

AUDIT REPORT

AMARWADA MUNICIPAL COUNCIL **DISTRICT-CHHINDWARA (M.P.)**



FY 2021-2022

Prepared By:

MSVP & Company
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INDEPENDENT AUDITOR'S REPORT

To
The Joint Director
Urban Local Bodies
Amarwada (M.P.)

Report on the Financial Statements

We have audited the accompanying financial statements of **Nagar Palika Parishad - Amarwada (Chhindwara -M.P.)** which comprise of receipts and payments account for the year ended on 31 March, 2022. The institution follows Cash System of Accounting. The observations on the scope of audit work prescribed and other notes, comments and explanatory Information etc. are attached herewith.

Management's Responsibility for the Financial Statements

The Institution's Management is responsible for the preparation of the Receipts and Payments Account that give a true and fair view of the Receipts and Payments Account in accordance with the Accounting Standards and in accordance with the accounting principles generally accepted in India. This responsibility includes the design implementation and maintenance of internal control relevant to the preparation and presentation of the Receipts and Payments Account that give a true and fair view and are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from

misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We have obtained is sufficient and appropriate to provide a basis for my audit opinion Test check methods have been applied in areas where ever the same has been considered appropriate.

OPINION

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our unmodified opinion on the State of Affairs and our qualified audit opinion on the results of operations.

Enclosure: Receipts & Payments accounts, Checklist.

UDIN : 23430933BGXQVR5421

Date: 18.01.2023
Place: Jabalpur



For MSVP & Company
Chartered Accountants
FRN: 021879C

Vineet Parwani
(Partner)
Membership No: 430933

मुख्य नगर पालिका अधिकारी
नगर पालिका परमपद अमरवाड़ा

NAGAR PALIKA PARISHAD, AMARWADA
District : CHHINDWARA (M.P.)
ABSTRACT SHEET FOR REPORTING ON AUDIT FOR THE PERIOD
01-04-2021 TO 31-03-2022

Parameters	Description	Observations in Brief	Suggestions
Audit of Revenue	a) The auditor is responsible for audit of revenue from various sources.	1) On test check basis we have verified the revenue from receipts maintained by the management from all sources. 2) TDS has been deducted at 2.27% instead of 2% on payment made to contractor.	Management should charged TDS 2% on payment made to the contractor.
	b) He is also responsible to check the revenue receipts from the counterfoils of receipt books and verify that money received is duly deposited in the respective bank account.	On test check basis we have verified the revenue from receipts maintained by the management for all sources and the cash received was deposited in the same day or in the next day in the bank account	Not Applicable
	c) Percentage of revenue collection increase/decrease in various heads, of property tax, samakhi kar, shiksha upkar, Nagriya vikas upkar and other tax compared to previous year shall be part of report.	The details are provided in the Annexure. (Patrak)	The management should take necessary steps to rectify the same.
	d) Delay beyond 2 working days shall be immediately brought to the notice of commissioner/CMO.	No such cases exist.	Not Applicable
	e) The Entries in cash book shall be verified.	The entries in cash book have been verified and discrepancies have been reported to management which have been rectified by them. Totaling error found of Rs.9,050 on 9 dec 21, Actual total was Rs. 18,43,215 but entry in cash book was Rs. 18,52,265	The error has been told to management to correct the same
	f) Auditor shall specifically mention in report, the revenue recovery against the quarterly and monthly targets. Any lapses in the revenue recovery shall be the part of report.	During the course of our audit we noticed that Demand of Samakhi Kar, Property tax, Education Cess, Nagriya Vikas Cess is not maintained in register individual person wise. However as per the discussion no targets has been maintained for this year, the data has given in the annexure is as on estimation basis. The lapses between targeted revenue and achieved revenue is mentioned in the Annexure A to this report.	The management should make targeted revenue so that they can work on the same
	g) Auditor shall verify the interest income from the FDR's and verify the interest income is duly and timely accounted for in cash book.	FDR interest is accounted for in books not on accrual basis. It is done when FD Matures.	The management should take interest certificate each year from the banks and book the interest in timely manner.
	h) The cases where, the investment is made on lesser interest rates shall be brought to the notice of the commissioner/CMO.	As per the information and explanations available to us the management has not taken quotations from various banks regarding rate of interest on deposits in absence of the same we cannot comment whether the interest rate is lower or not, though all the FDs are already done in the previous years hence there was no need to take any new quotations for the same.	The management should take necessary steps to rectify the same

