

AUDIT REPORT

FOR THE PERIOD

01.04.2023 TO 31.03.2024

NAGAR PARISHAD

MAGROUNI, DIST. SHIVPURI (M.P.)

INDEPENDENT AUDITOR'S REPORT

To

Directorate, Urban Administration & Development, MP.

Report on the Financial Statements

We have audited the financial statements of Nagar Parishad, Magrouni Distt-Shivpuri (MP) which comprise the Receipts & Payment Account and Income & Expenditure Account for the year ended as at 31.03.2024.

Management Responsibility for the financial statements

Management of the Nagar Parishad is responsible for the preparation of these Financial Statements that give true and fair view of the receipt and payment in accordance with Urban Local Bodies Act and Madhya Pradesh Municipalities Act, 1961. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We have taken into account the provisions of the Act, the accounting standards and matters which are required to be included in the auditor's report under the provisions of the relevant act.

We have conducted our audit in accordance with standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require 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 mis-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for expressing an opinion on the effectiveness of the entity internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtain is sufficient and appropriate to provide a basis for qualified audit opinion.

Basis for Qualified Opinion

The Nagar Parishad has prepared its financial statements on the basis of single entry principle although the double entry principle has made mandatory to all urban local bodies since 01-04-2013. As it is practicing single entry system of accounting balance sheet could not be formed as explained to us by the parishad The Expenses were booked in cash book by the name of Taxes such as Commercial Tax, TDS, Labour Tax etc, these should be booked in their respective expenditure heads. Further there are many omission, commission & totaling errors in cash book.

During the year Return of Deposits were made (i.e. Other Deposits) but as the parishad is not maintaining proper accounts, Ledgers it is impossible for us to determine that whether deposits were returned to the same person who has made such deposit.

Qualified opinion

Our opinion, and to the best of our information and according to the explanation given to us, except for the effects of the matter described in the basis of qualified opinion paragraph, the financial statement gives the information required by the relevant act and give a true and fair view in conformity with the accounting principles generally accepted in India-

1. In the case of Receipts and payments Account, of the Receipts & Payments for the year ended on 31st March 2024.
2. In the case of Income & Expenditure Account, of the Excess of Income over Expenditure for the year ended on 31st March 2024.

Report on other Legal and Regulatory Requirements

As required by the order of Joint Director of Directorate, Urban Administration & Development, MP

Further, we report that: -

- a. We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion proper books of account as required by law have not been kept by the Nagar Parishad Magrouni, so far as appear from our examination.

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c. The receipt and payment are in agreement with cashier cash book and cash book maintained by the account officer.

FOR K N V A & CO.
Chartered Accountants

Kapil



Partner

CA Kapil Nagpal

M. No. 446148

UDIN: 25446148BMK00U2588

Date: 08/03/2024

[Signature]
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AUDIT OF REVENUE

- Checking of Revenue from various source such as Property Tax, Water Tax, Samekitkar, Education Cess, Rent, Interest and various funds has been done. The revenue receipts are checked on test basis from counter files of Receipt Book and was found satisfactory, all the receipts are properly recorded in Books and same are deposited in bank on next day except in case of bank and public holidays.
- Revenue receipts from counter foil are checked and found proper and in accordance with the rules. Receipt books are also maintained properly.
- The following errors related to income in the cash book were found:
 1. There is totaling error in connection with the cash book, which has been corrected in the cashbook during the year, which is inappropriate. As per annexure attached cashbook error.
 2. The amount which is received directly in the bank account, the same is not being entered in the income register by the Council timely.
 3. No information or records were made available for Quarterly and Monthly revenue targets, so no opinion could be formed on any lapse in revenue recovery during the period. It is advised to have a proper record of Monthly and Quarterly Targets and proper action should be initiated towards the recovery and a separate committee of people should be set to achieve the recovery Targets.
 4. Surplus funds by the Nagar Parishad, Magrouni have not been invested in the form of Fixed Deposits.
 5. The double entry book keeping system is not implemented by the concerned Urban Local Body.
 6. During the audit, on verification of books and store on test check basis it was observed that the books and stock are maintained but not updated on regular basis, same is brought to the notice of CMO, Nagar Parishad, Magrouni and have assured that now onwards all the books will be updated timely.
 7. Surplus funds by the Nagar Parishad Magrouni have not been invested in the form of short term Fixed Deposits.



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AUDIT OF EXPENDITURE

- Checking of expenditure under all schemes has been done.
- All receipts and payments are duly authorized. During the audit, it was found that there was no practice of checking monthly balances which result in omission of entries such as saving bank interest and Bank charges, thus it is suggested that the balances of cash book should be verified with bank balance on monthly basis.
- There is no one-to-one correlation between the receipt of grant and its corresponding utilization. Further in case of grants there was no specific usage order (Sanction order) mentioned. Also, no Utilisation Certificate provided to us.

Observations related to the monthly balance of Cashbook:

- In Cash book daily balances of all bank account are not mentioned.
- Cash and bank balance in cash book are not being marked separately, due to which there is no clear description if any day cash is not deposited to bank.

AUDIT OF BOOK KEEPING

- Audit of Scheme Wise Cash book, Stock register, EMD register, Tender Register, Ledger has not been prepared.
- Accounting rules are followed during preparation of Books of accounts however all the books are maintained on single entry system.
- Accounts must be maintained on accrual basis on double entry system as per Madhya Pradesh Municipal Accounting Manual. (MPMAM). Interest on FDR is not accounted on Accrual Basis.
- Internal audit system should also be implemented for proper and timely reporting.
- Annual work plan must be prepared by ULB.
- No register has been formed in respect of the advances given to the council by its employees.
- Fixed Asset register are not maintained by ULB and fixed assets are not numbered physically.



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AUDIT OF FDR

- It is been observed that inspite of excess balances in bank, short term FDR has not been made on regular intervals which resulted in the revenue leakages to the council in the form of FDR Interest.
- FDR register is not properly maintained.
- FDR receipts and statement not provided.

AUDIT OF TENDER

Tendering Procedure has been followed for awarding tenders but it is being observed that:

- Tender register is not prepared properly.
- Condition of minimum technical experience in the tender process is not kept by the council, as a result, the council cannot ensure the minimum guarantee in the work done by the council tender.
- Competitive online E-tendering procedure is followed for Tenders more than Rs.2 lakhs.
- Tender Fees, form fees have been charged and EMD and performance guarantee are called by ULB and the same has been accounted properly.
- EMD registers are also prepared.
- No cases of Bank guarantees are found during the course of audit.
- No error has been observed in contract termination process.

AUDIT OF GRANTS & LOANS

- Audit of Grant received under different schemes such as 15 vitya ayog, MoolBhut, Chungi Shatipurti etc has been done by us.
- Scheme wise Cash books should be maintained by ULB.
- During the audit we found that Grant Register, and Loan Register has not been prepared by the Council.

