AUDIT REPORT

F.Y. 2023-24

NAGAR PARISHAD

SARWANIA MAHARAJ

DISTRICT: NEEMUCH (M.P.)

Prepaid by:

Maheshwari Kaushik And Associates.

(Formally Known As-Anil Kumar Maheshwari And Associates)

Chartered Accountants

M. No. 8989411150

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Maheshwari Kaushik And Associates.
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अंकेक्षण प्रमाण पत्र

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

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

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

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

वास्ते: माहेश्वरी कौशिक एंड एसोसिएट्स **दिनांक: 07/02/2025**

चार्टर्ड अकाउंटेंट
CAनयन जैन

M. No. 42991

स्थान:सरवानिया महाराज

UDIN:

MAHESHWARI KAUSHIK & ASSOCIATES
FRN NO 022769C
Chartered Accountants

Nayan

मुख्य नगरपालिका अधिकारी
नगर परिषद, सरवानिया महाराज

Maheshwari Kaushik And Associates.
Chartered Accountants

49, Balaji Enclave,Baghana, Neemuch458441(M.P.)
MobileNo. 8989411150Email: canayanjain@rediffmail.com

AUDITREPORTINCONNECTIONWITHANNUALAUDITOFSARWANIA MAHARAJNAGARPARISHAD

WehaveexaminedtheReceipt&PaymentAccountfortheyearendedon 31stMarch2024,attachedherewith,ofNagarParishadwithregardstotheAudit,wehavemadethefollowingobservation:

- WecertifythattheReceiptandPaymentaccount, booksofaccountmaintainedattheofficeofNagarParishad, Sarwania Maharaj.
- Theobservation/discrepancies/inconsistenciesobservedinthescopeofaudithavebeendetailedoutinAuditReport.
- Detailsregardingrevenuecollectionagainstthebudgetedtargetsandthegrowthattainedduring the year incomparisontothepreviousyearisgiveninAnnexure-A.
- Wereportthefollowingobservations/suggestionsintheauditreport.
- Subjecttoabove-
    I. Wehaveobtainedontheinformationandexplanationwhich,tothebestofourknowledgeandbelief,werenecessaryforthepurposeoftheaudit;
    II. Inouropinion,properbooksofaccountshavebeenkeptbythemabovenamedEntitysofarasitappearsfromtheexaminationofthebooks.
    III. Inouropinionandtothebestofourinformationandaccordingtotheexplanationgiventous,thesaidaccounts,readwithnotesthereonattachedinthereportgivestrueandfairofthe Receipt & Payment Account of Nagar Parishad, Sarwania Maharaj for the year ended 31stMarch2024.

Place: Sarwania Maharaj
Date :07/02/2025
UDIN:

For: Maheshwari Kaushik & Associates

Nayan

FRN NO 022769C

Chartered Accountants
CA Nayan Jain
(Partner)

M.NO.429918
FRN.022769C

मुख्य नगरपालिका अधिकारी
नगर परिषद, सरवानिया महाराज

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

Name of ULB - Nagar Parishad, Sarwania Maharaj
Name of Auditor - Maheshwari Kaushik And Associates.

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

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M/s. MAHESHWARI KAUSHIK & ASSOCIATES
FRN NO 022769C
Chartered Accountants

2	Audit of Expenditure	The auditor is responsible for audit of expenditure under all the schemes.	We have audited the expenditures incurred by the municiaplity using sample test check basis during the FY 2023-24.	1) On the Note sheet the CMO and the President should put their official Seal with the Signature. 2) Whenever the signature of a Witness is taken the details of witness like the name, address should be mentioned. 3) Purchase of goods/services should be from supplier registered under GST.
		He is also responsible for checking the entries in cash book and verifying them from relevant vouchers.	The entries in cash book have been verified from relevant vouchers.	
		He should also check monthly balances of the cash book and guide the accountant to rectify errors, if any.	The monthly balances of cash book were checked and the errors were rectified.	
		He shall verify that the expenditure for a particular scheme is limited to the funds allocated for that particular scheme any over payment shall be brought to the notice of any commissioner/ cmo.	We have sample checked the fund allocation, records are properly maintained showing the funds allocated and it was observed that in some cases grant payment was made in excess of funds allocated.	
		He shall also verify that the expenditure is in accordance with the guidelines, directives, acts and rules issued by government of India/ state government.	We have verified the expenditure on sample test basis and not observed any deviation.	
		During the audit financial propriety shall also be checked. All the expenditure shall be supported by financial and administrative sanctions accorded by competent authority and shall be limited to the administrative and financial limits of the sanctioning authority.	On the basis of our audit we observed that all the expenditure have been supported by financial and administrative sanctions accorded by competent authority and are limited to the administrative and financial limits of the sanctioning authority.	4) The attendance register should be kept with a person incharge and should be daily verified and signed by the CMO/ Chief Accountant. 5) Budget head in vouchers should be properly mentioned.
		All the cases where appropriate sanction have not been obtained shall be reported and the compliance of audit observations shall be ensured during the audit and non compliance of audit paras shall be brought to the notice of Commissioner/ CMO.	During the course of audit by applying sample test check basis, we did not come across any such expenditure which has been incurred without obtaining permission from the relevant sanctioning authority.	
		The auditor shall be responsible for verification of scheme project wise utilization certificates [UC].	No Utilization certificate has been provided to verify the same.	
		The auditor shall verify that all the temporary advances have been fully recovered.	As per observations there were no temporary advances given by ULB during the period of the audit.	

