

NAGAR PARISHAD PAWAI

AUDIT REPORT FOR THE FINANCIAL YEAR 2020-21

AUDITORS

PRANAY K SAXENA & COMPANY
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Stakeholders of NAGAR PARISHAD PAWAI

1. Report on the Financial Statements

We have audited the accompanying financial statements of NAGAR PARISHAD PAWAI ("the ULB"), which comprise the Receipt & Payment Account for the year then ended, and other explanatory information.

2. Management's Responsibility for the Financial Statements

The ULB's Management is responsible for the matters with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the ULB in accordance with the provisions of Municipal Corporation Act, 1956 and accounting principles generally accepted in India, including the Municipal Accounting Manual ("the Manual") and Accounting Standards applicable to the Urban Local Bodies. This responsibility also includes maintenance of adequate accounting records in accordance with the Municipal Accounting Manual for safeguarding of the assets of the ULB and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. However, in this case ULB is not in practice of maintaining balance sheet & Income and expenditure account, so receipt and payment account shall be considered as final statement on which we express our opinion.

3. 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

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with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the ULB's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the ULB's officers, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4. 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, 2021.

5. 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.

6. Emphasis of Matters

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

- Accounts prepared as per the Manual in lieu of accounting standards for local bodies as issued by Institute of Chartered Accountants of India.
- Revenue department's records related to recovery of revenue taxes and other revenue dues has minor differences with accounting records maintained by accounting department.
- Non-maintenance or incomplete registers as prescribed under manual and mentioned at point 3 of annexure 2.
- Non-availability of details related with Tenders.



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- e) Non verification of EPF deducted and deposited, as same has not been made available to us by the ULB.
Our opinion is not modified in respect of these matters.

7. We further report that:

- 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;
- 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.
- The Receipt & Payment Account deal with by this Report are in agreement with the books of account.
- Except for the matter described in the Basis for Qualified Opinion paragraph above, the Receipt & Payment accounts comply with the Municipal Accounting Manual and Accounting Standards applicable to the Urban Local Bodies.
- 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.
- The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- 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'.

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Annexure '1'

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 NAGAR PARISHAD PAWAI ("the ULB") as of March 31, 2021 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 Municipal Corporation Act, 1956 including the Municipal Accounting Manual and accounting principles generally accepted in India applicable to the Urban Local Bodies.

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

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the ULB;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the ULB are being made only in accordance with authorizations of management and officers of the ULB; and
- c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the ULB's assets that could have a material effect on the financial statements.

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, 2021:

- a) 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
- b) 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.
- c) 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.
- d) 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.

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, 2021 based on the criteria established by the ULB.

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+91-9713420677, 7828264242
ca.kkb1989@gmail.com

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, 2021 financial statements of the ULB, and these material weaknesses do not affect our opinion on the financial statements of the ULB.

UDIN - 21433189AAAAEE4P21

Date: 03/10/2021

For : Pranay K Saxena & Company
Chartered Accountants

CA Kundan Baranwal (Partner)
MRN - 433189



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Annexure '2'

The Annexure referred to in paragraph 5 & 6 of Our Report:

1. Audit of Revenue

1) The auditor is responsible for audit of revenue from various sources.

We have verified the revenue from various sources which was recognized and entered in the books of account produced before us for verification except the amount of Rs 1367570 which is shown under the head - Amount Credited (Unidentified) in receipts side of the receipt & payment account.

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 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 and no major discrepancy was noticed by us. 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.



- 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.

No details with respect to quarterly & monthly targets set for the FY 2020-21 & the revenue recovery against such targets were made available to us. Hence, it was not possible for us to report the revenue recovery against the quarterly and monthly targets. Registers related to Property Tax, Water Tax and Shop rent were not made available to us by the ULB and hence we cannot verify and confirm the revenue due and recovery individual wise.

- 7) The auditor shall verify the interest income from FDR's and verify that interest is duly and timely accounted for in cash book.

It was explained to us that there were no FDR's maintained by the ULB during the year. Hence, we cannot comment on interest on FDR.

- 8) The case where, the investments are made on lesser interest rates shall be brought to the notice of the CMO.

