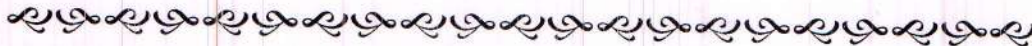


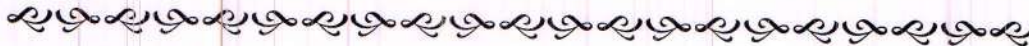
AUDIT REPORT

FOR THE PERIOD

01/04/2019 TO 31/03/2020



NAGAR PARISHAD
BAIRAD, DISTT SHIVPURI (M.P)



AUDITOR

JPAAG & ASSOCIATES

CA.Sarvesh Garg

Chartered Accountants

Behind Allahabad Bank, Near Arya Samaj Mandir

Arya Samaj Road, Shivpuri

Phone No. 07492-401985

Mob . No. 94257-15270



JPAAG & ASSOCIATES
CHARTERED ACCOUNTANTS

Behind Allahabad Bank
Near Arya Samaj Mandir
Arya Samaj Road
Shivpuri (M.P.)
Email-sarveshgarg17@yahoo.com
Mob. 9425715270

INDEPENDENT AUDITOR'S REPORT

To
Joint Director
Directorate, Urban Administration & Development, MP.

Report on the Financial Statements

We have audited the financial statements of Nagar Parishad, Bairad Distt-Shivpuri(MP) which comprise the Receipts & Payment Account and Income & Expenditure Account for the year ended as at 31.03.2020.

Management Responsibility for the financial statements

Management of the Nagar Parishad is responsible for the preparation of these Financial Statements that give true and fair view of the receipt and payment in accordance with Urban Local Bodies Act and Madhya Pradesh Municipalities Act, 1961. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit.

We have taken into account the provisions of the Act, the accounting standards and matters which are required to be included in the auditor's report under the provisions of the relevant act.

We have conducted our audit in accordance with 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 material mis-statement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for expressing an opinion on the effectiveness of the entity internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtain is sufficient and appropriate to provide a basis for qualified audit opinion.

Basis for Qualified Opinion

The Nagar Parishad has prepared its financial statements on the basis of single entry principle although the double entry principle has made mandatory to all urban local bodies since 01-04-2013. As it is practising single entry system of accounting balance sheet could not be formed as explained to us by the parishad .The Expenses were booked in cash book by the name of Taxes such as Commercial Tax, TDS, Labour Tax etc , these should be booked in their respective expenditure heads. Further there are many omission, commission & totalling errors in cash book.

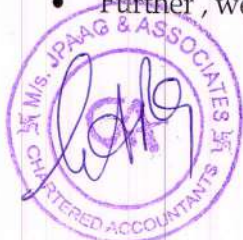
Qualified Opinion

In our opinion, and to the best of our information and according to the explanation given to us , except for the effects of the matter described in the basis of qualified opinion paragraph , the financial statement give the information required by the relevant act and give a true and fair view in conformity with the accounting principles generally accepted in India:-

1. In the case of Receipts and payments Account , of the Receipts & Payments for the year ended on 31st March 2020
2. In the case of Income & Expenditure Account , of the Excess of Income over Expenditure for the year ended on 31st March 2020

Report on other Legal and Regulatory Requirements

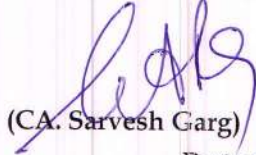
- As required by the order of Joint Director of Directorate, Urban Administration & Development, MP
- Further , we report that:-



- a. We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion proper books of account as required by law have not been kept by the Nagar Parishad Bairad , so far as appear from our examination.
- c. The receipt and payment are in agreement with cashier cash book and cash book maintained by the account officer.