OTHERS

- Statutory compliances are not followed by ULB. TDS, Commercial tax and Labour tax has been deducted and deposited in treasury but returns have not been filed for the same till date however no details of return are available.
- Professional tax has been deducted and deposited however no details of return are available.
- The building rent register is not being updated on the basis of the daily register, which, as a result, exact information regarding the building rent recovery can't be obtained from the Building Rent Register. The register used for property tax, consolidated tax, urban development

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cess and education cess is not being updated on the basis of Daily Collection Register, as a result the exact information related to recovery can't be obtained from the register

- Single entry book keeping system should be migrated into Double entry book keeping system through use of certain accounting software such as TALLY.
- Separate bank registers should be made for each bank.
- The concerned Urban Local Body should close or make operative their non-operative bank accounts.

Maintenance of registers to be compulsorily followed

- a) Fixed Assets Register
- b) Advance Tracking Register
- c) Bank wise Cheque Issue Register
- d) Grant register along with Sanction Letter.
- e) Grant Utilization Register

FOR K N V A & CO.
Chartered Accountants

Partner

CA Kapil Nagpal

M. No. 446148

UDIN 25446148BMK06U2588



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NAGAR PARISHAD, MAGROUNI DIST DATIA (MP)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED ON 31st MARCH 2024 (Annexed to and forming the part of the Auditor's Report)

- Accounts has been maintained on cash Basis.
- Cash book has been maintained and written on Daily basis.
- Voucher in respect of some petty expenses have not been furnished to us. However, it has been explained to us the legitimate needs of the Council.
- The Taxes such as TDS, Sales tax, labour Tax, Professional tax were directly debited in Receipt and payment account which is not the right practice and these expenses should be debited to their respective expenditure heads.
- All the bank balances have been taken as per books of accounts and are subject to confirmation/reconciliation.
- As explained to us amount received under head Chungi Chati is revenue Receipt hence it is taken as Revenue Receipt in Income & Expenditure Account.
- As explained to us amount received under PM Awas Yojana is capital receipts hence it is taken as Capital Receipt in Receipt & Payment Account against which expenses. is made by transferring the said amount to bank account of beneficiaries account which as explained to us is not of Revenue nature hence the same is not considered while preparing Income & Expenditure Account.
- Considering the quantum of transactions made by the nagar parishad expenses are checked on sample basis.
- Usually, Nagar parishad was unable to provide us vouchers relating to expenditure made by them.
- Bank Reconciliation is not prepared by the parishad on regular basis which leads to difference in balance as per cash book and bank statement.

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To

The Auditor
M/s KNVA & CO
Chartered Accountants

Management Representation

- The management of the parishad is responsible for maintenance of Receipt and Payment Account and Income and Expenditure Account
- The Following Bank account are only present in council and are certified below

BANK	A/C no.
State Bank of India, Magrouni	40149138726
Axis Bank, Shivpuri	921010005451600
Axis Bank, Shivpuri	921010021692958(Statement provided June 2023)
Madhyanchal Gramin, Narvar	46171295

- No fixed asset register is updated in our Parishad.
- Cash Book is Maintained online and updated on Daily Basis.
- We follow Cash Basis of Accounting.
- All the receipts are deposited in bank on next working day except in case of bank and Public Holiday
- No Monthly or Quarterly Target details was provided during audit.
- We certify that all the Investment in form of Fixed Deposit were made at best available interest rate.
- No records were made available regarding details for expenditure under particular scheme.
- All the Books and other records are maintained in accordance with the guidelines directives acts and rules issued by government of India/state Government.
- Ucs for some of the scheme and funds were not made available for audit



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Balance As on 01.04.2023

<u>S/N</u>	<u>Bank</u>	<u>A/c no</u>	<u>Opening as per bank statement</u>	<u>Opening as per cash book</u>
1	State Bank of India, Magrouni	40149138726	47,78,100.49	4,95,59,659.29
2	Axis Bank, Shivpuri	921010005451600	2,97,88,613.00	
3	Axis Bank, Shivpuri	921010021692958	38,92,000.00	
4	Madhyanchal Gramin, Narvar	46171295	1,02,65,891.00	

Balance As on 31.03.2024

<u>S/N</u>	<u>Bank</u>	<u>A/c no</u>	<u>Closing as per bank</u>	<u>Closing as per cash book</u>
1	State Bank of India, Magrouni	40149138726	7,78,085.33	1,12,25,288.76
2	Axis Bank, Shivpuri	921010005451600	14,46,872.00	
3	Axis Bank, Shivpuri	921010021692958	38,92,000.00	
4	Madhyanchal Gramin, Narvar	46171295	35,16,850.40	
	FDR		STATEMENT NOT PROVIDED	2,25,00,000.00

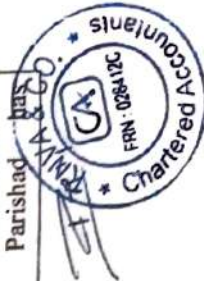
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Heading	Sr. NO	Points to be Checked.	Remarks	Suggestion
Audit of Revenue	i.	The auditor is responsible for audit of revenue from various sources.	We have verified the cash book for audit of revenue from various sources i.e. Tax Revenues, Rental & Premium from Municipal Properties, Fees & other user charges, Revenue Grants, Interest Earned and other Revenue Receipts.	- Decline in revenue is majorly due to non-collection of taxes because of lack of manpower and 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, such methods should be adopted. - Various schemes and incentives should be introduced on regular intervals to increase the revenue collection. - 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. - Nagar parishad take strict action for any revenue leakage and
	ii.	He is also responsible to check the revenue receipts from the counter files of receipt books and verify that the money received is duly deposited in the respective bank account.	We have verified revenue receipt on test check basis the revenue receipts were verified with counter files on sample basis and it was observed that the same was deposited timely in respective bank accounts.	
	iii.	Percentage of revenue collection increases decreases in various heads in property tax samekit kar shiksha upkar Nagariya vikas upkar and other tax, compared to previous year shall be part of report.	We have verified all the revenue collection details as provided to us and insert the same in Abstract Sheet Details as per Annexure-1.	
	iii.	Delay beyond 2 working days shall be immediately brought to the notice of Commissioner/CMO.	There are no any instances of Delay in receipts deposited in bank beyond 2 working days & brought to the knowledge of CMO. Annexure-2. No such case found	
	iv.	The entries in cash book shall be verified.	We have verified various cash book entries on test check basis we have verified cashbook with the receipts and payments vouchers.	
	v.	The auditor shall specifically mention in the report, the revenue recovery against the quarterly and monthly targets. Any lapses in the revenue	ULB did not fixed any quarterly and monthly targets. Only Budgeted yearly targets were fixed for revenue recoveries. ULB did not achieve its yearly revenue recovery targets. We have verified revenue recovery done by Nagar Parishad and financial details are providing in Abstract Sheet.	- single person rather than different individuals. - Nagar parishad take strict action for any revenue leakage and



