
ORCHHA NAGAR PARISHAD

AUDIT REPORT 2019-20

**AUDITOR:
PATIDAR & ASSOCIATES
CHARTERED ACCOUNTANTS**



INDEPENDENT AUDITOR'S REPORT

To the Stakeholders of ORCHHA NAGAR PARISHAD

1. Report on the Financial Statements

We have audited the accompanying financial statements of ORCHHA NAGAR PARISHAD("the ULB"), which comprise the Receipt & Payment Account for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The ULB's Management is responsible for the matters with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the ULB in accordance with the provisions of Municipal Corporation Act, 1956 and accounting principles generally accepted in India, including the Municipal Accounting Manual ("the Manual") and Accounting Standards applicable to the Urban Local Bodies. This responsibility also includes maintenance of adequate accounting records in accordance with the Municipal Accounting Manual for safeguarding of the assets of the ULB and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error . However, in this case ULB is not in practice of maintaining balance sheet & Income and expenditure account, so receipt and payment account shall be considered as final statement on which we express our opinion.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the Municipal Accounting Manual, the accounting and auditing standards and matters which are required to be included in the audit report as per the letter issued by Directorate, Urban Administration & Development, M.P., Bhopal in this regard. The Commissioner has not directed us to perform audit of any other section in his office in addition to the above scope.

We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards requires that we comply





with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the ULB's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the ULB's officers, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the report attached below, the Receipt & Payment Account annexed to this report give true and fair view of financial transactions affected by ULB and recorded these transactions in cash book for the financial year ending as on 31st March, 2020.

5. Basis for Qualified Opinion

The details which form the basis of qualified opinion are reported in the Annexure 1 and Annexure 2 annexed to this report.

6. Emphasis of Matters

We draw attention to the following matters reported in Annexure - 2, annexed to this report.

- a) Accounts prepared as per the Manual in lieu of accounting standards for local bodies as issued by Institute of Chartered Accountants of India.
- b) Revenue department's records related to recovery of revenue taxes and other revenue dues has minor differences with accounting records maintained by accounting department.
- c) Non-maintenance or incomplete registers as prescribed under manual and mentioned at point 3 of annexure 2.
- d) Non verification of EPF, TDS on GST and TDS-Income Tax deposited by ULB, as same has not been made available to us by the ULB.

Our opinion is not modified in respect of these matters.





7. We further report that:

- a) We have sought and, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by Municipal Accounting Manual have been kept by the ULB so far as appears from our examination of those books.
- c) The Receipt & Payment Account deal with by this Report are in agreement with the books of account.
- d) Except for the matter described in the Basis for Qualified Opinion paragraph above, the Receipt & Payment Account comply with the Municipal Accounting Manual and Accounting Standards applicable to the Urban Local Bodies.
- e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the ULB.
- f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the ULB and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 1'.

Date: 09/03/2021

UDIN: 21418806AAAABH5664

For Patidar & Associates
Chartered Accountants



CA Neelesh Patidar
(Partner)
MRN - 418806



Annexure '1'

Report on Internal Financial Controls over Financial Reporting

1. Report on the Internal Financial Controls of the ULB ("the ULB")

We have audited the internal financial controls over financial reporting of ORCHHA NAGAR PARISHAD ("the ULB") as of March 31, 2020 in conjunction with our audit of the financial statements of the ULB for the year ended on that date.

2. Management's Responsibility for Internal Financial Controls

The ULB's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the ULB. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to ULB's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required in accordance with the Municipal Corporation Act, 1956 including the Municipal Accounting Manual and accounting principles generally accepted in India applicable to the Urban Local Bodies.

3. Auditors' Responsibility

Our responsibility is to express an opinion on the ULB's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.





procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the ULB's internal financial controls system over financial reporting.

4. Meaning of Internal Financial Controls Over financial Reporting.

A ULB's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A ULB's internal financial control over financial reporting includes those policies and procedures that

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the ULB;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the ULB are being made only in accordance with authorizations of management and officers of the ULB; and
- c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the ULB's assets that could have a material effect on the financial statements.

5. Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2020:





- a) The ULB did not have an appropriate internal financial control system over financial reporting since the internal controls adopted by the ULB did not adequately consider risk assessment, which is one of the essential components of internal control, with regard to the potential for fraud when performing risk assessment
- b) The ULB did not have an appropriate internal control system for tax and user charges collection, tax demand evaluation, which could potentially result in the ULB recognizing revenue without establishing reasonable certainty of ultimate collection.
- c) The ULB did not have an appropriate internal control system for inventory with regard to receipts, issue for production and physical verification. Further, the internal control system for identification and allocation of overheads to inventory was also not adequate. These could potentially result in material misstatements in the ULB's trade payables, consumption, inventory and expense account balances.
- d) The ULB did not have an appropriate internal control system for fixed asset with regard to purchase, construction, transfer and physical verification. Further, the internal control system for identification and allocation of overheads to fixed asset was also not adequate. These could potentially result in material misstatements in the ULB's grants, payable to contractors, tax and other statutory dues, fixed assets, capital work in process and accumulated depreciation account balances.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the ULB's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, because of the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the ULB has not maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as of March 31, 2020 based on the criteria established by the ULB.