For: JPAAG & ASSOCIATES

Chartered Accountants


(CA. Sarvesh Garg)

Partner



Membership No.:426968

FRN No : 013380C

Place: Shivpuri (MP)

UDIN:21426968AAAABI3984

COMMENTS TO AUDITOR REPORT ON THE BASIS OF AUDIT SCOPE

AUDIT OF REVENUE

- Checking of Revenue from various source such as Property Tax, Water Tax, SamekitKar, Education Cess, Rent, Interest and various funds has been done. The revenue receipts are checked on test basis from counter files of Receipt Book and was found satisfactory, all the receipts are properly recorded in Books and same are deposited in bank on next day except in case of bank and public holidays.
- Revenue receipts from counter foil are checked and found proper and in accordance with the rules. Receipt books are also maintained properly.
- The following errors related to income in the cash book were found:
 1. There is totalling error in connection with the cash book, which has been corrected in the cashbook during the year, which is inappropriate.
 2. The amount which is received directly in the bank account, the same is not being entered in the income register by the Council timely.
 3. No information or records were made available for Quarterly and Monthly revenue targets, so no opinion could be formed on any lapse in revenue recovery during the period. It is advised to have a proper record of Monthly and Quarterly Targets and proper action should be initiated towards the recovery and a separate committee of people should be set to achieve the revenue recovery Targets.
 4. Surplus funds by the Nagar Parishad, Bairad have not been invested in the form of Fixed Deposits.
 5. The double entry book keeping system is not implemented by the concerned Urban Local Body.
 6. During the audit, on verification of books and store on test check basis it was observed that the books and stock are maintained but not updated on regular basis, same is brought to the notice of CMO, Nagar Parishad, Bairad, and have assured that now onwards all the books will be updated timely.
 7. Surplus funds by the Nagar Parishad Bairad have not been invested in the form of short term Fixed Deposits.



AUDIT OF EXPENDITURE

- Checking of expenditure under all schemes has been done.
- All receipts and payments are duly authorized. During the audit, it was found that there was no practice of checking monthly balances which result in omission of entries such as saving bank Interest and Bank charges, thus it is suggested that the balances of cash book should be verified with bank balance on monthly basis.
- There is no one- to – one correlation between the receipt of grant and its corresponding utilization. Further in case of some grants there was no specific usage order (Sanction order) mentioned. Also no Utilisation Certificate provided to us.
- Observations related to the monthly balance of Cashbook:
 - In Cash book daily balances of all bank account are not mentioned.
 - Cash and bank balance in cash book are not being marked separately, due to which there is no clear description if any day cash is not deposited to bank.

AUDIT OF BOOK KEEPING

- Audit of Scheme Wise Cash book, Stock register, EMD register, Tender Register, Ledger has not been prepared.
- Accounting rules are followed during preparation of Books of accounts how ever all the books are maintained on single entry system.
- Accounts must be maintained on accrual basis on double entry system as per Madhya Pradesh Municipal Accounting Manual.(MPMAM). Interest on FDR is not accounted on Accrual Basis.
- Internal audit system should also be implemented for proper and timely reporting.
- Annual work plan must be prepared by ULB.
- No register has been formed in respect of the advances given to the council by its employees.
 - Fixed Asset register are not maintained by ULB and fixed assets are not numbered physically.



AUDIT OF FDR

- It is been observed that inspite of excess balances in bank, short term FDR has not been made on regular intervals which resulted in the revenue leakages to the council in the form of FDR Interest.
- FDR register in not properly maintained.
- FDR receipts not provided.

AUDIT OF TENDER

- Tendering Procedure has been followed for awarding tenders but it is being observed that:
- Tender register is not prepared properly.
- Condition of minimum technical experience in the tender process is not kept by the council, as a result, the council cannot ensure the minimum guarantee in the work done by the council tender.
- Competitive online E-tendering procedure is followed for Tenders more than Rs.2 lakhs.
- Tender Fees, form fees has been charged and EMD and performance guarantee are called by ULB and the same has been accounted properly.
- EMD registers are also prepared.
- No cases of Bank guarantees are found during the course of audit.
- No error has been observed in contract termination process.

AUDIT OF GRANTS & LOANS

- Audit of Grant received under different schemes such as 13th vityaayog, 14th vityaayog, MoolBhut, Chungi Shatipurti etc has been done by us.
- Schemewise Cash books are maintained by ULB and verified by us.
- During the audit we found that Grant Register has been prepared by the Council Properly.
- Diversion of funds are not found during the course of our audit.



