



कार्यालय नगर परिषद लखनादौन जिला-सिवनी (म.प्र.)

OFFICE OF NAGAR PARISHAD LAKHNADON DIST. SEONI (M.P.)

Email- cmolakhnadoan@mpurban.gov.in, cmo.lakh@gmail.com, Phone No.- 07690-240139

क्र. 697 / लेखा.शाखा. / न.परि. / 2025

लखनादौन दिनांक 12 / 3 / 2025

प्रति,

आयुक्त महोदय
नगरीय प्रशासन विकास विभाग
भोपाल 460001

विषय :- चार्टर्ड एकाउंटेंट द्वारा प्रदाय आडिट रिपोर्ट वर्ष 2023-24 बाबत।

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उपरोक्त विषयांतर्गत लेख हैं कि कार्यालय नगर परिषद लखनादौन जिला -सिवनी कि चार्टर्ड एकाउंटेंट के द्वारा वित्तीय वर्ष 2023-24 की आडिट रिपोर्ट तैयार कराकर संयुक्त हस्ताक्षर कर इस पत्र के साथ संलग्न कर आपकी ओर सादर प्रेषित है।

संलग्न :- चार्टर्ड एकाउंटेंट कि रिपोर्ट।

मुख्य नगरपालिका अधिकारी
नगर परिषद लखनादौन
जिला सिवनी (म.प्र.)

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लखनादौन दिनांक 18 / 3 / 2025

प्रतिलिपि :-

1. संयुक्त संचालक नगरीय प्रशासन एवं विकास जबलपुर संभाग जबलपुर की ओर सादर सूचनार्थ।

मुख्य नगरपालिका अधिकारी
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जिला सिवनी (म.प्र.)

LAKHNADON NAGAR PARISHAD

AUDITOR'S REPORT
FINANCIAL YEAR 2023-24

AUDITORS:
GCV & ASSOCIATES LLP
CHARTERED ACCOUNTANTS


मुख्य नगरपालिका अधिकारी
शहर परिषद लखनादोन
जिला - सिबनी (म. प्र.)



GCV & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Regn. No. (F.R.N.) 137906W/C400298

Ward 17 Behind Gandhi Ganj Nai Abadi Chhindwara M.P.

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नगर परिषद लखनादोव
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INDEPENDENT AUDITOR'S REPORT

To the Stakeholders of LAKHNADON NAGAR PARISHAD

❖ Report on the Financial Statements

We have audited the accompanying financial statements of LAKHNADON NAGAR PARISHAD ("the ULB"), which comprise the Receipt & Payment Account 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 applicable provisions 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.

❖ 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 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.



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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.

❖ 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.

❖ 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.

❖ Emphasis of Matters

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

- I. Accounts prepared as per the Manual in lieu of accounting standards for local bodies as issued by Institute of Chartered Accountants of India.
- II. Revenue department's records related to recovery of revenue taxes and other revenue dues has differences with accounting records maintained by accounting department.
- III. Non-maintenance or incomplete registers as prescribed under manual and mentioned at point 3 of annexure 2.
- IV. Non-availability of details related with Tenders.
- V. Non verification of statutory & employee dues, as same has not been made available to us by the ULB.

Our opinion is not modified in respect of these matters.



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❖ We further report that

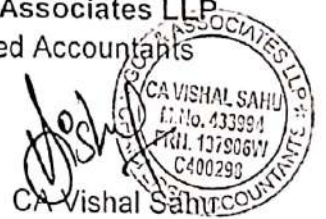
- I. We have sought and, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- II. Except for the possible effects 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.
- III. The Receipt & Payment Account deal with by this Report are in agreement with the books of account.
- IV. 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.
- V. 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.
- VI. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- VII. 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: 30/09/2024

UDIN: 24433994BKEBXZ1146

For GCV & Associates LLP

Chartered Accountants

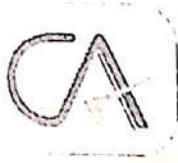


CA Vishal Sahu

(Partner)

