

AUDIT REPORT

F.Y. 2023-24

NAGAR PARISHAD

KUKDESHWAR

DISTRICT: NEEMUCH (M.P.)

PreparedBy:

B. Shroff & Co.
Chartered Accountants

M. No. 8085668800

Email: pushkarjain17@gmail.com





अंकेक्षण प्रमाण पत्र

हमारे द्वारा नगर परिषद-कुकडेश्वर जिला नीमच(मध्य प्रदेश) का वित्तीय वर्ष 2023-24 का वित्तीय अंकेक्षण कार्य पूर्ण किया गया है। अंकेक्षण के दौरान हमारे द्वारा संचनालाय, नगरीय प्रशासन एवं विकास भोपाल (मध्य प्रदेश) द्वारा प्रतिपादन निर्देशों/परिपत्रों एवं अधिनियम का पालन किया गया है।

हमारे द्वारा नगर परिषद के 1 अप्रैल 2023 से 31 मार्च 2024 तक के समस्त अभिलेखों/प्रपत्रों आदि का निरीक्षण किया गया है। परिषद द्वारा उपलब्ध कराए गए अभिलेखों के आधार पर हमारे द्वारा प्राप्ति एवं भुगतान खाता तैयार कर इस प्रतिवेदन के साथ के सलग्रकिया जा रहा है।

हमारे द्वारा अंकेक्षण के दौरान उन मानकों का प्रतिपालन किया गया है जिन्हें सामान्यता भारत में मान्य किया जाता है और जो संस्था के वित्तीय स्थिति का आकलन करते हेतु अनिवार्य है।

अंकेक्षण के दौरान हमारे द्वारा जो आपत्तियों एवं अनियमितताएं पाई गई है हमने उन पर परिषद एवं अधिकारियों के विचार विमर्श किया है जो अनियमितताएं के संचालन के समक्ष प्रस्तुत करने योग्य है हम उन्हें इस प्रतिवेदन के साथ अंकेक्षण आक्षेप के रूप में सलग्रह कर रहे हैं।

वास्ते: बी श्रॉफ एंड कंपनी

चार्टर्ड अकाउंटेंट



CA पुष्कर जैन
M. No. 450290

दिनांक:

स्थान: कुकडेश्वर

UDIN:

मुख्य नगर निरीक्षण अधिकारी
नगर परिषद, कुकडेश्वर



AUDIT REPORT IN CONNECTION WITH ANNUAL AUDIT OF KUKDESHWAR NAGAR PARISHAD

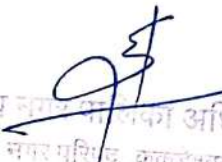
We have examined the Receipt & Payment Account for the year ended on 31st March 2024, attached herewith, of Nagar Parishad with regards to the Audit; we have made the following observation:

- We certify that the Receipt and Payment account, books of account maintained at the office of Nagar Parishad, Kukdeshwar.
- The observations/discrepancies/inconsistencies observed in the scope of audit have been detailed out in Audit Report.
- Details regarding revenue collection against the budgeted targets and the growth attained during the year in comparison to the previous year is given in **Annexure-A**.
- We report the following observations/suggestions in the audit report.
- Subject to above-
 - I. We have obtained on the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of the audit;
 - II. In our opinion, proper books of accounts have been kept by them above named entity so far as it appears from the examination of the books.
 - III. In our opinion and to the best of our information and according to the explanation given to us, the said accounts, read with notes thereon attached in the report gives true and fair of the Receipt & Payment Account of Nagar Parishad, Kukdeshwar for the year ended 31st March 2024.

Place: Kukdeshwar

Date:

UDIN:


मुख्य नगर कार्यकारी अधिकारी
नगर परिषद, कुकदेश्वर

For: B. Shroff & Co.