PATIDAR & ASSOCIATES

CHARTERED ACCOUNTANTS

+91-9893958116
capatidar.associates@gmail.com

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 financial statements of the ULB, and these material weaknesses do not affect our opinion on the financial statements of the ULB.

Date: 09/03/2021

For Patidar & Associates
Chartered Accountants



CA Neelesh Patidar
Partner
MRN - 418806



Annexure '2'

The Annexure referred to in paragraph 6 of Our Report:

1. Audit of Revenue

- 1) The auditor is responsible for audit of revenue from various sources.

We have verified the revenue from various sources which was recognized and entered in the books of account produced before us for verification.

- 2) He is also responsible to check the revenue receipts from the counter files of receipt book and verify that the money receipt is duly deposited in respective bank account. The counter foils or revenue receipts were made available to us for verification on test check basis. It was informed to us that the revenue/tax collector/officer directly deposits the amount collected with main cashier at the cash counter, who in turn deposit this amount directly to the bank account. A register is being maintained by revenue/tax collector/officer from which collected amount move into cashier cash book. A detailed statement containing outstanding demand and tax collected during the year was provided to us by the concerned department duly certified by the concerned officer.

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

Details are given in Annexure C attached to this report.

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

No such instances were noticed during the test check of such entries conducted by us except the circumstances like public holidays, government or local holidays etc.

- 5) The entries in Cash book shall be verified.

We have verified the entries in cash book on test check basis and no major discrepancy was noticed by us. However we have noticed that main cash cashbook contains entries related with revenue receipts on consolidated basis i.e. single entry for all revenue receipts of sampatti kar, samekit kar, jalkar, vikas upkar etc from cashier's cashbook.

- 6) The auditor shall specifically mention in the report the revenue recovery against the quarterly and monthly targets any lapses in revenue recovery shall be a part of the report.

No details with respect to quarterly and monthly targets set for the FY 2019-20 and the revenue recovery against such targets were made available to us.





it was not possible for us to report the revenue recovery against the quarterly & monthly target.

- 7) The auditor shall verify the interest income from FDR's and verify that interest is duly and timely accounted for in cash book.

We have verified the interest income from FDR's and noticed that interest income is not recognised in books of accounts on accrual basis. The same is recorded at the time of FDR maturity.

- 8) The case where, the investments are made on lesser interest rates shall be brought to the notice of the Commissioner/CMO.

FDR's have been verified as provided to us & were in the possession of ULB. Detail of the same is provided in sub point 3 of point 4.

2. Audit of Expenditure:

- 1) The auditor is responsible for audit of expenditure under all the schemes.

We have verified the expenditure under various heads which was recognized and entered in the books of account produced before us for verification except expenses under "Other expenses" amounting to Rs. 1,80,881/- & Rs. 3,77,518/- under head Other payments and Operation & Maintenance Expenditure respectively of receipt & payment.

- 2) He is also responsible for checking the entries in cash book and verifying them relevant vouchers.

We have verified the entries in cash book on test check basis which were supported by relevant vouchers/note sheets. However, considering the bulk quantum of entries and the weak internal control procedures, the discrepancies in the entries of cash book cannot be ruled out.

- i. ULB have not provided challans or returns for payment of TDS-Income Tax and TDS-GST to the Government. However ULB has explained that same had been duly deposited on or before the due date. Non-compliance of tax provision attract statutory penalty.

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

We have verified monthly balances of the cashbook on test check basis. In the course of any difference in totalling amount was noticed in course of our verification.





- 4) He shall verify that the expenditure for a particular scheme is limited to the funds allocated for that particular scheme any over payment shall be brought to the notice of the Commissioner / CMO.

No such instance has been noticed during the course of our verification.

- 5) He shall also verify that the expenditure is accordance with the guideline, directives, acts and rules issue by Government of India/ State Government.

In absence of availability of guidelines, directives, acts and rules issued by Government of India/ State Government, it was not possible for us to verify the expenditures in accordance with such guidelines etc.

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

We have verified the expenditure on test check basis and it was found that such expenditure were duly supported by financial and administrative sanctions accorded by competent authority. However, in absence of information/ written document with respect to administrative and financial limits of the sanctioning authority, it was not possible for us to verify whether the expenditure incurred and sanctioned by authority were within their limits or not.