मुख्य नगर पालिका अधिकारी
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Audit of Expenditure

Audit of Expenditure	a) The auditor is responsible for audit of expenditure under all the schemes.	On test check basis we have verified the expenditure under all the schemes with relevant vouchers. No adverse observations found.	The management should take necessary steps to rectify the same
	b) He is also responsible for checking the entries in cash book and verify them from relevant vouchers.	On test checking of voucher register, voucher no. 110 not found of Rs. 6,000 which is booked as a expense in cash book but voucher was not available for the same. Although on test checking all the other relevant vouchers were available.	The management should take proper care while filing the vouchers as they act a corroboratory evidence for the audit purpose.
	c) He should also check monthly balances of cash book and guide the accountants to rectify errors, if any.	These have been verified on test check basis. No adverse observation on the same. Although the cash book and pass book are not matched on monthly basis.	The management should take necessary steps to rectify the same
	d) He shall verify that the expenditure for a particular scheme is limited to the funds allocated for the particular scheme. Any overpayment shall be brought to the notice of Commissioner/CMO.	These have been verified on test check basis. No adverse observation on the same.	Not Applicable
	e) He shall verify that the expenditure is in accordance with the guidelines, directives, acts and rules issued by Government of India / State Government.	On test check basis we have verified the expenditure under all the schemes for purchases are done through GEM portal.	Not Applicable
	f) During the audit financial property shall also be checked. All the expenditure shall be supported by financial and administrative sanctions according by competent authority and shall be limited to the administrative and financial limit of sanctioning authority.	These have been verified on test check basis. No adverse observation on the same.	Not Applicable
	g) All the cases where appropriate sanctions have not been obtained shall be reported and compliance of audit observations shall be ensured during the audit. Non-compliances of audit paras shall be brought to the notice of Commissioner/CMO.	These have been verified on test check basis. No adverse observation on the same.	Not Applicable
	h) Auditor shall be responsible for verification of scheme wise project wise Utilization Certificates (UCs). UCs shall be tallied with Income and Expenditure records and creation of Fixed Assets.	These have been verified on test check basis. No adverse observation on the same. UCs has been taken for the audit purpose	Not Applicable
	i) The auditor shall verify that all the temporary advances have been fully recovered.	As per the information and explanations available to us from the management Advance register is maintained And duly all the advances given And received back are properly accounted.	Not Applicable