	recovery shall be a part of the report.			guide all the employees to do that task in sincere manner. We also found that there are few Bank Accounts in which idle amount deposited, we suggest Nagar Parishad should convert that accounts with Swip Accounts so that Nagar parishad will earn Interest of FDR.
vi.	The auditor shall verify the interest income from FDR's and verify that interest income is duly and timely accounted for in cash book.		FDR statement not provided to us during the time of audit.	
vii.	The cases where, the investments are made on lesser interest rates shall be brought to the notice of the commissioner/CMO.		No case found	
i.	The auditor is responsible for audit of expenditure under all the schemes.		We have test check expenditures under various scheme on the basis of entries in cash book. ULB has not prepared scheme wise cash book. Therefore, identification of scheme wise expenditure is not possible. We have covered all schemes expenditure on test basis.	- On the Notesheet the CMO and The President should put their official Seal with the Signature. - Whenever the signature of a Witness is taken the details of witness like the name, address should be mentioned. - The attendance register should be kept with a person incharge and should be daily verified and signed by the CMO/ Chief Accountant. - The completion report and testing report of the project should be attached in the files. - Nagar Parishad
ii.	He is also responsible for checking the entries in cash book and verifying them from relevant vouchers.		During the verification of voucher from entries in cash book, On Test check basis we have checked and verified cash book entries with relevant vouchers. Discrepancies noticed are mentioned in Attached Audit Note Sheet. Vehicle log book should be maintained on daily basis and checked and sign by authorized person.	
iii.	He should also check monthly balances of the cash book and guide the accountant to rectify errors, if any.		We have checked monthly closing balance of cashbook and if there is any errors, we notified it to CMO/ Accountant.	
iv.	He shall verify that the expenditure for a particular scheme is limited to the funds allocated for that particular scheme any over payment shall		ULB has not prepared any Scheme wise Cash book and scheme wise expenditures records. Grant register should be properly updated and maintained. where fund allocated to particular scheme can be ascertained. We have verified expenditure detail on test check basis	
Audit of Expenditure				





	brought to the notice of the commissioner/CMO.	provided to us and if there is any case where over payment done by Nagar Parishad, same are mentioned in Attached Audit Note Sheet.	made adequate payment to vendor, under the applicable laws, but we found some cases where payments were not according to that. We suggest that All the officials of nagar parishad must validated all the expenditure.
v.	He shall also verify that the expenditure is accordance with the guidelines, directives, acts and rules issued by Government of India/ State Government.	Expenditure is accordance with the guidelines, directives, acts and rules issued by Government of India/ State Government. The expenditures were checked on sample basis as all construction work files were not presented before us for audit. The expenses were in accordance with the applicable directives, except for the following observation 1. Completion certificate and Testing reports in the files of construction not provided during the time of audit. 2. There were no pre/post photographs of the construction sites in the files provided to us during the time of audit.	
vi.	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 have observed that all the expenditures 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. Although the CMO and president should put their official seal and signatures as in most of the vouchers and supporting the official seal was not found and is some the signatures were also missing.	
vii.	All the cases where appropriate sanctions have not been obtained shall be reported and the compliance of audit observations shall be ensured during the audit. Non compliances of audit paras shall be brought to the notice of commissioner/CMO.	No such case observed.	
viii.	The auditor shall be	During the course of audit, no utilization certificate was made	

	responsible for verification of scheme wise project wise Utilization Certificates (UCs). UC's shall be tallied with the income & expenditure records and creation of Fixed Asset.	available before us. Moreover, ULB has not prepared fixed asset register. ULB has not prepared scheme wise project wise UCs. Further records regarding income & expenditure are not maintained properly. During our audit we also found that Nagar parishad is not preparing any UCs regarding grant utilization.	
Audit of Book Keeping	i. The auditor is responsible for audit of all the books of accounts as well as stores. ii. He shall verify that all the books of accounts and stores are maintained as per Accounting Rules applicable to Urban Local Bodies. (ULBs) Any discrepancies shall be brought to the notice of Commissioner/CMO.	We checked all the books of accounts on test check basis maintained by the Nagar parishad and we also find that there are some important registers are not prepared by ULB like Ledger, FAR, Bills payable etc. Although ULB has shifted to SAP accounting, still there are some accounts in which the expenses are not accounted in the system, hence it is not fully implemented. Books of accounts and Stores are maintained by ULB in General Way Accounting rules applicable to urban local bodies are governed by MPMAM and the books maintained by ULB are not as per MPMAM and same has been brought to the notice of CMO.	- The books of accounts are not fully shifted to SAP, still the revenue collection is recorded under Single entry system, hence full/complete transition is done. - All books are maintained in well condition and we suggest that the same should be carried for future, and we also suggest Nagar parishad to maintained Ledger, FAR and other register.
	iii. 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 MPMAM Register of Advances will record details concerning advances extended to employees and its subsequent adjustment and it will maintain separate register for each type of advance. Scrutiny of the records reveals that no any register for advances are maintained by the Municipality and details regarding sanction no, accounting code, accounting head and date of posting are also not maintained.	



	iv.	Bank reconciliation states shall be verified from the records of ULB and the bank concerned. If bank reconciliation statements are not prepared the auditor will help in the preparation of BRS.	Madhya Pradesh Municipal Accounts Rules provide that the reconciliation of any difference between the balances of cash book and bank accounts is required to be conducted every month. As the ULB Bank reconciliation statement were not updated monthly basis. We helped and guided them to prepare the same on monthly basis.	
	v.	He shall be responsible for verifying the entries in the grant register. The receipts and payments of grants shall be duly verified from the entries in the cash book.	Grant register is not maintained properly details of grant utilization (payment of grant) for particular work for which grant is received is not fully updated in register. There were also various grants grouped under other grants is unidentified. We have checked grant sheet which is maintained by ULB and verified the same from cash book on test check basis we found that there are some unknown grants received during the year which details are not available.	
	vi.	The auditor shall verify the fixed asset register form other records and discrepancies shall be brought to the notice of commissioner/CMO.	Fixed Asset register and dead stock register not found in the ULB it is not maintained at ULB. Details of various register required to be maintained in accordance with prescribed format in MPMAM.	
	vii.	The auditor shall reconcile the accounts of receipt and payments especially for project funds.	No separate cash book is maintained for project wise receipt and payments, details of expenditure made out of grant were also not found grant register. Hence, we could not verify the same.	
Audit of FDR.	i.	The auditor is responsible for audit of all Fixed deposits and term deposits.	As informed by officials of ULB that they have invested in fund in FDR. FDR Statement not provided to us.	FDRs should be created out of excess funds so that the funds are not idle and are constantly generating revenue.
	ii.	It shall be ensured that proper records of FDR's are	FDRs are automatically renewed by Core Banking Bank through system on time. FDR Register not prepared by ULB.	