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

No such instances were noticed during the test check of such entries conducted by us.

- 8) The auditor shall be responsible for verification of scheme wise/ project wise Utilization Certificate (UCS). UC's shall be tallied with the Receipt & Payment Account and creation of Fixed Asset.

Utilization certificates of various schemes for verification of scheme wise project/ wise Utilization Certificate (UCS) were not provided to us by the ULB. Hence same cannot be commented upon. We are unable to verify the details of capitalization of expenditure since there is neither any proof available nor completion of work from respective department. There is no cross check mechanism exist to ensure the completion of project except payment of final bill. It is suggested that a proper internal control system should be framed to identify the fixed asset and its recognition in fixed asset register and books of account of the ULB.





- 9) He shall verify that all temporary advances have been fully recovered.

ULB explained that it has not provided temporary advances during the year nor has outstanding advances at year end. Consequently, we cannot comment on whether all temporary advances have been fully recovered or not.

3. **Audit of Book Keeping**

- 1) The auditor is responsible for audit of the books of accounts as well as stores.

As per the information and explanation provided to us by the management of the ULB and on perusal of books of accounts, it was noticed by us that the ULB has not maintained stock registers, advance registers & fixed asset register as prescribed under MP MAM.

- 2) He shall verify that all the books of accounts and stores are maintained as per Accounting Rules applicable to the Urban local Bodies. Any discrepancies shall be brought to the notices of Commissioner / CMO.

As stated in point no. 1 above, as the books stores are not provided for verification, so it was not possible for us to verify whether the same is maintained as per Accounting Rules applicable to the urban local Bodies.

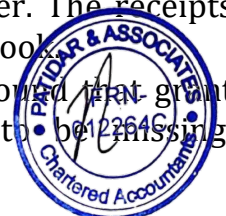
- 3) The auditor shall verify advance register and see that all the advance are timely recovered according to the condition of advance. All the case of non-recovery shall be specifically mentioned in audit report.

As per the information and explanation provided to us by the management of the ULB, no specific condition related to advances are placed. Hence, it is not possible for us to verify the cases of timely recovery of advances, if any.

- 4) Bank reconciliation statement (BRS) shall be verified from the records of ULB and the bank concerned. If bank reconciliation Statement are not prepared the auditor will help in the preparation of BRS's

Bank Reconciliation is prepared by the ULB for the current year. However in the absence of BRS for previous years, missing opening and closing balances of cashbook with respect to the bank accounts BRS remains inaccurate. The details of the same has been annexed with this report as Annexure-BRS.

- 5) He shall be responsible for verifying the entries in the Grant register. The receipts and payment of grants shall be duly verified from the entries in cash book. Grant registers were made available to us and on verification we found that grant registers were not updated and payment entries were found to be missing.





Consequently the closing balances cannot be derived from the grant register. However summarised statement of grants received is produced at point 6(1) below.

- 6) The auditor shall verify the fixed assets register from other records and discrepancies shall be brought to the notices of Commissioner / CMO.
Fixed asset registers were not provided to us for verification. Therefore we are not able to verify the same and comment upon whether it is complete and correctly balanced.
- 7) The auditor shall reconcile the account of receipt and payment especially for project funds.
Separate cash book were not made available to us for verification. So cannot comment on that.

4. Audit of FDR

- 1) The auditor is responsible for audit of all fixed deposits and term deposits.
We have verified fixed deposits maintained by the ULB and provided to us for verification, the detail regarding the same is tabled below:-

S.NO	BANK NAME	FDR NO.	AMOUNT	ROI	Period	Remarks
1	State Bank of India	30378230384	38,14,057.00	6.75%	06/05/2017 to 06/11/2018	FD on auto renewal
2	State Bank of India	38464580951	3,00,00,000.00	6.70%	17/05/2019 to 17/05/2020	FD on auto renewal
3	State Bank of India	11271191232	5,15,00,000.00	-	-	Smart City FD. Break on 09/03/2020 before maturity

- 2) It shall be ensured that proper record of FDR's are maintained and renewals are timely done.
Proper records of FDRs are maintained. However renewal details were not made available for one FD with SBI A/c 38464580951. ULB has explained that all the FD's are on auto renewal mode.
- 3) The case where FDR'S / TDR are kept at low rate of interest than the prevailing rate shall be immediately brought to the notice of Commissioner/ CMO.
Investments are made by the ULB at competitive rate. No instance found where FDR's are kept at low rate of interest than the prevailing rate.





- 4) Interest earned on FDR/TDR Shall be verified from entries in the cash book.
Interests on FDRs' are booked on receipt basis, as on the maturity and realization of invested amount is recorded in the cash book.

