NAGAR PARISHAD KANTAPHOD

INCOME & EXPENDITURE A/c

FOR THE PERIOD FROM-01-04-2023 TO 31-03-24

EXPENDITURES	AMOUNT	INCOME	AMOUNT
ESTABLISHMENT EXP.		**ASSIGNED REVENUE**	
SALARY A/c	13323236	CHUNGI A/C	10694700
MANDEY PARSHAD A/c	359600	MUDRANK SHULK A/C	252033
		SADAK MARAMMAT ANUDAN A/C	3992105
GRANT		**GRANTS**	
GRANT RETURN TO GOVT. A/c	2000000	RAJYA VITT A/c	3361361
VIDHAYAK NIDHI A/c	168002	MUKHYA MANTRI ADHOSARCHANA A/c	2500000
PMAY A/c	98999	MULBHUT RASHI A/c	1400075
SANSAD NIDHI A/c	5000	REVENUE GRANT A/c	125648
ANUDAN PANJI A/c	1600	RAJYA AAPDA PRABANDHAN A/c	10000000
		15 TH FINANCE A/c	6450376
		VIDHAYAK NIDHI A/c	94000
BANK CHARGES & FINANCE		**TAX REVENUE**	
HUDCO LOAN REPAYMENT A/c	287503	SAMPATTI KAR CURRENT A/c	106757
BANK CHARGES A/c	183.9	SAMPATTI KAR O/S A/c	199881
SECURITY DEPOSITS AND EMD RETURNED A/c	91000	JALKAR CURRENT A/c	123980
		JALKAR O/S A/c	249786
REPAIR & MAINTENANCE		SAMEKIT KAR CURRENT A/c	40804
WATER SUPPLY R&M A/c	457689	SAMEKIT KAR O/S A/c	106627
VEHICEL R&M A/c	426641	NAGAR VIKAS CURRENT A/c	35933
TRENCHING GROUND R&M A/c	67144	NAGAR VIKAS O/S A/c	43774
CC ROAD R&M A/c	18780	SHIKSHA UPKAR CURRENT A/c	30421
FURNITURE R&M A/c	18480	SHIKSHA UPKAR O/S A/c	49256
OTHER REPAIR & MAINTENANCE A/c	927559	SURCHARGE A/c	109307
BUILDING R&M A/c	6500		
STREET LIGHT R&M A/c	91596	**INTEREST A/c**	238454
COMPUTER REPAIR & MAINTENANCE A/c	119572		
MATERIAL PURCHASED A/c	1014496	**OTHERS**	
		BHU BHATAK A/c	113050
OTHER PAYMENTS		BHAVAN ANUGYA SULK A/c	108703
PROGRAM EXP. A/c	561009	TENDER AVEDAN SULK A/c	89000
ADVERTISMENT A/c	233895	LOK ADALAT A/c	59458
TELEPHONE BILL A/c	15471	NAMANTARAN SULK A/c	51189
CC FAIR TESTING A/c	4720	SWACHATA A/c	200000
DSC PURCHASED A/c	6000	MELA VASULI A/c	137550
FOOD AND REFRESHMENT A/c	116250	SHULK A/c	30000
FUEL EXP.A/c	692388	TENDER AMANAT RASHI A/c	25000
JCB RENT A/c	45150	VIGYAPTI A/c	21250
LABOUR A/c	4200	TREAD LICANCE A/c	20820
LED TV RENT A/c	2500	BAJAR BETHAK A/c	10300
LEGAL EXP. A/c	83458	MOKA SULK A/c	8390
NEWS PAPER A/c	9384	BHAVAN NAMANTARAN A/c	6725
OFFICE EXP A/c	127883	PATAA SULK A/c	5950
ONLINE CHARGES A/c	17500	MILAN SHULK A/c	4200
OTHER EXP. A/c	2637593	LICANCE FEES A/c	4040
PHOTOCOPY A/c	45474	WATER TANK A/c	6500
RENT A/c	2600	BHU BHATAK A/c	2000
SERVICE EXP A/c	42820	AAVEDAN SHULK A/c	1950
STATIONARY A/c	217348	BAZAR BETHAK A/c	1500
SWACHATA A/c	386286	PRAMAN PATRA A/c	1075
TRACTOR KIRAYA A/c	22500	CERTIFICATE A/c	1000
TREVALLING EXP A/c	201200	VIGPYATI A/c	1000
VIGPYATI A/c	71248	SWACHHTA A/c	3490
		VIVAH PANJIYAN A/c	240
		RTI A/c	15
		OTHERS A/c	955691
SURPLUS	17044906.1		
TOTAL	42075365	**TOTAL**	42075364