Chartered Accountants



CA Pushkar Jain
(Partner)
M. NO. 450290
FRN. 006514W

NAGAR PARISHAD, KUKDESHWAR
Madhya Pradesh
Receipts and Payments for the year ended
1-Apr-2023 to 31-Mar-2024

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
Opening Balance		Indirect Expenses	56029672.00
Bank Accounts	11151530.00	Printing and Stationery	71241.00
SBI 9250	7909862.00	Traveling and conveyance	747775.00
JSB 7728	730508.00	Insurance	92450.00
Axis Bank 9755	1444321.00	Audit Fees	15000.00
Canara Bank 2743	76230.00	Legal Expenses	87000.00
CBI 9093	990609.00	Advertisement and publicity	401870.00
		Other administrative Expense	45323.00
FD's	4283139.00	Power and fuel	7280376.00
FDR	4283139.00	Repairs and Maintenance Infrastructure Assets	2483176.00
		Repairs and Maintenance vehicles	397545.00
		Repairs and Maintenance office Equipment	180054.00
Indirect Incomes	65791248.00	Bank Charges	5860.00
Surcharge On Water domestic	16726.00	Election Expenses	368046.00
Compensation in lieu of Octroi	12783569.00	Own Programme	2803683.00
Rent from Market	268556.00	Deposits Received-	
Shop Auction Markets	9250250.00	From contractor /suppliers	188527.00
Miscellaneous Fees	3563100.00	Creditors	19758568.00
Manglik Bhawan Shulk	42900.00	Employee Liability	19482102.00
Adhikar Shulk	65672.00	Recoveries Payable	281388.00
Mapdangh	44200.00	Government Dues payable	757880.00
Vikas Shulk	178549.00	Provision For Expenses	581808.00
Sale Of Tender Papers	269500.00		
Interest	395890.00		
Basic Minimum Programme	2794951.00		
Grants from State Finance Commission	4463000.00	Closing Balance	
15th Vith Aayog	4169927.00	Bank Accounts	20632148.00
Grants for Road Development			
	1900568.00	SBI 9250	16829635.00
Kayakaip Anudan	1900000.00	JSB 7728	986692.00
Mudrank Shulk	506636.00	Axis Bank 9755	563987.00
Sansad Nidhi	75000.00	Canara Bank 2743	78464.00
SDRF	46800.00	CBI 9093	2173370.00
Vishesh Nidhi	15000000.00		
C.M. Andhosarnchana Vikash	3128160.00	FD's	4564097.00
Other Grants			
	1591500.00	FDR	4564097.00
Deposits Received-			
From contractor /suppliers	1193190.00		
Government Dues Payable	45091.00		
Receivable For Property Taxes	375556.00		
Receivable For other taxes	825615.00		
Receivable For Fees and User charges	638719.00		
Receivable From other sources	257623.00		
	81225917.00		81225917.00



Abstract Sheet for reporting on Audit Paras for Financial Year 2022-24

Name of ULB - Nagar Parishad, Kukdeswar
Name of Auditor - B. Shroff & Co.

S.No	Parameter	Description	Observation	Suggestion
1	Audit of Revenue	The auditor is responsible for audit of revenue from various sources.	We have audited all the sources by applying Sample Test Check Basis from where municipality is deriving its revenue for the financial year 2023-24 and details of various sources has been reported in Receipt & Payment Account.	1) Actual Collection of Various taxes are less than the budgeted amount of taxes because of lack of manpower and robust collection methods. Hence proper staffing is required and some robust methods like collecting the tax by sending the staff directly to homes for collection of cheques or with card swiping machines to collect the tax and also penalty for late submission of such taxes, such methods should be adopted. 2) Various schemes and incentives should be introduced on regular intervals to increase the revenue collection.
		He is also responsible to check the revenue receipt from the counter files of receipt books and verify that the money received is duly deposited in respective bank account.	The Counter foils or revenue receipts of property tax, water tax and shop rent collection were made available to us for verification. As per information provided to us that the revenue/ tax collector/ officer directly deposits the amount collected with main cashier at the cash counter, who in turn this amount directly to bank account.	
		Percentage of revenue collection increases\ decreases in various heads in property tax, samekit kar, shiksha upkar, nagriya vikas upkar and other tax, compared to previous year shall be part of report.	The comparison of all the taxes with regard to yearly targets have been duly verified and is forming part of report, annexed here with Annexure-A.	
		Delay beyond 2 working days shall be immediately brought to the notice of commissioner/ cmo.	We have verified the bank statements given to us against the receipt and we found that there was no delay beyond 2 working days in depositing cash into respective bank accounts except during Bank holidays.	
		The entries in cash book shall be verified.	We have verified all the entries reported in the cash book on sample test check basis and found to be satisfactory.	3) The cash/ bill/ receipt books should be maintained by only one person. Further the receipt of daily taxes should be done by a single person rather than different individuals.
		The Auditor shall verify that the advances have been received..	As per books there were some advances received during the year.	
		The auditor shall specifically mention in the report, the revenue recovery against the quarterly and monthly targets .	The targets given to the ULB with regard to revenue recovery are yearly. As per the information provided to us the targets of revenue recovery were not met. Also the sheet of revenue recovery as provided by the ULB does not match with figures stated in the Receipt & Payment Account.	
		The auditor shall verify the interest income from FDRs and verify that interest income are duly and timely accounted for in cash.	Interest income is recorded in cash book on cash basis instead of accrual basis due to which correct interest income is not reflected in financial statements.	
		The cases where the investment are made on lesser interest rates shall be brought to the notice of the commissioner/ cmo.	Investment (if any) are made at rate prevailing in bank.	