OTHERS

- Statutory compliances are not followed by ULB. TDS, Commercial tax and Labour tax has been deducted and deposited in treasury but returns have not been filed for the same till date.
- Professional tax has been deducted and deposited however no details of return are available.
- The building rent register is not being updated on the basis of the daily register, which, as a result, exact information regarding the building rent recovery can't be obtained from the Building Rent Register. The register used for property tax, consolidated tax, urban development cess and education cess is not being updated on the basis of Daily Collection Register, as a result the exact information related to recovery can't be obtained from the register
- Single entry book keeping system should be migrated into Double entry book keeping system through use of certain accounting software such as TALLY.
- Separate bank registers should be made for each bank.
- The concerned Urban Local Body should close or make operative their non-operative bank accounts.
- Maintenance of registers to be compulsorily followed :-
 - a) Fixed Assets Register
 - b) Advance Tracking Register
 - c) Bank wise Cheque Issue Register
 - d) Grant register along with Sanction Letter.
 - e) Grant Utilization Register

For: JPAAG & ASSOCIATES
Chartered Accountants


(CA. Sarvesh Garg)
Partner

Membership No.: 426968
FRN No : 013380C
Place: Shivpuri(MP)
UDIN: 21426968AAAABI3984



NAGAR PARISHAD

BAIRAD, DISTT SHIVPURI (M.P)

RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDING 31st MARCH 2020

RECEIPTS		PAYMENTS	AMOUNT (Rs.)
<u>OPENING BALANCE</u>		<u>ADMINISTRATIVE EXPENSES</u>	
Cash at Bank	Rs. 120,199,864	Advertisemnet Expenses	Rs. 1,727,175
(As per Annexure A)		Audit Fees Local Fund	Rs. 2,747,628
Cash in Hand		Anteyesti Expense	Rs. 851,646
		Bank Charges	Rs. 1,665
<u>TAX REVENUE</u>		Broom Purchase Expenses	Rs. 85,260
Property Tax & Samekit Kar	Rs. 583,580	Bolder & Muram Expenses	Rs. 1,247,787
Water tax	Rs. 87,502	Cable & Pipes Purchase Expenses	Rs. 1,154,914
RTI Information Fees	Rs. 3,240	Computer & Printers Expenses	Rs. 8,349
		Diesel Expenses	Rs. 1,191,652
<u>ASSIGNED COMPENSATION</u>		Dutbin Purchase Expenses	Rs. 990,272
Grant for Chungi chati Perti	Rs. 21,185,180	Digital Signature Exp & Online	Rs. 37,000
		Tender Expenses	
		Election Expenses	Rs. 211,428
<u>RENTAL INCOME</u>		Electricity Expenses & DP Expense	Rs. 1,600,703
		Entertainment & Refreshment	Rs. 108,247
Shop Rents	Rs. 780,880	Expenses	
		Flex,Banner Expenses	Rs. 724,541
<u>FEES & CHARGES</u>		Festival Expense	Rs. 9,100
Asthai Vasuli	Rs. 200	Gst Tax	Rs. 1,213,128
Bazar bethak	Rs. 131,225	HandPump Repairing Expenses	Rs. 33,277
Earlier Year Receipts	Rs. 415,588	Income Tax	Rs. 1,598,298
Fire Brigade Fees	Rs. 51,846	JCB Rental Expenses	Rs. 664,199
Karmkar Mandal	Rs. 270	JCB Repair Expenses	Rs. 66,293
Panelty Income	Rs. 11,030	Jali ,Stand Expenses	Rs. 147,884
Rashan Card	Rs. 685	Legal Exp.	Rs. 175,941
Marriage Cerificate	Rs. 440	Munadi Expenses	Rs. 14,500
		Medicine Expenses(Including	Rs. 785,953
Namankran Shulk	Rs. 2,500	Kitnashak Medicines)	
Tender Form Fees	Rs. 358,000	Misc Expenses	Rs. 1,797,404
Water Tanker	Rs. 200	Nukkad Natak Expenses	Rs. 477,510
Vivid	Rs. 44,461	Paint & White Wash Expenses	Rs. 99,249
		PhotoCopy & Stationary Expenses	Rs. 246,977
<u>INTEREST EARNED</u>		Postal Ticket Expenses	Rs. 2,250
Interest on Saving A/c & FDR	Rs. 2,248,752	Photo & Videography Expenses	Rs. 9,500
		Plants Purchase Expenses	Rs. 19,700



