MILIND NYATI & CO
CHARTERED ACCOUNTANTS

515, Fortune Ambience,
4/2 South Tukoganj,
Near Surya Hotel
Indore – 452 001 (M.P.)
Ph. : 7987199145/9826054571

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
NAGAR PALIKA
SENDHWA DIST.BADWANI

Report on the Financial Statements

We have audited the accompanying financial statements of NAGAR PALIKA SENDHWA DIST. BARWANI which comprise the income and expenditure for the year ended 31/03/2022 and other explanatory statement.

Management Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the council. This responsibility includes 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.

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 the standards on auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from misstatements.

An Audit involves performing procedure to obtain audit evidence about the amounts and disclosure in the financial statements. The procedure selected depends upon auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In

MILIND NYATI & CO * CHARTERED ACCOUNTANTS FRN REG. NO. 014453C

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making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances. 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 financial statements.

We believe that audit evidence we have obtained id sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our Opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the ULB in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In case of the income and expenditure, of the income & expenditure for the year ended on that date;

(b) In the case of the Receipts & payment Account, source and application of funds for the year ended 31st March, 2022.

Place: Indore
Date: 23.09.2022

For Milind Nyati & Co.
Chartered Accountants
FIRM REG.No.014455C

MILIND NYATI & COMPANY
FRM
REG. NO.
014455C
CHARTERED ACCOUNTANTS

CA Pooja Garg
Partner
M.No.428482
UDIN: 22428482AYPCNE3836

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NAGAR PALIKA PARISHAD [20-21]

KARUNA HOSPITAL ROAD, SENDHWA

Balance Sheet

1-Apr-2021 to 31-Mar-2022

Liabilities	Amount		Assets	Amount	
30- Municipal General Fund		238507436	**41-00 Fixed Assets**		421136350
310- Municipal Fund	*238507436*		410-00 Fixed Assets	*402951376*	
31- Earmarked Funds		14679428	411- Accumulated Deprecation	*-180047492*	
310- Sanchit Nidhi	*14679428*		*412-00 Capital Work in Progress*	*198232466*	
320- Grants & Contribution		30056871	**04-BANK BALANCES**		41307008
32010- Grants & Contribution for Specific Purposes	*30056871*		Axis Bank	*2345583*	
330- Reserves		237124239	MP Grameen Bank	7456389	
310- Capital Contribution	*237124239*		State Bank of India	30034647	
330- Secured Loans		10473642	Uco Bank	1470390	
33030-Loan From Govt Bodies & Association	*10473642*				
340- Deposits Recevied		82381650	**04-OTHER CASH BOOK**		1833203
340- Deposits Received.	*82381650*		*04-SANCHIT NIDHI CASH BOOK*	*1833203*	
360- Provisions		3294560	**350- Other Liabilties Sundry Creditors**		83445968
36010- Provisions for Expenses	*3294560*		350- Other Liabilties	*83447342*	
			03-SARTHAK COMPUTER & STATIONARY INDORE	*-1374*	
Profit & Loss A/c		4000112	**420- Investments Other Funds**		5447781
Opening Balance	*20433142*		*42120- State Government Securities*	*5447781*	
Current Period	*-16433030*		**430- Stock in Hand**		17202404
			43010- Stores Loose	*17202404*	
			431- Receivables		29082581
			431 - Sundry Debtors	*29082581*	
			Loan & Advances (Assets)		21062644
			460- Loans,Advances and Deposits	*21062644*	
Total		620517939	**Total**		620517939

Date: 23.09.2022

Place: Indore

For Milind Nyati & Co

Chartered Accountants

FRN 014455C

MILIND NYATI & COMPANY * FRM REG. NO. 014455C * CHARTERED ACCOUNTANTS

Partner

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नगर पालिका परिषद, सेंधवा.