मुख्य अफिसर
नगर पारिशद, कुकदेश्वर

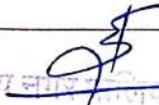


2	Audit of Expenditure	The auditor is responsible for audit of expenditure under all the schemes.	We have audited the expenditures incurred by the municipality using sample test check basis during the FY 2023-24.	1) On the Note sheet the CMO and the President should put their official Seal with the Signature. 2) Whenever the signature of a Witness is taken the details of witness like the name, address should be mentioned. 3) Purchase of goods/services should be from supplier registered under GST.
		He is also responsible for checking the entries in cash book and verifying them from relevant vouchers.	The entries in cash book have been verified from relevant vouchers and we have observed some deviation.	
		He should also check monthly balances of the cash book and guide the accountant to rectify errors, if any.	The monthly balances of cash book were checked and the errors were rectified.	
		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 any commissioner/ cmo.	We have sample checked the fund allocation, records are properly maintained showing the funds allocated and it was observed that in some cases grant payment was made in excess of funds allocated.	
		He shall also verify that the expenditure is in accordance with the guidelines, directives, acts and rules issued by government of India/ state government.	We have verified the expenditure on sample test basis and not observed any deviation.	
		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.	On the basis of our audit we observed that all the expenditure have been supported by financial and administrative sanctions accorded by competent authority and are limited to the administrative and financial limits of the sanctioning authority.	4) The attendance register should be kept with a person incharge and should be daily verified and signed by the CMO/ Chief Accountant.
		All the cases where appropriate sanction have not been obtained shall be reported and the compliance of audit observations shall be ensured during the audit and non compliance of audit paras shall be brought to the notice of Commissioner/ CMO.	During the course of audit by applying sample test check basis, we did not come across any such expenditure which has been incurred without obtaining permission from the relevant sanctioning authority.	
		The auditor shall be responsible for verification of scheme project wise utilization certificates [UC].	No Utilization certificate has been provided to verify the same.	
		The auditor shall verify that all the temporary advances have been fully recovered .	As per observations there were no temporary advances given by ULB during the period of the audit.	


 मुख्य नगरपालिका अधिकारी
 नगर परिषद, बुकडेभर


 Ms. B. Shrestha
 Chartered Accountant

3	Audit of Book Keeping	The auditor is responsible for audit of all the book of account as well as stores.	We have verified the books of accounts as well as stores and our observations are mentioned in below points.	
		He shall verify that all the books of account and stores are maintained as per accounting rules applicable to urban local bodies. Any discrepancies shall be brought to the notice of commissioner\ cmo.	The books of accounts are maintained as in double entry accounting system of accounting. Errors identified and were duly verified.	
		The auditor shall verify advance register and see that all the advances are timely recovered according to the conditions of advances. All the cases of non recovery shall be specifically mentioned in audit report.	As per information and explanation given to us there were no advances given by ULB during the period under audit.	
		The auditor shall verify that all the temporary advances have been fully recovered.	As per information and explanation given to us there were no temporary advances given by ULB during the period under audit.	
		Bank reconciliation statement [BRS] shall be verified from the records of ULB and the bank concerned.	The Bank reconciliation statements were made available to us for checking by the ULB and no discrepancy were found. Further we communicated with the management and found that some accounts were closed during the year. Hence we have removed such accounts:- 1. Central Bank of India 4251	
		He shall be responsible for verifying the entries in the grant register. The receipt and payments of grants shall be duly verified from the entries in the cash book.	We have verified the account so receipts and payments for the grant received and utilized during the year. Details have been mentioned in Audit of Grants and Loans.	
		The auditor shall verify the fixed asset from other records and discrepancies shall be brought to the notice of commissioner\ cmo.	We have verified the fixed asset register and no discrepancies have been found.	
4	Audit of FDR	The auditor is responsible for audit of all fixed deposit and term deposit.	We have verified the Fixed Deposits as well as Term Deposits, and we observed that FDR's are maintained in cash book so we have mentioned the details of FDR's in R&P. The FDR details are given below:- Rs. 4564097/-	1) Idle funds should be invested in Mutual funds, as they provide better returns against any other form of investment.
		It shall be ensured that proper record of FDR are maintained and all renewals are timely done.	We observed that the ULB maintains proper record of FDRs. As per the explanation provided to us the FDRs are kept on auto renewal.	
		The cases where FDR\ TDR are kept at low rate of interest than the prevailing rate shall be immediately brought to the notice of commissioner/ cmo.	The FDR/ TDR are kept on auto renewal so the latest rates of interest are not known, also as reported above the interest income are duly recorded in the books of accounts.	