मुख्य नगर पालिका अधिकारी
 नगर परिषद् बैराड़

<u>DEPOSITS</u>		Property Tax Collection contract Expense	Rs. 64,200
Shop Deposits & Other Deposits	Rs. 9,463,605	Royalty Tax	Rs. 931,362
<u>GRANT RECEIVED</u>		Repair Expenses	Rs. 1,276,778
Anteyesti Receipts	Rs. 150,000	Safai Karya	Rs. 385,874
Grant for Road Maintance	Rs. 1,312,000	Swachta Expenses	Rs. 151,525
Mudrank Shulk	Rs. 167,000	Sambal Yojana Expenses	Rs. 1,231,970
Mul Bhut	Rs. 3,947,000	Salary(Including GPF, Pension and Other)	Rs. 11,719,605
PM Awaas Yojna	Rs. 1,000,000	Sochalaya Cons Expenses	Rs. 1,276,011
Rajya Vith ayog	Rs. 6,435,000	Tree Guard Expenses	Rs. 336,696
Swachha Bharat Mission	Rs. 300,000	Tractor Equipments Purchase	Rs. 5,930
Sambal Yojana	Rs. 1,040,000	Tractor Insurance Exp	Rs. 218,410
14th vithya Ayog	Rs. 13,720,000	Tent Expenses	Rs. 1,229,047
Opening Balance Differences	Rs. (79,297.00)	Tiles Purchase Expenses	Rs. 122,867
		Tunky Purchase Expenses	Rs. 5,768
		Tyre Purchase Expenses	Rs. 183,296
		Vehicle Rent Expenses	Rs. 324,313
		Water Tanker Expenses	Rs. 3,764,643
		Water Equipment Expenses	Rs. 90,680
		<u>FIXED ASSETS</u>	
		Awas Yojan Expenses	Rs. 2,680,250
		Air Conditioner	Rs. 520,300
		Bore Machine	Rs. 95,886
		Boundary Wall Construction	Rs. 434,881
		Books & Perodicals	Rs. 8,300
		Computer & Printers	Rs. 105,957
		CC Road & Other Construction W	Rs. 21,047,938
		Electricity Equipments	Rs. 6,971,483
		Furniture & Fixtures	Rs. 4,220,231
		GPS Machines	Rs. 113,088
		Hand Pumps & Motor Pumps& Pipes	Rs. 3,982,451
		Kachra Gadi Purchases	Rs. 96,446
		Misc Assets	Rs. 141,895
		Vehicle Purchase	Rs. 4,938,067



मुख्य नगर पालिका अधिकारी
 नगर पालिका

			<u>DEPOSITS</u> Karmakar Mandal Rs. 44,873 <u>CLOSING BALANCE</u> Cash at Bank (As per Annexure B) Cash in hand Rs. 94,790,300
	TOTAL (Rs.)	Rs. 183,560,751	TOTAL (Rs.)
			Rs. 183,560,751
As per our Report of even date annexed.		We hereby certify and authenticate the correctness of the above RECEIPTS & PAYMENTS ACCOUNT For: Nagar Parishad, Bairad	
For: JPAAG & ASSOCIATES Chartered Accountants (CA. Sarvesh Garg) Partner M.NO 426968 FRN NO : 013380C Place: Shivpuri UDIN:21426968AAAABI3984		CMO Dy. Director	



मुख्य नगर पालिका अधिकारी
नगर पालिका बैराड

NAGAR PARISHAD

BAIRAD, DISTT SHIVPURI (M.P)