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नगर पालिका परिषद अमरगढ़



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4	Audit of FDR	a) the auditor is responsible for audit of Fixed deposits and term deposits.	These have been verified on test check basis. No adverse observation for the same.	Not Applicable
		b) It shall be ensured that proper records of FDR's are maintained and all renewals are timely done.	All the renewal of FDR is maintained as well as interest is accounted in books but Proper records are not kept as the FDR register is not maintained by the management as per the checking on the time of audit. Also FD A/c 97460 amounting 40,00,000 is not renewed at the time of Audit.	The management should take necessary steps to rectify the same
		c) The cases where, FDR's/TDR's are kept at low rate of interest then the prevailing rate shall be immediately brought to the notice of Commissioner/CMO.	As per the information and explanations available to us the management has not taken quotations from various banks regarding rate of interest on deposits. In absence of the same we cannot comment whether the interest rate is lower or not.	The management should take necessary steps to rectify the same
		d) Interest earned on FDR/TDR shall be verified from entries in the cash book.	FDR interest is not accounted for in books in accrual basis, It is booked when the FDR mature, Hence the same is not accounted in book in timely manner. Hence or are unable to comment on same.	Not Applicable
		a) Auditor is responsible for audit of all the tenders/bids invited by the ULB's.	These have been verified on test check basis. No adverse observation on the same.	Not Applicable
		b) He shall check whether competitive tendering procedures are followed for all bids.	Competitive tendering procedures are followed while tender although there were not much tender received for the year 21-22	Not Applicable
5	Audit of Tender/Bids.	c) He shall verify the receipts of all tender fee/Bid processing fee/Performance Guarantee both during the construction and maintenance period.	These have been verified on test check basis. No adverse observation on the same.	Not Applicable
		d) The bank guarantees, if received in lieu of bid processing fee/performance guarantee shall be verified from the issuing bank.	These have been verified on test check basis. No adverse observation on the same.	Not Applicable
		e) 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.	These have been verified on test check basis. No adverse observation on the same.	Not Applicable
		f) 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.	These have been verified on test check basis. No adverse observation on the same.	Not Applicable


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6	Audit of Grants and loans	a) The auditor is responsible for the audit of grants given by central government and its utilization.	According to the rule of Madhya Pradesh Municipal Act, 1961, The Urban Local Bodies are required to maintain grant register for the financial year. Grant register has been maintained properly. The expenditure of grant is recorded in file.	Not Applicable
		b) He is responsible for audit of grants given by central government and its utilization.	These have been verified on test check basis. No adverse observation on the same.	Not Applicable
		c) He shall perform audit of loans provided for physical infrastructure and its utilization. During the audit the auditor shall specifically comment on the revenue mechanism i.e. whether the asset created out of the loan has generated the desired revenue or not. He shall also comment on the possible reasons for non-generation of revenue.	No such cases exist.	Not Applicable
		d) The auditor shall specifically point out any diversion of funds from capital receipts/grants/loans to revenue expenditure.	These have been verified on test check basis. No adverse observation on the same.	Not Applicable
7	The auditor shall specifically point out any diversion of funds from capital receipts/grants/loans to revenue expenditure.		These have been verified on test check basis. No such case exist	Not Applicable
8	Whether all the temporary advances have been fully recovered or not.		No adverse observation on the same.	Not Applicable
9	Whether the bank reconciliation have been duly prepared.		During the course of our audit we have found the difference in main CASHBOOK and BANK PASSBOOK. The differences is 7,84,72,588.20 and 7,90,90,991.43	Not Applicable
General Remarks		There were total 12 vehicles are present out of which only 8 vehicles are insured but other 4 vehicles were not insured.		The mangement should take necessary steps.
		Medical advance register is not maintained by the organisation.		
		In GST Register amount of GST charged is not bifurcated. The register was not maintained properly.		
		In few files it was observed that instead of originals vouchers, photocopies of the vouchers were enclosed		The mangement should take necessary steps.

मुख्य नगर पालिका अधिकारी
नगर पालिका भवन अमरावडी



NAGAR PALIKA PARISHAD AMARWADA
Main Cash Book
Receipt & Payment Account
For the Year Ended 31st March 2022

Receipts	Amount	Payments	Amount
To Opening Balance as per Audit Report (As per Annexure 'A')	9,90,70,606.88	By Revenue Expenditure (As per Schedule 3)	4,50,48,416.41
To Opening Balance FDR's	1,60,00,000.00	By Expenses on Construction of Fixed Assets	27,90,185.00
To Government Grants Received (Schedule 1)	6,81,54,806.00	By Security Deposit	6,21,280.00
To Revenue Income (Schedule 2)	98,08,490.00	By Royalty	3,37,543.00
To Interest from Banks	17,68,526.03	By Labour Welfare Fund	10,49,678.00
To Premium on Shops	65,75,256.00	By TDS (Income Tax)	5,31,165.00
To Specific Grants		By TDS on GST	5,93,192.30
15th Finance Commission	86,19,000.00	By HUDCO Loan Repayment	1,96,537.00
		By Transfer to Health Department	1,33,600.00
		By Sambal Yojana	5,00,000.00
		By PMAY	4,67,22,500.00
		By UIDSSMT	1,70,00,000.00
		Balance as per cash book	7,84,72,588.20
		Closing Balance FDR's	1,60,00,000.00
Total	20,99,96,684.91	Total	20,99,96,684.91