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NAGAR PALIKA PARISHAD [20-21]

KARUNA HOSPITAL ROAD, SENDHWA

Receipts and Payments

1-Apr-2021 to 31-Mar-2022

Receipts	Amount		Payments	Amount	
Opening Balance		43205898	**Payment of Liabilities**		37246194
Bank Accounts	43205898		Duties & Taxes	988052	
Direct Incomes		4473088	Sundry Creditors	36258142	
01- Niryat Kar Anudan	2715000		**41-00 Fixed Assets**		83316
01-Stamp Duty Anudan	31757		410-00 Fixed Assets	83316	
01-Yatri Kar Anudan	1726331		**Direct Expenses**		133209533
Direct Expenses		5376	02-Audit Fees Exp.	32000	
2- Sthapna Vyay	5376		02-Death Cum Benefeet	3010000	
Indirect Incomes		1754565	02-E-Nagar Palika Software Exp.	13500	
03-Nal Connection	1754565		02-Legal Fees Exp	55000	
1- Revenue Income		77576961	02-Office Exp.	145360	
11080 - Other Taxes & Fees	8115094		02-Own Programe Exp.	824682	
120- Assigned Revenue & Com	64454127		02-Photo Copy Exp.	9989	
130-Rent Income From Muncipa	145636		02- Street Light /Electric Rel Exp.	501705	
171 - Interest Earned	807312		03-Milind Nyati & Co.	70200	
180 - Other Income	4054792		2- Adv. Exp	749059	
320- Grants & Contribution		81676643	2-Bank Charges Exp.	25966	
32010- Grants & Contribution fo	81676643		2-Election Rel. Exp.	90108	
340- Deposits Received		170000	2- Electricity Bill Exp.	19682602	
340- Deposits Received	170000		2-E-Tendering Exp.	129500	
350- Other Receipts		35162616	2- Internet Exp.	51068	
350- Other Receipts	35162616		2- Jcb Hire Exp.	104200	
			2-Misc. Expenses A/C	1074252	
			2-Parshad Mandey A/C	510000	
			2- Printing And Stationary Exp.	200630	
			2- Repairing & Maintanance	2938637	
			2- Sewerage Rel. Exp.	863640	
			2- Soundaryakaran Exp.	194016	
			2-Travelling Exp.	391522	
			2- Sthapna Vyay	101541898	
			04-OTHER Expenses		2436648
			04-Sanchit Nidhi Cash Book	2433203	
			180 - Other Expenses	3445	
			330- Loan Repaid		428344
			33030-Loan From Govt Bodies &	428344	
			340- Deposits Refunded		6512151
			340- Deposits refunded	6512151	
			350- Other Payments		22801952
			035010- Mateen Fill & Station Ser	132620	
			03-Sarthak Computer & Stationar	52626	
			35010- A.B.R. Technology Servic	194350	

MILIND NYATI & CO. CHARTERED ACCOUNTANTS

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			35010- Advantage Eque Fund Ltd	391617	
			35010- Arneja Auto Center,Sendh	5983385	
			35010- Besic Comercial Indore	1467692	
			35010- Gomati Enterprises Sendh	2326260	
			35010-Malti Enterprises Indore	505096	
			35010- Navbharat Dainik Samach	138611	
			35010-Prajapati Furnitur Sendhwa	59800	
			35010- Rajesh Singnor Dhamnod	1486541	
			35010- R.K. Construction,Niwali(C	6186246	
			35010-Shiv Copper House, Sendh	219137	
			35010- Spick Indore	130983	
			35010- Star West Management &	350840	
			35010- Surya Electronics Sendhw	224636	
			35010- Tirupati Industries,Barwan	69201	
			35010- Veer Arjun Industries,Bho	1545737	
			350- Other Liabilties paid	1336574	
					41307008
			Closing Balance		
			Axis Bank	2345583	
			MP Grameen Bank	7456389	
			State Bank of India	30034647	
			Uco Bank	1470390	
Total		**244025147**	**Total**		**244025147**

Date: 23.09.2022
Place: Indore

For Milind Nyati & Co
Chartered Accountants
FRN 014455C

Partner

MILIND NYATI & COMPANY
FRM REG. NO. 014455C
CHARTERED ACCOUNTANTS

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NAGAR PALIKA PARISHAD [20-21]