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDING 31st MARCH 2020

EXPENSES	AMOUNT (Rs.)	RECEIPTS	AMOUNT (Rs.)
<u>ADMINISTRATIVE EXPENSES</u>		<u>TAX REVENUE</u>	
Advertisemnet Expenses	Rs. 1,727,175	Property tax & Samatik Kar	Rs. 583,580
Audit Fees Local Fund	Rs. 2,747,628	Water tax	Rs. 87,502
Anteyesti Expense	Rs. 851,646	RTI Information	Rs. 3,240
Bank Charges	Rs. 1,665		
Broom Purchase Expenses	Rs. 85,260	<u>ASSIGNED COMPENSATION</u>	
Bolder & Muram Expenses	Rs. 1,247,787	Grant for Chungi chati Purti	Rs. 21,185,180
Cable & Pipes Purchase	Rs. 1,154,914		
Computer & Printers Expenses	Rs. 8,349	<u>RENTAL INCOME</u>	
Diesel Expenses	Rs. 1,191,652	Shop Rents	Rs. 780,880
Dutbin Purchase Expenses	Rs. 990,272		
Digital Signature Exp & Online	Rs. 37,000	<u>FEES & CHARGES</u>	
Election Expenses	Rs. 211,428	Asthai Vasuli	Rs. 200
Electricity Expenses & DP	Rs. 1,600,703	Bazar bethak	Rs. 131,225
Entertainment & Refreshment	Rs. 108,247	Earlier Year Receipts	Rs. 415,588
Flex, Banner Expenses	Rs. 724,541	Fire Brigade Fees	Rs. 51,846
Festival Expense	Rs. 9,100	Karmkar Mandal	Rs. 270
Gst Tax	Rs. 1,213,128	Panelty Income	Rs. 11,030
HandPump Repairing Expenses	Rs. 33,277	Rashan Card	Rs. 685
Income Tax	Rs. 1,598,298	Marriage Cerificate	Rs. 440
JCB Rental Expenses	Rs. 664,199	Namankran Shulk	Rs. 2,500
JCB Repair Expenses	Rs. 66,293	Tender Form Fees	Rs. 358,000
Jali ,Stand Expenses	Rs. 147,884	Water Tanker	Rs. 200
Legal Exp.	Rs. 175,941	Vivid	Rs. 44,461
Munadi Expenses	Rs. 14,500		
Medicine Expenses(Including Kitnashak Medicines)	Rs. 785,953	<u>INTEREST EARNED</u>	
Misc Expenses	Rs. 1,797,404	Interest on Saving A/c & FDR	Rs. 2,248,752
Nukkad Natak Expenses	Rs. 477,510		
Paint & White Wash Expenses	Rs. 99,249		
PhotoCopy & Stationary	Rs. 246,977		
Postal Ticket Expenses	Rs. 2,250		
Photo & Videography Expenses	Rs. 9,500		
Plants Purchase Expenses	Rs. 19,700		
Property Tax Collection	Rs. 64,200		
Royalty Tax	Rs. 931,362		



मुख्य नगर पालिका अधिकारी
 नगर परिषद् बैराड़

Repair Expenses	Rs.	1,276,778		
Safai Karya	Rs.	385,874		
Swachta Expenses	Rs.	151,525		
Sambal Yojana Expenses	Rs.	1,231,970		
Salary(Including GPF, Pension	Rs.	11,719,605		
Sochalaya Cons Expenses	Rs.	1,276,011		
Tree Guard Expenses	Rs.	336,696		
Tractor Equipments Purchase	Rs.	5,930		
Tractor Insurance Exp	Rs.	218,410		
Tent Expenses	Rs.	1,229,047		
Tiles Purchase Expenses	Rs.	122,867		
Tunky Purchase Expenses	Rs.	5,768		
Tyre Purchase Expenses	Rs.	183,296		
Vehicle Rent Expenses	Rs.	324,313		
Water Tanker Expenses	Rs.	3,764,643		
Water Equipment Expenses	Rs.	90,680		
Expenditure transfer to Capital Fund	Rs.	(17,462,826)		
TOTAL (Rs.)	Rs.	25,905,579	TOTAL (Rs.)	Rs. 25,905,579

As per our Report of even date annexed.

We hereby certify and authenticate the
correctness of the above INCOME &
EXPENDITURE ACCOUNTS

For: JPAAG & ASSOCIATES
Chartered Accountants

For: Nagar Parishad, Bairad

(CA. Sarvesh Garg)

Partner

M.NO 426968

FRN NO : 013380C

Place: Shivpuri

UDIN:21426968AAAABI3984




मुख्य नगर पंचायत अधिकारी
नगर परिषद बैराड

Dy. Director

BANK RECONCILIATION STATEMENT	
Bank Name	Account No
Jila Sehkari Kendriya Bank, Bairad	172001589249
Balance as per Cash Book as on 31.03.2020	Amount 2139510
Add:	
Bank Interest not credited in cash book	42204
Balance as per Bank Statement as on 31.03.2020	2181714

BANK RECONCILIATION STATEMENT	
Bank Name	Account No
UCO Bank, Bairad	1139011004812
Balance as per Cash Book as on 31.03.2020	Amount 70087467
Add:	
Cash Deposited in Bank not recognised in cash book	
20/03/2020	160
20/03/2020	49816
Expenses of SBI, Pohri wrongly debited in cash book from UCO Bank, Bairad	153311.7
Earlier Cheques not cleared	171130.3
Less:	
On 09/04/2019 Rs. 1000 wrongly credited as Water Tax in cash book	1000
Balance as per Bank Statement as on 31.03.2020	70460885

BANK RECONCILIATION STATEMENT	
Bank Name	Account No
RRB, Bairad	80011803396
Balance as per Cash Book as on 31.03.2020	Amount 2608092
Less:	
Bank Charges Debited by bank not considered in cash book.	850
Balance as per Bank Statement as on 31.03.2020	2607242



मुख्य नगर पालिका अधिकारी
नगर परिषद् बैराड़ (म.प्र.)

