

AUDIT REPORT

A/C


OF

NAGAR PALIKA PARISHAD
HOSHANGABAD

2019-20

R. 2213
22.X.20

Alok Jain

B.Com., FCA
Managing Partner



JAIN ALOK & ASSOCIATES

CHARTERED ACCOUNTANTS

15, Patni Complex, Collectorate Road,
Chhindwara - 480001 (M.P.)
Ph. : (07162) 244762, 94251-46739, Fax: (07162) 244762
alokjainca@rediffmail.com

AUDIT CERTIFICATE

We have examined the Balance Sheet and the Income and Expenditure Account for the year ending 31st March, 2020 and the Balance Sheet as on 31st March, 2020 of the **Nagar Palika Hoshangabad.**

We have obtained all the information and explanations other than those mentioned in the Report, and taken in view of the accounting policies of the Madhya Pradesh Municipal Accounting Manual as acknowledged by the State Government. Subject to the comments in the appended Audit Report, I certify, as a result of audit, that in my opinion these Accounts and Balance Sheet exhibit a true and fair view of the state of affairs of the **Hoshangabad Nagar Palika** according to the best of information and explanations given to us and as shown in the books of the organization.

For Jain Alok & Associates

Chartered Accountants
(FRN No: 011896C)

CA Alok Jain
Partner

Membership No: 076831

Date: 31st Oct 2020

Place: Bhopal



मुख्य नगर पालिका अधिकारी
नगर पालिका परिषद, होशंगाबाद

Alok Jain
B.Com., FCA
Managing Partner



JAIN ALOK & ASSOCIATES

CHARTERED ACCOUNTANTS

15, Patni Complex, Collectorate Road,
Chhindwara - 480001 (M.P.)
Ph. : (07162) 244762, 94251-46739, Fax: (07162) 244762
alokjainca@rediffmail.com

Independent Auditors' Report

TO,
THE CHIEF MUNICIPAL OFFICER,
HOSHANGABAD NAGAR PALIKA,

TO,
THE MEMBERS OF NAGAR PALIKA,
HOSHANGABAD NAGAR PALIKA,

Report on the Financial Statements

We have audited the accompanying Financial Statements of **HOSHANGABAD NAGAR PALIKA** ("the **ULB**"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, the Receipt & Payment Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management of Municipal Corporation is responsible for the matters in Madhya Pradesh Municipal Accounting Manual ("MPMAM") and The Madhya Pradesh Municipal Corporation Act, 1956 ("the Act") with respect to the preparation of these financial Statements that give a true and fair view of the financial position, financial performance and cash flow of the **ULB** in accordance with the accounting principles, including the Accounting Standards specified under Madhya Pradesh Municipal Accounting Manual. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act and Manual for safeguarding of the assets of the **ULB** and for preventing and detecting the 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 internal financial control, 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 have taken into account the provisions of the Act and MPMAM, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Madhya Pradesh Accounts Audit Manual and as per scope of work under assignment.

We conducted our audit in accordance with the Standards on Auditing specified under Madhya Pradesh Accounts Audit Manual. 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.

मुख्य नगर पालिका अधिकारी
नगर पालिका परिषद्, होशंगाबाद

An audit involves performing procedures to obtain audit evidence about the amounts and 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes valuating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by ULB's Management, 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, and deviation, if any attached with this report (as per annexure A)

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the ULB as at March 31, 2020;
- b) In the case of the Statement of Income & Expenditure Account, of the excess of Income over Expenditure for the year ended on that date; and
- c) In the case of the Receipt & Payment & Bank Reconciliation for the year ended on that date.

Emphasis of Matters


We draw attention to the following matters annexed with this report as **Annexure A**

Report on other Legal and Regulatory Requirements

As required by Madhya Pradesh Accounts Audit Manual and the letter of Directorate, Urban Administration & Development vide letter no. 816 dated 25/06/2020, and the records/documents produced before us, our opinion are as under:

1. Audit of Revenue

- i) We have test checked receipts on random basis with the Receipt Books and found correct, however on an overall basis for the year, Gross receipts taken for all the department do not match with the receipts shown in Income & Expenditure Account. The observation are in Annexure A
- ii) We found that daily collection are deposited on the same day except in the cases of where banks are closed and some collection online by E- Nagar Palika software.
- iii) We have checked the entries of Manual Cash Book with the entries in tally software, and found it correct but we have checked Manual cash book from E- Nagar Palika software data then we found only contractor & Expenses payment entries reflected in software and both the side (Receipt & Payment) not matched.