DATE : 18/01/2023

गुण गाँव पाँडेवा अफिसरी
गाँव पाँडेवा अफिसरी



Forwarded

CA Vineet Parwani
(MRN : 4309333)

For MSVP & Company
(Chartered Accountants)
(FRN : 021879C)

**SCHEDULE-1
GRANTS RECEIVED**

Particulars	Amount
Mulbhut Grant	33,22,000.00
Grants from Central Government	22,08,000.00
Grant For Road R&M	22,58,000.00
Mudrank Shulk	18,22,819.00
Nirvat Kar	1,37,000.00
Octroi Comepnsation	1,49,51,737.00
Ralya Vitt Avog	13,45,000.00
Yatri Kar	16,59,000.00
UIDSSMT Water	1,61,88,000.00
PMAY	2,28,63,250.00
CM Adhosanrachana Phase 3	14,00,000.00
Grand Total	6,81,54,806.00

**SCHEDULE-2
REVENUE INCOME**

Particulars	Amount
Advertisement Fees	1,65,609.00
Application Fees	7,76,458.00
Building Construction & Regularisation Fees	4,74,741.00
Consolidated Tax	2,50,881.00
Development Tax	2,51,912.00
Education Cess	97,736.00
Licensing Fees	1,10,459.00
Mutation Charges	5,99,851.00
Nal Shifting Charges	81,490.00
Other Income	1,03,568.00
Penalties & Fines	9,43,784.00
Property Tax	11,43,539.00
Rent From Market	22,66,280.00
Rent from Shops & Community Hall	32,346.00
Rent From Stadium	5,06,500.00
Sambal Yojana	20,03,336.00
Water Tax	
Grand Total	98,08,490.00

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नगर पालिका परिषद अनरवाड़ा



**SCHEDULE-3
REVENUE EXPENDITURE**

Particulars	Amount
Advertisement Expenses	2,18,692.00
Audit Fees	2,76,700.00
Bank Charges	40,404.82
Cleaning Material	6,64,084.00
Computer Stationery & Consumables	2,20,557.00
Consultancy Expenses	91,845.00
Cultural Events	2,19,038.00
Electricity Expenses	78,26,481.00
Fuel Expenses	26,37,650.00
Vehicle Insurance	1,31,360.00
Medical Expenses	1,84,334.00
Misc Expenses	2,956.00
Pension Fund	6,15,861.00
Photocopy Expenses	53,032.00
Printing & Stationery	3,33,978.00
Provident Fund Contribution (Employee & Employer's)	23,08,617.00
Repair & Maintenance (Buildings)	6,02,257.00
Repair & Maintenance (Civic Amenities)	1,81,377.00
Repair & Maintenance (Furniture)	98,400.00
Repair & Maintenance (Infrastructure Assets)	83,299.00
Repair & Maintenance (Office Equipment)	5,12,156.00
Repair & Maintenance (Others)	11,24,631.00
Repair & Maintenance (Vehicles)	18,33,445.00
Salary & Wages	1,89,27,347.60
Sambal Scheme Expenses	5,06,500.00
Telephone Expenses	47,752.12
Travelling & Conveyance	3,59,174.00
Water Works Expenses	45,23,729.00
Other Expenses	4,22,758.87
Grand Total	4,50,48,416.41