MRN - 433994

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AUDIT PARA REPORTING

FINANCIAL YEAR 2023-24

GCV & ASSOCIATES LLP, CHARTERED ACCOUNTANTS

LAKHNADON NAGAR PARISHAD

<u>S. NO.</u>	<u>DESCRIPTION</u>	<u>OBSERVATION IN BRIEF</u>	<u>SUGGESTIONS</u>
2	Parameter : Audit of Expenditure Verification of Expenditures are as per guidelines, directives, and rules under all schemes and entries of expenditures in cash book, Diversion of Funds, financial propriety of expenditures, scheme project wise utilisation certificate.	Observations were listed in brief in point no. 2 of annexure 2 of audit report attached	Scheme/project wise utilisation certificate should be prepared. Grant register should be prepared to verify any diversion of funds.
3	Parameter : 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	Parameter : Audit of FDR/TDR Verify fixed deposits and term deposits and their maintenance	Observations were listed in brief in point no. 4 of annexure 2 of audit report attached	NA.
5	Parameter : 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

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should be carefully monitored.

6 Parameter : Audit of Grants & Loans

Verification of Grant received from Government and its utilisation

Observations were listed in brief in point no. 6 of annexure 2 of audit report attached

Grant register should be maintained and balanced regularly with its Utilization Certificate and accounting records.

7 Parameter: 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).

4,88,99,234.00 / 3,57,51,652.00 : 136.77%

Percentage of Capital expenditure w.r.t. Total expenditure.

2,19,46,494.00 / 7,08,45,728.00 : 30.98%

9 Parameter: Whether all the temporary advances have been fully recovered or not.

Cases of outstanding advances have been outlined in point no. 3 (3) of report attached.

ULB should keep the register of advances to verify whether all the temporary advances have been fully recovered or not

10 Parameter : Whether bank reconciliation statements is being regularly prepared

BRS prepared by the NA ULB for the account having difference.

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Annexure 'I'

Report on Internal Financial Controls over Financial Reporting

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

We have audited the internal financial controls over financial reporting of ("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.

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3. Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

4. Meaning of Internal Financial Controls Over financial Reporting.

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

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the ULB;
- 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
- 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.

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5. Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

6. Qualified opinion

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

-The ULB did not have an appropriate internal financial control system over financial reporting since the internal controls adopted by the ULB did not adequately consider risk assessment, which is one of the essential components of internal control, with regard to the potential for fraud when performing risk assessment

-The ULB did not have an appropriate internal control system for tax and user charges collection, tax demand evaluation, which could potentially result in the ULB recognizing revenue without establishing reasonable certainty of ultimate collection.

-The ULB did not have an appropriate internal control system for inventory with regard to receipts, issue for production and physical verification. Further, the internal control system for identification and allocation of overheads to inventory was also not adequate. These could potentially result in material misstatements in the ULB's trade payables, consumption, inventory and expense account balances.

-The ULB did not have an appropriate internal control system for fixed asset with regard to purchase, construction, transfer and physical verification. Further, the internal control system for identification and allocation of overheads to fixed asset was also not adequate. These could potentially result in material misstatements in the ULB's grants, payable to contractors, tax and other statutory dues, fixed assets, capital work in process and accumulated depreciation account balances.

गुण नारायण तेल
२ वर परिषद सचिव
विभाग प्रमुख (य. प्र.)





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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.

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 GCV & Associates LLP
Chartered Accountants



CA Vishal Sahu
(Partner)

MRN - 433994

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Annexure 'II'

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 receipt & payment statement produced before us for verification. The receipts under various sources such own revenue, assigned revenues and compensations and grants were recorded by the ULB in cashbook & summarised in the receipt and payment statement. However, the amount under other grants, other receipts, other fees & other taxes were not clarified by the ULB about their nature and source. Also we have noticed difference in grant & assigned revenue receipt amount between receipt & payment statement and grant record provided to us. The revenue receipts in the receipt & payment statement are in variation with wasooli patrak of the revenue department.