FOR-NAGAR PARISHAD KANTAPHOD

CMO

मुख्य नगरपालिका अधिकारी
नगर परिषद कांटाफोड़ (देवास)

ACCOUNTANT

FOR-MRMK & ASSOCIATES
Chartered Accountants

CA Manglesh Sharma
Mem. No-[illegible]
Date-10 [illegible] 2025
Place-BAGLI

MRMK & ASSOCIATES
FRN 023411C
Chartered Accountants

NAGAR PARISHAD KANTAPHOD

RECEIPTS & PAYMENT A/C

FOR THE PERIOD FROM-01-04-2023 TO 31-03-24

RECEIPTS	AMOUNT	PAYMENTS	AMOUNT
OPENING BAL.	5021037		
ASSIGNED REVENUE		**ESTABLISHMENT EXP.**	
CHUNGI A/C	10694700	SALARY A/c	13323236
MUDRANK SHULK A/C	252033	MANDEY PARSHAD A/c	359600
SADAK MARAMMAT ANUDAN A/C	3992105		
GRANTS		**GRANT**	
RAJYA VITT A/c	3361361	GRANT RETURN TO GOVT. A/c	2000000
MUKHYA MANTRI ADHOSARCHANA A/c	2500000	VIDHAYAK NIDHI A/c	168002
MULBHUT RASHI A/c	1400075	PMAY A/c	98999
REVENUE GRANT A/c	125648	SANSAD NIDHI A/c	5000
RAJYA AAPDA PRABANDHAN A/c	10000000	ANUDAN PANJI A/c	1600
15 TH FINANCE A/c	6450376		
VIDHAYAK NIDHI A/c	94000		
TAX REVENUE		**ASSETS PURCHASED**	
SAMPATTI KAR CURRENT A/c	106757	NEW VEHICAL PURCHASE A/c	189920
SAMPATTI KAR O/S A/c	199881	CHALIT SOCHALAY PURCHASED A/c	319947
JALKAR CURRENT A/c	123980	COOLER PURCHASED A/c	53000
JALKAR O/S A/c	249786	HANDPUMP EQIUPMENT A/c	159076
SAMEKIT KAR CURRENT A/c	40804	ROAD COUNSTRUTION A/c	2270015
SAMEKIT KAR O/S A/c	106627	POS MACHINE A/c	11210
NAGAR VIKAS CURRENT A/c	35933	BORWAIL MOTER PURCHASED(ASSETS) A/c	25200
NAGAR VIKAS O/S A/c	43774		
SHIKSHA UPKAR CURRENT A/c	30421	**BANK CHARGES & FINANCE**	
SHIKSHA UPKAR O/S A/c	49256	HUDCO LOAN REPAYMENT A/c	287503
SURCHARGE A/c	109307	BANK CHARGES A/c	183.9
		SECURITY DEPOSITS AND EMD RETURNED A/c	91000
INTEREST A/c	238454		
OTHERS		**REPAIR & MAINTENANCE**	
BHU BHATAK A/c	113050	WATER SUPPLY R&M A/c	457689
BHAVAN ANUGYA SULK A/c	108703	VEHICEL R&M A/c	426641
TENDER AVEDAN SULK A/c	89000	TRENCHING GROUND R&M A/c	67144
LOK ADALAT A/c	59458	CC ROAD R&M A/c	18780
NAMANTARAN SULK A/c	51189	FURNITURE R&M A/c	18480
SWACHATA A/c	200000	OTHER REPAIR & MAINTENANCE A/c	927559
MELA VASULI A/c	137550	BUILDING R&M A/c	6500
SHULK A/c	30000	STREET LIGHT R&M A/c	91596
TENDER AMANAT RASHI A/c	25000	COMPUTER REPAIR & MAINTENANCE A/c	119572
VIGYAPTI A/c	21250	MATERIAL PURCHASED A/c	1014496
TREAD LICANCE A/c	20820		
BAJAR BETHAK A/c	10300	**OTHER PAYMENTS**	
MOKA SULK A/c	8390	PROGRAM EXP. A/c	561009
BHAVAN NAMANTARAN A/c	6725	ADVERTISMENT A/c	233895
PATAA SULK A/c	5950	TELEPHONE BILL A/c	15471
MILAN SHULK A/c	4200	CC FAIR TESTING A/c	4720
LICANCE FEES A/c	4040	DSC PURCHASED A/c	6000
WATER TANK A/c	6500	FOOD AND REFRESHMENT A/c	116250
BHU BHATAK A/c	2000	FUEL EXP.A/c	692388
AAVEDAN SHULK A/c	1950	JCB RENT A/c	45150
BAZAR BETHAK A/c	1500	LABOUR A/c	4200
PRAMAN PATRA A/c	1075	LED TV RENT A/c	2500
CERTIFICATE A/c	1000	LEGAL EXP. A/c	83458
VIGPYATI A/c	1000	NEWS PAPER A/c	9384
SWACHHTA A/c	3490	OFFICE EXP A/c	127883
VIVAH PANJIYAN A/c	240	ONLINE CHARGES A/c	17500
RTI A/c	15	OTHER EXP. A/c	2637593
OTHERS A/c	955691	PHOTOCOPY A/c	45474
		RENT A/c	2600
		SERVICE EXP A/c	42820
		STATIONARY A/c	217348
		SWACHATA A/c	386286
		TRACTOR KIRAYA A/c	22500
		TREVALLING EXP A/c	201200
		VIGPYATI A/c	71248
		CLOSING BAL.	19037574.1
TOTAL	47096401	**TOTAL**	47096401