मुख्य नगर पालिका अधिकारी
नगर पालिका परिषद, होशंगाबाद


- iv) We have not been provided with monthly/quarterly targets of revenues receipts, however we have compared Annual Budgeted Targets v/s Actual receipts for the year under audit. The observation are in Annexure A

2. Audit of Expenditure

- i) We have performed the test check because of limitation of time and found them correct except in the cases where we specifically given annexure to the report.
- ii) We checked the Vouchers and duly verified from the Entries in Cash Books as well as in Tally Software and found it correct but but we have checked Manual cash book from E-Nagar Palika software data then we didn't found taxes payment entry & Bank Charges entries.
- iii) We checked monthly balances of manual cash book and found it correct.
- iv) We verified the grant register maintained by ULB and found that the expenditures under the schemes are limited to the funds allocated for that particular schemes.
- v) We verified the expenditure and found that they are generally in accordance with the guidelines, directives, acts and rules issued by Government of India / State Government.
- vi) No such case is noticed where the fund of the ULB has been mis-utilised, moreover on random check we did not noticed any mis-utilisation of financial limits of the sanctioning authority.
- vii) We verified scheme and project wise Utilization certificates and found it correct and tallied with Income and Expenditure Account and creation of fixed assets.
- viii) We have seen the budget variances in respect of Expenditure/Asset creation also and found substantial variances. (Refer Annexure A) .

3. Audit of Book Keeping

- i) We checked the Books of Accounts and Stores Register and found it in accordance with Annual Financial Statements.
- ii) We verified that all the Books of Accounts and Stores Register are maintained as per applicable Accounting rules.
- iii) We checked the advance register and found it correct
- iv) We verified the Bank Reconciliation Statement and found it in accordance with records and bank statements of ULB.
- v) We checked the grant register and found it in accordance with receipts and payments of particular grant.
- vi) We checked the Fixed Assets Register and found it correct as per the records made available to us.
- vii) All the Receipts and Payments are reconciled.


मुख्य नगर पालिका अधिकारी
नगर पालिका परिषद्, होशंगाबाद

4. Audit of Fixed Deposit Receipts

- i) We found that ULB did not have any Fixed deposits.

ii) Audit of Tenders/ Bids

- i) We have test checked the tender/bids files and found that the process have been properly followed and was as per the rules.
- ii) We have test checked the Contractor's files and found that the tender fee / bid processing fee are received and security deposit is deducted from the running bills during construction and maintenance period.
- iii) We have test checked the Contractor's Files and found that the Bank Guarantee received from the Contractors are not duly verified with the issuing Banker, moreover in the cases where contract period is extended no steps is taken towards extension of Bank Guarantee from the contractors and Issuing Banker.
- iv) We found that ULB is not taking strict action against delay in completion of work or slow process in work.

5. Audit of Grants and Loans

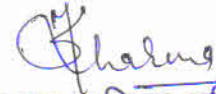
- i) We have checked and verified the Grants received from Central Government and its Utilization Certificate issued by ULB and found to be correct.
- ii) We have checked and verified the Grants received from State Government and its Utilization Certificate issued by ULB and found to be correct.
- iii) We have not been not provided with Loan statement and utilization certificate of IHSDP Loan to find out the actual impact on liability shown in the Balance sheet.
- iv) The only loan taken by ULB from SUDA under IHSDP Scheme does not have any direct impact on revenue generation hence we can't comment on revenue mechanism.
- v) We have checked and verified that no loans / capital receipts / grants etc. are diverted to any revenue expenditure.