KARUNA HOSPITAL ROAD, SENDHWA

Profit & Loss A/c

1-Apr-2021 to 31-Mar-2022

Particulars	Amount		Particulars	Amount	
Direct Expenses		128354293	**Direct Incomes**		187332156
2- Sthapna Vyay	107668297		Niryaat Kar Anudaan	2715000	
02- Street Light	7652008		Stamp Duty Anudaan	31757	
2- Fuel Purchased	5983385		Yaatri Kar Anudaan	1726331	
2- Jcb Hire Exp.	236820		120- Assigned Revenue & Compensations	116299127	
2-Pole Shifting Expenses	2758850		130-Rent Income From Muncipal Properties	1642273	
2-Parshad Mandey A/C	510000		160 - Revenue Grant, Contribution & Subsidies	30035060	
2- Sewerage Rel. Exp.	1924364		110 - Rate & Tax Revenue	34882608	
2- Soundaryakaran	1620569				
Indirect Expenses		98777518	**Indirect Incomes**		23366626
02-D.P.R. Making Exp	2563630		01- Int. Received On F.D.	8638008	
02-E-Nagar Palika S/W	15000		03-Nal Conection S.D.	1754565	
02-Legal Fees	55000		11080 - Other Taxes & Fees	8115094	
02-Office Exp.	145360		171 - Interest Erned	807348	
02-Own Programe Exp.	1093406		180 - Other Income	4051611	
02-Photo Copy Exp.	9989				
02-Audit Fees Exp.	108700				
02-Death Cum Benefit	3010000				
2- Adv. Exp	895582		**Nett Loss**		16433030
2-Bank Charges	25966				
2-Election Rel. Exp.	90108				
2- Electricity Exp.	70484602				
2-E-Tendering Exp.	129500				
2- Internet Exp.	51068				
2-Misc. Expenses A/C	1088752				
2- Printing And Stationary Exp.	200630				
2- Repairing & Maintanance	18418704				
2-Travelling Exp.	391522				
Total		227131811	**Total**		227131811

Date: 23.09.2022

Place: Indore

For Milind Nyati & Co

Chartered Accountants

FRN 014455C

MILIND NYATI & COMPANY
FRM REG. NO. 014455C
CHARTERED ACCOUNTANTS

Partner

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NAGAR PALIKA PARISHAD [20-21]

KARUNA HOSPITAL ROAD, SENDHWA

Cashflow Statement

1-Apr-2021 to 31-Mar-2022

Cash Inflow	Amount		Cash Outflow	Amount	
Opening Balance		43205898	**Payment of Liabilities**		37246194
Bank Accounts	43205898		Duties & Taxes	988052	
Direct Incomes		4473088	Sundry Creditors	36258142	
01- Niryat Kar Anudan	2715000		**41-00 Fixed Assets**		83316
01-Stamp Duty Anudan	31757		410-00 Fixed Assets	83316	
01-Yatri Kar Anudan	1726331		**Direct Expenses**		133209533
Direct Expenses		5376	02-Audit Fees Exp.	32000	
2- Sthapna Vyay	5376		02-Death Cum Benefeet	3010000	
Indirect Incomes		1754565	02-E-Nagar Palika Software	13500	
03-Nal Connection	1754565		02-Legal Fees Exp	55000	
1- Revenue Income		77576961	02-Office Exp.	145360	
11080 - Other Taxes & Fees	8115094		02-Own Programe Exp.	824682	
120- Assigned Revenue & Com	64454127		02-Photo Copy Exp.	9989	
130-Rent Income From Muncipa	145636		02- Street Light /Electric	501705	
171 - Interest Earned	807312		03-Milind Nyati & Co.	70200	
180 - Other Income	4054792		2- Adv. Exp	749059	
320- Grants & Contribution		81676643	2-Bank Charges Exp.	25966	
32010- Grants & Contribution fo	81676643		2-Election Rel. Exp.	90108	
340- Deposits Received		170000	2- Electricity Bill Exp.	19682602	
340- Deposits Received	170000		2-E-Tendering Exp.	129500	
350- Other Receipts		35162616	2-Misc. Expenses A/C	6327965	
350- Other Receipts	35162616		2- Sthapna Vyay	101541898	
			04-OTHER Expenses		2436648
			04-Sanchit Nidhi Cash Book	2433203	
			180 - Other Expenses	3445	
			330- Loan Repaid		428344
			33030-Loan From Govt Bodies &	428344	
			340- Deposits Refunded		6512151
			340- Deposits refunded	6512151	
			350- Other Payments		22801952
			Closing Balance		41307008
Total		244025147	**Total**		244025147

Date: 23.09.2022

Place: Indore

For Milind Nyati & Co

Chartered Accountants

FRN 014455C

MILIND NYATI & COMPANY FRM REG. NO. 014455C CHARTERED ACCOUNTANTS

Partner

मुख्य नगर पालिका अधिकारी

नगर पालिका परिषद, सेंधवा

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NAGAR PALIKA SENDHWA

Bank Reconciliation Statement

Financial Year 2021-22

AXIS BANK, Sendhwa - Ac No. - 0191

Balance as per Cash Book	2345582
Less:	
Cheque received but not deposited in Bank	537072
Balance as per Bank	1808510