- 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 not made available to us for verification. It was informed to us that the revenue/tax collector/officer directly deposits the amount collected with main cashier at the cash counter, who in turn deposit this amount directly to the bank account. A register is being maintained by revenue/tax collector/officer from which collected amount move into cashier cash book. A detailed statement containing outstanding demand and tax collected during the year was provided to us by the concerned department duly certified by the concerned officer.

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

Details are given in Annexure C attached to this report.

- 4) Delay beyond 2 working days shall be immediately brought to the notice of 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 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.

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- 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. Details with respect to quarterly & monthly targets set for the FY 2023-24 & the revenue recovery against such targets were not made available to us. Hence, it was not possible for us to report the revenue recovery against the quarterly and monthly targets.

Details related to some long outstanding revenues were provided as follows:

Property tax:

Online Id	Name	Amount
1002094980	Dilip Kumar	6,747.00
1002094418	Madan Lal	25,409.00
1002094419	Halka Singh Thakur	4,974.00
1002094671	Rajkumar Patel	2,325.00

Shop Rent:

Online Id	Name	Amount
1000014685	Rahul Jain	6,514.00
1000014686	Babita Ludhiana	7,164.00
1000014687	Smita Jain	14,935.00
1000014688	Pawan Kumar Jain	25,977.00

The information relating to interest and penalties charged on outstanding amounts were not provided.

- 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.
- 8) The case where, the investments are made on lesser interest rates shall be brought to the notice of the 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 receipt & payment statement produced before us for verification. However, the amount under miscellaneous expenses was not clarified by the ULB about their nature and utilisation. The payment made for statutory dues deducted from vendor and employee payments could not be verified as the related challans were not produce.

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- 2) He is also responsible for checking the entries in cash book and verifying them relevant vouchers.

We have verified the entries in cash book on test check basis which were supported by relevant vouchers/note sheets. However, considering the bulk quantum of entries and the weak internal control procedures, the discrepancies in the entries of cash book cannot be ruled out.

- 3) He should also check monthly balance of the cash book and guide the accountant to rectify errors, if any.

On test checking of entries we don't came across issue relating to difference in totalling. However, due to quantum of entries and bulk data posting the possibilities of totalling error cannot be ruled out completely.

- 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 CMO. Details relating to deviation of expenditure, if any, of particular scheme is specified at sub point 4 of point 6.

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

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

- 6) During the audit financial propriety shall also be checked. All the expenditure shall be supported by financial and administrative sanctions accorded by competent authority and shall be limited to the administrative and financial limits of the sanctioning authority. We have verified the expenditure on test check basis and it was found that such expenditure were duly supported by financial and administrative sanctions accorded by competent authority. ULB follows the hierarchy of sanctions and approvals depending upon the nature of the transactions and financial limits.

- 7) All the cases where appropriate sanctions have not been obtained shall be reported and the compliance of audit observation shall be ensured during the audit. Non- compliance of audit paras shall be brought to the notice of CMO.

No such instances were noticed during the test check of such entries conducted by us.


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- 8) The auditor shall be responsible for verification of scheme wise/ project wise Utilization Certificate (UC's). UC's shall be tallied with the Receipt & Payment Account and creation of Fixed Asset.

Utilization certificates of various schemes for verification of scheme wise project/ wise Utilization Certificate (UCS) were not provided to us by the ULB. Hence same cannot be commented upon.

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

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

As explained to us by the ULB there are no temporary advances during the year 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 or provided to us for verification the Fixed Asset Registers, Security Deposit Registers, Loan Registers, as prescribed under MP MAM.

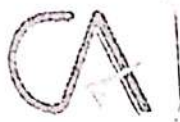
- 2) He shall verify that all the books of accounts and stores are maintained as per Accounting Rules applicable to the Urban local Bodies. Any discrepancies shall be brought to the notices of CMO.

Register for stocks were made available to us for verification and it was noticed that the registers were not duly certified by the person in charges of the store or Chief Officer of the ULB. Also the name & signature of the person to whom the stock was issued 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.

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GCV & ASSOCIATES LLP

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Advance salary amount was found in the receipt & payment statement amounting to Rs. 52,696/- but the advance register was not made available to verify for any adjustments or recoveries for such advance amount. Hence, we cannot comment over the advance to employees are timely recovered according to the condition of advance.