5. Audit of Tenders / Bids

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





6. Audit of Grants and Loans

- 1) The auditor is responsible for audit of grants given by Central Government and its utilization.

Verification of grant received from state and central government has been conducted. Details of same has been provided below. However in absence of utilisation details we cannot comment on the whether grants are used for the intended purpose or not.

Details of grant as per UADD records are as follows:

Grant Head	Amount received as per grant register	Amount received as per UADD records	Amount received as per R&P
Sadak Marammat	7,46,000.00	8,57,000.00	7,46,000.00
Vaniya Kar par Adhibhaar	24,47,000.00	21,85,000.00	24,47,000.00
Rajvitt Aayog	18,32,000.00	34,62,000.00	21,20,000.00
Mudrank Shulk	6,50,000.00	7,21,000.00	6,50,000.00
Chungi Shati Purti	4,52,02,011.00	4,90,42,074.00	4,90,42,074.00
Yatrikar	2,71,000.00	2,87,000.00	2,71,000.00
14 th Finance	59,51,000.00	1,18,87,000.00	59,51,000.00
Special Fund	1,00,00,000.00	1,00,00,000.00	-

Grant registers were not updated by the ULB. The Payments out of grant were not recorded.

We have noticed differences in grant amount for which ULB has not provided any explanation.

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

Verification had been conducted for the total grants received from the State/Central government. Details for the same are provided in table above.

- 3) He shall perform audit of loans provided for physical infrastructure and its utilization. During his audit the auditor shall specifically comment on the revenue mechanism i.e. whether the asset created out of the loan has generated the desired revenue or not. He shall also comment on the possible reasons for non-generation of revenue.

As per information provided by the ULB and according to our verification, ULB has accorded loan from HUDCO. The loan repayment has been timely made at each quarterly/annually (as applicable) rest. However, there was no document or information provided to verify whether the asset created out of the loan has generated the desired revenue or not. We cannot comment on the possible reasons for non-generation of revenue.





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+91-9893958116
capatidar.associates@gmail.com

Details of loan repaid and balance outstanding at year end is provided in the table below:

S.No.	Financial Institution	Object of Loan
1	HUDCO	CM Adhosanrachna & Peyjal Yojna

Quarter	Interest Payment by ULB	Principal Payment by ULB	Total Payment
Qtr 1	2,95,093.00	2,97,200.00	5,92,293.00
Qtr 2	2,87,033.00	2,97,200.00	5,84,233.00
Qtr 3	2,75,972.00	2,97,200.00	5,73,172.00
Qtr 4	2,31,066.00	2,97,200.00	5,28,266.00
	10,89,164.00	11,88,800.00	22,77,964.00

- 4) The auditor shall specifically point out any diversion of funds from capital receipts/ grants/ bans to revenue expenditure.

As per the information made available to us, and as per our verification, instances of diversion of funds from one grant account to another have not been noticed. However, due to inherent limitation of internal controls over financial reporting possibilities of fund diversion cannot be ruled out completely.





Nagar Parishad Orchha, Distt. Niwari (M.P.)

Receipts and Payments of financial Year 2019-20

Receipts	Amount	Payments	Amount
Opening Balance	18,14,59,443.97	Salary & Wages:	
Revenue:		Salary	2,32,07,892.00
Sampattikar, Samekitkar, Siksha Upkar, Nagar Vikas Kar & Other	23,74,415.00	Muster Payments	72,00,741.72
Tap Scheme, Tender Fee, Ration Card, Sampatti kar due, Samekit kar due	60,835.00	Councilor Honorarium	3,51,000.00
Mutation fee shop rent	24,385.00	GPF Amount	38,57,561.90
Dukan Kiraya, Jalkar Certificate Fee, Building Rent, Tourist Dharamshala	8,80,939.00	Pension Contribution Amount	6,57,854.00
Parking Fee Bus Stand	20,20,220.00	Professional Tax	1,01,640.00
Tap disconnection fee	2,107.00	Arrears Amount	10,67,186.00
Building Rent	10,18,303.00	Income Tax	21,41,109.00
Shop Premium	40,14,976.00	Cess Amount	8,09,199.00
		GST, TDS Amount	16,60,633.18
Other Revenue:		Holiday Encashment	3,87,990.00
Tender Fee	6,42,503.00		
Rent	14,383.00	Administrative & Establishment Expenditure:	
Others	14,27,126.92	Stationary	17,334.00
Community Building rent	9,300.00	Tender Downloading	67,620.00
Certificate copy charges	110.00	Release Publications	1,86,667.90
Interest on SB & FDR matured	35,25,694.00	Photo Copy	25,906.00
Ration Card fee	25.00	Certificate	37,120.00
		Printing	19,394.00
Other Receipts:		Photography	6,746.00
Amount trf from CM adhosanrachna a/c 50504	46,96,699.00	Payment revert	1,101.18
Mukhya Mantri Adhosaranchana	2,40,00,000.00	SMS Alert Charges	196.80