 नगर परिषद, कुकड़ेश्वर
 अधिकारी



5	Audit of Tender	The auditor is responsible for audit of all tenders/ bids invited by the ULB's.	We have audited tenders/ bids invited by the ULB during the FY 2023-24 by applying sample test check basis and no contravention or exceptions were noticed during the course of audit other than those which has been discussed in next points.	1) More competitive tendering processes should be implemented. 2) The limit of online tendering should be reduced so that more and more tenders are put online so as to increase the transparency. 3) The tenders should be allotted after proper checking of documents, as we stated some cases where tenders were allotted to contractors who didn't provided mandatory documents.
		He shall check whether competitive tendering procedures are followed for all bids.	We found that competitive tendering procedures are being followed by the municipality.	
		He shall verify the receipts of tender fee/ bid processing fee/ performance guarantee both during the construction and maintenance period	We did not find any error in the receipt of tender fee/ bid processing fee/ performance guarantee both during the construction and maintenance period.	
		The bank guarantees, if received in lieu of bid processing fee/ performance guarantee shall be verified from the issuing banks.	As per the information and explanation provided to us there were no Bank Guarantees received by ULB during the period of audit.	
		The conditions of BG's shall also be verified; any BG with any such condition which is against the interest of the ULB shall be verified and brought to the notice of commissioner/ CMO.		
		The cases of extension of BG's shall be brought to the notice of Commissioner/ CMO proper guidance to extend the BG's shall also be given to ULB's.		
6	Audit of Grants and Loans	The auditor is responsible for audit of grants given by Central Government and its utilization.	We have audited various grants received from the central/ state government during the year covered under audit. Details of grant received under various head as provided to us by ULB have been attached as per Annexure-B.	1) Refer Details of Grants Released & Utilized during audit. 2) More and more assets should be created for the welfare of the people as well as for generating more revenue. 3) Loan repayment must be done on timely basis.
		He is responsible for audit of grants received from State Government and its utilization.	We booked the opening balance of Sarwajanik Sochalay in Annexure-B, but last year there is no closing balance was booked due to some error by ULB.	
		He shall perform audit of loans provided for physical infrastructure and its utilizations. During this audit the auditors shall specifically comment on the revenue mechanism i.e. whether the asset created out the loan has generated the desired revenue or not. He shall also comment on the possible reasons for non generation of revenue.	Details regarding loans are as follows:- 1) The loan repayment taken by the ULB from HUDCO was Rs.973863/- now the closing balance as on 31/03/2024 was Rs.4885458/-.	
7	Incidence relating to diversion of funds	The auditors shall specifically point out any diversion of funds from capital receipts /grants /loans to revenue expenditure and from one scheme/ project to another.	On Sample Test Check basis of the records, we didn't find any diversion of fund from capital receipts/ grants/ loans to revenue expenditure and from one scheme/ project to another.	

मुख्य निरीक्षण अधिकारी
नगर निगम, मुकडेश्वर



8	Whether all the temporary advances have been fully recovered or not	The auditor shall verify advance register and see that all the advances are timely recovered according to the conditions of advances. All the cases of non recovery shall be specifically mentioned in audit report.	As per information and explanation given to us there were no advances given by ULB during the period under audit.	
9	Whether the bank reconciliation statement have been regularly prepared	Bank reconciliation statement [BRS] shall be verified from the records of ULB and the bank concerned.	The Bank reconciliation statements were made available to us for checking by the ULB and no discrepancy were found.	Bank reconciliation statement should be regularly prepared.