MP GRAMEEN BANK, Sendhwa - Ac No. 0084

Balance as per Cash Book	7456388
Add:	
Paribhashik Pension Amount	156221
Tejas Shah	5000
Less:	
Amount not deposited	60248
Balance as per Bank	7557361

STATE BANK OF INDIA, Sendhwa - Ac No.. 6893

Balance as per Cash Book	30034646
Add:	
TDS & LWP not deposited till 31.03.22	171629
Balance as per Bank	30206275

UCO Bank, Sendhwa - Ac No - 002

Balance as per Cash Book	1470390
Balance as per Bank	1470390

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Revised Abstract Sheet for Reporting of Audit Paras for the Financial Year 2021-22.

Name of ULB - Sendhwa

Name of Auditor - Milind Nyati & Co

Sr. No.	Parameters	Description			Remarks / Observations in Brief	Suggestions
1	**Audit of Revenue**					
राजस्व कर वसूली		**Receipts in Rs.**				
		2020-21#	**2021-22***	**% of Growth**		
i.	संपत्तिकर (Property Tax)	1,17,39,874	1,57,67,799	34.31%	Recovery of Property Tax has increased. Old dues are duly recovered in Current Year.	-
ii.	समेकितकर (Consolidate Tax)	12,91,115	17,44,461	35.11%	Recovery of Consolidated Tax has increased.	-
iii.	नगरीय विकास उपकर (Urban Development Cess)	24,47,465	28,32,673	15.73%	Recovery of Urban Development Cess has increased. Old dues are duly recovered in Current Year.	-
iv.	शिक्षा उपकर (Education Cess)	4,47,462	5,61,482	25.48%	Recovery of Education Cess has increased.	-
	कुल योग	**1,59,25,916**	**2,09,06,415**	**35.27%**	-	-

MILIND NYATI & COMPANY FIRM REG. NO. 014....C CHARTERED ACCOUNTANTS

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नगर पालिका परिषद, सेंधवा

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गैर राजस्व वसुली						
v.	भवन-भुमि किराया (House Rent)	18,40,209.00	14,87,945	(19.14%)	Recovery of House Rent has reduced.	Nagar Palika should take steps to recover the dues on timely basis.
vi.	जल उपभोक्ता प्रभार (Water Consumer Charges)	80,74,123.00	1,03,40,726	28.01%	Recovery of Water Consumer Charges has increased.	-
vii.	ठोस उपरिश्ष्ट प्रवंधन उपभोक्ता प्रभार (Solid Waste Management Consumer Charges)	-	-	-	-	-
viii.	अन्य कर/शुल्क Other Tax)	-	-	-	-	-
	कुलयोग	**99,14,332**	**1,18,28,671**	**19.31%**		
	महायोग	**2,58,40,248.00**	**3,27,35,086**	**26.68%**		
	# Figures for FY (2020-21) are taken from Vasuli Patrak for the FY 2020-21. * These figures are taken from Vasuli Patrak for the year 2021-22 provided by Nagar Palika Sendhwa.					

MILIND NYATI & COMPANY * CHARTERED ACCOUNTANTS * FIRM REG. NO. 014456C

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Sr. No.	Parameters	Description	Remarks / Observations in Brief	Suggestions
2	**Audit of Expenditure**	Electricity and other expenses	Electricity and other expenses are accounted for in the books on cash basis.	All the expenses should be booked on accrual basis.
	Audit of Book Keeping	Vouchers	We have checked voucher on sample basis and found the same arranged in chronological order and duly signed by the Adyaksh.	-
		Pradhan Mantri AvaasYogna Register	We have randomly checked the same found in order.	-
		Fixed Asset Register	Fixed Asset Register is not maintained. There are no records as to number of fixed assets purchased during the year, deprecation charged during the year, Assets held for disposal and hence same cannot be commented upon.	Fixed assets register should be maintained properly.
4	**Audit of FDR**	FDR	Interest on FDR is booked only at the time of liquidation, same needs to be done on accrual basis as per interest certificate provided by the bank.	Should be accounted for on accrual basis.

