

NAGAR PARISHAD BANKHEDI

AUDIT REPORT FOR THE FINANCIAL YEAR 2021-22



PATIDAR AND ASSOCIATES
CHARTERED ACCOUNTANTS



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INDEPENDENT AUDITOR'S REPORT

To the Stakeholders of NAGAR PARISHAD BANKHEDI

1. Report on the Financial Statements

We have audited the accompanying financial statements of NAGAR PARISHAD BANKHEDI ("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 Commissioner/CMO has not directed us to perform audit of any other section in his office in addition to the above scope.



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We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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, 2022.

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 differences with accounting records maintained by accounting department.



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- c) Some of the receipts as reflecting in cashbook and receipt & payment statement during the year could not be verified.
- d) Non-maintenance or incomplete registers as prescribed under manual and mentioned at point 3 of annexure 2.
- e) Non verification of EPF, TDS on GST and TDS-Income Tax 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:

- a) 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;
- b) 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.
- c) The Receipt & Payment Account deal with by this Report are in agreement with the books of account.
- d) Except for the matter described in the Basis for Qualified Opinion paragraph above, the Receipt & Payment Account comply with the Municipal Accounting Manual and Accounting Standards applicable to the Urban Local Bodies.
- e) 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.
- f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the ULB and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 1'.

Date: 30/09/2022

UDIN: 22418806BEGSDJ8227

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For Patidar & Associates
Chartered Accountants
FRN- 012264C
CA Neelesh Patidar
(Partner)
MRN - 418806



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 BANKHEDI ("the ULB") as of March 31, 2022 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,



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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.



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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, 2022:

- 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, 2022 based on the criteria established by the ULB.



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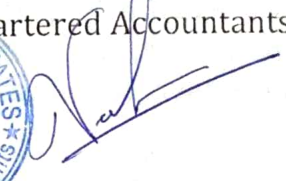
We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2022 financial statements of the ULB, and these material weaknesses do not affect our opinion on the financial statements of the ULB.

Date: 30/09/2022


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For Patidar & Associates
Chartered Accountants


CA Neelesh Patidar
Partner
MRN - 418806



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. During the year ULB received amount directly into its bank account under various revenue heads. However, ULB was unable to bifurcate the amount under appropriate head. The consolidated amount was shown under "Misc Income" & "Other Grants" in the receipt & payment statement. Therefore, we were unable to comment over such receipts.

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. ULB also collects revenue through online mode directly into its bank account. 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.

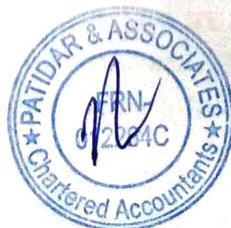
3) Percentage of revenue collection increase or decrease in various heads in property tax, samekitkar, shikshaupkar, nagriyavikasupkar, and other tax compared to previous year shall be part of report.

Details are given in Annexure C attached to this report.

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



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We have verified the entries in cash book on test check basis. Due to sizeable transactions of cashbook we cannot provide our absolute assurance on the entries of the cash book.

- 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.

During our verification of revenue registers we observed outstanding from past several years, below mentioned are few cases.

In case of property tax

Property tax register is not maintained properly as it does not contain important details such as since when dues are pending, interest charged on pending dues, legal action initiated against such pending dues. List of few pendency's of taxes from long time has been listed below:

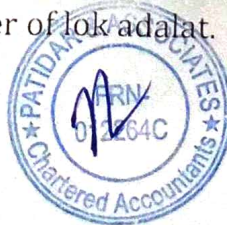
S.no.	Consumer Name	Sampatti Kar		Samekit Kar		Education Cess		Total
		Outstanding	Current	Outstanding	Current	Outstanding	Current	
115	Tulsiram	584.00	148.00	480.00	120.00	196.00	49.00	1,577.00
133	Shivmandir	-	-	600.00	120.00	-	-	720.00
136	Rajaram Sharma	1,080.00	216.00	600.00	120.00	360.00	72.00	2,448.00
13	Shakuntala	-	632.00	-	120.00	-	211.00	963.00
15	Namada Prasad	259.00	259.00	120.00	120.00	86.00	86.00	930.00