FOR NAGAR PARISHAD KANTAPHOD

ACCOUNTANT

FOR-MRMK & ASSOCIATES
Chartered Accountants

CA Manglesh Sharma
Mem. No-435479
Date-10-03-2025
Place-BAGLI

MRMK & ASSOCIATES
FRN
023411C
Chartered Accountants

MRMK & ASSOCIATES
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Street/Locality/Area – Mukund
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AUDITOR'S REPORT

NAGAR PARISHAD KANTAPHOD
DISTRICT-DEWAS
FINANCIAL YEAR 2023-24

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INDEPENDENT AUDITOR'S REPORT

To,
The Stakeholders of NAGAR PARISHAD KANTAPHOD
DISTRICT. DEWAS

Report on the Financial Statements	We have audited the accompanying financial statements of NAGAR PARISHAD KANTAPHOD ("the ULB"), which comprise the Receipts & Payment A/c, Income and Expenditures A/c, and Schedules for the year then ended, and other explanatory information.
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 Municipal Corporation Act, 1956 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.

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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 requiredto 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.

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Opinion	In our opinion and to the best of our information and according to theexplanations 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.
Basis for Opinion	The details which form the basis of qualified opinion are reported inthe Annexure 1 and Annexure 2 annexed to this report.
Emphasis Of Matters	We draw attention to the following matters reported in Annexure-2 annexed to the report. 1)Accounts Not prepared as per Municipal Manual & Accounting Standards of local bodies as issued by ICAI. 2)Sanchit nidhi is also not invested. 3)GST, Income tax, Lebour welfare tax, NPS, PT etc. not regularly depositing, returns also pending. 4)Difference in opening bank balance and balance report in audit report is Rs.5603.91, which is adjusted in other exp. A/c head, 5)Some Bank accounts not available for verification, us per ULB thouse accounts have no transactions.