It was explained to us that there were no FDR's maintained by the ULB during the year. Hence we cannot comment on interest on FDR.

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 the books of account produced before us for verification on test check basis.

- 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.

Verification of taxes paid/payable to government has been made during the course of audit and following observations were made:

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ULB has not provided challans or returns for payment of TDS on GST, TDS-Income Tax, EPF etc to the Government. However, ULB has explained that same had been duly deposited on or before the due date. ULB maintains physical records for deduction related to TDS-IT & TDS-GST which was produced before us for verification.

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

We have verified monthly balance of cashbook on test check basis and no discrepancies were noticed related to totaling and balancing.

- 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 was duly supported by financial and administrative sanctions accorded by competent authority except the expenditure which was booked on 10th July 2020 amounting to Rs 149680.00 which was actually debited by bank on 01.06.2018 but same was not accounted for in the cash book in the F.Y. 2018-19, same has been recorded during the current period of audit. As per explanation received from ULB this entry pertains to double payment erroneously done to ULB's employees but the same is pending to be recovered. Instead of booking expenses of Rs 149680.00 same should be treated as advance & proper recovery should be done from the concerned officials.



- 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.

- 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.

During the year ULB has shown creation of only one category of fixed asset i.e. CC road. It is very unlikely that no other capital expenditure was incurred during the year.

- 9) He shall verify that all temporary advances of other than employees have been fully recovered.
Details regarding temporary advances were not provided to us by the ULB 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 Fixed Asset Registers, Stock Register, Register of Settlement of Contractor / Supplier Bills, Register of Advances to Contractors, Loan Registers etc 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.

As stated in point no. 1 above, as the books stores are not provided for verification, so it was not possible for us to verify whether the same is maintained as per Accounting Rules applicable to the urban local Bodies.

- 3) The auditor shall verify advance register and see that all the advance to employees are timely recovered according to the condition of advance. All the case of non-recovery shall be specifically mentioned in audit report.

As per the information and explanation provided to us by the management of the ULB, no specific condition related to advances are placed. Hence, it is not possible for us to verify the cases of timely recovery of advances, if any.

- 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.

Bank Reconciliation is provided to us by the ULB which is presented in page no 24 of this report. However, bank wise break is given below:

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Bank Name	Account No	As Per Cash Book 31/03/2021	As Per Bank 31/03/2021
State Bank Of India	35094722358	71,551.00	70,902.50
State Bank Of India	11563592197	1,75,68,738.00	1,75,68,737.35
J S K B	66400014472	7,62,323.00	7,62,323.00
State Bank Of India	36734365337	44,88,554.00	44,88,555.46
State Bank Of India	36830908026	6,28,395.00	6,27,333.72
TOTAL		2,35,19,561.00	2,35,17,852.03

a. Please refer page no 24 of this report for Bank Reconciliation statement.

- 5) He shall be responsible for verifying the entries in the Grant register. The receipts and payment of grants shall be duly verified from the entries in cash book. Grant registers were not made available to us. Hence verification of the same cannot be done from the entries in cash book. The payments out of grants were verified on test check basis and found to be correct. A summarized statement of grants maintained by the ULB has been provided to us and same has been provided in the point 6(1) of this report.
- 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 does not maintain separate cash books for different schemes and projects and hence we cannot comment on reconciliation with Receipt & Payment.



4. Audit of FDR

- 1) The auditor is responsible for audit of all fixed deposits and term deposits.
It was explained to us that there were no FDR's maintained by the ULB during the year. Hence, we cannot comment upon the same.
- 2) It shall be ensured that proper record of FDR's are maintained and renewals are timely done.
It was explained to us that there were no FDR's maintained by the ULB during the year. Hence we cannot comment upon the same.
- 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.
No such case is reported.
- 4) Interest earned on FDR/TDR Shall be verified from entries in the cash book.
It was explained to us that there were no FDR's maintained by the ULB during the year. Hence we cannot comment upon the same.

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.

Bid were invited online where the tender amount exceeding Rs. One Lakh and for value less than one lakh, manual bids were asked.
- 2) He shall check whether competitive tendering procedures are followed for all bids.
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 / 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 PG 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. Verification had been conducted for the grants received from the Central/state government. Grant registers were not provided by the ULB.
- 2) He is responsible for audit of grants received from State Government and its utilization.