	maintained and all renewals are timely done.		
iii.	The cases where FDR's/TDR's are kept at low rate of interest than the prevailing rate shall be immediately brought to the notice of commissioner/CMO.	There is no procedure of calling interest rate from different banks.	
iv.	Interest earned on FDR/TDR shall be verified from entries in the cash book.	Not applicable Interest earned on FDR/TDR is entered on Consolidated basis not on annual basis.	
Audit of Tenders/ Bids.	i. The auditor is responsible for audit of all tenders/bids invited by the ULB's.	We have verified the online bids invited by ULB on test check basis. Tenders allotted on nomination/ quotation basis are not made available before us for verification therefore we are unable to give our opinion on the same.	• More competitive tendering process should be implemented. • The limit of online tendering should be reduced so that more and more tenders are put online so as to increase the transparency. • Tender Register should be maintained. • Nagar Parishad has called all tenders with proper media. We suggest that nagar parishad must carry this practice.
	ii. He shall check whether competitive tendering procedures are followed for all bids.	While going through we have observed that various purchases are made on quotation basis instead of online tendering basis although requirement of such items are above the limit prescribed for online tenders. On test check basis we found competitive tendering procedures are followed.	
	iii. He shall verify the receipts of tender fee/bid processing fee/ performance guarantee both during the construction and maintenance period.	We have randomly verified receipt of tender fee bid processing fee/performance guarantee on the basis of records provided before us.	
	iv. The bank guarantees, if received in lieu of bid processing fee/ performance guarantee shall be verified from the issuing banks.	We did not receive any bank guarantee in the books of accounts or not provided to us by the officials during the course of audit for the year 2023-24.	



	v.	The conditions of BG's 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.	Not applicable	
	vi.	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.	Not Applicable.	
Audit of Grants and Loans.	i.	The auditor is responsible for the audit of grants given by central government and its utilization.	Grant register is not maintained and details of grant utilization (payment of grant) for particular work for which grant is received is not fully updated in register. There were also various grants grouped under other grants where head (mad) is unidentified. Hence we are unable to form any opinion on the same.	• More and more assets should be created for the welfare of the people as well as for generating more revenues.
	ii.	He is responsible for audit of grants received from state government and its utilization.	During the F.Y.2023-24 ULB has not issued any utilization certificate.	• Nagar Parishad has maintained all the records for Grants received to it. We suggest that they must bifurcate grants eg State Share, Central Share.
	iii.	He shall perform audit of loans provided for physical infrastructure and its utilization. During the 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	Further, as informed by the ULB officials no any loan was taken by Municipality During F.Y. 2023-24.	



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	iv.	revenue. The auditor shall specifically point out any diversion of funds from capital receipts/grants/loans to revenue expenditure.	During the audit as per randomly checked records no diversion of funds from capital receipts/grants/loans to revenue expenditure. During audit we found that some grants are like mixed nature i.e., Capital & Revenue Nature. Therefore, in that cases we can't bifurcate how much portion belongs to revenue or capital. Except that all Grants Use for the purpose for which grants have received.
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मुख्य नगर पौस्तिका अधिकारी
नगर परिषद मगदौरी

NAME OF ULB: NAGAR PARISHAD, MAGROUNI						
NAME OF AUDITOR: K N V A & CO.						
Sr. no.	PARAMETERS	DESCRIPTION		OBSERVATION IN BRIEF		
SUGGESTIONS						
1	Audit of Revenue					
	राजस्व कर वसूली					

उपरोक्त सारणी के अवलोकन के बाद यह कहा जा सकता है नगर परिषद् द्वारा विगत वर्ष की तुलना में इस वर्ष संपत्तिकर में वृद्धि दर्ज की गयी है नगर परिषद् द्वारा बताया गया की ठोस अपशिष्ट प्रबंधन प्रभार की वसूली अभी परिषद् द्वारा नहीं की जा रही है

नगर परिषद् में उपलब्ध कर्मचारियों की संख्या कम होने से राजस्व वसूली प्रभावित होती है अतः अधिक कर्मचारियों की नियुक्ति की जानी चाहिये

नगर परिषद् द्वारा राजस्व वसूली हेतु आधुनिक तकनीक का प्रयोग किया जाना चाहिये जैसा की स्वाइप मशीन का प्रयोग इत्यादि

जिन व्यक्तियों द्वारा समय पर कर नहीं दिया जाता उनके खिलाफ दंडात्मक कारवाही की जानी चाहिये

समय पर कर का भुगतान करने वाले कर दाताओं को प्रोत्साहित करने हेतु करों में रियायत दी जानी चाहिये

समय समय पर कर वसूली ले लिए नगर में अलग अलग स्थानों पर केम्पों का आयोजन किया जाना चाहिये



मुख्य नगर पालिका अधिकारी
मुख्य नगर पालिका अधिकारी
नगर परिषद मगरोनी

NAME OF ULB: NAGAR PARISHAD, MAGROUHI						
NAME OF AUDITOR: K N V A & CO.						
Sr. no.	PARAMETERS	DESCRIPTION			OBSERVATION IN BRIEF	SUGGESTIONS
(iii)	ढलस अडलशुड डुरंडुन उडडुडकुतल डुरडलर			0.00%		
(iv)	अनड कर/शुलुड	5,96,064.00	4,15,888.00	-30.23%		
	कुल डुडुग	6,54,294.00	4,82,998.00	-26.18%		
	डलल डुडुग	7,21,081.00	6,18,473.00			
2	Audit of Expenditure	The auditor is responsible for audit of expenditure under all the schemes.			Bifurcation of Capital & revenue Expenditure should be Properly done. No one to one correlation was found between grant received and expenditure so far.	Nagar Parishad has made accurate payment to vendors under the applicable laws but we found few cases where payments were not according to that. We suggest that Nature of Expenditure Should be Understood by Staff. Training of GL Codes should be Provided to staff.
3	Audit of Book Keeping				We found that some books are not prepared by ULB. Record of Security Deposit & EMD should be Improved. Balancesheet not prepared Last Years.	All Books are maintained in well condition except Fixed Assets Register. FDR we suggest ULB to maintained all the records in proper manner. Books of Security Deposit & EMD Should be Maintained as per NIPMAM
4	Audit of FDR	The auditor is responsible for audit of all the books of accounts as well as stores.			We have verified FDR's but no separate FDR register was maintained for the same. Renewal of FDR's are not timely recorded in the cash book. Interest on FDRs should be entered on Accrual Basis. Usually excess cash kept in bank account. New FDR has been made in this year.	FDR register should be prepared Annually on Accrual Basis.
		All Fixed deposits and term deposits are verified.				