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Annexure '1'

Report on Internal Financial Controls over Financial Reporting

Report on the Internal Financial Controls of the ULB	We have audited the internal financial controls over financial reportingof NAGAR PARISHAD KANTAPHOD ("the ULB") as of March 31, 2024 in Conjunction with our audit of the financial statements of the ULB forthe year ended on that date.
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 financialinformation, as required in accordance with the Municipal Corporation Act, 1956 including the Municipal Accounting Manual and accounting principles generally accepted in India applicable to the Urban Local Bodies.
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.

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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.
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 erroror 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 inconditions, or that the degree of compliance with the policies or Procedures may deteriorate.
Opinion	In our opinion and to the best of our information ad according to the explanations given to us the aforesaid receipt and payment accounts give a true and fair view Our observation and suggestion are mentioned in the annexure "A" Enclosed

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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.	Verification of revenue from various sources has been made, and the same has been recognized and enteredin the books of account produced before us. Revanue recognized on cash(record at the time of receipt) basis but manual required it on accrual basis.
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.	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 its revenue through online modes. The counter foils or revenue receipts were made available to us for verification and we are relying on the same. 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 usby the concerned department duly certified by the concerned officer.
3)	Delay beyond 2 working days shall be immediately brought to The notice of commissioner/CMO.	As per our random sample based checking, "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".
4)	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.	Details relating to revenue recovery against the quarterly and monthly No recovery target is available.
5)	The auditor shall verify the interest income fromFDR' sand verify that interest is duly and timely accounted for in cash book.	Interest income recognizing on cash(received)basis.
6)	The case where, the Investments are made on lesser interest rates shall	No Such Instance found.

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	be brought to the notice of the Commissioner/CMO	

2. Audit of Expenditure:

1)	The auditor is responsible for audit of expenditure under all the schemes.	Expenditure under various heads which was recognized and entered in the books of account produced before us for verification.
2)	He is also responsible for checking the entries in cash book and verifyingthem relevant vouchers.	We have verified the entries in cash book on test check basis which were supported by relevant vouchers/note sheets.
3)	He should also checkmonthly balance of the cash book and guide the accountant to rectify errors, if any.	Issued relating to totaling mistakes during the year were noticed and same were duly communicated to the responsible person, which is corrected at the end of the year at cash book and reconciled.
4)	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.
5)	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.
6)	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.
7)	The auditor shall be responsible for verification of scheme wise/project wise Utilization	Utilization certificates of various schemes for verification of scheme wise project/ wise Utilization

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	Certificate (UC's). UC's shall be tallied with the Receipt & Payment Account and Creation of Fixed Asset.	Certificate (UCS) were not provided to us by the ULB. Hence same cannot be commented upon.
8)	He shall verify that all Temporary advances of other than employees have been fully recovered.	Details regarding temporary advances were checked on sample basis, but no dues found.

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 Cash of books of accounts
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, no specific condition related to advances are placed.
4)	Bank reconciliation statement (BRS) shallbe verified from the records of ULB and the bank concerned. If bank reconciliation Statement are not prepared the auditorwill help in the preparation of BRS's	Bank Reconciliation as provide by the UBL is cross verified.

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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.
6)	The auditor shall verify the fixed assets registerfrom 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 has maintained separate cash books for different schemes and projects and the receipt & payment statement were prepared on consolidated basis.