In case of Water Tax

In case of water tax registers few relevant details were missing, such as, Interest charged and pending legal actions long time pendency's. List of few long time pending cases were listed below:

Consumer Name	Period	Total	Connection no.
Babulal	Jan 2003- Mar 2020	9,340.00	1000661722
Radhelal	Dec 2011- Mar 2020	4,800.00	1003293958
Rak Kishan	Aug 2006-Mar 2020	750.00	1003293970
Narayan Prasad	Dec 2007-Mar 2020	6,880.00	1003274900

ULB explains that the interest was charged as and when amount gets recovered. For legal actions, ULB send non recoverable dues list to higher authority, and amounts get recovered by the order of lok adalat.



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7) The auditor shall verify the interest income from FDR's and verify that interest is duly and timely accounted for in cash book.
As per ULB, there were no FDR during the year held by them. Hence were unable to verify the same.

8) The case where, the investments are made on lesser interest rates shall be brought to the notice of the Commissioner/CMO.
As mentioned above, in absence of any FDR we could not comment on interest rates..

2. Audit of Expenditure:

1) The auditor is responsible for audit of expenditure under all the schemes.
We have verified the expenditure under various heads which was recognized and entered in the books of account produced before us for verification.

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. ULB have not provided challans or returns for payment of government dues. However ULB has explained that same had been duly deposited on or before the due date. Non-compliance of tax provision attract statutory penalty.

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

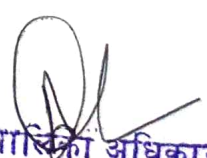
Issues relating to monthly balance of the cashbook were not found in the cashbook.

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 Commissioner / 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.




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

- 6) During the audit financial propriety shall also be checked. All the expenditure shall be supported by financial and administrative sanctions accorded by competent authority and shall be limited to the administrative and financial limits of the sanctioning authority.

We have verified the expenditure on test check basis and it was found that such expenditure were duly supported by financial and administrative sanctions accorded by competent authority. ULB follows the hierarchy of sanctions and approvals depending upon the nature of the transactions and financial limits.

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

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



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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, Security Deposit Registers, Loan Registers, Register of Retention Money 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 Commissioner / CMO.

ULB maintains store register for movement of stock in the ULB. However, the receipts were recorded with quantity and value but the closing was maintained with quantity only.

- 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, there were no advances during the year. 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 and annexed with this report.

- 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 made available to us for verification and it was noticed that the register was incomplete. Hence verification of the same cannot be done from the entries in cash book. A summarised statement of grants receipt during the year has been provided to us and same has been provided in the point 6(1) of this report.



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

7) The auditor shall reconcile the account of receipt and payment especially for project funds.

ULB maintain separate cash books for different schemes, projects and purpose and the transactions are consolidated in the Receipt & Payment statement prepared during the year.

4. Audit of FDR

1) The auditor is responsible for audit of all fixed deposits and term deposits.
During the year ULB does not possess any FDR and hence we could not comment on the same.

2) It shall be ensured that proper record of FDR's are maintained and renewals are timely done.

As explained above during the year, ULB does not have any FDR, and hence we were unable to express opinion on the maintenance and renewals of FDR.

3) The case where FDR'S / TDR are kept at low rate of interest than the prevailing rate shall be immediately brought to the notice of Commissioner/ CMO.
In absence of any FDR, we could not comment over interest rate of FDR.

4) Interest earned on FDR/TDR Shall be verified from entries in the cash book.
In absence of any FDR, we could not comment over interest rate of FDR and its recording in cashbook.

5. Audit of Tenders / Bids

1) The auditor is responsible for audit of all tenders / bids invited by the ULB.
Tender related documents were provided to us on test check basis. On verification of produced documents we can conclude that procedure of tendering was followed by the ULB.

Bid were invited online where the tender amount exceeding Rs. One Lakh and for value less than one lakh, manual bids were asked.