मुख्य नगर पालिका अधिकाारी

Abstract Sheet for reporting on Audit Paras for Financial Year 2023-24

NAME OF ULB: NAGAR PARISHAD, MAGROUNI
NAME OF AUDITOR: K N V A & CO.

Sr. no.	PARAMETERS	DESCRIPTION	OBSERVATION IN BRIEF	SUGGESTIONS
5	Audit of Tenders/Bids		Tenders are online & transparent but more control required when the payment made to Publishers, reputed and local newspaper rates should be compared. Sometime it has been seen that local newspapers are charging high rates in comparison to reputed newspaper. Tender Register should be maintained.	Nagar Parishad has called all tenders with proper media. We suggest that nagar parishad must carry this practice.
6	Audit of Grants & Loans	Audit of all tenders/bids invited by the ULB's.	Heads of Grant should be mentioned Properly & FDRs made from Grants & Loans should be mentioned specifically and interest received on FDRs should be credited in Grant fund instead of other & Municipal Fund.	Nagar parishad has maintained all the records for Grants received to it. We suggest that they must bifurcate grants eg State Share, Central Share, Loan and Grant wise Register should be maintained by mentioning. Expenditure Incurred from Particular Grant. FDR Sheet should be prepared Annually on Grant Basis.
7	Incidences relating to diversion of funds from capital receipts/Grants/Loans to Revenue Nature Expenditure and from one scheme/project to another	Audit of grants given by central government and its utilization are done.	During Audit we found that some grants are like Mixed Nature i.e. Capital & Revenue Nature Therefore in that cases we can't Bifurcate How much Portion Belongs to Revenue or Capital. Except That all grants use for the purpose for which grants have received.	Nagar Parishad can give proper attention in that matter as that decide the Asset creation and bifurcate the revenue nature items.
		Diversion of funds from capital receipts/Grants/Loans to Revenue Nature Expenditure and from one scheme/project to another		



मुख्य नगर पालिका अधिकारी
नगर परिषद मगरोनी

Abstract Sheet for reporting on Audit Paras for Financial Year 2023-24

NAME OF ULB: NAGAR PARISHAD, MAGROUNI
NAME OF AUDITOR: K N V A & CO.

Sr. no.	PARAMETERS	DESCRIPTION			OBSERVATION IN BRIEF	SUGGESTIONS
		Revenue Expenditure	Revenue Receipts	Revenue expenditure with respect to revenue receipts		
8	any other percentage of revenue expenditure (establishment, salary, operation & maintenance) with Respect to Revenue receipts(Tax & non Tax) excluding octroi, Entry tax, Stamp Duty and	2,35,17,746.84	2,22,53,457.00	105.68%	Material Purchase amount included in Operation and Maintenance of water supply, Public lighting & Cleaning etc that's Why there is excess Difference in Percentage of Revenue Expense Over revenue receipt.	Proper head wise accounting should be maintained by the officials. Previous year expenses to be bifurcated separately. Division of funds should be informed to head office. ULB should maintained all the records of expenditure with respect to Revenue Expenditure and Capital Expenditure.
		Capital Expenditure	Total Exp	Capital Expenditure with respect to total expenditure		
	(b)Percentage of Capital Expenditure with Respect to Total Expenditure	4,02,16,150.00	6,37,33,896.84	63.10%	Capital Expenditure are having substantial with respect to Total Expenditure made by the Nagar Parishad.	Proper head wise accounting should be maintained by the officials. Previous year expenses to be bifurcated separately. Division of funds should be informed to head office. ULB should maintained all the records of expenditure with respect to Revenue Expenditure and Capital Expenditure.
9	Whether all the Temporary Advances have been fully recovered or not.	Temporary Advances have been fully recovered timely or not.			Temporary Advances are given to staff During the year.	Advances Register should be Maintained properly, and recovered timely.



मुख्य नगरपालिका अधिकारी
नगर परिषद, मगरोनी

Abstract Sheet for reporting on Audit Paras for Financial Year 2023-24

NAME OF ULB: NAGAR PARISHAD, MAGROUNI			
NAME OF AUDITOR: K N V A & CO.			
Sr. no.	PARAMETERS	DESCRIPTION	OBSERVATION IN BRIEF
10	Whether Bank Reconciliation Statement is being regularly Prepared.	Bank Reconciliation Statement is being regularly Prepared on monthly basis	No Such Bank Reconciliation prepared by ULB on monthly basis.
			SUGGESTIONS We Suggest nagar parishad officials to prepared BRS on monthly basis for identifying the reasons behind the differences between cashbook balance and bank account balance.



डा. वि. क. अ. अधिकारी
14 नवम्बर 2024

NAGAR PARISHAD
MAGROUNI, DISTT SHIVPURI (M.P.)
BALANCE SHEET AS ON 31/03/2024

LIABILITIES	AMOUNT	ASSETS	AMOUNT
RESERVES & SURPLUS		FIXED ASSETS	
Opening Balance	6,63,79,995.00	Opening	7795729
Diff in opening balance	8,31,800.29	Add	7973512
Grant Received	2,46,67,883.00		
Grant Related Expenditure	-4,02,16,150.00	Civil Works including CWIP	
Gross Surplus	-1264289.84	Opening	8420806
	5,03,99,238.45	Add	32242638
Capital Reserve	4,02,16,150.00		
		Grant Payment	
		Opening	1435601
		Add	0
			14,35,601.00
		CURRENT ASSETS	
		Cash in Hand	0
		Bank Accounts and FDR	32747102.45
			3,27,47,102.45
	9,06,15,388.45		9,06,15,388.45

