

# Audit Report

F.Y 2019-20

## Ambah Municipal Council

Prepared by:

Ab hishek V Gupta & Co.

Chartered Accountant, Gwalior, MP



# *Abhishek V Gupta & CO.*

Chartered Accountants

Add: UG-2 Rakamal Appartment, Kailash Vihar, City Center Gwalior, MP-474011

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To,

The Chief Municipal Council,

Ambah Municipal Council

## **Audit Report**

### **PURPOSE OF AUDIT**

A **audit** is conducted to provide an opinion whether 'financial statements' (the information being verified) are stated in accordance with specified criteria. Normally, the criteria are Indian accounting standards, although auditors may conduct audits of financial statements prepared using the cash basis or some other basis of accounting appropriate for the organization. In providing an opinion whether financial statements are fairly stated in accordance with accounting standards, the auditor gathers evidence to determine whether the statements contain material errors or other misstatements.

The audit opinion is intended to provide reasonable assurance, but not absolute assurance, that the financial statements are presented fairly, in all material respects, and/or give a true and fair view in accordance with the financial reporting framework. The purpose of an audit is to provide an objective independent examination of the financial statements, which increases the value and credibility of the financial statements produced by management, thus increase user confidence in the financial statement, reduce investor risk and consequently reduce the cost of capital of the preparer of the financial statements.

### **SCOPE OF AUDIT**

#### **1. Audit of Revenue**



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Task	Particulars
Scope Given	The auditor is responsible for all revenue receipts from the counter files.
Observation	All Revenue Receipts has been audited on random basis and bifurcated head wise but there should be proper head of amount received as audit objection.
Scope Given	He is also responsible to check the revenue receipts is duly deposited in respective bank account
Observation	The Revenue Receipts are duly deposited in respective bank accounts on same day except holidays and Bank Circumstances like server Problems and others etc.
Scope Given	Percentage of revenue collection increase in various heads in property tax, compared to previous year shall be part of report
Observation	Annexure of Percentage of revenue collection increase in various heads in property tax, compared to previous year is attached.
Scope Given	Delay beyond 2 working days shall be immediately brought to the notice of commissioner/CMO
Observation	No Such Delay found except bank holidays and closing of bank.
Scope Given	The entries in cash book shall be verified
Observation	Entries in cash book have been verified on random basis and also counter check from cashier book.
Scope Given	The auditor shall specifically mention in the report, the revenue recovery against the quarterly and monthly targets. Any lapses in revenue recovery shall be part of the report
Observation	There is no procedure of issuing quarterly and monthly targets. The targets are annually decided as per last year demand not as per Actual collection or as per Property Located or connections given in Council Limits. The Property and Connections survey and bifurcation into commercial and domestic required so the collection of property Tax and user charges will be increased.
Scope Given	The auditor shall verify the interest income from FDR's and verify that



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	interest income is duly and timely accounted for in cash book
Observation	FDR's Interest income is duly checked and not accounted in cash book timely. Only Bank Interest from Some Saving Accounts is accounted in Cash Book.
Scope Given	The cases where, the investments are made on lesser interest rates shall be brought to the notice of the commissioner/CMO
Observation	There is no Procedure of Calling Rate of Interest from Different Banks and same brought to the notice of the CMO.

## 2. Audit of Expenditure

Task	Particulars
Scope Given	The auditor is responsible for audit of expenditure under all the schemes
Observation	Expenditure is checked on random basis along with grants and scheme expenditure.
Scope Given	He is also responsible for checking the entries in cash book and verifying them from relevant vouchers
Observation	Entries of Expenditure are verified from Cash Book and Vouchers and Bank Statement on random Basis.
Scope Given	He should also check monthly balances of the cash book and guide the accountant to rectify errors, if any
Observation	Monthly Balances of Cash Book have been Checked and errors regarding totals have been rectified during Audit.
Scope Given	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 any commissioner/CMO
Observation	There is Separate Bank Accounts for each Scheme but there is no separate accounting for particular scheme Moreover no utilization



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	certificate is issued for particular Scheme and the same is brought to the notice to CMO.
Scope Given	He shall also verify that the expenditure is accordance with the guidelines, directives acts and rules issued by government of India/ State Government.
Observation	Yes, the Expenditure is in accordance with the guidelines, directives acts and rules issued by Governments and same has been verified from the letter issued.
Scope Given	During the audit financial propriety shall also be checked. All the expenditure shall be supported by financial and administrative and financial limits of the sanctioning authority
Observation	Yes, All the expenditures have been supported by financial and administrative and financial limits of the sanctioning authority and financial propriety also checked during Audit.
Scope Given	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 compliances of audit paras shall be brought to the notice of commissioner/CMO
Observation	No, Such Cases Found during the Audit.
Scope Given	The auditor shall be responsible for verification of scheme project wise Utilization Certificates (UCs). UC's shall be tallied with the income & expenditure records and creation of Fixed Asset
Observation	No Utilization Certificates of Scheme Project Wise issued by Ulb. Hence it is not possible to verify the same.
Scope Given	The Auditor shall verify that all the temporary advances have been fully recovered
Observation	Temporary Advances like Festival, Grains, Vehicles, Against GPF etc. are provided by Ulb to their employees and the same has been deducted by the Ulb from their Salary in Consecutive next 10 or Less Months.