- 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

As per the information & records produced before us the Bank & cashbook closing balance at year end were in reconciliation except for one bank account with Indian Bank A/c ending 0390, for which BRS has been produced below along with other bank account balances:

Bank Name	Account No.	Closing Balance as per Cash book as on 31/03/2024	Closing Balance as per Pass book as on 31/03/2024
SBI	8610	23,26,794.00	23,26,794.78
CBI	8558	1,01,24,684.00	1,01,24,685.15
SBI	5111	1,03,527.00	1,03,527.00
CBI	0454	28,07,549.00	28,07,550.44
SBI	0684	3,21,20,866.00	3,21,20,866.11
BOI	1721	41,29,098.00	41,29,098.40
BOI	0078	19,08,880.52	19,08,882.52
BOI	1610	15,96,268.00	15,96,268.72
BOI	1071	46,73,713.00	46,73,713.95
HDFC	6118	51,33,505.00	51,33,505.32
Indian Bank	0390	12,43,885.00	12,52,444.00

Bank Reconciliation Statement

Indian Bank 0390

Amount in Rs.

Closing cashbook balance-31/03/2024

12,43,885.00

Add: Interest received not shown in cashbook 31/03/2024

8,559.00

Closing bank balance-31/03/2024

12,52,444.00

- 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. Duly certified Grant registers was not made available to us. The receipts and payments out of grants were verified from Soft copy excel grant register provided to us. Details of such grants are produced below at the point 6(1) of this report.

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6) The auditor shall verify the fixed assets register from other records and discrepancies shall be brought to the notices of CMO.
Fixed asset registers were not provided to us for verification. Therefore we are not able to verify the same and comment upon whether it is complete and correctly balanced.

7) The auditor shall reconcile the account of receipt and payment especially for project funds.
ULB maintain separate cash books for different schemes and projects and the transactions are consolidated in the Receipt & Payment statement prepared for the year.

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.
- 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.
No tender related documents were provided, so we can comment on procedures of tenders / bids.
- 2) He shall check whether competitive tendering procedures are followed for all bids.
No tender related documents were provided, so we can comment on whether competitive tendering procedures were followed for all bids or not.
- 3) He shall verify the receipts of tender fee / bid processing fee / performance guarantee both during the construction and maintenance period.
No tender related documents were provided, so we cannot verify the receipts of tender fee.

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/ bid processing fee / performance guarantee both during the construction and maintenance period.

4) The bank guarantees, if received in lieu of bid processing fee / performance guarantee shall be verified from the issuing banks.

No such bank guarantees were produced before us for verification.

5) The conditions of BG shall also be verified; any BG with any such condition which is against the interests of the ULB shall be verified and brought to the notice of 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.

Grant register duly certified by the person in charge was not made available to us. The grant details in soft copy excel format was provided which cannot be commented upon.

Details of grant receipt and utilised as per the details provided are as follows:

Grants	Opening Balance	Received	Utilized	Closing Balance
Grant-15th Central Finance Commission	90,95,985.00	71,32,256.00	44,14,554.00	1,18,13,687.00
Grants From State Finance Commission	25,85,575.00	1,17,04,000.00	8,33,132.00	1,34,56,443.00
Grants for Road Development	18,88,735.00	27,50,387.00	-	46,39,122.00
Grant Go Mp Mulbhoot	14,85,981.00	65,44,685.00	60,55,612.00	19,75,054.00
Grant- GoMP-Sambal Yojna	-	-	-	-

प्रमाणित किया जाता है कि
उपरोक्त विवरण सत्य है
दिनांक - १५/०५/२०२० (स. प्र.)