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Excess Postage revert	7,695.00	Computer Cartridge Refill	13,094.00
Excess salaries revert	32,261.00	Internet Charges	31,310.00
Internet Banking Charges revert	229.00	Newspaper	79,349.00
Website Development revert	1,56,800.00	Stationery	42,740.18
Account Closed & amount trfd to SBI a/c 1232	12,57,257.00	Payment to Professional	89,322.36
Amount Transfer from canara a/c 4465	90,00,000.00	Website Development	2,35,200.00
FDR Smart City	5,57,99,909.00	D.P.R	99,960.00
Income Tax-TDS from cashiers cashbook	24,288.00	Advocate Fee	15,680.00
Other receipts through internet banking to SBI a/c 1232	1,04,61,983.00	Download G.L Code	13,920.00
Sanchit Nidhi	3,18,00,000.00	Digital Signature	13,720.00
Grace Aid	8,00,000.00	Bank Charges	2,007.00
		A.C Repair	13,422.00
Grants		Other Expenses	3,77,518.72
Pradhan Mantri Awas Yojna	1,27,00,000.00		
Chhungi kshatipurti	4,90,42,074.00	Operation & Maintenance Expenditure:	
14 Finance Commission	59,51,000.00	Vehicle Rentals	7,34,521.00
Rajya Vitt Ayog	21,20,000.00	Vehicle Repair	1,66,292.36
Special Fund	1,00,00,000.00	Diesel	6,31,314.36
Sadak Marammat	7,46,000.00	Tent Rentals	4,64,135.08
Grant for New Fire Vehicles	18,75,000.00	Mutation Fee	980.00
Yatri Kar	2,71,000.00	Drinking water Arrangement	1,49,400.00
Mudrank Shulk	6,50,000.00	Building Repairs	1,86,889.18
Mulbhoot Suvidha	24,47,000.00	Electricity Payment	2,03,36,665.00
		Power Material	12,18,841.90
		Other Repairs	1,56,400.00
		Sound System Repair	25,477.36
		Purchase of Repair Materials	5,23,110.36
		Grace Aid Amount	12,00,010.62





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	Ananad Utsav Expenses	3,921.18
	Self-propulsive Arrangement	88,242.36
	Tractor Rentals	26,666.00
	Advance amount	11,80,286.36
	Flower Garland Purchase	13,997.00
	Vehicle Insurance	6,55,793.36
	Tap Fitting Charges	12,603.00
	Tractor Repair	94,212.36
	Cleaning Materials	3,27,540.00
	Painting Payment	1,35,114.00
	Purchase of Painting Material	1,81,980.00
	Stone purchase	1,19,016.00
	Garbage Vehicle Payment	1,13,050.00
	Crane Machine Rentals	2,78,300.00
	Food Arrangement	27,440.00
	Mobile Toilet Supply	4,02,748.00
	Other Essential Materials	2,935.00
	Heritage amount	1,000.00
	Tree Planting	1,500.00
	Insurance amount	1,61,397.36
	Well Rent	1,32,742.00
	Tent Rentals	700.00
	JCB Rent	12,48,717.00
	Cloth supply	13,087.00
	Travel Expenses	33,026.00
	Publicity	35,950.00
	Function Arrangement	6,58,971.00
	Tourist Hotspot	12,33,284.00
	Lime Purchase	7,390.00
	Flex printing	99,852.00
	National Festival Function arrangements	67,497.00





PATIDAR & ASSOCIATES

CHARTERED ACCOUNTANTS

+91-9893958116
capatidar.associates@gmail.com

		Beautification Work	9,76,416.00
		Capital Expenditure:	
		RCC Road	21,16,355.00
		C.C. Road	3,06,70,068.90
		Shop Constrcution	2,00,748.00
		Drain Construction	80,49,341.90
		Paver Block	91,47,480.90
		Community Building Construction	13,22,224.00
		Community Building Materials	11,20,017.00
		Water supply system	62,44,290.00
		Water supply material	11,37,134.00
		Safety Boundary Construction	14,75,172.36
		Community Toilets	2,42,549.00
		Mukhya Mantri Adhosaranchna Yojna	63,97,506.00
		Purchase Laptop Printers	83,362.00
		Air Conditioner Purchasing	48,429.00
		Pradhan Mantri Awas Yojana	1,19,59,010.00
		Furrow Construction	56,724.00
		Machine Purchase	79,628.00
		FSTP Plant Construction	7,19,748.00
		Mukti Dham Development Work	7,37,973.00
		Battery Purchase	32,626.00
		Cutting Machine	21,460.00
		Panchkoshi Parikrama Marg	1,53,46,317.00
		Toilet Material Construction	30,66,982.00
		Culvert construction	12,17,771.00
		Divider Construction	23,24,972.00