BANK RECONCILIATION STATEMENT	
Bank Name	Account No
UCO Bank, Bairad	11390110058923
Balance as per Cash Book as on 31.03.2020	Amount 307197
Add:	
Bank Interest not credited in cash book	2036
Balance as per Bank Statement as on 31.03.2020	309233

BANK RECONCILIATION STATEMENT	
Bank Name	Account No
ICICI Bank, Bairad	144901002096
Balance as per Cash Book as on 31.03.2020	Amount 3315649
Add:	
Bank Interest not credited in cash book	30724
Balance as per Bank Statement as on 31.03.2020	3346373

BANK RECONCILIATION STATEMENT	
Bank Name	Account No
State Bank of India, Pohri	34579626797
Balance as per Cash Book as on 31.03.2020	Amount 13887838
Less:	
Expenses of SBI, Pohri wrongly debited in cash book from UCO Bank, Bairad	153311.7
Balance as per Bank Statement as on 31.03.2020	13734526

BANK RECONCILIATION STATEMENT	
Bank Name	Account No
State Bank Of India, Pohri	34900883944
Balance as per Cash Book as on 31.03.2020	Amount 143430
Less:	
Bank Charges not debited in cash book	1299
Balance as per Bank Statement as on 31.03.2020	142131



मुख्य नगर पालिका अधिकारी
नगर परिषद् बैराड़ (म.प्र.)

SCHEDULE-A		OPENING BANK BALANCES	AMOUNT (Rs.)
CASH AT BANK			
State Bank of India,Pohri	34579626797		56,689,663
RRB,Bairad	80011803396		2,607,891
UCO Bank,Bairad	11390110048412		55,186,415
State Bank Of India,Pohri	34900883944		142,781
UCO Bank, Bairad	11390210001394		3,405,000
UCO Bank, Bairad	11390110058923		6,952
Jila Sehkari Kendriya Bank,Bairad	172001589249		2,097,446
FDR			63,716
TOTAL(Rs.)		Rs.	120,199,864

SCHEDULE-B		CLOSING BANK BALANCES	AMOUNT (Rs.)
CASH AT BANK			
State Bank of India,Pohri	34579626797		13,887,838
RRB,Bairad	80011803396		2,608,092
UCO Bank,Bairad	11390110058923		307,197
State Bank Of India,Pohri	34900883944		143,430
UCO Bank, Bairad	11390210001394		4,633
Jila Sehkari Kendriya Bank,Bairad	172001589249		2,139,510
ICICI Bank,Bairad	144901002096		3,315,649
UCO Bank,Bairad	1139011004812		70,087,467
FDR			2,296,484
TOTAL(Rs.)			94,790,300




 मुख्य नगर पारिषद अधिकारी
 नगर परिषद् बैराड़

NAGAR PARISHAD, BAIRAD DIST SHIVPURI (M.P)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED ON 31st MARCH 2020

(Annexed to and forming the part of the Auditor's Report)

- 1 Accounts has been maintained on cash Basis.
- 2 Cash book has been maintained and written on Daily basis.
- 3 Voucher in respect of some petty expenses have not been furnished to us. However it has been explained to us the legitimate needs of the Council.
- 4 The Taxes such as TDS, Sales tax, labour Tax, Professional tax were directly debited in Receipt and payment account which is not the right practice and these expenses should be debited to their respective expenditure heads.
- 5 All the bank balances have been taken as per books of accounts and are subject to confirmation/reconciliation.
- 6 As explained to us amount received under head Chungi Chati is revenue Receipt hence it is taken as Revenue Receipt in Income & Expenditure Account.
- 7 As explained to us amount received under PM Awas Yojana is capital receipts hence it is taken as Capital Receipt in Receipt & Payment Account against which expenses is made by transferring the said amount to bank account of beneficiaries account which as explained to us is not of Revenue nature hence the same is not considered while preparing Income & Expenditure Account.
- 8 As Explained to us there are FDR for Rs. 2296484/- however copy of such FDR not provided to us during audit,