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

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Chartered Accountants
FRN NO 022769C

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

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M/s. Ma... ...ari Kaushik & Associates
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Chartered Accountants

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

For: Maheshwari Kaushik And Associates
Chartered Accountants
FRN:022769C

Nayan

CA. NAYAN JAIN
(Partner)
M.NO.: 429918
UDIN:

M/S. MAHESHWARI KAUSHIK & ASSOCIATES • Chartered Accountants • FRN NO 022769C

For: Nagar Parishad
Sarwania Maharaj

मुख्य नगरपालिका अधिकारी
नगर परिषद, सरवानिया महाराज

NAGAR PARISHAD, SARWANIA MAHARAJ

Madhya Pradesh

Receipts and Payments for the year ended

1-Apr-2023 to 31-Mar-2024

Receipts	Amount (Rs.)		Payments	Amount (Rs.)	
Opening Balance			**Indirect Expenses**		44460876.33
Bank Accounts		4224266.95	Salaries & Wages Payable	9492099.00	
Indian Bank (Allahabad Bank) 7425	52679.00		GPF	60000.00	
AU Small Finance Bank 0691	260235.95		NPS	594642.00	
State Bank of India 0944	653268.00		Bank Charges	796.84	
UCO Bank 8569	3258084.00		Miscellaneous Expenses	104142.00	
			Sanchit Nidhi	157306.00	
FD's		9702000.00	Power & Fuel- Water Works	1219221.00	
			Power & Fuel- Street Lighting	1207467.00	
Indirect Incomes		37120238.75	Power & Fuel- Swasth Shakha	3446859.00	
Advertisement Fees	24800.00		Repair & Maintainance- Infrastructure Assets	2364477.00	
Road Cutting Charges	18320.00		Repair & Maintainance- Vehicles	932834.00	
Application Fees	41159.00		Repair & Maintainance- Other Equipments	208782.49	
Miscellaneous Fees	2256983.00		Repair & Maintainance - Civic Amenities	119997.00	
Bhawan Rent	13700.00		Publicity Expenses	99972.00	
Swachta Prabhar	721800.00		Electricity expenses	66908.00	
Nal Connection	26000.00		Own Programme	553062.00	
Vikash Shulk	513919.00		Printing & Stationery	46220.00	
Compensation in lieu of taxes and duties	6452029.00		Travelling And Conveyance Staff	20400.00	
Septic Tank Cleaning Charges	3500.00		Fuel, Petrol & Diesel of Own Vehicles	895698.00	
Ambulance Charges	18700.00		Legal Fees	89700.00	
Charges for Supply of Water By Tankers	3200.00		Advertisement Expenses	154431.00	
Sale of Tender Papers	336000.00		SD (Contractors/ Suppliers)	180886.00	
Interest Income	803194.75		Creditors	19806196.00	
Stamp Duty on Transfer of Property	105691.00		Government Dues Payable	669681.00	
Rent From Markets	53230.00		Provisions for Expenses	1969099.00	
Shop auction Premium	718000.00				
Mutation fees	20570.00				
Agreement Fees	44460.00		**Closing Balance**		6585629.37
Basic Minimum Programe	1574907.00		**Bank Accounts**		
15th Vith Ayog	2587393.00		Indian Bank (Allahabad Bank) 7425	54147.00	
Grants From state Finance Commission	2514000.00		AU Small Finance Bank 0691	442833.00	

मुख्य नगरपालिका अधिकारी
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FRN NO. 002769C