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		B T Work	37,33,356.00
		Fire Vehicle Chasis	11,13,100.00
		Pavement & Stone Fencing	7,73,023.00
		Purchasing Machine Materials	29,000.00
		Trippler Purchase	28,21,722.00
		MS Sheet Purchase	1,82,400.00
		Motor Pump Purchasing	11,931.00
		Chief Minister Urban Drinking Water Scheme	24,38,979.00
		Garden Development Work	22,67,146.00
		Pipe purchase	1,45,163.00
		Other Payments:	
		Grace Aid Amount	12,00,003.54
		Royalty	23,58,042.00
		Sanchit Nidhi	3,29,37,927.00
		SD Amount	10,94,476.08
		Account Close & amount trf to ABI a/c 1232	1,19,448.00
		Amount Transfer to SBI a/c 232	90,00,000.00
		FDR Close	5,57,99,909.00
		Other Expenses	1,80,881.00
		HUDCO Installment	16,93,736.90
		Funeral Aid	1,00,000.00
		Closing Balance	12,25,34,281.17
Total	42,13,13,960.89	Total	42,13,13,960.89

Chief Accounts Officer



Chief Municipal Officer,
Orcha Nagar Parishad



Non recovery of taxes

Urban Local Bodies (ULB) earns revenue from their own resources through taxes, rent, fees, issue of licenses etc. In test check of Nagar Parishad as of 31 March 2020 a sum of Rs 41.17 Lakhs (as shown in Table Below) plus Interest & Penalties were outstanding against the taxpayers, although the ULBs had powers under section 165 of Madhya Pradesh Municipalities Act, 1961 to approach a Magistrate to seek orders for recovery by distress and sale of any movable property of attachment and sale of immovable property belonging to defaulters, however they had not invoked these power to recover the outstanding taxes. Failure to invoke its powers resulted in non-recovery of outstanding taxes and resource crunch, leading to hindrance in development works.

Non Recovery of dues

(Amount in Lakhs)

Sl. No.	Type of Tax	Due amount recoverable on 01/04/2019	Received From Previous Dues	Un-Recovered Due for More than a Year	Current Due	Current Received	Un-Recovered due of Current Year	Total unrecovered amount
1	Sampatti Kar	15.53	7.93	7.61	9.74	4.17	5.57	13.17
2	Samekit Kar	20.79	3.25	17.53	7.46	1.41	6.05	23.58
3	Nagriya Vikas Upkar	3.32	2.06	1.26	2.35	1.23	1.12	2.38
4	Shiksha upkar	2.86	1.94	0.91	2.35	1.23	1.12	2.03
	Total	42.49	15.18	27.31	21.90	8.04	13.86	41.17
	Total Un-Recovered amount							41.17

For Patidar & Associates

Chartered Accountants

Date: 09/03/2021



CA Neelesh Patidar
Partner
MRN - 418806

Name of ULB
Name of Auditor

Orchha Nagar Parishad
Patidar & Associates

Annexure C

S.no.	Parameters	Description		% of growth	Observation in brief				Suggestions
	Audit of Revenue	Receipt in (Rs.)							
	Rajaswa Kar wasooli	2018-19	2019-20						
1	Sampatti Kar	8.81	12.10	37.29	Collection % w.r.t. total dues is	47.87%	which is Below Average	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
2	Samekit Kar	2.08	4.66	124.46	Collection % w.r.t. total dues is	16.50%	which is Not upto the mark	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
3	Nagriya Vikas Upkar	2.34	3.29	40.46	Collection % w.r.t. total dues is	58.01%	which is Average	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
4	Shiksha upkar	2.18	3.17	45.88	Collection % w.r.t. total dues is	60.94%	which is Average	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
	Total	15.40	23.22						