For Jain Alok & Associates

Chartered Accountants
(FRN No: 011896C)



CA Alok Jain
Partner
Membership No: 076831
Date: 31st Oct 2020
Place: Bhopal



मुख्य नगर पालिका अधिकारी
नगर पालिका परिषद्, होशंगाबाद


ANNEXURE – A
(Part of Annexed Audit Report)
Emphasis of Matters

1. We found that ULB is violating TDS rules of the Income Tax Act regarding deducting TDS at higher rate due to non-availability of PAN No. Of the contractors, non-compliance of such provisions may attract following consequences
 - a) Person responsible for non-compliance shall be punishable with rigorous imprisonment for a term which shall be between 3 months and 7 years, along with fine.
 - b) ULB shall be liable to pay, by way of penalty, a sum equal to the amount of tax which ULB is failed to collect as aforesaid.
2. We have test checked receipts on random basis with the Receipt Books and found correct, however on an overall basis for the year, Gross receipts taken for all the department do not match with the receipts shown in Income & Expenditure Account. The observations are as follows:-

S. No	Particulars	Actual Receipts as per Cashier Cash Book	As per Department Records	Differences
1	Property Tax	31987090.5	19026875	12960215.5
2	Samekit Kar	2482245	1838700	643545
3	Water Tax	8658000	6524570	2133430
4	Rents	14322326	3864355	10457971
5	Development Cess	5200896	3852516	1348380
6	Education Cess	5204997	3855554	1349443
	Total			28892984.50

3. We have seen the budget variances in respect of Expenditure/Asset creation also and found substantial variances. (Refer Annexure A) .


S.No.	Accounting Head	Account Code	Budget	Actual Amount	Budget Variance	Percentage
1	सम्पति कर हाल	1100101	30000000.00	11986234.00	-18013766	39.95
2	स्वच्छता कर (समेकित कर हाल)	4312005	3618150.00	1243626.00	-2374524	34.37
3	शिक्षा उपकर	1100600	6000000.00	3410741.00	-2589259	56.85
4	विज्ञापन कर (होर्डिंग)	1401200	200000.00	26565.00	-173435	13.28


 मुख्य नगर पालिका अधिकारी
 नगर पालिका परिषद्, होशंगाबाद

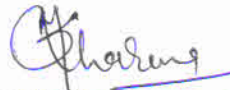
5	नगरीय विकास उपकर	1108021	6000000.00	3414625.00	-2585375	56.91
6	सम्पत्तियों के हस्तांतरण पर मुद्रांक शुल्क	1201011	120000000.00	5881699.00	-114118301	4.90
7	बुगी की एवज में क्षतिपूर्ति	1202001	170000000.00	128510211.00	-41489789	75.59
8	दुकान किराया हाल	1301001	4300000.00	3962092.00	-337908	92.14
9	रामजी बाबा मेला	1401106	3300000.00	284288.00	-3015712	8.61
10	अनुज्ञप्ति शुल्क (साहूकारी)	1401100	1500000.00	0.00	-1500000	0.00
11	परमिट प्रदान शुल्क (टावर)	1401200	150000.00	0.00	-150000	0.00
12	विकास प्रभार (सुपरवीजन चार्ज)	1401400	1200000.00	0.00	-1200000	0.00
13	दुकान गुमठी प्रीमियम शुल्क /	1301050	25000000.00	1139900.00	-23860100	4.56
14	ट्रेक सफाई शुल्क/सुलभ शौचालय शुल्क	1405006	20000.00	12000.00	-8000	60.00
15	समझौता शुल्क	1415002	100000.00	68350.00	-31650	68.35
16	कांजी हाउस से आय शुल्क	1404011	5000.00	4500.00	-500	90.00
17	स्लाटर हाउस	1401112	8000.00	2160.00	-5840	27.00
18	जल बिक्री (पानी टैकर शुल्क)	1405009	25000.00	23050.00	-1950	92.20
19	नल कनेक्शन को नियमित करने	1405008	150000.00	111000.00	-39000	74.00
20	राज्य वित्त आयोग	3202001	22500000.00	17387000.00	-5113000	77.28
21	मूलभूत अनुदान	3202012	60000000.00	48447000.00	-11553000	80.75

Note: ULB Preparing their Budget on very higher side as per their Actual Income & Expenditure incurred during the Year.

4. We have verified the dates of the Quarterly TDS Returns from the website of TDS TRACES and found it filled within the due dates.
5. On checking we found that TDS has not been deducted on payment of hiring of vehicles.
6. Meter reading are not mentioned in the Vehicle Log Book moreover No average is set for any of the vehicle and in some places diesel usage is also not entered in the Vehicle Log Book.
7. We found that ULB has not any FDR's during the year 2019-20 and we observed that ULB had huge Balances in saving accounts.
8. We have gone through Contractor's file on random basis and observed the following:
 - (a) That majority of works contract are not completed within stipulated time.