Mudrank Shulk	1075104.00		State Bank of India 0944	5296847.70	
Grants For Road Development	1070937.00		UCO Bank 8569	791801.67	
Kayakalp	1900000.00				
Other Grants	2909442.00				
Vishesh Nidhi	2500000.00				
Vidhayak Nidhi	275000.00				
SDRF	5000000.00				
SD (Contractors/ Suppliers)	103800.00				
Water Supply Charges	73897.00				
Property Tax - Current year	132659.00				
Property Tax - Old year	180354.00				
Samekit Tax - Current Year	85560.00				
Samekit Tax - Old Year	139320.00				
Development Tax - Current Year	43949.00				
Development Tax - Current Year	49398.00				
Education Tax - Current Year	2809.00				
Education Tax - Old Year	4789.00				
Water Supply Recievables - Current Year	710341.00				
Water Supply Recievables - Old Year	418456.00				
Rent Recievables - Current Year	24920.00				
Rent Recievables - Old Year	15948.00				
FDR - AU bank	1552000.00				
		51046505.70			51046505.70

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मुख्य नगरपालिका अधिकारी
नगर परिषद, सरवानिया महाराज

Wayan
MAHESHWARI KAUSHIK & ASSOCIATES
Chartered Accountants
FRN NO 022769C

Annexure - A

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

Name of ULB - Nagar Parishad, Sarwania Maharaj
Name of Auditor - Maheshwari Kaushik And Associates.

Sr. No.	Parameters	Description					Observation in Brief	Suggestions
1	Audit of Revenue							
(1) राजस्व कर वसूली		Receipts in Rs.						
		Year 2022-23	Budgeted 2023-24	Year 2023-24	Budgeted % Comparision	% of Growth		1) Proper control should be estabilished to recover outstanding amount .
(i)	संपत्ति कर	1,03,197	4,89,055	3,13,013	64.00	203.32		
(ii)	समेकित कर	74,220	6,90,060	2,24,880	32.59	202.99	1) The data reveals that the budgets estimated of income are estimates on very higher side.	2) Dedicated staff specifically for this work should be assigned and camp may be organized.
(iii)	विकास उपकर	34,847	1,50,000	93,347	62.23	167.88		
(iv)	शिक्षा उपकर	2,186	14,000	7,598	54.27	247.58		
	कुल योग (A)	**2,14,450**	**13,43,115**	**6,38,838**	**47.56**	**197.90**	2) High growth has been seen in some taxes.	3) Budgeted income should be estimated on the basis of actual past income collections.
(2) गैर राजस्व वसूली								
(i)	जल कर	5,77,390	14,61,534	11,28,797	77.23	95.50		4) ULB should impose strict penalties and legal actions to improve past collections.
(ii)	स्वच्छता कर	2,58,120	9,43,620	7,21,800	76.49	179.64		
	कुल योग (B)	**8,35,510**	**24,05,154**	**18,50,597**	**76.94**	**121.49**		
	महा योग (A+B)	**10,49,960**	**37,48,269**	**24,89,435**	**66.42**	**137.10**		

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कार्यालय नगरपालिका परिषद, सरवानिया महाराज (म.प्र.)

दिनांक 31.03.2024 की स्थिति में

वर्ष 2023–24 में प्राप्त अनुदान एवं व्यय राशि की जानकारी

Annexure-B

क्र.	मद नाम	पूर्व वर्ष की शेष राशि	वर्ष में प्राप्त राशि	योग	व्यय राशि	शेष राशि
1	2	3	4	5 (3+4)	6	7 (5-6)
1	चुंगी क्षति पूर्ति	4,88,408	64,52,029	**69,40,437**	69,35,537	**4,900**
2	मूलभूत सुविधा	1,83,592	15,74,902	**17,58,494**	16,58,577	**99,917**
3	राज्यवित्त	1,72,609	25,14,000	**26,86,609**	19,00,501	**7,86,108**
4	15 वित्त ग्रांट	4,26,051	25,87,393	**30,13,444**	25,26,549	**4,86,895**
5	सड़क मरम्मत अनुरक्षण	8,68,676	10,70,937	**19,39,613**	17,60,392	**1,79,221**
6	मुद्रांक शुल्क	3,10,088	10,75,104	**13,85,192**	12,83,906	**1,01,286**
7	एसडीआरफ योजना	0	50,00,000	**50,00,000**	21,48,055	**28,51,945**
8	विशेष निधि	0	25,00,000	**25,00,000**	24,27,671	**72,329**
9	कायाकल्प	31,00,000	19,00,000	**50,00,000**	48,42,712	**1,57,288**
	योग	**55,49,424**	**2,46,74,365**	**3,02,23,789**	**2,54,83,900**	**47,39,889**

मुख्य नगरपालिका अधिकारी

नगर परिषद सरवानिया महाराज

M/S. MAHESHWARI KAUSHIK & ASSOCIATES

FRN NO 022769C

Chartered Accountants