मुख्य नगर पंचिका अधिकारी
नगर परिषद मगरौनी



**NAGAR PARISHAD
MAGROUNI, DISTT SHIVPURI (M.P.)**

Receipt and Payment Accounts For the Year Ended 31st March 2024

Receipt	Amount	Payment	Amount
Opening Balance	4,95,59,659.29	Administrative Expenses	
Cash at bank		Advertisement Expenses	6,58,790.08
		Arrear	21,512.00
Tax Revenue	1,35,475.00	Professional fess	60,000.00
Property Tax	67,110.00	Digital Signature Expense	4,300.00
Water Tax		GST Tax	7,26,227.00
		GST Charges Other	6.87
Fees and User Charges	40,000.00	Legal Expenses	62,500.00
Water connection Charges	3,10,000.00	LSGD Fees	22,400.00
Tender Form Fees	23,720.00	Parishad Mandey	8,07,517.00
Bazar Bethak	42,168.00	NPS	4,35,274.00
Vivid		Water Camper	5,800.00
		TA/DA	7,800.00
Assigned Revenues	1,84,30,441.00	TDS Deposit	1,09,184.00
Octroi	2,83,439.00	Salary	70,11,169.00
Mudrank Shulk		Electricity Expenses	26,39,676.00
		Establishment Expenses	
Grant Contribution & Subsidy		Broadnend Telephone Exp etc	65,123.00
Central Government	46,43,389.00	Printer Repair	12,572.00
15th Finance Grant		Stationary & Photocopy Expense	2,28,803.72
State Government	55,00,000.00	Operation & Maintenance Expenses	
Bhavan Nirman Vishesh Nidhi	24,19,056.00	Repair and Maintenance Other	82,859.00
Road Development	17,80,000.00	Repair and Maintenance Building	8,07,333.00
SDRF	51,07,000.00	Repair and Maintenance Jalpraday	2,39,045.00
State Finance Commission	31,98,438.00	Repair and Maintenance Motor	93,648.00
Mul Bhut	8,00,000.00	Road Maintenance Expense	7,92,174.72
Mela Ayojan	20,000.00	Repair and Maintenance Vehicle	3,50,752.00
Vivid Mad	12,00,000.00	Repair and Maintenance Mandir	96,387.00
vivesh nidhi		O&M Vidhut	1,07,815.00
		JCB Rent	3,58,101.00
Other Receipts		Swachta vyay	6,92,940.00
Sochalay Nirman	3,18,900.00	Swachta Saamgri	6,50,775.00
Mukhyamantri Kanya Vivaah	12,92,000.00	Tubewell Vyay	5,83,728.00
Amanat Rashi	3,84,780.00	Other Material Expense	83,812.00
Rashi Return	77,311.00	anya vyay	22,411.36
		Diesal Expenses	8,85,446.00
Interest Earned		Other Expenses	
Interest	8,48,113.00	15 vitt online Expenses	2,695.00
		Anteyesti Expenses	1,45,000.00

मुख्य नगर पालिका अधिकारी
नगर परिषद मगरौनी



Gaushala Anudhan Lakeshwari Swasahya	1,30,950.00
Medicine Expense including Keetnashak	58,112.00
Rashi Return	76,563.00
Foging Solution Purchase	93,024.00
Laadli Behna Yojna Expense	68,113.00
Lakdi kray	55,233.00
Mela Ayojan Expense	14,46,495.00
MIS Portal Expense	1,90,272.00
Nirvachan Expense	17,591.00
Online Tender Expense	87,224.00
Raincoat Purchase	69,892.00
Sampatkar Survey Expense	1,90,904.00
SAP Portel Expense	11,760.00
Bank Charges	38.13
Swalpahar Vyay	3,36,706.36
Tent Kiraya Vyay	8,80,140.00
Vahan Kiraya	4,79,239.00
Vivvah Sammelan	4,15,068.00
ZPS work	36,750.00
Bank Fund Transfer Charges	95.60
Capital Expenditure	
Civil Works and Material	
Road Nirman	1,10,52,262.00
Dharamsala nirmaan	5,45,799.00
DPR	1,31,152.00
Ground Boundry Wall	14,20,039.00
Kayakalp Road Nirman	17,92,611.00
MRF Centre Nirman	3,99,277.00
Drain Construction Expense	2,98,662.00
Park Nirman	10,10,536.00
Moram Expenses	7,28,735.00
Sulabh Complex Nirman	14,03,054.00
Swagat Dwar	11,91,293.00
Open Jim Saamgri Kray	9,33,788.00
Vidhut Samagri	38,10,624.00
Jhule kray	9,64,604.00
Jalpraday Samgri	63,81,282.00
Motar Kray	1,78,920.00
Fixed Assets	
Computer Kray	85,621.00
Speaker Kray	24,151.00
Tata Tiper vahan	32,05,936.00
Fire Vahan Kray	27,36,711.00
Sky Lift Purchase	19,21,093.00
Closing balance	
FDR	2,25,00,000.00
Bank Balance	1,02,47,102.45
Total	9,64,80,999.29
Total	9,64,80,999.29

मुख्य नगर पालिका अधिकारी
नगर परिषद भगौरी



**NAGAR PARISHAD
MAGROUNI, DISTT SHIVPURI (M.P.)**

Income and Expenditure Accounts For the Year Ended 31st March 2024

Expenditure	Amount	Income	Amount
Tax Revenue		Administrative Expenses	
Property Tax	1,35,475.00	Advertisement Expenses	6,58,790.08
Water Tax	67,110.00	Arrear	21,512.00
Fees and User Charges		Professional fess	60,000.00
Water connection Charges	40,000.00	Digital Signature Expense	4,300.00
Tender Form Fees	3,10,000.00	GST Tax	7,26,227.00
Bazar Bethak	23,720.00	GST Charges Other	6.87
Vivid	42,168.00	Legal Expenses	62,500.00
Assigned Revenues		LSGD Fees	22,400.00
Octroi	1,84,30,441.00	Parishad Mandey	8,07,517.00
Mudrank Shulk	2,83,439.00	NPS	4,35,274.00
Other Receipts		Water Camper	5,800.00
Sochalay Nirman	3,18,900.00	TA/DA	7,800.00
Mukhyamantri Kanya Vivaah	12,92,000.00	TDS Deposit	1,09,184.00
Amanat Rashi	3,84,780.00	Salary	70,11,169.00
Rashi Return	77,311.00	Electricity Expenses	26,39,676.00
Interest Earned		Establishment Expenses	
Interest	8,48,113.00	Broadnend Telephone Exp etc	65,123.00
Excess Expenditure over income Transger to capital	1264289.84	Printer Repair	12,572.00
		Stationary & Photocopy Expense	2,28,803.72
		Operation & Maintenance Expenses	
		Repair and Maintenance Other	82,859.00
		Repair and Maintenance Building	8,07,333.00
		Repair and Maintenance Jalpraday	2,39,045.00
		Repair and Maintenance Motor	93,648.00
		Road Maintenance Expense	7,92,174.72
		Repair and Maintenance Vehicle	3,50,752.00
		Repair and Maintenance Mandir	96,387.00
		O&M Vidhut	1,07,815.00
		JCB Rent	3,58,101.00
		Swachta vyay	6,92,940.00
		Swachta Saamgri	6,50,775.00
		Tubewell Vyay	5,83,728.00
		Other Material Expense	83,812.00
		anya vyay	22,411.36
		Dlesal Expenses	8,85,446.00