**SCHEDULE-4
FDR's**

Particulars	Amount	
	Opening	Closing
UCO BANK CHHINDWARA	10,00,000.00	10,00,000.00
UCO BANK CHHINDWARA	10,00,000.00	10,00,000.00
UCO BANK CHHINDWARA	10,00,000.00	10,00,000.00
UCO BANK CHHINDWARA	10,00,000.00	10,00,000.00
UCO BANK CHHINDWARA	20,00,000.00	20,00,000.00
Satpura Narmada Kshetriya Gramin Bank	20,00,000.00	20,00,000.00
Satpura Narmada Kshetriya Gramin Bank	10,00,000.00	10,00,000.00
Satpura Narmada Kshetriya Gramin Bank	25,00,000.00	25,00,000.00
Satpura Narmada Kshetriya Gramin Bank	10,00,000.00	10,00,000.00
Central Madhya Pradesh Gramin Bank	5,00,000.00	5,00,000.00
Central Madhya Pradesh Gramin Bank	10,00,000.00	10,00,000.00
Central Madhya Pradesh Gramin Bank	10,00,000.00	10,00,000.00
Central Madhya Pradesh Gramin Bank	10,00,000.00	10,00,000.00
Central Madhya Pradesh Gramin Bank	10,00,000.00	10,00,000.00
Grand Total		1,60,00,000.00

DATE : 18/01/2023

For MSVP & Company
(Chartered Accountants)
(FRN : 021879C)



Vineet Parwani
CA Vineet Parwani

(MRN : 430933)

मुख्य नगर पालिका अधिकारी

NAGAR PALIKA PARISHAD AMARWADA
Annexure-A

Bank Account No	Bank Name	Opening Balance as per Audit Report	Opening Balance as per Passbook	Difference in Opening Balance	Closing balance as per Passbook
3231273076	Central Bank Of India	1,87,324.00	1,87,324.00	-	1,95,644.00
1977549178	Central Bank Of India	61,71,862.80	61,71,862.80	-	30,87,544.50
2485020000547	Bank of Baroda	23,01,302.65	23,01,302.65	-	42,18,205.50
11275200153	State Bank Of India	31,88,454.62	31,88,454.62	-	35,70,840.35
53025210542	State Bank Of India	1,53,27,598.80	1,53,27,598.80	-	1,66,35,936.04
200411030022522	Madhya Pradesh Gramin Ba	65,09,999.51	65,09,999.51	-	70,79,754.51
3570034368	Central Bank Of India	2,37,02,130.10	2,37,02,130.10	-	27,917.10
200411030026964	Madhya Pradesh Gramin Ba	1,54,62,164.55	1,54,62,164.55	-	1,58,92,108.55
24850100022534	Bank of Baroda	25,26,729.95	25,26,729.95	-	25,00,441.95
917010031497460	Axis Bank	1,78,10,321.00	1,78,10,321.00	-	1,84,16,581.00
FD -MMSVAY	Axis Bank	40,00,000.00	40,00,000.00	-	40,00,000.00
200411010000092	Madhya Pradesh Gramin Ba	58,82,718.90	58,82,718.90	-	34,66,017.93
Total as per passbook		9,90,70,606.88	10,30,70,606.88	-	7,90,90,991.43
Total as per cashbook					7,84,72,588.20

DATE : 18/01/2023

For MSVP & Company
(Chartered Accountants)



(Signature)
CA Vineet Parwani
(MRN : 430933)

(Signature)
CA Vineet Parwani
(MRN : 430933)

Main Cashbook
Bank Reconciliation from Cashbook To Passbook

Particulars	Amount	Amount
Balance as per Cashbook		
Add: Account Of Sambhal Yojana CBI A/c No. 3231273076 not included in cashbook	1,95,644.00	784,72,588.20
Add: Miscellaneous receipts not recorded in cashbook	4,22,759.23	6,18,403.23
Balance as per Passbook		7,90,90,991.43

DATE : 18/01/2023

मुख्य नगर पालिका अधिकारी
नगर पालिका धर्मपद अवरवाडा



For MSVP & Company
(Chartered Accountants)
(FRN : 021879C)

CA Vineet Parwani
CA Vineet Parwani
(MRN : 430933)