GCV & ASSOCIATES LLP

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Other Grants-Vidhyut marammat mad	1,76,002.00	1,25,500.00	1,56,218.00	1,45,284.00
Vishesh nidhi	-	-	-	-
Other Grants	5,38,547.00	1,75,946.00	12,43,338.00	(5,28,845.00)
Fire vehicle	-	-	-	-
Stamp Duty on Transfer of Properties	24,24,809.00	18,43,157.00	-	42,67,966.00
Octroi	-	1,85,17,253.00	-	1,85,17,253.00
Samekit Anudan	-	13,27,000.00	-	13,27,000.00
Antyeshti sahayta rashi	7,60,342.00	1,50,000.00	1,20,000.00	7,90,342.00
Ladli Bhena yojna	75,000.00	-	73,620.00	1,380.00
Kayakalp yojna	31,00,000.00	-	-	31,00,000.00
Total	2,21,30,976.00	5,02,70,184.00	1,28,96,474.00	5,95,04,686.00

We have noticed grant receipt differences as per R&P and grant records provided in excel format in State Finance Commission, 15th Finance Commission, Mulbhoot suvidha, Sambal yojna, Vishesh nidhi, Other Grants, Fire vehicle grant, Stamp duty, & Samekit anudan. Hence, the closing balance at year end also cannot be commented upon.

- 2) He is responsible for audit of grants received from State Government and its utilization. Details for Central & state government grant & utilisation has been provided in previous point.
- 3) He shall perform audit of loans provided for physical infrastructure and its utilization. During his audit the auditor shall specifically comment on the revenue mechanism i.e. whether the asset created out of the loan has generated the desired revenue or not. He shall also comment on the possible reasons for non-generation of revenue.

As per information provided by the ULB and according to our verification, ULB has accorded loan from HUDCO. However, there was no document or information provided to verify whether the asset created out of the loan has generated the desired revenue or not. We cannot comment on the possible reasons for non-generation of revenue.

Details of repayment of loan from were as follows:

Quarter	Interest Payment by ULB	Principal Payment by ULB	Total Payment
1	3,94,106.00	5,29,200.00	9,23,306.00
2	3,82,882.00	5,29,200.00	9,12,082.00
3	3,63,653.00	5,29,200.00	8,92,853.00
4	3,52,288.00	5,29,200.00	8,81,488.00
	14,92,929.00	21,16,800.00	36,09,729.00

मुख्य नगरपालिका अधिकारी
बगर परिषद सचिवालय
खिवा : मिर्जा (म. प्र.)





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

In absence of duly certified grant register we cannot comment over any cases of diversion of funds. However, due to inherent limitation of internal controls over financial reporting possibilities of fund diversion cannot be ruled out completely.

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जिला - सिवनी (म. प्र.)





GCV & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Regn. No. (F.R.N.) 137906W/C400298

Ward 17 Behind Gandhi Ganj Nai Abadi Chhindwara M.P.

Non Recovery of dues

(Amount in Lakhs)

As per wasooli patrak (demand and recovery statement prepared by the revenue department of the ULB)

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 unrecovered amount
Sampatti Kar	31.37	9.51	21.86	20.74	9.99	10.74	19.50	32.61
Samekit Kar	13.37	4.39	8.98	5.70	2.20	3.50	6.59	12.48
Nagar Vikas Upkar	14.27	5.56	8.71	9.35	4.34	5.01	9.90	13.72
Siksha Upkar	14.64	3.35	11.29	9.35	4.33	5.02	7.68	16.31
Shop Rent	20.82	5.26	15.57	17.09	12.26	4.83	17.52	20.39
Water Tax	60.09	14.82	45.27	38.34	16.65	21.69	31.47	66.96
SWM	2.84	0.86	1.98	2.60	1.03	1.57	1.89	3.56
Total	157.41	43.75	113.66	103.17	50.80	52.37	94.55	166.02
Total Un-Recovered amount								166.02

The demand and recovery figures were taken out of wasooli patrak of the revenue department of the ULB. We have noticed the variation in receipts as between wasooli patrak and accounting records.

For GCV & Associates LLP

Chartered Accountants

Date: 30/09/2024



CA Vishal Sahu

(Partner)

MRN - 433994

मुख्य नगरपालिका कार्यालय
नगर परिषद नवलपरासी
चिबा : चिबानी (म. न.)