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- 2) He shall check whether competitive tendering procedures are followed for all bids. Tender related documents were provided to us on sampling basis, and except few minor irregularities we found them complete and appropriate. Competitive tendering procedures were followed for all bids.
- 3) He shall verify the receipts of tender fee / bid processing fee / performance guarantee both during the construction and maintenance period. Tender related documents were provided on test check basis, and we have verified the receipts of tender fee / bid processing fee / performance guarantee etc. No major irregularities were found during our verification in the produced documents.
- 4) The bank guarantees, if received in lieu of bid processing fee / performance guarantee shall be verified from the issuing banks.
No such bank guarantees were produced before us for verification.
- 5) The conditions of BG shall also be verified; any BG with any such condition which is against the interests of the ULB shall be verified and brought to the notice of CMO.
No such bank guarantees were produced before us for verification. Therefore, it is not possible for us to comment on the conditions of BG.
- 6) The cases of extension of BG shall be brought to the notice of Commissioner / CMO. Proper guidance to extend the BG'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.

Details of grant receipt as per accounting records are as follows:

S.No.	Grants	Received
1	15th Central Finance Commission	1,07,46,000.00
2	PMAY	2,55,50,000.00
3	Grants From State Finance Commission	42,09,798.00



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4	Grants for Road Development	35,25,000.00
5	Grant GoMP Mulbhoot	51,81,000.00
6	MLA LAD (Local Area Development Funds)	9,83,000.00
7	Grant-Others	5,00,000.00
8	Other Grant(Antaryeshti)	53,000.00
9	Stamp Duty	12,99,580.00
10	Chhangikshatipurti	2,60,71,330.00
	Total	7,81,18,708.00

The grant register maintained by the ULB was not complete till the audit. The utilisation certificates of grants were not provided to us. Hence, only the receipts of grant from cashbook were compiled and produced above.

- 2) He is responsible for audit of grants received from State Government and its utilization.

Details for the same are provided in table above.

- 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 not accorded any loan. However we have found one loan amounting to Rs. 42 lakhs receipt during the year. ULB does not have information relating to such loan amount. We cannot comment on whether the asset created out of the loan has generated the desired revenue or not and the possible reasons for non-generation of revenue.

- 4) The auditor shall specifically point out any diversion of funds from capital receipts/ grants/ loans 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 and non-availability of necessary grant record, possibilities of fund diversion cannot be ruled out completely.



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जिला - होशंगाबाद (म.प्र.)



Other Audit Observations

1. 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 Nagar Parishad as of 31 March 2022 a sum of Rs 54.46 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.

Sl. No.	Type of Tax	<u>Non Recovery of dues</u>				(Amount in Lakhs)			
		Due amount recoverable on 01/04/2021	Received From Previous Dues	Un-Recovered Due for More than a Year	Current Due	Current Received	Total Recovered	Un-Recovered due of Current Year	Total un-recovered amount
1	Sampatti Kar	10.08	7.79	2.29	14.44	8.26	16.05	6.18	8.47
2	Samekit Kar	4.93	2.24	2.69	4.79	2.07	4.31	2.72	5.41
3	Nagar Vikas Upkar	4.85	2.60	2.25	4.82	2.60	5.20	2.22	4.47
4	Siksha Upkar	4.66	2.90	1.76	4.18	2.79	5.69	1.39	3.15
5	Shop Rent	1.65	0.87	0.78	1.49	0.41	1.28	1.08	1.86
6	Water Tax	5.83	5.00	0.84	6.60	1.98	6.98	4.62	5.45
7	Other Tax	0.00	0.00	0.00	19.00	16.25	16.25	2.75	2.75
	Total	32.01	21.40	10.61	55.32	34.36	55.76	20.96	31.56
	Total Un-Recovered amount								31.56

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Date: 30/09/2022

For Patidar & Associates
Chartered Accountants



CA Neelesh Patidar
Partner
MRN - 418806

**Reporting on Audit Paras for Financial Year 2021-22**

Name of ULB:

NAGAR PARISHAD BANKHEDI

Name of Auditor:

Patidar & Associates, 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. Statutory & employee related dues should be correctly deducted and deposited on time. ULB should prepare Scheme/project wise utilisation certificate.
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	ULB has huge balance lying into its bank account. We suggest ULB to keep the money, which is not for immediate utilisation, in form FDR's. This way ULB can earn income in form interest at