For: B. Shroff & Co.
Chartered Accountants
FRN: 006514W

CA Pushkar Jain
(Partner)
M.NO.: 450290
UDIN:



For: Nagar Parishad
Kukdeswar -

मुख्य नगर पंचायत अधिकारी
नगर पंचायत, कुकड़ेश्वर



Revised Abstract sheet for the reporting on Audit Paras for Financial Year 2023-24

Annexure - A

Name of ULB - Nagar Parishad, Kukdeswar
Name of Auditor - B. Shroff & Co.

Sr. No.	Parameters	Description					Observation in Brief	Suggestions
1	Audit of Revenue							
(1)	राजस्व कर वसूली	Receipts in Rs.						
		Year 2022-23	Budgeted 2023-24	Year 2023-24	Budgeted % Comparison	% of Growth		
(i)	संपत्ति कर	255,400	440,669	399,051	90.56	56.25	1) Due to lack of staff the revenue is not increasing throughly.	1) Proper control should be established to recover outstanding amount.
(ii)	समीकित कर	415,756	805,330	510,720	63.42	22.84		2) Dedicated staff specifically for this work should be assigned and camp may be organized.
(iii)	विकास उपकर	80,979	147,067	131,135	89.17	61.94	2) The data reveals that the budgets estimated of income are estimates on higher side for all the taxes.	3) Budgeted income should be estimated on the basis of actual past income collections.
(iv)	शिक्षा उपकर	5,155	8,855	7,944	89.71	54.10		4) ULB should impose strict penalties and legal actions to improve past collections.
	कुल योग (A)	757,290	1,401,921	1,048,850	74.82	38.50		
(2)	गैर राजस्व वसूली							
(i)	भवन भूमि किराया	297,803	1,350,829	284,322	21.05	-4.53	3) Negative growth & drastic fall has been seen in revenue collection.	
(ii)	जल कर	526,026	989,175	673,964	68.13	28.12		
	कुल योग (B)	823,829	2,340,004	958,286	40.95	16.32		
	महा योग (A+B)	1,581,119	3,741,925	2,007,136	53.64	26.94		

मुख्य नगरपालिका अधिकारी
नगर परिषद, कुकडेश्वर



कार्यालय नगर परिषद, कुकडेश्वर, नीमच (म.प्र.)
दिनांक 31.03.2024 की स्थिति में
वर्ष 2023-24 में प्राप्त अनुदान एवं व्यय राशि की जानकारी

Annexure-B

क्रं.	मद नाम	पूर्व वर्ष की शेष राशि	वर्ष में प्राप्त राशि	योग	व्यय राशि	शेष राशि
1	2	3	4	5 (3+4)	6	7 (5-6)
1	मूलभूत सुविधा	990,458	2,794,951	3,785,409	2,387,935	1,397,474
2	सड़क मरम्मत	1,962,739	1,900,568	3,863,307	2,455,918	1,407,389
3	राज्य वित्त आयोग	725,583	4,463,000	5,188,583	1,660,100	3,528,483
4	विधायक निधि	168,024	0	168,024	168,024	0
5	15वां वित्त आयोग (जनरल बेसिक)	133,229	1,667,971	1,801,200	1,717,868	83,332
6	15वां वित्त आयोग (निर्दिष्ट)	3,671,663	2,501,956	6,173,619	4,107,158	2,066,461
7	मु.मं.शहरी अधो. विकास (तृतीय चरण)	119,888	3,128,160	3,248,048	3,248,048	0
8	फायर वाहन अनुदान	122,450	0	122,450	0	122,450
9	विशेष निधि	88,622	15,000,000	15,088,622	3,996,844	11,091,778
10	सार्वजनिक शौचालय	1,326,000	0	1,326,000	1,326,000	0
11	कायाकल्प योजना	3,100,000	1,900,000	5,000,000	5,000,000	0
12	सांसद निधि	0	75,000	75,000	75,000	0
13	SDRF मद	866,600	0	866,600	866,600	0
	योग	13,275,256	33,431,606	46,706,862	27,009,495	19,697,367

मुख्य नगर अधिकारी
नगर परिषद, कुकडेश्वर