Armt in Lakhs									
S.no.	Parameters	Description		% of growth	Observation in brief				Suggestions
	Audit of Revenue	Receipt in (Rs.)							
	Rajaswa Kar wasooli	2022-23	2023-24						
1	Sampatti Kar	18.28	19.50	6.66	Collection % w.r.t. total dues is	37.42% which is	Below Average efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.	
2	Samekit Kar	5.12	6.59	28.77	Collection % w.r.t. total dues is	34.56% which is	Below Average efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.	
3	Nagar Vikas Upkar	7.57	9.90	30.85	Collection % w.r.t. total dues is	41.92% which is	Below Average efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.	
4	Siksha Upkar	7.46	7.68	3.06	Collection % w.r.t. total dues is	32.02% which is	Below Average efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.	
	Total	38.42	43.67						
	Gair-Rajaswa wasooli								
5	Shop Rent	24.01	17.52	-27.03	Collection % w.r.t. total dues is	46.21% which is	Below Average efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.	
6	Water Tax	30.92	31.47	1.77	Collection % w.r.t. total dues is	31.97% which is	Below Average efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.	
7	SWM	1.84	1.89	2.50	Collection % w.r.t. total dues is	34.70% which is	Below Average efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.	
	Total	56.78	50.88						
	Grand Total	95.20	94.55						

The above recovery figures are taken from wasooli palrak provided by the Revenue deparlment of the Parishad. We have noticed the variation in receipts as between wasooli palrak and accounting records.

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नगर परिषद लखनदोन
बिबा - बिबनी (म. ९)



Annexure D
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	Jabalpur	Seoni	Lakhnadon	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
38,03,777.00	13,211.00	44,32,967.00	60,27,985.00	2,05,51,670.00	-	25,89,837.00

Capital receipts					Total Receipts
Capital receipts	Central Finance Commission receipts	State Finance Commission receipts	Other Grants		
13	14	15	16	17	
-	28,52,902.00	1,59,83,354.00	1,12,73,517.00	6,75,29,220.00	

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
2,99,84,386.00	17,75,976.00	1,67,36,094.00	179.00	5,42,599.00	21,16,800.00	2,19,46,494.00	7,31,02,528.00

#Property tax includes samekit kar, urban development cess & education cess

Auditor
FRN: 137906W/C400298
MRN: 433994

GCV & Associates LLP

137906W/C400298

433994

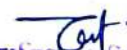


सत्यमेव जयते
विद्या - विद्या (न. ५)

NAGAR PARISHAD LAKHNADON
RECEIPT & PAYMENT STATEMENT
FY 1-Apr-23 to 31-Mar-24

Receipts	Amount	Payments	Amount
Opening Balance (Main & Other CB)	7,55,52,859.00	Establishment Expenses	
Taxes		Remuneration & Fees Councillors	26,27,653.00
Property Tax C.Y.	9,27,466.00	Employee Liability -Salary and wages	2,25,51,321.00
Property Tax P.Y	8,50,770.00	Pension	12,38,255.00
Samekit Kar C.Y.	2,10,259.00	Recovery Payble GPF	6,74,411.00
Samekit Kar PY	2,45,544.00	EPF	17,66,925.00
Education Cess C.Y.	4,89,129.00	Travel Allowance	41,500.00
Education Cess P.Y	3,17,161.00	Leave encashment	5,34,321.00
Urban Development Cess C.Y	4,25,597.00	Retirement Gratuity	5,50,000.00
Urban Development Cess P.Y	3,37,851.00	Administrative Expenses	
Other Taxes	13,211.00	Telephone Expenses	18,619.00
Assigned Revenues & Compensation		Printing Expenses	2,86,331.00
Stamp Duty on Transfer of Properties	6,40,417.00	Stationery	2,46,994.00
Compensation in Lieu of Octroi	1,85,17,253.00	Life Insurance	3,37,897.00
Samekit Anudan	13,94,000.00	Legal Fee	22,000.00
Rental Income from Municipal Properties		Consultancy Fees,Charges	1,29,316.00
Shop Premium	38,75,816.00	Advertisement Expenses	4,96,742.00
Rent from Market	5,34,405.00	Publicity Expenses	2,38,077.00
Receivable Rent P.Y	4,66,800.00		
Receivable Rent C.Y	10,67,554.00	Operations & Maintenance	
Mutation Fee	15,160.00	Bulk Purchase of Power-Electricity	72,62,906.00
Rent-Community Hall	68,250.00	Bulk Purchase of Power- Fuel	39,04,927.00
Fees & User Charges		Raw Water	8,05,783.00
Solid Waste Management C.Y	1,01,330.00	Bulk Purchase -	4,30,208.00
Solid Waste Management P.Y	91,296.00	Sanitation/Conservancy Material	
Receivable Water Charges C.Y.	15,49,003.00	Hire Charges Of Machineries	1,50,361.00
Receivable Water Charges PY	15,07,242.00	Tent Kiraya	8,50,181.00
Charges for NOC-Charges	7,810.00	Water Ways	15,06,707.00
Penalty & Fine Other	49,781.00	Painting Work	2,94,553.00
Other Fees	3,75,045.00	R&M Other Structure	4,21,356.00
Fee-Copy of Certificate/Extract	1,900.00	R&M Vehicle Others	4,26,844.00
Connection Charges-Water Supply	6,47,040.00	Computers	2,09,516.00
Fee Rti Act	368.00	Miscellaneous expenses	4,72,752.00
Animal market fees	57,470.00	Bank Charges	
		Consolidated Bank Charges	
			179.00