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5	**Audit of Tender/ Bids**	E- Tendering is applicable for all the tenders above Rs.1,00,000.00 For tenders below Rs.1,00,000.00 table quotations were submitted by prospective contractors (At least 3). Nagar Palika after considering all the quotations, gives the contract to the competent contractor.	As per our sample check, contracts were generally allotted to contractors through tender/ bids and the process is duly conducted by the competent official. However in few instances e-tendering norms are not followed by the council.	Nagar Palika should assess quotations and compare quoted prices from market/ E-platforms before purchasing anything.
6	**Audit of Grants and Loans**	Grants received by the government with clarification as to where the amount granted has to be utilized.	Grant register is maintained by the Council. All the receipt and payment entries are duly made in the register and also verified form the entries in Cash Book. However, in lieu of separate bank accounts for the same it is not possible for us to verify whether the amount is solely being used for the purpose of concerned grant or not..	➢ Separate ledgers and bank account should be prepared for usage of grants, so that it can be identified whether the grant has been used for the specified purpose. ➢ Proper classification of each entry should be prepared, so each and every entry is tailed with statements.

MILIND NYATI & COMPANY * CHARTERED ACCOUNTANTS FRM REG. 014456C

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7	**Incidences relating to diversion of funds from capital receipts/ Grants/Loans to revenue nature expenditure and from one scheme/project to another**	Classification of capital and revenue receipts and expenditures.	Since separate records for utilization of grants were not maintained by the Nagar Palika and proper classification was not made in capital and revenue receipts and expenses, we are unable to comment upon the incidences relating to diversion of funds from capital receipts/ Grants/Loans to revenue nature expenditure and from one scheme/project to another. Only bank statement was available which didn't provide clarification regarding use of grant received.	Proper classification should be done in receipt and payment account of revenue and capital receipts and revenue and capital expenditure.
8	**a) Percentage of revenue expenditure (Establishment, Salary, Operations and Maintenance) with respect to revenue receipts excluding Octroi, Entry tax, Stamp duty and other grants etc.**	75%	As double entry system is not followed and proper classification is not done under various heads in Receipts and Payments Account, we are able to only give approximate % of revenue expenditure incurred and revenue receipts.	Proper classification should be done in receipt and payment account of capital and revenue expenditure.

MILIND NYATI & COMPANY CHARTERED ACCOUNTANTS FRN REG.NO. 014435C

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नगर पालिका परिषद, सेंधवा.

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	b) Percentage of capital expenditure with respect to total expenditure	25%	As double entry system is not followed and proper classification is not done under various heads in Receipts and Payments Account, we are giving approximate % of capital expenditure incurred out of the total expenditure.	Proper classification should be done in receipt and payment account of capital and revenue expenditure.
9	**Whether all the temporary advances have been fully recovered or not.**	Temporary advances are only given to staff on certain occasions for a period of not more than 3-4 months and are recovered from their salaries in subsequent months.	As informed to us, temporary advances given to staff are generally adjusted.	-
10	**Whether the Bank Reconciliation Statement have been prepared regularly.**	Yes, Bank Reconciliation statement is prepared every month. Generally, all the transactions are done through NEFT and RTGS.	BRS have been verified from the records of ULB and bank concerned. All the differences are identified and reconciled by the council.	Amount revived should be identified and accounted for.

MILIND NYATI & COMPANY * CHARTERED ACCOUNTANTS * REG. NO. 014455C

मुख्य नगर पालिका अधिकारी
नगर पालिका परिषद, सेंधवा.

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11.	**Any Other Observation**	Income Tax (आयकर)	As per our test check, statutory provisions with respect to Income Tax are generally complied with..	
		GST (Goods and Service Tax)	Delay in payment of GST has been observed.	GST payment should be done on timely basis and return should be filed.
		Other Observation	Balances of Receipt and payment account have not matched with Tax Recovery Sheet provided by the Nagar Palika. **(For details refer Annexure – I and enclosed tax recovery sheet)**	

For MILIND NYATI & CO
Chartered Accountants

MILIND NYATI & COMPANY * CHARTERED ACCOUNTANTS * FRM REG 014455C

Partner

Address of Auditor (CA) - Milind Nyati & Co, Chartered Accountants, 515, Fortune Ambience, 4/2 South Tukoganj, Indore -452001

Contact No. - 9826054571

Email ID - milindnyati@yahoo.co.in

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नगर पालिका परिषद, सेंधवा.