 मुख्य नगर पालिका अधिकारी
 नगर पालिका परिषद्, होशंगाबाद

- (b) No approval for extension of time period is obtained from the authority.
 - (c) No penalty or Compensation is charged from contractors for delay in the work.
 - (d) No completion certificates are issued by the Engineers to any contractor.
 - (e) Final bill payments are still due in every file which we checked.
 - (f) Documents regarding Provident Fund Registration is not available on records.
 - (g) Documents regarding Labour Act Registration is not available on records.
 - (h) Labour Report is not available.
 - (i) Royalty Certificate is also not available.
 - (j) Photographs of Work Completed are also not available in Contractor's File for specific work.
 - (k) No Register is maintained for amount deducted as Performance Guarantee from bills of Contractors.
9. We found in case of Grants that ULB is spending excess amount than the amount actually received in specific grants by paying from the Municipal Funds.
10. We found that ULB not maintaining Loan Register, Security Deposit Register, EMD Register & Ledger Register.
11. We found that ULB maintaining Grant Register but it is not updated.


मुख्य नगर पालिका अधिकारी
नगर पालिका परिषद्, होशंगाबाद

HOSHANGABAD NAGAR PALIKA, (M.P.)
BALANCE SHEET
As at 31ST MARCH 2020

	Particulars	Schedule No.	Current Year (19-20)	Previous Year (18-19)
A	SOURCES OF FUNDS			
A1	Reserves and Surplus			
	Municipal (General) Fund	B-1	148,167,118.58	235,584,321.31
	Earmarked Funds	B-2	4,750,932.00	4,750,932.00
	Reserves	B-3	1,030,879,170.36	919,754,174.36
	Total Reserves and Surplus		1,183,797,220.94	1,160,089,427.67
A-2	Grants, Contributions for Specific Purpose	B-4	85,355,569.59	129,078,663.59
A3	Loans			
	Secured Loans	B-5	2,312,368.00	7,558,553.00
	Unsecured Loans	B-6	-	-
	Total Loans		2,312,368.00	7,558,553.00
	TOTAL SOURCES OF FUNDS (A1-A3)		1,271,465,158.53	1,296,726,644.26
B	APPLICATION OF FUNDS			
B1	Fixed Assets	B-11		
	Gross Block		1,497,991,273.18	1,412,981,463.18
	Less : Accumulated Depreciation		761,355,692.69	642,394,617.83
	Net Block		736,634,580.49	770,586,845.35
	Capital Work in Progress		633,127,270.00	563,210,230.00
	Total Fixed Assets		1,369,761,850.49	1,333,797,075.35
B2	Investments			
	Investments-General Fund	B-12	-	-
	Investments-other Fund	B-13	-	-
	Total Investment		-	-
B3	Current Assets, loans & Advance			
	Stock in hand (Inventories)	B-14	900,919.00	2,989,946.00
	Sundry Debtors (Receivables)	B-15	77,395,360.20	46,178,504.00
	Loans & Advances		-	-
	Prepaid Expenses	B-16	118,261.00	129,588.00
	Cash and Bank Balance	B-17	139,231,245.29	172,447,483.36
	Loans, advances and deposits	B-18	525,030.00	2,015,628.00
	Total Current Assets		218,170,815.49	223,761,149.36
B4	Current Liabilities and Provisions			
	Deposits received	B-7	93,881,037.00	84,657,919.00
	Deposits Works	B-8	-	-
	Other liabilities(Sundry Creditors)	B-9	206,252,024.45	159,839,215.45
	Provisions	B-10	16,612,817.00	16,612,817.00
B5	Net Current Assets (B3-B4)		(98,575,062.96)	(37,348,802.09)
C	Other Assets	B-19	278,371.00	278,371.00
D	Miscellaneous Expenditure (to the extent not written off)	B-20	-	-
	TOTAL APPLICATION OF FUNDS (B1+B2+B5+C+D)		1,271,465,158.53	1,296,726,644.26



 मुख्य नगर पालिका अधिकारी
 नगर पालिका परिषद्, होशंगाबाद





Nagar Palika Hoshangabad
Income & Expenditure Account
For the Year Period from 1st April 2019 to 31st March, 2020