मुख्य नगरपालिका अधिकारी
नगर परिषद मगरौनी



	Other Expenses	
	15 vitt online Expenses	2,695.00
	Anteyesti Expenses	1,45,000.00
	Gaushala Anudhan Lakeshwari Swasahy	1,30,950.00
	Medicine Expense including Keetnashak	58,112.00
	Rashi Return	76,563.00
	Foging Solution Purchase	93,024.00
	Laadli Behna Yojna Expense	68,113.00
	Lakdi kray	55,233.00
	Mela Ayojan Expense	14,46,495.00
	MIS Portal Expense	1,90,272.00
	Nirvachan Expense	17,591.00
	Online Tender Expense	87,224.00
	Raincoat Purchase	69,892.00
	Sampatkar Survey Expense	1,90,904.00
	SAP Portel Expense	11,760.00
	Bank Charges	38.13
	Swalpahar Vyay	3,36,706.36
	Tent Kiraya Vyay	8,80,140.00
	Vahan Kiraya	4,79,239.00
	Vivvah Sammelan	4,15,068.00
	ZPS work	36,750.00
	Bank Fund Transfer Charges	95.60
Total	2,35,17,746.84	Total
		2,35,17,746.84


 मुख्य नगरपालिका अधिकारी
 नगर परिषद मगरौनी



कार्यालय नगर परिषद् मगरौनी जिला शिवपुरी म.प्र.

बैंक समाधान की जानकारी

NAGAR PARISHAD MAGROUNI
BANK NOT RECONCILE AS ON 31 MARCH 2024

S/N	Bank	A/c no	Opening as per bank statement	Opening as per cash book	Closing as per bank	Closing as per cash book	Remark
1	State Bank of India, Magrouni	40149138726	47,78,100.49	4,95,59,659.29	7,78,085.33	11225288.76	Bank Account Details not mentioned in cashbook. Monthly bank reconciliation not maintained
2	Axis Bank, Shivpuri	921010005451600	2,97,88,613.00		14,46,872.00		
3	Axis Bank, Shivpuri	921010021692958	38,92,000.00		38,92,000.00		
4	Madhyanchal Gramin, Narvar	46171295	1,02,65,891.00		35,16,850.40		
5	Bank FDR	-	-	-	FDR Statement not provided	22500000.00	



मुख्य नगर पालिका अधिकारी
नगर परिषद् मगरौनी

NAGAR PARISHAD
MAGROUNI, DISTT SHIVPURI (M.P.)
Cash Flow Summary
01-Apr-2023 to 31 March 2024

Opening Balance in bank	48727859
Difference in Opening Balance cashbook	8,31,800.29
Direct Income (Taxes, Interest, Revenue Grants)	2,22,53,457.00
Current Liability (Deposits)	0
Indirect Income (Capital Grants)	2,46,67,883.00
Total	96480999.29
Outflow	
Grant and Subsidy	
Capital Expenditure	4,02,16,150.00
Revenue Expenses	2,35,17,746.84
Total	63733896.84
Net Inflow	32747102.45

मुख्य नगर पालिका अधिकारी
नगर परिवर्द्धन मन्त्रालय



Percentage of revenue collection increases decreases in various heads in property tax

Annexure-1

Annexure-1

Audit Of Revenue					Overview In brief
Sr.NO	Parameter	description			
	Revenue Income	Receipts In Rs			
		Year 2022-23	Year 2023-24	% of Growth	
1	Property tax	66,787.00	1,35,475.00	102.85	Collection of dues as compare to previous year is not satisfactory
2	Samekit kar	-	-	#DIV/0!	
3	Nagariya vikas upkar	-	-	#DIV/0!	
4	Shiksha upkar	-	-	#DIV/0!	
	Total	66787	135475	102.85	
	Non Revenue Taxes				
1	Building/Complex rent			#DIV/0!	
2	Water Charges	58,230.00	67,110.00	15.25	
3	Other Misc Taxes	5,96,064.00	4,15,888.00	(30.23)	
	Total	654294	482998	(26.18)	
	Grant Total	721081	618473	(14.23)	

मुख्य नगर पालिका अधिकारी
नगर परिषद बगरौनी



Annexure-2

Receipts deposited in bank beyond two working days

Date of Collection	Date of Deposited in Bank Statement	Differnce in days	Amount	Reason for delay
No such delay found except bank holidays and server issue.				

मुख्य नगर पंचिका अधिकारी
नगर परिषद मगरौनी



Annexure-3

S.no	Register	Whether Maintained	Remark
1	Stock Register	Maintained but not Proper	Accounting rules 1999 of the MP Municipal corporation Act 1961 provides that the CMO shall constitute a committee to verify the stocks held by the municipality & Committee shall conduct stock verification at least twice in a year. While the course of audit we have observed that no such committee was constituted and no any physical verification of stock was done by the ULB. Certificate in respect of no of pages in Stock register is not found. Stock register was not certify by competent authority
2	Cheque Received Register	Not Maintained	Not provided during the time of audit.
3	Cheque Dishonored Register	Not Maintained	Not provided during the time of audit.
4	Cheque Issued Register	Maintained	Not provided during the time of audit.
5	Register of advances to employees	Not Maintained	Not provided during the time of audit.
6	Register of security deposits	Not Maintained	Not provided during the time of audit.
7	Register of Earnest Money Deposits	Not Maintained	Not provided during the time of audit.
8	Register of retention money	Not Maintained	Not provided during the time of audit.
9	Investment Register	Not Maintained	As per MP MAM investment register will contain details concerning investment of fund in specific securities & details of investment matured during the year.
10	Loan Register	Not Maintained	Not provided during the time of audit.

मुख्य नगर पालिका अधिकारी
नगर परिषद मगरौनी



Annexure-4**Status of Maintenance of various Fixes Assets Register at Municipal Council**

S.No	Type of Register	Remark
1	Building Register	As per format provided in MP MAM, ULbs are required to prepare building register which contains details of survey No, location, area, details of use of building etc including details of improvement if any, during the course of verification of records it has been found that no such list /register and details are prepared by ULB.
2	Roads & Street Register	As per format provided in MP MAM, ULbs are required to prepare ward wise, area wise list of roads, streets, lanes & footpaths including details of improvement if any, during the course of verification of records it has been found that no such list and details are prepared by ULB
3	Drain Register	As per format provided in MP MAM, ULbs are required to maintain register which will contain details about all drains including underground drains & the same will be maintain on continuous basis & not for any specific year. while examining the records it has been observed that no such registers are maintain.
4	Public lighting system register	As per format provided in MP MAM, ULbs are required to maintain register which will contain details about all Public lighting system & the same will be maintain on continuous basis & not for any specific year, while examining the records it has been observed that no such registers are maintain.
5	Vehicle Register	Not provided during the time of audit.
6	Office Equipment Register	Not Maintained
7	Furniture & Fixture Register	Not Maintained
8	Computer & Peripheral Register	Not Maintained