✓ मुख्य नगर पालिका अधिकारी
नगर परिषद् बैराड़

To
The Auditor
M/s JPAAG & Associates
Chartered Accountants

Management Representation

The management of the parishad is responsible for maintenance of Receipt and Payment Account and Income and Expenditure Account

The Following Bank account are only present in council and are certified below:

Bank Name	A/c No
State Bank of India,Pohri	34579626797
RRB,Bairad	80011803396
UCO Bank,Bairad	11390110058923
State Bank Of India,Pohri	34900883944
UCO Bank, Bairad	11390210001394
Jila Sehkari Kendriya Bank,Bairad	172001589249
ICICI Bank,Bairad	144901002096
UCO Bank,Bairad	1139011004812

No fixed asset register is maintained in our Parishad

Cash Book is Maintained and updated on Daily Basis

We follow Cash Basis of Accounting

All the receipts are deposited in bank on next working day except in case of bank and Public Holiday

No Monthly or Quarterly Target details was provided during audit

We certify that all the Investment in form of Fixed Deposit were made at best available interest rate.

No records were made available regarding details for expenditure under particular scheme

All the Books and other records are maintained in accordance with the guidelines,directives acts and rules issued by government of India/state Government.

Ucs for some of the scheme and funds were not made available for audit




मुख्य CMO, Bairad अधिकारी
नगर परिषद् बैराड़

Revised Abstract Sheet for reporting on Audit Paras for Financial Year 2019-20

Name of ULB: Nagar Parishad, Bairad

Name of Auditor: M/s JPAAG & ASSOCIATES (Chartered Accountants)

Sr. No.	Parameters	Description	Receipts in Rs.			Observation in Brief	Suggestions
1	Audit of Revenue		Year 2018-19	Year 2019-20	% of Growth		
राजस्व कर वसूली							
(i)	संपत्तिकर		155810	480085	208.12	Collection % is increased as compared to last year, however no targets are provided for comparison. Many people have not been taxed around for equal to or more than 3 to 4 years.	There should be one separate vigilance team for collection and to find out that all the property is being registered and there is timely collection of taxes along with interest. Lok Adalats should be made frequently which will led to higher collection of taxes.
(ii)	समेकित कर						
(iii)	नगरीय विकास उपकर		33589	103495	208.12	No Such Collections are seen during the course of audit	
(iv)	शिक्षा उपकर		0	0	No Increase Or Decrease	No Such Collections are seen during the course of audit	
	कुल योग		0	0	No Increase Or Decrease		
गैर राजस्व वसूली							
			189399	583580	208.12		
(i)	भवन भूमि किरया					Revenue collection process is not proper which led to lower collection of rent as expected by department during current fiscal year.	Rent register should be properly maintained. Camp should be organised frequently which will led to higher collection of rent.
(ii)	जल अपभोक्ता प्रभार		198885	780880	292.63	This amount is not recovered properly.	Water consumption charges should be billed on per unit wise consumption.
(iii)	वोस अपशिष्ट प्रबंधन उपभोक्ता		10400	87502	741.37	No Such Collections are seen during the course of audit	
			0	0	No Increase Or Decrease		



मुख्य नगर पालिका अधिकारी
नगर परिषद बैराद

Revised Abstract Sheet for reporting on Audit Paras for Financial Year 2019-20

Name of ULB: Nagar Parishad, Bairad

Name of Auditor: M/s JPAAG & ASSOCIATES (Chartered Accountants)