मुख्य नगरपालिका अधिकारी
नगर परिषद लखनौ
जिला - सिवनी (म.प्र.)


मुख्य नगरपालिका अधिकारी
नगर परिषद लखनौ
जिला - सिवनी (म.प्र.)



Charges for Supply of Water By Tankers	36,300.00		
Building permission fee	8,382.00	Programme Expenses	
Sale & Hire Charges		Consolidated Election Expenses	3,21,599.00
Sale of Tender Papers	6,000.00	Consolidated Own Programme	81,000.00
Hire Charges Vehicles			
Interest Earned		Revenue Grants, Contribution and Subsidies	
Interest income	9,16,042.00	Anteyeshti Sahayata	1,40,000.00
Miscellaneous Income		Deposits Received	
Misc Income	66,673.00	Security Deposit	3,86,000.00
Other receipts	16,01,122.00	Other Liabilities	
		DAR credit Loan	11,00,351.00
Grants-Central Govt.		GST	7,62,878.00
Grant-15th Central Finance Comm	28,52,902.00	TDS On Contractor\supplier	6,54,497.00
Grants-State Govt.			
Grants From State Finance Commission	1,59,83,354.00	CWIP/Fixed Assets	
Grants for Road Development	27,50,387.00	Borewell	87,585.00
Grant Go Mp Mulbhoot	44,82,544.00	Building public Toilet	1,50,909.00
Grant- GoMP-Sambal Yojna	1,50,000.00	Shopping Complex	26,48,732.00
Other Grants-Vidhyut marammat mad	1,25,500.00	Other	9,63,741.00
Vishesh nidhi	25,00,000.00	Table	1,52,989.00
Other Grants	12,51,686.00	Fans	18,500.00
Fire vehicle	13,400.00	Roads & Bridges-Concrete Road	69,15,573.00
Deposits Received		Open Drains	1,10,08,465.00
Security Deposit	9,564.00		
		Loans , Advances & Deposits	
Other Receipts		Advance salary	52,696.00
PMAY-Return amount	3,50,030.00		
SGST C.Y	39,730.00	Other payment	
SGST P.Y	96,168.00	HUDCO Loan	36,09,729.00
CGST C.Y	39,897.00	Closing Balance (Main & Other CB)	6,61,61,757.00
CGST P.Y	96,168.00		
Total	14,37,13,636.00	Total	14,37,13,636.00

For Nagar Parishad Lakhnadon
Chief Municipal Officer

भारत परिषद लखनौ
जिला - सिवनी (म.प्र.)

Accounts Officer

मुख्य नगरपालिका अधिकारी
नगर परिषद लखनौ
जिला - सिवनी (म.प्र.)