Accounts Codes	Item / Head of Account	Schedule No.	Current Year 2019-20
A	Income		
1100000	Tax Revenue	IE-1	53,576,874.00
1200000	Assigned Revenues & Compensation	IE-2	128,513,773.00
1300000	Rental Income from Municipal Properties	IE-3	14,322,326.00
1400000	Fees & User Charges	IE-4	13,597,086.57
1500000	Sale & Hire Charges	IE-5	1,122,087.00
1600000	Revenue Grants, Contributions & Subsidies	IE-6	192,767,910.00
1700000	Income from Investments	IE-7	-
1710000	Interest Earned	IE-8	4,728,542.00
1800000	Other Income	IE-9	1,938.00
	Total - Income		408,630,536.57
B	Expenditure		
2100000	Establishment Expenses	IE-10	168,285,740.00
2200000	Administrative Expenses	IE-11	29,554,079.00
2300000	Operations & Maintenance	IE-12	44,301,602.00
2400000	Interest & Finance Expenses	IE-13	1,988.44
2500000	Programme Expenses	IE-14	19,101,207.00
2600000	Revenue Grants, Contributions & Subsidies	IE-15	78,614,740.00
2710000	Provisions & Write off	IE-16	-
2900000	Miscellaneous Expenses	IE-17	-
	Depreciation		118,962,074.86
	Total - Expenditure		458,821,431.30
C	Gross Surplus of Income over Expenditure before Prior Period Items (A-B)		(50,190,894.73)
D	Less: Prior period Items (Net)	IE-18	-
E	Gross Surplus of Income over Expenditure after Prior Period Items (C-D)		(50,190,894.73)
F	Less: Transfer to Reserve Funds (5% of Total Income)		-
G	Net Balance being Surplus carried over to Municipal Fund (E-F)		(50,190,894.73)
F	Less : Transfer to Reserve Funds		-
G	Net Balance being surplus / deficit carried over to Municipal Fund (E-F)		(50,190,894.73)


मुख्य नगर पालिका अधिकारी
नगर पालिका परिषद्, होशंगाबाद



Nagar Palika Hoshangabad
Summary of BRS as on 31 March 2020

S No.	Name of Bank	Cash Book closing Balance	Bank Book Closing Balance
1	4501021- Indian Bank 6256791064	446039.00	453900.00
2	45021-01-04 State Bank of Indor-60112	13673523.67	14824854.00
3	450210106 - ICIC Bank (44690)	27.00	27.00
4	45021-01-10 Punjab National Bank-110767	15811.13	14987.38
5	45021-01-13 State Bank of Indor-60123	2074674.42	2607241.50
6	45021-01-22 Axis Bank - 4949	-2825963.00	778645.20
7	45021-01-26 Canara Bank 9392	164458.41	598043.53
8	450210128 BOM(Sanchit Nidhi) -4612	20172035.57	20679959.00
9	45021-01-30 I.C.I.C.I. Bank 381	181819.31	178665.30
10	45021-01-30 IDBI Bank 4237	1551781.80	2500873.62
11	45021-01-31 Canara Bank 10033	35287.00	36611.00
12	45021-01-32 Canara Bank 10032	2765876.57	15233662.00
13	45021-01-33 HDFC Bank (50100319024472	58321.00	58612.00
14	45021-01-33 Indian Bank 623963638846	487902.00	5643743.00
15	45021-01-33 Maharastra Bank 26759	1802821.78	2008584.50
16	45021-01-34 Kodak Mahindra Bank 4912621544	12069331.76	12218727.76
17	45021-01-35 IDBI Bank 22862	27904.00	29055.00
18	45021-01-36 Indian Overseas (241601000003535)	16247080.00	15904884.00
19	45021-01-37 UNION BANK (613102010007175)	62533683.87	624907.00
20	45021-01-38 HDFC BANK 50100194603846	192853.00	208858.00
21	45021-01-39 Indian Bank 6568466824	1464120.00	1476719.70
22	45021-01-40 Kotak Mahindra Bank 4911974610	40783.00	41604.00
23	45021-01-42 Axis Bank 8010017827631	83237.00	88381.00
24	45021-01-44 Kotak Mahindra Bank 9601	2058.00	1940.00
25	45021-01-45 Bank of Baroda 30080100000008	878.00	878.00
26	45021-01- Indian Bank A/c 764674	3500000.00	3500000.00
27	45021-01- Jila Sahkari Bank (82000476570)	58980.00	54422
28	45021-35 Bank of India 903010210000026	18971.00	18966
29	4506101004 Axis Bank -462010100011015	471765.00	480080
30	45041-01-02 Jila Shahkari Bank-141	6052	6052
31	4506101007 Indian Bank of India-4413	1909133	1909133
	Total	139231245.29	189297068.82