Reporting on Audit Paras for Financial Year 2019-20

Name of ULB: Orchha Nagar Parishad

Name of Auditor: Patidar & Associates, Chartered Accountants

<u>S. no</u>	<u>Parameters</u>	<u>Description</u>	<u>Observation in brief</u>	<u>Suggestions</u>
2	Audit of Expenditure:	Verification of Expenditures are as per guidelines, directives, and rules under all schemes and entries of expenditures in cash book, Diversion of Funds, financial propriety of expenditures, scheme project wise utilisation certificate.	Observations were listed in brief in point no. 2 of annexure 2 of audit report attached	Vouchers should be adequately supported with proper documents.
3	Audit of Book keeping	Verification of books of accounts and stores are maintained as per accounting rules, advance register and check timely recovery, Bank reconciliation statement, grant register, fixed asset register	Observations were listed in brief in point no. 3 of annexure 2 of audit report attached	Required books of accounts as prescribed under MP MAM Should be maintained.
4	Audit of FDR/TDR	Verify fixed deposits and term deposits and their maintenance	Observations were listed in brief in point no. 4 of annexure 2 of audit report attached	NA.
5	Audit of Tenders and Bids	Verify Tenders/Bids invited by ULB and competitive tendering procedures followed	Observations were listed in brief in point no. 5 of annexure 2 of audit report attached	Procedure for Tenders opening and Performance review should be carefully monitored.
6	Audit of Grants & Loans	Verification of Grant received from Government and its utilisation	Observations were listed in brief in point no. 6 of annexure 2 of audit report attached	Grant register should be updated and balanced regularly with its Utilization Certificate.
7	Verify whether any diversion of funds from capital receipt /grants /Loans to revenue expenditure and from one scheme /project to another.		Observations related to diversion of funds has been pointed out in point no. 6 (iv) of annexure 2 of report attached	
8	a) Percentage of revenue expenditure	454.42% $(7,69,61,547/1,69,36,321) \times 100$		



	e (Establishment, salary, Operation & Maintenance) with respect to revenue receipts (Tax & Non Tax).			
	b) Percentage of Capital expenditure wrt Total expenditure.	60.39% $(11,73,33,709/19,42,95,256) \times 100$		
9	Whether all the temporary advances have been fully recovered or not.		Cases of outstanding advances have been outlined in point no. 2 (9) of report attached.	ULB should impose strict action to collect such amount or make necessary adjustment after prior approval of relevant authority.
10	Whether bank reconciliation statements is being regularly prepared		BRS prepared by the ULB	NA



Nagar Parishad Orchha

Annexure BRS

Bank Account details for the FY 2019-20

S.No.	Bank Name	Bank Account No.	Closing Balance as per Cash book as on 31/03/2020	Closing Balance as per Pass book as on 31/03/2020	Difference	Remarks
1	State Bank of India	11271191221	21,82,054.22	21,82,054.22	-	
2	State Bank of India	32294949443	4,76,801.00	4,76,801.00	-	
3	State Bank of India	33975889915	-	16,842.00	(16,842.00)	A/C closed & statement not made available. As per ULB no transactions during the year.
4	State Bank of India	33866505004	3,72,130.00	3,72,130.00	-	
5	State Bank of India	302429960369	-	1,19,448.00	(1,19,448.00)	A/C closed & statement not made available. Balance as interest.Account closed on 13/2/20
6	State Bank of India	11271191516	-	1,23,709.00	(1,23,709.00)	A/C closed & statement not made available. Account closed on 13/2/20
7	State Bank of India	30242882391	6,852.00	7,128.00	(276.00)	A/C closed & statement not made available.Account closed on 13/2/20
8	State Bank of India	30242882006	-	10,06,972.00	(10,06,972.00)	Bank statement not available,As account was closed on 13/2/2020.Last balance was 10,06,972/- which was transferred to another account
9	State Bank of India	30200945248	7,868.00	5,000.00	2,868.00	Difference due to bank charges
10	State Bank of India	37188784939	-	-	-	A/C closed & statement not made available. As per ULB no transactions during the year.
11	State Bank of India	11271191232	-	1,86,18,079.95	(1,86,18,079.95)	Closing cashbook balance were not available and hence reconciliation is incomplete. Bank Statement from 17 Dec 2019 to 31 Dec 2019
12	Canara Bank	2641101004465	-	4,37,168.00	(4,37,168.00)	Opening balance missing in Cash book. The differences might be due to opening balances.
13	Canara Bank	2641132000003	17,44,477.00	17,44,477.00	-	
14	Canara Bank	2641101002867	29,21,366.00	29,21,366.00	-	
15	Indusind Bank	100022885437	-	-	-	A/C closed & statement not made available. As per ULB no transactions during the year.
16	Punjab National Bank	9257000100002717	55,73,328.56	55,73,328.56	-	Opening balance missing in Cash book,The differences might be due to opening balances.
17	Canara Bank	2641101009197	-	-	-	A/c Closed . Statement not avlbl
18	Canara Bank	2641101009126	-	-	-	A/c Closed . Statement not avlbl
19	Canara Bank	2641101009249	-	77,53,534.00	(77,53,534.00)	Closing cashbook balance were not available
20	Canara Bank	2641101008907	2,42,41,834.00	2,44,70,969.00	(2,29,135.00)	Opening balance missing in Cash book,Entries for the year 2019-20 are reconsiled,The differences might be due to opening balances.
21	State Bank of India (Indore)		500.00	500.00	-	
TOTAL			3,75,27,210.78	6,58,29,506.73	(2,83,02,295.95)	