4) Audit of FDR

1)	The auditor is responsible for audit ofall fixed deposits and term deposits.	We have verified FDR maintained by the ULB on sample basis and provided us for verification.
2)	It shall be ensured that proper record of FDR's are maintained and renewals are timely done.	FDR records are kept in physical copy from in a separate file. We suggest ULB to prepare separate register containing all the relevant details as pr Municipal manual.
3)	The case where FDR'S / TDR are kept at low rate of interest than the prevailing rate shallbe immediately brought to the notice of Commissioner/CMO.	No such instance found.
4)	Interest earned on FDR/TDR Shall be verified from entries in the cash book.	Interest on FDR are booked on Cash basis.

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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 testcheck 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 wefound them complete and appropriate. Competitive Tendering procedures were followed for all bids, which we checked on random basis.
3)	He shall verify the receipts of tender fee /bid processing fee / performance guarantee both duringthe construction and maintenance period.	Tender related documents were provided on test check basis, and we have verified the receipts oftender 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 beverified from theissuing 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.

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6) Audit of Grants and Loans

1)	The auditor is responsible for audit ofgrants 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 utilized as per rules and regulation
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. Grant register is not available hance not checked and verified.
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 desired revenue or not. He shall also comment on the possible reasons for non-generation of	As per information provided by the ULB and according to our verification, ULB has accorded loan. The loan repayment has been 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. No loan statement is available hence we are unable to verify the same. And No interest charged/booked on the loan balance.
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, no such case found.

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7) Others-

Sr. No.	Particulars	Comments
1	Employees Liabilities	Employees Pension, LWT, PT are not deposited regularly,
2	Tax Deductions	GST DS and Income tax TDS deductions checked on random basis and deductions was done but periodic tax returns are not filed.
5	Litigations	ULB told us there is no new case is filed in FY-23-24, old lokayukt case is under going/pending in ULB which is not connected to FY-23-24 and we are relying on the same.
6	Sanchit Nidhi	As per Municipal Manual certain amount should be transferred by Income and Expenditure account to Sanchit Nidhi and should be invested, but for FY-23-24 no fund transferred.

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Reporting on Other matters for Financial Year 2023-24

NAGAR PARISHAD KANTAPHOD DISTT. DEWAS
Auditor: **NRBP & ASSOCIATES, Chartered Accountants**

S. no.	Parameters	Description	Observation in brief	Suggestions
1	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 utilization certificate.	In some of the instances tax rates are not properly charged by the Palika futher due to totaling errors in the bills excess payment has been observed .	The municipality should cut out the Worthless expenditures like over advertisement in news paper than the occasion Demands & conveyance by public transport should be encouraged .
2	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	The municipality is following cash basis of accounting which is not prescribed as per MPMAM, Currently keeping manual records only	Duble entry accounting system suggested by Municipal Manual must be adopted.
3	Audit of FDR/TDR	Verify fixed deposits and term deposits and	Interest Certificate from bank should be collected	Interest Certificate from bank should be collected and Request bank to not to cut TDS on interest by filing relevant form to income tax dept. and provide copy to income tax dept.

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		their maintenance		

4	Audit of Tenders and Bids	Verify Tenders/Bids invited by ULB and competitive tendering procedures followed	While vouching the Tender/Bids files it was observed that theevidence proofs such as PAN card, Firm Registration Certificate, Tax Returns of the assesse were not self-certified nor certified by the Chartered Accountant	Procedure for Tenders opening and Performance review shouldbe Carefully monitored.
6	Audit of Grants & Loans	Verification of Grant received from Government and its utilization	The grants received by nagarPalika is through proper channel and the payments are made by the municipality for the purpose for which the same is provided by government. The staff of the Palika is not sureof the head under which some grants are received as the same are directly without mentioning	Grant registeris be updated and balanced regularly with its Utilization Certificate. Loan statement should be collectd and book interest accordingly.

7	Verify whether any diversion of funds from capital receipt /grants /Loans to revenue expenditure and from one scheme /project to another.		Checked on random basis and We didn't came across any such diversion of fund.	Grant/fund registers should be mentaind.
8	Whether all the temporary advances have been fully recovered or not.	No such outstanding found		
9	Whether bank reconciliation statements is being regularly prepared		BRS prepared by the ULB	NA

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