 मुख्य नगर पालिका अधिकारी
 नगर पालिका परिषद, होशंगाबाद

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

Name of ULB: Hoshangabad

Name of Auditor: Jain Alok & Associates

s.no.	Parameters	Description			Observation in Brief	Suggestions
1	Audit of Revenue					
1	Revenue Tax	Receipts	6	7		
		Year 2018-19	Year 2019-20	% of Growth	We observed growth in recovery in comparison to last year	NA
1	Property Tax	14527618	19026875	23.65		
2	Samekit Kar	1538596	1838700	16.32		
3	Urban Development Ce	3414625	3855554	11.44		
4	Education Cess	3410701	3852516	11.47		
	Sub Total	22891540	28573645			
	Non Tax Revenue					
1	Rent	5147533	3864355	-33.21		
2	Water Tax	3317822	6524570	49.15		
3	Other Tax/Fees			0.00		
	Sub Total	3746663	1764143			
	Grand Total	5078711	3105958			

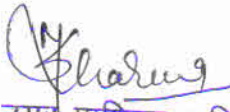

 मुख्य नगर पालिका अधिकारी
 नगर पालिका परिषद्, होशंगाबाद

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

Name of ULB: Hoshangabad

Name of Auditor: Jain Alok & Associates

Sr. No.	Parameters	Description	Observation in Brief	Suggestions
2	Audit of Expenditure	We have performed test check of Payment Vouchers entered in the Main Cash Book and Grant Register.	We did not observe any major discrepancies	Grant Register should be update
3	Audit of Book Keeping	We checked all the Books of Accounts prepared by the ULB (Main Cash Book, Cashier Cash Book, Grant Register etc)	We observed that ULB has maintaining Fixed Assets Register. But not updating on regular basis.	ULB should update fixed assets register time to time.
4	Audit of FDR	we have checked FDR Register and found that although ULB is maintaining fixed Deposit register but it is not updated:	ULB does not have any FDR but is maintaining huge balance in bank accounts.	ULB should invest in FDR for shorter or longer period.
5	Audit of Tenders/Bids	i) We have test checked the tender/bid files and found that the process have been properly followed and was as per the rules.	No Observations	NA
6	Audit of Grants & Loans	We have checked and verified the Grants received from Central and State Government.	No Material Observations	ULB should update Grant Register and maintain individual details of Capital & Revenue work Separately.
7	Incidences relating to diversion of funds from Capital receipts/Grants/Loans to Revenue Nature Expenditure and from one scheme/project to another.	We did not observed any of such cases	No Observations.	ULB have a many Grant fund Accounts in Bank but they are not investing anywhere. They should invest in FDR so after shortage of grant fund they can use interest part also and they don't need to utilize Municipal Fund.


 मुख्य नगर पालिका अधिकारी
 नगर पालिका परिषद्, होशंगाबाद

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

Name of ULB: Hoshangabad

Name of Auditor: Jain Alok & Associates

No.	Parameters	Description	Observation in Brief	Suggestions
	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.	38.86%	Revenue Expenditure = 82618373.57 & Revenue Received tax & Non Tax = 212587342.00 (Revenue Expenditure/Revenue Received) (82618373.57/212587342.00) = 38.86%	We Observed that Revenue expenditure is majorly done from grants and revenue income from own resources is very low
	b) Percentage of capital expenditure with respect to Total Expenditure	33.76%	Capital Expenditure = 154926850.00 & Total Expenditure 458821431.30 Ratio = 33.76% (154926850.00/458821431.30) = 33.76%	We observed that the major source of capital expenditure is grants due to low recovery of taxes from public.

Chauhan
मुख्य नगर पालिका अधिकारी
नगर पालिका परिषद, होशंगाबाद



Jain