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Annexure – I

Name of Tax	Amount as per Tax Recovery Sheet (A)	Amount as per Receipt and Payment Account (B)	Variation (A-B)
संपत्तिकर (Property Tax)	15767799	16347223	579424
समेकितकर (Consolidate Tax)	1744461	1658111	-86350
नगरीय विकास उपकर (Urban Development Cess)	2832673	3093272	260599
शिक्षा उपकर (Education Cess)	561482	572737	11255
भवन-भुमि किराया (House Rent)	1487945	1588315	100370
जल उपभोक्ता प्रभार (Water Consumer Charges)	10340726	1046722	126474
Total	**3,27,35,086**	**3,37,26,858**	**9,91,772**

*Information of Sanitation Tax has not provided by the Nagar Palika Sendhwa.

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Auditor's Scope of Work

S No.	Particulars	Auditor's Comments
➢ **Audit of Revenue**		
1)	The auditor is responsible for revenue from various sources.	We have verified revenue on random sampling basis from various sources.
2)	He is also responsible to check the revenue receipts from counterfoils of receipts books and verify that money is duly deposited in the bank account.	We have verified revenue receipts on random sampling basis from counterfoils of receipts books and observed that money is duly deposited in the bank account in time.
3)	% of revenue collection increase/ decrease in various heads like property tax, Samekitkar, Shiksha Upkar, Nagariya Vikas Upkar and other tax, compared to previous year shall be part of report.	All the increase and decrease in terms of figures and % have been reported in the abstract sheet.
4)	Delay beyond two working days shall be immediately brought to notice of Commissioner/CMO.	No such major delay has been observed barring few.
5)	The entries in cash book shall be verified.	Entries in cash book have been verified on random sampling basis.

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6)	The auditor shall specifically mention in the report, the revenue recovery against the quarterly and monthly targets. Any lapses in revenue recovery shall form part of the report.	Recovery has slightly decreased during the FY 2021-22. Nagar Palika should ensure timely recovery of revenue. Revenue recovered as per Receipt and Payment account for the year 2021-22 is not matching with Tax recovery sheet provided by the Nagar Palika, the same has been reported in abstract sheet and Annexure – I. **Please Refer Abstract Sheet for details.**
7)	The auditor shall verify the interest income from FDR's and verify that interest income is duly and timely accounted for in the cash book.	Interest on FDR is booked only at the time of liquidation, same needs to be done on accrual basis as per interest certificate provided by the bank.
8)	The cases where, the investments were made on lesser interest rates shall be brought to the notice of CMO.	No such cases were observed where the investments were made on lesser interest rates.
➢ **Audit of Expenditure**		
9)	The auditor is responsible for audit of expenditure under all the schemes.	We have audited the expenditures on random sampling basis under the schemes.

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10)	He is also responsible for audit of checking the entries in cash book and verifying them from relevant vouchers.	We have verified the same on random sampling basis.
11)	He should also check monthly balances of the cash book and guide the accountant to rectify errors, if any.	We have checked monthly balances of the cash book and no discrepancies were observed.
12)	He shall verify that the expenditure for a particular scheme is limited to the funds allotted for that scheme.	We have verified that the expenditure for a particular scheme is limited to the funds allotted for that scheme on random sampling basis and discrepancies are reported in Abstract sheet.
13)	He shall also verify that the expenditure is in accordance with the guidelines, directive acts and rules issued by the government.	In the absence of guidelines, directive acts and rules issued by the government of India/State government, it was not possible for us to verify whether expenditure is in accordance with the such guidelines.
14)	During the audit of financial propriety shall also be checked. All the expenditure shall be supported by financial and administrative sanctions accorded by competent authority.	Expenditures were duly supported by invoices and bills and were sanctioned by competent authority. **Please Refer Abstract Sheet for details.**
15)	All the cases where appropriate sanctions have not been obtained shall be reported and the compliance of audit observations shall be ensured during the audit and non-compliance shall be brought to notice of CMO.	We have observed that appropriate sanctions have been obtained for incurring expenditures.