Grant register is not maintained by the ULB. Therefore, we cannot verify the grants received from state government with the grant register & ensuring it's proper utilization.

- 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. The loan repayment has been timely made at each quarterly/annually (as applicable) rest. However, there was no document or information provided to verify whether the asset created out of the loan has generated the desired revenue or not. We cannot comment on the possible reasons for non-generation of revenue.

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+91-9713420677, 7828264242
ca.kkb1989@gmail.com

- 4) The auditor shall specifically point out any diversion of funds from capital receipts/ grants/ bans to revenue expenditure.
As per the information made available to us, and as per our verification, instances of diversion of funds from one grant account to another have not been noticed. However, due to inherent limitation of internal controls over financial reporting possibilities of fund diversion cannot be ruled out completely.

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Other Audit Observations

1. Nagar Parishad does not follow practice of preparing Income & Expenditure and financial statements. However, Nagar Parishad used to prepare Budget and statement of receipt and payment account, which shall be regarded as the final document on which we express our opinion. It is highly recommended to implement Double Entry System for book keeping/Accounting. It is also recommended to implement computerized Accounting System for better and smooth working.

2. Non recovery of taxes

Urban Local Bodies (ULB) earns revenue from their own resources through taxes, rent, fees, issue of licenses etc. In test check of NagarParishad as of 31 March 2021 a sum of Rs47.12 Lakhs (as shown in Table Below) plus Interest & Penalties were outstanding against the taxpayers, although the ULBs had powers under section 165 of Madhya Pradesh Municipalities Act, 1961 to approach a Magistrate to seek orders for recovery by distress and sale of any movable property of attachment and sale of immovable property belonging to defaulters, however they had not invoked these power to recover the outstanding taxes. Failure to invoke its powers resulted in non-recovery of outstanding taxes and resource crunch, leading to hindrance in development works.

NonRecoveryofdues

(AmountinLakhs)

Type of Tax	Due amount recoverable on 01/04/2020	Received From Previous Dues	Un-Recovered Due for More than a Year	Current Due	Current Received	Un-Recovered due of Current Year	Total un-recovered amount
SampattiKar	1840127	274762	1565365	250567	194671	55896	1621261
SamekitKar	1784056	296928	1487128	302620	83676	218944	1706072
Shikshaupkar	281465	75487	205978	71444	47667	23777	229755
NagariyaVikasUpkar	207385	73317	134068	71444	47417	24027	158095
Jalkar	634529	178462	456067	352200	109967	242233	698300
Bhaven bhumi rent	416919	251364	165555	324000	189260	134740	300295
Other Tax	0		0			0	0
Total	5164481	1150320	4014161	1372275	672658	699617	4713778
Total Un-Recovered amount							47.12

For Pranay K Saxena & Company
Chartered Accountants

CA Kundan K Baranwal
Membership No - 433189

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ca.kkb1989@gmail.com

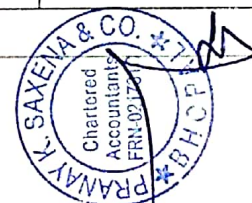
Reporting on Audit Paras for Financial Year 2020-21

Name of ULB: NAGAR PARISHAD PAWAI

Name of Auditor: **Pranay K Saxena & Company, Chartered Accountants**

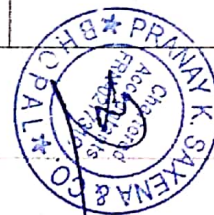
S. no.	Parameters	Description	Observation in brief	Suggestions
2	Audit of Expenditure:	Verification of Expenditures are as per guidelines, directives, and rules under all schemes and entries of expenditures in cash book, Diversion of Funds, financial propriety of expenditures, scheme project wise utilisation certificate.	Observations were listed in brief in point no. 2 of annexure 2 of audit report attached	Vouchers should be adequately supported with proper documents. TDS should be correctly deducted and deposited on time.
3	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	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	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 should be carefully monitored.
6	Audit of Grants & Loans	Verification of Grant received from Government and its utilization	Observations were listed in brief in point no. 6 of annexure 2 of audit report attached	Grant register should be updated and balanced regularly with its Utilization Certificate.