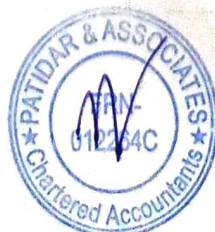
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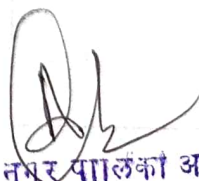


PATIDAR & ASSOCIATES
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			higher rate than saving/current bank account.
5	Audit of Tenders and Bids	Verify Tenders/Bids invited by ULB and competitive tendering procedures followed	Observations were listed in brief in point no. 5 of annexure 2 of audit 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 utilisation	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.
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).	$\frac{4,52,47,682.51}{1,22,96,496.14} = 367.97\%$	




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b) Percentage
of Capital
expenditure
wrt Total
expenditure.

4,28,69,060.98

÷

8,81,16,743.49

= 48.65%

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

Cases of ULB should impose
outstanding strict action to collect
advances have been such amount or make
outlined in point necessary adjustment
no. 3 (3) of report after prior approval of
attached. relevant authority.

10 Whether bank
reconciliation
statements is
being regularly
prepared

BRS prepared by NA
the ULB



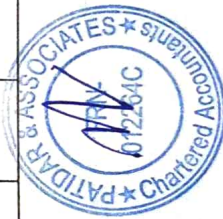
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नगर परिषद वनखेडी
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Name of ULB
Name of Auditor

Nagar Parishad Bankhedhi
Patidar & Associates

Annexure C
Amt in lakhs

S.no.	Parameters	Description	% of growth	Observation in brief			Suggestions
	Audit of Revenue	Receipt in (Rs.) As per Wasooli patrak					
	Rajaswa Kar wasooli	2020-21 2021-22					
1	Sampatti Kar	13.94 16.05	15.18	Collection % w.r.t. total dues is 65.45% which is Average	Need to improve collection efforts of previous years dues.		ULB should impose strict penalties and legal actions to improve past Due collections.
2	Samckit Kar	4.08 4.31	5.55	Collection % w.r.t. total dues is 44.32% which is Below Average	Need to improve collection efforts of previous years dues.		ULB should impose strict penalties and legal actions to improve past Due collections.
3	Nagar Vikas Upkar	3.96 5.20	31.20	Collection % w.r.t. total dues is 53.80% which is Average	Need to improve collection efforts of previous years dues.		ULB should impose strict penalties and legal actions to improve past Due collections.
4	Siksha Upkar	4.50 5.69	26.37	Collection % w.r.t. total dues is 64.32% which is Average	Need to improve collection efforts of previous years dues.		ULB should impose strict penalties and legal actions to improve past Due collections.
	Total	26.48 31.25					
	Gair-Rajaswa wasooli						
5	Shop Rent	0.65 1.28	98.67	Collection % w.r.t. total dues is 40.80% which is Below Average	Need to improve collection efforts of previous years dues.		ULB should impose strict penalties and legal actions to improve past Due collections.
6	Water Tax	3.65 6.98	91.36	Collection % w.r.t. total dues is 56.13% which is Average	Need to improve collection efforts of previous years dues.		ULB should impose strict penalties and legal actions to improve past Due collections.
7	Other Tax	12.43 16.25	30.78	Collection % w.r.t. total dues is 85.55% which is Good	Need to improve collection efforts of previous years dues.		ULB should impose strict penalties and legal actions to improve past Due collections.
	Total	16.72 24.51					
	Grand Total	43.20 55.76					



उत्पल नगर पंचायत अधिकारी
नगर परिषद वसुखेडी
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Revised abstract sheet for reporting on audit paras 2021-22

Annexure D

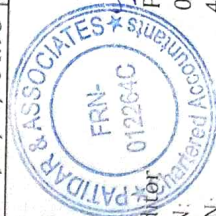
Income & Expenditure Information

S.no.	Division	District	ULB name	ULB type
1	2	3	4	5
1	Narmadapuram	Hoshangabad	Bankhedi	Nagar Parishad

Revenue receipts						
Property Tax	Other tax revenue	Fees & user charges	Revenue from municipal property	Assigned revenue	Revenue from Contribution & Subsidies	Other Income
6	7	8	9	10	11	12
16,87,542.00	15,29,645.00	34,11,604.00	12,16,910.00	2,73,70,910.00	-	45,73,897.14