Sr. No.	Parameters	Description		Observation in Brief	Suggestions
(iv)	अन्य कर / शुल्क			Amount collected head wise is not been updated in separate head register on daily basis. However major item is receipts from Interest.	Proper head wise register should be maintained properly and one cumulative register so that amount tallies.
	कुल योग	5553476	3268437	-41.15	
	महा योग	5762761	4136819	-28.21	
2	Audit of Expenditure	5952160	4720399	-20.69	
		* Expenditure are recorded in proper head related to Nagar parishad, Bairad. All expenditure is duly recorded with their supporting and are sanctioned by respective authority.		No one to one correlation was found between grant received and expenditure made so no proper bifurcation can be made for allocation of funds to proper Area. No UCs were provided.	All the Voucher and their supporting should be arranged Month wise.
3	Audit of Book Keeping	* Cashbook is not giving details of daily balance of all bank accounts and cashbook is maintained on single system basis.		Separate books should be prepared for fixed assets & advances to employees .	Accounts must be maintained on accrual basis on double entry system as per Madhya Pradesh Municipal Accounting Manual(MPMAM). Internal audit system should be implemented as per work plan.
4	Audit of FDR	* FDR not made for excess amount kept in banks.		It is been observed that usually excess cash is held in banks.	Short term FDR should be made for excess cash held in banks. It will increase revenue income to parishads.
5	Audit of Tenders/Bids	* For amount exceeding Rs. 2 Lacs E-tendering procedure is followed. EMD register is also prepared.		No case of any bank guarantee found. Also parishad in not maintaining tender register properly.	Tender registers should be prepared properly.



नगर पालिका अधिकारी
नगर परिषद् बैराड

Revised Abstract Sheet for reporting on Audit Paras for Financial Year 2019-20

Name of ULB: Nagar Parishad, Bairad

Name of Auditor: M/s JPAAG & ASSOCIATES (Chartered Accountants)

Sr. No.	Parameters	Description	Observation in Brief	Suggestions
6	Audit of Grants & Loans	* Grants are received under different schemes.	It is been observed that grants are received under separate heads but utilization of grant is not proper.	Proper grant register should be maintained along with different schemes. Accounting of each grant should be done separately & proper utilization certificate should be obtained at proper intervals.
7	Incidences relating to diversion of funds from Capital receipts/Grants/Loans to Revenue Nature Expenditure and from one scheme/project to another	* No Diversion of funds found during the course of audit.	No diversion of funds found during the course of audit.	In case there is any diversion of funds than proper file should be prepared and the same would be verified by higher authorities.
8	Any Other			
	a) Percentage of Revenue Expenditure (Establishment, Salary, Operation & Maintenance) with respect to Revenue Receipts (Tax and non tax) excluding Octroi, Entry Tax, Stamp Duty and other grants etc.	Revenue Rec 4720399 Revenue Exp. 43368405 % 918.74	Revenue expenditure is more than revenue receipts. In the year 2018-19 balancing amount for that year is utilized in the year 2019-20. There is no bifurcation for the expenditure incurred in the year 2019-20, whether the same is expensed from the balancing amount for the year 2018-19. Also major item in revenue is receipts from Interest earned. Hence we suggest that collection in the form of taxes should be increased.	Proper records should be maintained in regards of bifurcation. Head wise files should be prepared so that headwise balancing amount can be identified.



उद्योग नगर पालिका अधिकारी
नगर परिषद् बैराड

Revised Abstract Sheet for reporting on Audit Paras for Financial Year 2019-20

Name of ULB: Nagar Parishad, Bairad

Name of Auditor: M/s JPAAG & ASSOCIATES (Chartered Accountants)

Sr. No.	Parameters	Description		Observation in Brief	Suggestions
	b) Percentage of Capital Expenditure with respect to Total Expenditure	Capital Exp. 45402046	Total Exp. 88770451 % 51.15	More than 50 % of the expenditure is in the nature of capital expenditure. There is no bifurcation for the expenditure incurred in the year 2019-20, whether the same is expensed from the balancing amount for the year 2018-19 or the amount received in the year 2019-20.	Proper records should be maintained in regards of bifurcation. Head wise files should be prepared so that headwise balancing amount can be identified.
9	Whether all the temporary advances have been fully recovered or not.	*Advances are made to Employees, Contractors & Others.		It is been observed that as parishad is using single entry principle of accounting, So preparation of any account to determine its outstanding/advance is not feasible.	Parishad should use double entry system of accounting to prepare ledger accounts.
10	Whether the Bank Reconciliation Statement have been regularly prepared.	*Bank Reconciliation statements are regularly prepared.			



FOR: JPAAG & ASSOCIATES
Chartered Accountants


मुख्य नगर पालिका अधिकारी
नगर परिषद् बैराड़

(CA. Sarvesh Garg)
Partner
Membership No. 426968
FRNo. 013380C
Place: Shivpuri (MP)
Date-11/02/2021