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7	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	a) Percentage of revenue expenditure (Establishment, salary, Operation & Maintenance) with respect to revenue receipts (Tax & Non Tax).	959.76% (2,75,64,050.00 / 28,71,985.00) x 100		
	b) Percentage of Capital expenditure wrt Total expenditure.	41.28% (1,93,76,504.00 / 4,69,40,554.00) x 100		
9	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 impose strict action to collect such amount or make necessary adjustment after prior approval of relevant authority.
10	Whether bank Reconciliation statements is being regularly Prepared		BRS prepared by the ULB	NA

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Name of ULB : Nagar Parishad; Pawai

Name of Auditor : Pranay K Saxena & Company; Chartered Accountants

S.no.	Parameters	Description		% of growth	Observation in brief	Suggestions
	Audit of Revenue	Receipt in (Rs.)				
	Rajaswa Kar wasooli	2019-20	2020-21			
1	Sampatti Kar	466521.00	385577.00	-17.35	Collections w.r.t. last collection decreased by 0.25%. Still there is scope to put efforts on the recovery of previous year dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
2	Samekit Kar	1016088.00	120334.00	-88.16	Collections w.r.t. last collection decreased by 62.5%. Still there is scope to put efforts on the recovery of previous year dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
3	Nagriya Vikas Upkar	148621.00	122661.00	-17.47	Collections w.r.t. last collection decreased by 19.03%. Still there is scope to put efforts on the recovery of previous year dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
4	Shiksha upkar	64725.00	279854.00	332.37	Collections w.r.t. last collection increased by 89.51% which is good. Still there is scope to put efforts on the recovery of previous year dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
	Total	1695955.00	908426.00			
	Gair-Rajaswa wasooli					
5	Bhawan Bhoomi Kiraya	651713.00	240954.00	-63.03	Collections w.r.t. last collection decreased by 40.94%. Still there is scope to put efforts on the recovery of previous year dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
6	Jal Upbhokta Prabhar	365028.00	264680.00	-27.49	Collections w.r.t. last collection decreased by 21.45%. Still there is scope to put efforts on the recovery of previous year dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
	Total	1016741.00	505634.00			
	Grand Total	2712696.00	1414060.00			

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NAGAR PARISAD PAWAI; DISTRICT - PANNA

