12
5	Water Tax	17.50	16.29	1.21	21.58	18.19	3.39	34.48	4.60
	Total	36.30	26.67	9.63	43.04	25.05	18.00	51.72	27.63
Total Un-Recovered amount									27.63

The demand and recovery figures were taken from wasooli patrak of the revenue department of the ULB. ULB has no correct records for the demand figures for revenue of current year and previous year outstanding. We cannot comment over the recoverable amount given the in the wasooli patrak. Hence, there are differences in the opening balance of current year and closing balance of previous year wasooli patrak. Also, there are differences in recovery figures between wasooli patrak and cashbook entries summarized in R&P statement.

For Baheti & Company

Chartered Accountants

Date: 18/09/2024

मुख्य नगर पालिका अधिकारी
नगर परिषद थांदला, जि. झांझार



CA Deepak Baheti
Partner
MRN - 075063



BAHETI & COMPANY

CHARTERED ACCOUNTANTS

+91-9826010409
deepakkumarbaheti@gmail.com

Reporting on Audit Paras for Financial Year 2023-24

Name of ULB: NAGAR PARISHAD THANDLA

Name of Auditor: **Baheti & Company, Chartered Accountants**

S. no.	Parameters	Description	Observation in brief	Suggestions
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	Guidelines, Rules & Directives should be documented for ready reference. Project or scheme wise utilisation certificates should be prepared.
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	ULB does not posses FDR during the year.	NA.
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 & Loans	Verification of Grant received from Government and its	Observations were listed in brief in point no. 6 of	Loan register should be prepared.





BAHETI & COMPANY

CHARTERED ACCOUNTANTS

+91-9826010409
deepakkumarbaheti@gmail.com

	utilisation	annexure 2 of audit report attached	Utilisation certificate of grants should be kept with grant register.
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	
8	Percentage of revenue expenditure (Establishment, salary, Operation & Maintenance) with respect to revenue receipts (Tax & Non Tax).	5,43,13,187 / 3,75,74,239 144.55%	
	Percentage of Capital expenditure wrt Total expenditure.	1,18,11,647 / 6,61,24,834 17.86%	
9	Whether all the temporary advances have been fully recovered or not.	As explained to us there were no temporary advances during the year.	NA
10	Whether bank reconciliation statements is being regularly prepared	BRS prepared by the ULB	NA

मुख्य नगर पालिका आध्यात्म
नगर परिषद थानेदला, जि. २५५५५५



Name of ULB **Nagar Parishad Thandla**
Name of Auditor **Baheti & Company**

Annexure C
Amt in lakhs

Name of Auditor		District & Company				Name of Officer			
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	21.82	10.14	-53.51	Collection % w.r.t. total dues is	53.78%	which is Average	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	3.79	2.59	-31.58	Collection % w.r.t. total dues is	21.11%	which is 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	13.37	2.26	-83.08	Collection % w.r.t. total dues is	47.54%	which is Below Average	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	9.87	2.24	-77.31	Collection % w.r.t. total dues is	51.38%	which is Average	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
	Total	48.85	17.24						
	Gair-Rajaswa wasooli								
5	Water Tax	25.43	34.48	35.59	Collection % w.r.t. total dues is	88.23%	which is Good	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
	Total	25.43	34.48						
	Grand Total	74.28	51.72						

Recoveries were taken from wasooli patrak of provided by the revenue department of the ULB. There are variations in recovered amount as per R&P and wasooli patrak.

मुख्य नगर पालिका अधिकारी
नगर परिषद थान्दला, जि. झाबुआ



**Revised abstract sheet for reporting on audit paras
2023-24**

Income & Expenditure Information

S.no.	Division	District	ULB name	ULB type
1	2	3	4	5
1	Indore	Jhabua	Thandla	Parishad

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
36,44,660.00	-	53,29,274.00	89,63,052.00	1,94,25,720.00	-	2,11,533.00

Property tax includes samekit kar, education cess & vikas upkar also

Capital receipts					Total Receipts
Capital receipts	Central Finance Commission receipts	State Finance Commission receipts	Other Grants		
13	14	15	16		17
-	57,32,680.00	1,06,58,000.00	93,27,907.00		6,32,92,826.00

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
3,32,93,981.00	22,59,846.00	1,87,44,847.00	14,513.32	8,64,234.00	8,04,631.00	1,18,11,647.00	6,77,93,699.32

In absence of bifurcation of interest & principle amount of loan, the repayment shown under R&P statement taken under above loan repayment head


**मुख्य नगर पालिका अधिकारी
नगर परिषद थान्दला, जि. झाबुआ**

Auditor
FRN:
MRN:


Bhargava & Company
006287C
075063



Nagar Parishad Thandla
Receipts and Payments
1-Apr-23 to 31-Mar-24

Receipts	Amount	Payments	Amount
Opening Balance	1,06,89,719.71	Establishment Expenses	
		Salary amount to permanent Officer	1,72,02,081.00
		Leave Encashment To regular	10,90,986.00
Tax Revenue		Salary amount to Permanent Officer	1,48,35,003.00
Property Tax C.Y.	10,53,409.00	Payment of honorarium Amount of Council Officer	60,014.00
Property Tax P.Y	11,63,936.00	Arrears Salary	1,05,897.00
Consolidated Tax C.Y	1,46,520.00		
Consolidated Tax P.Y	3,06,710.00		
Education Cess C.Y.	2,14,130.00	Administrative Expenses	
Education Cess P.Y	2,55,096.00	NIT Publication Bill	4,70,332.00
Urban Development Cess C.Y	2,34,818.00	Advertisement Publication	56,800.00
Urban Development Cess P.Y	2,70,041.00	Painting Work	1,51,782.00
		Printing Expenses	4,65,292.00
		Stationery	3,08,072.00
Assigned Revenues & Compensation			
Stamp Duty on Transfer of Properties	23,67,843.00	Photocopy & Videography	4,02,680.00
Passanger Tax	13,56,000.00	Telephone & Internet bill	23,888.00
Compensation in Lieu of Octroi	1,57,01,877.00	Technical Fees	3,81,000.00
Rental Income from Municipal Properties		Operations & Maintenance	
Rent From Markets	91,720.00	Bulk Purchase of Power-Electricity	2,06,593.00
Shop rent of building And land	12,80,403.00	Bulk Purchase of Power- Fuel	30,00,076.00
Lease (Patta) Fees	29,179.00	Raw Water Fees	2,00,000.00
Shop building and land Premium	75,61,750.00	Payment of Drain & Road Repair Work	13,73,503.00
		Payment of Electricity Item purchase	19,55,791.00
Fees & User Charges		Payment of Electricity Pole&Line work	94,823.00
Application & NOC Fees	4,540.00	Payment of Garden Park R&M	39,000.00
Safai Tax	55,050.00	Payment of Sanitary Material	14,99,165.00
Animal registration Fee	85,015.00	Hire charges Machinery	7,09,975.00
Building permission fee	2,40,613.00	Repairing Work of vehicle	8,57,086.00
Butcher License Noc Fees	8,000.00	Water Supply Material purchase	8,24,841.00
Colony Development Fees	3,000.00	Hire charges Vehicle	10,63,574.00
Other Fees	7,94,323.00	Land allotment Premium	2,00,000.00
Temporary Road cutting	1,60,260.00	Other Expense	12,19,848.00
Water Connection Fee	1,68,810.00	Kayakalp Abhiyan	40,88,489.00
Water tax C.Y	35,18,467.00	O & M-Drinking water	14,12,483.00
Karamkar Fee receipt	18,992.00		
Litter & Debris Collection Charges	2,72,204.00	Bank Charges	
		Consolidated Bank Charges	14,513.32
Sale & Hire Charges			
Sale of Tender Papers	1,37,000.00	Programme Expenses	
		Religious Festival	1,73,450.00
Interest Earned		Consolidated Own Programme	6,19,120.00
Interest-Saving Bank Account	74,533.00		
Miscellaneous Income			
Surrendered PMAY Installment	1,61,664.00	Revenue Grants, Contribution and Subsidies	
Misc Income	8,85,146.00	Sambal yojana	71,664.00

मुख्य नगर पालिका अधिकारी
नगर परिषद थान्दला, जि.झाबुआ



Grants-Central Govt.		Other Liabilities	
15 th Finance commission	57,32,680.00	Hudco Loan Repayment	8,04,631.00
		LIC	93,048.00
Grants-State Govt.		Gst	1,30,892.00
Grants From State Finance Commission	1,06,58,000.00	TDS On Contractor/supplier	1,25,599.00
Grants for Road Development	25,04,630.00		
Other Grants	40,000.00	CWIP	
Mulbhoot Suvidha	36,83,277.00	Building & Shop Construction	5,34,452.00
Special grant for infrastructure	12,00,000.00	Payment of Road construction	59,20,341.00
Special Fund for Kayakalp	19,00,000.00	Payment of Drain Construction	1,22,587.00
		Payment of Paver block construction	1,05,560.00
Deposits Received		Bridge & Culvert Under SDRF	35,20,224.00
Confiscated Earnest Money	2,000.00	Furniture for office	2,19,280.00
		Urban infra development	10,31,361.00
		Water Connection	3,57,842.00
		Closing Balance	68,88,117.39
Total	7,50,31,355.71	Total	7,50,31,355.71

Nagar Parishad Thandla
CMO

Nagar Parishad Thandla
Accounts Officer



मुख्य नगर पालिका अधिकारी
नगर परिषद थान्दला, जि. झाबुआ