Capital receipts				Total Receipts
Capital receipts	Central Finance Commission receipts	State Finance Commission receipts	Other Grants	
13	14	15	16	17
42,00,000.00	1,07,46,000.00	42,09,798.00	3,57,92,000.00	9,47,38,306.14

Revenue Expenditure						Total Expenditure
Establishment Expenditure	Administrative Expenditure	Operation & Maintenance	Interest & Finance Charges	Other Expenses	Loan repayment (Principle)	Other Capital Expenditure
18	19	20	21	22	23	24
16,57,549.00	2,37,80,362.00	1,61,01,088.15	-	7,15,55,010.36	-	4,52,84,964.98
						15,83,78,974.49



Auditor
Patidar & Associates
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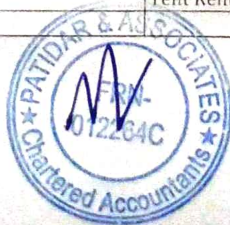
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नगर परिषद वनखेडी
जिला - होशंगाबाद (म.प्र.)

Bankhedi Nagar Parishad

Receipt and Payment Account

FY 2021-22

Receipt	Detail	Amount	Expenditure	Amount
Opening balance		18,97,02,403.13	Salary, Wages and Allowance :-	
Revenue :-			Salary and Allowances - Employees	1,35,36,577.00
Sampatti Kar	Current	5,82,678.00	Arrears salary	16,31,152.00
	Previous	7,06,281.00	Muster Wages	37,10,994.00
Samekit Kar	Current	1,59,500.00	Leave Encashment	1,19,306.00
	Previous	2,39,083.00	Provident Fund Contribution	17,45,134.00
Jal Kar	Current	1,46,240.00	Pension	30,37,199.00
	Previous	4,57,384.00		
Nagar Vikas Upkar	Current	1,90,607.00	Establishment Expenditure :-	
	Previous	2,43,304.00	Mobile	36,750.00
Siksha Upkar	Current	2,02,085.00	Printing expenses	43,580.00
	Previous	2,90,025.00	Stationery	70,700.00
			Newspeper	26,640.00
Rentals, Charges And Fees :-			Insurance - Others	1,22,943.00
Rent Market		1,22,800.00	Insurance - Vehicle	39,356.00
Bajar, Asthai Dakhai, Aaya Theke		2,72,110.00	Legal Fees	33,000.00
Vividha Shulk		33,68,147.00	Technical Fee	64,751.00
Penalty & Fine Other		43,457.00	Consultancy Fees	91,300.00
Sale of Tender Papers		8,22,000.00	Advertisement Expense	5,31,467.00
			Publicity Expense	1,57,780.00
Grants :-			National Festival Celebration Expenditure	42,196.00
Stamp Duty		12,99,580.00	Religious Festival Celebration Expense	1,18,080.00
Chungi chatipurti		2,60,71,330.00	DPR Expenses	2,08,436.00
Central Finance Commission		1,07,46,000.00	Photo Graphy & Video CD	21,220.00
PMAY		2,55,50,000.00	Miscellaneous Expenses	49,350.00
Sadak marammat yojna		35,25,000.00		
Mulbhoot suvidha		51,81,000.00	Operation And Maintenance :-	
Grant by M.L.A		9,83,000.00	Electricity bill - Street Light	7,26,556.00
State Finance Commission		42,09,798.00	Electrical Fittings	76,898.00
Antyesthi sahayta rash:		53,000.00	Bulk purchase of power	47,40,879.25
Other grants		5,00,000.00	Bulk Purchase-Sanitation/Conservancy Material	17,73,973.80
			Bulk Purchase-Engineering Materials	24,19,826.00
Other Receipt :-			Bulk Purchase-Medicine	2,945.00
Security Deposit		9,500.00	Bulk Purchase-Electrical Store	22,21,637.00
Misc Income		11,62,242.26	Bulk Purchase-Water ways	17,080.00
Interest-Saving Bank Account		34,11,654.88	Bulk Purchase - Stationery	2,39,760.00
CM Infra Loan		42,00,000.00	Bulk Purchase - Other	3,31,924.60
			Hire charges-machinery	1,20,619.00
			Hire charges-vehical	2,94,119.00
			R&M-Concrete Roads	1,75,118.00
			R&M-Other Roads	42,624.00
			R&M Culvert	42,150.00
			R&M-Waterways	3,37,193.00
			R&M-Water Pump	15,550.00
			R&M Motor Pump	37,595.00
			R&M-Water Pipeline	7,032.00
			R&M-Public Toilet	3,500.00
			R&M-Sewage and drainage	57,041.00
			R & M-Building-Bus Stand	14,560.00
			R&M-Park, Nursery	4,13,467.00
			R&M-Office Building	1,02,712.00
			R&M-Other Structures	76,741.74
			R&M-Tractor	73,555.00
			R&M Motor Car	15,740.00
			R&M Tankers	2,200.00
			R & M-Hearse Van	8,500.00
			R&M-Fire brigade	75,397.76
			R&M-Vehicle	2,03,769.00
			R&M-Computer	52,077.00
			R&M Air Conditioners	19,100.00
			R & M-CC TV system	4,000.00
			O&M-Others	88,856.00
			Painting Work	86,560.00
			R&M Generator	16,985.00
			Water Purification Charges	93,120.00
			Swachhata Servekshan	98,200.00
			Covid Expenses	84,469.00
			Consolidated Own Programme	97,944.00
			Refreshment Exp	35,615.00
			Garbage & Clearance Expenses	6,13,480.00
			Tent Rent	1,40,019.00