RECEIPT & PAYMENT ACCOUNTS FOR THE FINANCIAL YEAR 2020-21

RECEIPT	AMOUNT	PAYMENT	AMOUNT
OPENING BALANCE (As per Cash Book)	20,235,590.00	SALARY & OTHER ALLOWANCES	19,742,274.00
		LEGAL & PROFESSIONAL FEES	208,800.00
		PRINTING & STATIONERY	131,306.00
PROPERTY TAX	465,347.00	VEHICLE INSURANCE	83,295.00
SAMEKIT KAR	385,577.00	REFRESHMENT	152,041.00
VIKAS KAR	120,334.00	YATRA KA BHUGTAN	89,135.00
SHIKSHA UPKAR	122,661.00	NEWS PAPER & PERIODICALS	141,960.00
JALKAR	279,854.00	FUEL EXPENSES (P O I L)	1,264,477.00
NAL CONNECTION CHARGES	6,880.00	TELEPHONE & INTERNET CHARGES	16,167.00
BAZAR VASULI	257,800.00	ELECTRICITY CHARGES	2,533,252.00
SHOP RENT - CURRENT	143,948.00	COMPUTER & PRINTER MAINTENANCE	153,687.00
SHOP RENT	238,654.00	OTHER EXPENSES	1,035,214.00
MANGAL BHAWAN RENT	2,300.00	JEEP RENT	249,050.00
		BANK CHARGES	3,132.00
TANKER RENT	7,700.00	T D S	122,262.00
NAMANTARAN SHULK	42,730.00	REPAIR & MAINTENANCE	482,049.00
BUS STAND FEES	157,430.00	FLEX BANNER	103,684.00
FISH TENDER FEES	2,210.00	TENT EXPENSES	218,191.00
BHAVAN KI SAHMATI	39,895.00	AUDIT FEES	41,300.00
TENDER FEES	65,375.00	CLEANING MATERIAL PURCHASE	676,749.00
MASK FINE	43,220.00	J C B RENT	116,025.00
MISCELLANEOUS INCOME	52,565.00		
AUDIT OBJECTION 2012-13	72,496.00		
NIRYAT KAR	14,000.00	STREET LIGHT	2,866,000.00
YATRI KAR ANUDAN	152,000.00	ELECTRICAL MATERIALS L E D LIGHT	2,248,375.00
RATION CARD	334.00	C C ROAD PCC ROAD NIRMAL	2,255,616.00
PARMANIKARAN FEES	2,551.00	NIRMAN KARYAA KA BHUGTAN	94,690.00
NAJUL FEES	138,795.00	SAMTALIKARN	317,589.00
		KOPRA (DUST) PURCHASE	512,173.00
BANK INTEREST	57,329.00	KUND KE NIRMAL (ASHTIYE)	94,709.00
		PULIYA NIRMAL	107,384.00
ROAD MAINTENANCE	1,572,000.00	MATERIALS AND TOOLS	269,266.00
RAIYA VITT AYOG	3,382,000.00	NALI NIRMAL KA BHUGTAN	1,814,008.00
15TH FINANCE COMMISSION	13,828,000.00	PIPE PURCHASE & FITTING CHARGES	2,311,404.00
GRANT RECEIVED (CHHUNGI)	14,246,000.00	SWAKSCHTA SARWEKSCHAN	56,406.00
MUDRANK SHULK RECEIPT	646,000.00	SWAKSCHTA VIGYAPAN	175,968.00
MULBHUT SHUVIDHA	3,428,000.00	HOPING COMPLEX NIRMAL	3,605,652.00
P M YOJNA	81,400,000.00	PARTHMIK SALA KA NIRMAL	205,955.00
SAIAL TREATMENT PLANT	530,000.00	MANAS BHAVAN KA NIRMAL	264,805.00
		SANITERY PAD MACHINE STHAPNA	65,000.00
SHOP PREMIUM	1,898,417.00		
AMANAT RASHI	204,000.00	PMAY PAYMENT TO BENEFICIARIES	85,950,000.00
OPENING DIFFERENCE	505.00	MUKHMANTRI ADHO SANRACHNA RASHI VAPSHI	2,000,000.00
FUND TRANSFER (INTERNAL)	5,392,158.00		
AMOUNT CREDITED (Unidentified)	1,367,570.00	DOUBLE PAYMENT TO STAFF (SALARY)	149,680.00
		HUDCO LOAN REPAYMENT	259,151.00
		ACCOUNT CLOSED TRANSFER (INTERNAL)	45,859.00
		SECURITY DEPOSIT RETURN	137,420.00
		FIXED ASSETS	
		SANITIZER PUMP UPKARAN	373,504.00
		TATA KACHRA VEHICLE NO. 3	1,738,000.00
		CLOSING BALANCE	
		(As per Cash Book - Annexure B)	23,519,561.00
TOTAL	159,002,225.00	TOTAL	159,002,225.00

मुख्य नगर पालिका अधिकारी
Chief Municipal Officer
Nagar Parishad Pawai
(ग.प.)

Chief Accounts Officer
Nagar Parishad Pawai

UDIN - 21433189AAAAEE4821

For : Pranay K Saxena & Company
Chartered Accountants
FRN No - 021731C
CA Kundan K Baranwal (Partner)
Membership No - 433189

NAGAR PARISHAD PAWAI DISTT . PANNA

B R S AS ON 31 MARCH 2021

	AMOUNT	AMOUNT
Balance as per cash book F No. 195 - 31/03/2021		23,519,561.00
<u>Less</u>		
12/3/2021	35094722358	649.00
12/3/2021	36830908026	649.00
28/11/2020	11563592197	505.00
		1,803.00
<u>ADD</u>		
Total Mistek FY 2020-2021	94.03	94.03
Balance as per bank book 31/03/2021		<u><u>23,517,852.03</u></u>

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