मुख्य नगर पालिका अधिकारी
नगर परिषद मगदौली



Annexure

- Last Year Audited Balance sheet Only Cashbook balance carry forward in books other opening balance not checked because proper books of account not maintained by ULB. ULB not provide e palika software access or data. as per discussion by department mismatch in e palika software data and manual books of account data. We suggest that e palika software run by department. Difference in last year audited balance sheet and opening balance of cashbook is given below
Balance as per Last year audited Balance sheet – 48727859.00
Opening Balance in Cash Book – 49559659.29
Difference in opening Balance – 831800.29
- Loan Register not maintained.
- Sanchit nidhi cashbook not maintained no clarification provided to us .
- The advances given by ULB, register of advances has not been maintained by the ULB.
- Grant wise registers were not been provided to us for the verification of the amounts. Bifurcation of revenue grants and capital grants not on record. The amount of payment made out of capital expenditure grant on fixed assets and capital expenditure grant on others should be maintained.
- ULB Should be Transfer of 5% of revenue receipt as per the state Govt. Circular no. 403/18//F/7 dated 16 July 1974 is to be done by corporation every year.
- The cash book and other records dedicated for the entries of Pradhan Mantri Aawas Yojna is not provided by the ULB. Also, the incomes and expenditures of PMAY are not considered while preparing books of accounts of the ULB.
- Party wise details of the bank guarantee and withheld money and retention money should be maintained, it needs proper reconciliation.
- In respect of EPF and ESI, no records have been made available to us for the verification of the same.
- Fixed assets register was not provided to us thus we were unable to verify the details of Fixed assets. The balances of Fixed assets stated in balance sheet are subject to physical verification, revaluation. In absence of mentioned information we are unable to comment on the same. Therefore it is advised to keep proper record of fixed assets and put the serial number on all the fixed assets of the ULB. Record of Fixed assets should be prepared according to directions given in MPMAM and annexure of Fixed Assets should be prepared under bifurcation in following two heads :-

Fixed Assets against ULB Fund
Fixed Assets against Grant Fund

- Attendance records are still maintained manually in register even after the acquisition of biometric machines. Biometric machines should be used for attendance records and salary processing should be based on biometric machines.

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High manipulation in salary payments is possible in absence of biometric attendance resulting in higher salaries.

- ULB is showing zero balance in the inventories in the books, it has been explained that stationary, diesel, Petrol and other miscellaneous items are treated as expenditure at the time of purchase and do not form part of inventories.
- Late water bills collected by ULB are not collected with penalties or late fees. Such late fees should be recovered.
- No interest certificates were provided to us in order to verify the correctness of the amount shown as interest.
- Management has clarified that Local Fund Audit has also been conducted by Local Fund Audit Department in ULB latest audit report of Local fund has not been provided to us.
- ULB has not booked GST on RCM basis on Advocates bill payment properly because legal service under the purview of Reverse Charge Mechanism in GST Act, so it is suggested that the MC should book liability under RCM and maintain proper records.
- During the course of audit we are unable to find out the entries of Income of tender fees and liability of EMD in accounting maintained by ULB and in the financial statement, so it is advised that separate earnest money/Security deposit FDR register which is received from contractors/proposed bidders should be maintained.
- While verifying the vouchers on sampling basis, we noticed that expenses and incomes has not been booked in according to the accounting head prescribed in the MPMAM. We are unable to quantify the same. During our test check we have found that some capital expenditure has treated as revenue expenditure and vice versa. So we suggest that accounting should be done according to correct coding.
- List of Scrap and Dump vehicles was not provided to us for verification.
- Statement of Inventory was not provided to us.
- Log Book of the vehicles was no provided to us in order to verify the running of the vehicles.
- No safety measures for prevention of fire were found in the ULB.
- Various litigations & Statutory demands are pending against the corporation for which contingent liability should be made.
- Insurance cover of most of the vehicles owned by the ULB has expired and no steps are taken by the ULB for the renewal of such insurance. Insurance file and register should be maintained.
- Vehicles like tractors, trollies and other vehicles hired on contract by ULB are not properly documented. Agreement file not provided to us. Registration certificate and license should be obtained before hiring such heavy weight vehicles and log book hired vehicles not provided to us.

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- Fixed asset register is not maintained by the ULB, so we are unable to do the verification of fixed assets and Fixed assets are not numbered.
- Stock register and stationery register is not maintained by the auditee, so the verification of such items was not possible in absence of documents.
- As observed they do not maintain any advance register because of which it is unable to identify to whom they have given the advance and whether settlement has been done or not.
- Invoices for the payment of diesel do not mention the vehicle in which the diesel was poured. Invoices of the petrol pump should give complete details of vehicle number and date on which diesel was purchased.
- We are not provided with the ledgers by the Municipal Corporation. So, we are unable to comment on Income & Expenditure Account, Receipts & Payments A/c, Balance Sheet and Bank Reconciliation statements.
- The ledgers of the expenses are not maintained by the management, hence we cannot assume about the correctness of the income and expenditure details.
- CL register, Medical leave register and optional leave register is not maintained by ULB which makes the cross checking of salary calculations highly difficult for us.
- Measurement book for none of the works carried out by the ULB is made available for inspection during the audit schedule. The before and after pictures of construction done by them are not found.
- Pre and post completion pictures are not attached with vouchers of payment to the contractors for construction contracts. No third party bill is enclosed with the civil work payments only internal estimates have been provided.
- They do not maintain any record of the offline tenders issued by them. So we cannot predict how many offline tenders are issued during the period. They do not maintain any file of the tenders work because of which it is not possible for us to check the measurement book. It is suggested that tender record should be maintained so that we can come to know how much work is done, how much work is pending and how many tenders are allotted during the period.
- The rent of shops and other premises have not been fully recovered during the period. If the accrued rent would have been recovered then the income for the year would have been more.
- Monthly Basis Bank Reconciliation statement not provided to us.
- PFMS Accounts Details and cashbook not provided.
- FDR Statement not provided.
- The requisite details to verify the regular compliance related to TDS under Income Tax law as well as under GST law has not been provided to us. We could not

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verify whether there are any outstanding demands, interest, penalty, late fees or any other sums under Income Tax or GST law.

Totaling Error found in Cashbook

Date	Amount	Particular
06-04-2023	-4000	add in total income
30-06-2023	10	add in total exp
23-08-2023	-109100	add closing
05-09-2023	-20	less in total exp
15-09-2023	60	less in total income
25-09-2023	-885209	add closing forward
23-10-2023	16072	add total exp
20-10-2023	4000	less closing
25-08-2023	0.69	not forward in closing
10-08-2023	5000000	Transfer Axis to SBI but shown only income side in cashbook

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