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16)	The auditor shall verify that all temporary advances have been fully recovered.	As informed to us, there were no temporary advances given to staff.
➢ Audit of Book Keeping		
17)	The auditor is responsible for audit of all books of accounts as well as stores.	The Audit has been conducted on the basis of Books of Accounts, Records and information & Explanation provided to us by the Auditee. 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.
18)	He shall verify that books and stores are maintained as per Accounting rules applicable to urban local bodies.	Yes Books of Accounts are maintained as per Accounting rules applicable to urban Local bodies.
19)	The auditor shall verify advance register and should see that whether all the advances are timely recovered as per conditions of advance.	No advance is granted during the period under review hence no advance register is maintained by the Nagar Palika, Sendhwa.
20)	BRS shall be verified from the records of ULB and bank concerned.	BRS have been verified from the records of ULB and bank concerned. Observations are mentioned in Abstract Sheet.
21)	He shall be responsible for verifying the entries in the Grant register. The receipts and payments of grants shall be duly verified from entries in cash book.	Grant register has not been provided to us, however Grant as per treasury statement is verified with Receipt and Payment account and discrepancies were reported in Abstract sheet.

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22)	The auditor shall verify the fixed asset register form other records	Fixed Asset Register is not properly maintained, only quantity of items mentioned in Register. There were no opening figures, number of fixed assets purchased during the year, depreciation charged during the year, Asset held for disposal and hence same cannot be commented upon.
23)	The auditor shall reconcile accounts of receipts and payments especially for project funds.	We have verified the reconciliation of the accounts of receipts and payments for project funds from respective documents on random sampling basis.
➢ **Audit of FDR**		
24)	The auditor is responsible for audit of all FD's.	Interest on FDR is booked only at the time of liquidation, same needs to be done on accrual basis as per interest certificate provided by the bank.
25)	It shall be ensured that proper records of FDR's are maintained and all renewals are timely done.	Proper records of FDR's are maintained and all renewals are done on timely basis.
26)	The cases where FDR's are kept at low rate of interest than the prevailing rate shall be immediately brought to the notice of CMO.	No such case observed.
27)	Interest earned on FDR shall be verified from entries in cash book.	We have randomly verified interest earned and found the same in line.
➢ **Audit of Tender/ Bids**		
28)	The auditor is responsible for audit of all tender and bids.	We have verified the tender and bids on random sampling basis.

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29)	He shall check whether competitive tendering process is followed	E- Tendering is applicable for all the tenders above Rs.1,00,000. For tenders below Rs.1,00,000 table quotations were submitted by prospective contractors (At least three quotes). Nagar Palika after considering all the quotations, gives the contract to the competent contractor as per defined rules.
30)	He shall verify the receipts of tender fees both during construction and maintenance period.	We have verified the same on random sampling basis.
31)	The BG's, if received in lieu of bid processing fee shall be verified from issuing banks.	No such Bank Guarantees were produced before us for verification.
32)	The conditions of BG's shall also be verified; any BG with any such condition against interest of ULB shall be checked and reported.	No such Bank Guarantees were produced before us for verification.
33)	The cases of extension of BG's shall be brought to the notice of CMO.	No such Bank Guarantees were produced before us for verification.
➢ **Audit of Grants and Loans**		
34)	The auditor is responsible for audit of grants given by CG and its utilization.	In lieu of separate records & bank accounts for the same it is not possible for us to verify whether the amount is solely being used for the purpose of concerned grant or not.
35)	The auditor is responsible for audit of grants given by SG and its utilization.	Grant received from the State Government is verified from Vistrat Nikayvaara Patrak and found correct. However, it is not possible for us to verify whether grant is used for specified purpose since no separate bank accounts are opened for all the grants by the council.

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36)	He shall perform audit of loans provided for physical infrastructure and its utilizations.	As informed to us, no loans provided during the year 202[illegible]-22. Further no such loans observed in trial balance and Receipt and Payment.
37)	The auditor shall specifically point out any diversion of funds from capital receipts, loans, grants to revenue expenditure and from scheme to another.	Since separate records for utilization of grants were not maintained by the Nagar Palika and proper classification was not made in capital and revenue receipts and expenses, we are unable to comment upon the incidences relating to diversion of funds from capital receipts/ Grants/Loans to revenue nature expenditure and from one scheme/project to another. Only bank statement was available which didn't provide clarification regarding use of grant received.
38_)	Any Other	1. It was observed that PF on salary is deducted but not paid in a timely manner by payment of challans. 2. In few instances e-tendering norms are not followed by the council. 3. In few instances it has been observed that payment against GST is made to the vendors whose GST registration are cancelled. 4. Payment of GST is delayed.

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