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		Construction and Capital Expenditure :-	
		Public Light-Transformer	14,89,966.00
		Public Light Fitting-LED	3,16,320.00
		Fogging Machine	1,91,616.00
		Others	1,62,472.00
		Lift	4,39,680.00
		Gymnassium/sports/club equipment	1,32,192.00
		Park & Gardens	4,67,712.00
		Others Plant & Machinery	18,840.00
		Hearse Van	8,63,952.00
		Photo-Copier	31,000.00
		Office Equipment Other	47,712.00
		Chairs	46,368.00
		Almirah	1,48,800.00
		Other Furniture	3,43,296.00
		CWIP-Roads and Bridges	3,29,71,750.20
		CWIP-Boundary Wall	25,88,649.00
		Welcome Gate	7,67,899.00
		Building-Public /Community Toilets	9,21,643.78
		Building Shed	69,660.00
		CWIP-Building	1,90,191.00
		Culvert	36,882.00
		Paving Blocks work	4,70,880.00
		Sewerage & Drainage	19,44,585.00
		Building- Office	1,79,571.00
		Fountains	4,43,328.00
		Other Payment :-	
		GPF	5,05,371.00
		Bank Charges	7,905.36
		PMAY	6,70,41,324.00
		Payment out of Grant M.L.A.L.A.D	3,24,000.00
		Antyesthi sahayta rashi	62,000.00
		Security Deposit	4,14,945.00
		TDS-GST	16,79,554.00
		TDS-IT (employees)	47,500.00
		TDS-IT (contractor)	14,72,411.00
		Closing Balance	12,60,71,234.78
Total	28,44,50,209.27	Total	28,44,50,209.27

Chief Municipal Officer
Nagar Parishad Bankhedi

Accounts Officer
Nagar Parishad Bankhedi



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NAGAR PALIKA BANKHEDI
BANK RECONCILIATION STATEMENT FY 2021-22

PNB	2669	
Opening balance		
As per cashbook	1,86,37,606.75	
As per bank	1,86,45,611.75	
Difference		-8,005.00
	Date	Amount
Closing bank balance		2,58,60,145.49
Less:		
Amount paid as per cashbook but not as per bank		
Cheque no. 248755	01/04/2021	4,000.00
Cheque no. 024984	23/03/2022	10,000.00
		14,000.00
Less:		
Amount received as per bank but not in cashbook		
		-
ADD		
Amount received as per cashbook but not in bank		
Add:		-
Amount paid as per bank but not in cashbook		
		-
		2,58,38,140.49
Closing cashbook balance	as per tally	2,58,38,140.49
	Difference	-



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