List of accounts closed & statement not available

State Bank of India	37188784939
Indusind Bank	100022885437
Canara Bank	2641101009197
Canara Bank	2641101009126
State Bank of India	30242882006



SBI A/C 1232

2019-20

Opening Balance 01/04/2019			-
Balance as per Bank			7,56,18,459.35
Balance as per Cashbook			7,56,18,459.35
			-

Balance as per Cash Book 31/03/2020			-
Add:			
Receipts as per bank not found in Cash Book		0.00	0.00
Less:			
Payment as per bank, notfound in Cash Book		-	-
Add:			
Payment as per Cash Book, not found in Bank		-	-
Less:			
Receipts as per Cash Book not found in Bank		22,94,632.00	(22,94,632.00)
04/10/2019	Cash deposited	2,100.00	
19/12/2019	Money recived against internet banking	850.00	
19/12/2019	Money recived against internet banking (printing work)	71,000.00	
19/12/2019	Money recived against internet banking	5,30,000.00	
20/12/2019	Money recived against internet banking	327.00	
20/12/2019	Moobhut Suvidha	2,62,000.00	
24/12/2019	orcha palace hotal (chq no. 826713)	3,59,700.00	
24/12/2019	orcha resort	3,23,783.00	
25/12/2019	Interest	4,12,722.00	
30/12/2019	Mudrank Shulk	70,000.00	
31/12/2019	-	2,62,000.00	
31/12/2019	-	150.00	
Balance as per Bank			(22,94,632.00)
			-45,89,264.00

Balance as per bank statement

5,35,60,249.95

Difference due to missing cashbook balance

-5,81,49,513.95

Notes:

Balance missing from Cash book on 31/3/2020

Bank statement missing from 17th Dec 2019 to 31st Dec 2019



A/C 4465

2019-20

Opening Balance 01/04/2019			-
Balance as per Bank			76,16,814.00
Balance as per Cashbook			76,16,814.00
			-

Balance as per Cash Book 31/03/2020			-
Add:			
Receipts as per bank not found in Cash Book		3,38,180.00	3,38,180.00
30/08/2019	OCC DATA ENTRY: 000000650371	3,17,400.00	
09/09/2019	FUNDS TRANSFER FROM RAJMANDIR	18,680.00	
17/09/2019	CASH DEPOSIT	2,100.00	

Less:			
Payment as per bank, not found in Cash Book		-	-
Add:			
Payment as per Cash Book, not found in Bank			-
Less:			
Receipts as per Cash Book not found in Bank		3,37,640.00	(3,37,640.00)
02/05/2019	Jalkar	1,560.00	
28/12/2019	Sampatkar	3,17,400.00	
28/12/2019	Sampatkar	18,680.00	
Balance as per Bank			540.00

Balance as per bank statement**4,37,168.00**Difference due to missing cashbook
balance

4,36,628.00

Notes:

Balance missing from Cash book on 31/3/2020



PNB A/C 2712 2019-20

Opening Balance 01/04/2019		-
Balance as per Bank		14,74,912.36
Balance as per Cashbook		14,74,912.36
		-

Balance as per Cash Book 31/03/2020		-
Add:		
Receipts as per bank not found in Cash Book	15,940.00	15,940.00
24/4/19 By Cash 15940	15,940.00	
Less:		
Payment as per bank, not found in Cash Book	88.50	(88.50)
14/04/2019 SMS Chg	17.70	
11/07/2019 SMS Chg	17.70	
04/10/2019 SMS Chg	17.70	
07/01/2020 SMS Chg	17.70	
16/03/2020 SMS Chg	17.70	
Add:		
Payment as per Cash Book, not found in Bank		-
Less:		
Receipts as per Cash Book not found in Bank	-	-
Balance as per Bank		15,851.50

**Balance as per bank
statement**

55,73,328.56

Difference due to missing
cashbook balance

55,57,477.06

Notes:

Balance missing from Cash book on
31/3/2020



SBI A/C 1516

2019-20

Opening Balance 01/04/2019		-
Balance as per Bank		1,20,153.54
Balance as per Cashbook		1,20,153.54
		-

Balance as per Cash Book 31/03/2020		-
Add:		
Receipts as per bank not found in Cash Book	580.46	580.46
(19/02/2020 bank interest)		
Less:		
Payment as per bank, not found in Cash Book	-	-
Add:		
Payment as per Cash Book, not found in Bank	-	-
Less:		
Receipts as per Cash Book not found in Bank	-	-
Entry missing from bank stat		
Balance as per Bank		580.46

Balance as per bank statement

-

Difference due to missing cashbook balance

-580.46

Notes:

Balance missing from Cash book on 31/3/2020