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### 3. Audit of Book Keeping

Task	Particulars
Scope Given	The auditor is responsible for audit of all the books of accounts as well as stores
Observation	The Audit of all books as well as store has been checked and the same maintained by ULB Except some Books like separate Scheme Books, Subsidiary books, Fixed Deposit Register, Loan Issued and Taken Registers etc..
Scope Given	He shall verify that all the books of accounts and stores are maintained as per Accounting Rules applicable to Urban Local Bodies. Any discrepancies shall be brought to the notice of commissioner/CMO
Observation	Books of Accounts and Stores are Maintained by ULB in general way. Accounting Rules applicable to Urban Local Bodies are governed by MPMAM and the books maintained by ULB are not as per MPMAM and the same has been brought to the notice of CMO
Scope Given	The auditor shall verify advance register and see that all the advances are timely recovered according to the conditions of advances. All the cases of non recovery shall be specifically mentioned in audit report
Observation	Advances are deducted from the Salaries of the employees and recovered every month.
Scope Given	The auditor shall verify that all the temporary advances have been fully recovered.
Observation	All the Temporary Advances have been fully recovered through as a deduction from salary every Month.
Scope Given	Bank reconciliation statement (BRS) shall be verified from the records of ULB and bank concerned. If bank reconciliation statements are not prepared, the auditor will help in the preparation of BRS
Observation	Bank Reconciliation Statements (BRS) are not prepared by the Ulb. We



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	helped and guided them to prepare the same.
Scope Given	He shall be responsible for verifying the entries in the Grant register. The receipts and payments of grants shall be duly verified from the entries in the cash book
Observation	Separate Compensation and Grant register are not maintained by ULB. Only Schemes Registers are maintained. The Receipts are verified from the Grants Letters and Grants Details Provided by the UADD. Separate Register of Payments from Grants is not Maintained by ULB.
Scope Given	The auditor shall verify the fixed asset register from other records and discrepancies shall be brought to the notice of Commissioner/CMO
Observation	Fixed Assets register are not maintained by the ULB and same has been brought to the notice of CMO.
Scope Given	The auditor shall reconcile the accounts of receipt and payments especially for project funds.
Observation	Only Schemes Fund are checked and verified. no Projects were running during the Audit.

## 4. Audit of FDR

Task	Particulars
Scope Given	The auditor is responsible for audit of all fixed deposits and term deposits
Observation	Fixed & Term Deposits have been verified from the FDR & Terms Deposit Registers
Scope Given	It shall be ensured that proper records of FDR's are maintained and all renewals are timely done
Observation	FDR's are automatically renewed by Core Banking Bank through System on time.
Scope Given	The cases where FDR's/TDR's are kept at low rate of interest than the



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	prevailing rate shall be immediately brought to the notice of Commissioner/CMO
Observation	There is no Procedure of calling Interest Rates from different Banks are followed by ULB and the same is Immediately brought to the Notice of CMO.
Scope Given	Interest earned on FRD/TDR shall be verified be from entries in the cash book
Observation	Interest earned on FDR/TDR is entered on Consolidated Basis not on annual. Further Interest on FDR should be Accounted on Accrual Basis.

## 5. Audit of Tenders/Bids

Scope Given	The auditor is responsible for audit of all tenders /bids invited by the ULB's
Observation	Tenders are Invited online by the ULB. Separate Register of Tenders issued during the year is not maintained by ULB. We verify all the tenders from files and Online Tender Publish report.
Scope Given	He shall check whether competitive tendering procedures are followed for all bids
Observation	Yes, competitive tendering procedures are followed for all bids.
Scope Given	He shall verify the receipts of tender fee/bid processing fee/performance guarantee both during the construction and maintenance period
Observation	The receipts of tender fee/bid processing fee are received online and performance guarantee are in FDR forms and the same randomly verified from bank statements both during the construction and maintenance period.
Scope Given	The bank guarantees, if received in lieu of bid processing fee/performance guarantee shall be verified from the issuing banks.



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Observation	No Such Case of Bank Guarantees received found during the audit year.
Scope Given	The conditions of BG's shall also be verified; any BG with such condition which is against the interests of the ULB shall be verified and brought to the notice of Commissioner/CMO
Observation	No Such Case Found in BG's which is against the interests of the ULB.
Scope Given	The cases of extension of BG's shall be brought to the notice Commissioner/CMO for proper guidance to extend the BG's shall also be given to ULB's
Observation	No Such case of BG's Extension found.

## 6. Audit of Grants and Loans

Task	Particulars
Scope Given	The auditor is responsible for audit of grants given by Central Government and its utilization.
Observation	All the grants from Government verified and listed along with its utilizations specially schemes.
Scope Given	He is responsible for audit of grants received from state government and it's utilization
Observation	All the grants from Government verified and listed along with its utilizations specially schemes.
Scope Given	He shall perform audit of loans provided for physical infrastructure and its utilizations. During this 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 revenue
Observation	There is only Loan from HUDCO received by ULB which is used for Construction of Roads and Other Assets. Revenue in the form of Road



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	Cutting Charges, Encroachment Charges, and Road Tax are collected.
Scope Given	The auditor shall specifically point out any diversion of funds from capital receipts/grants/loans to revenue expenditure and from one scheme/ project to another
Observation	During the Audit and as per randomly checked records no diversion of fund from capital receipts/grants/loans to revenue expenditure and from one project to another are not found.

## Management's Responsibility for Financial Statements

Management's responsibility for the fairness of the representations in the financial statements carries with it the privilege of determining which disclosures it considers necessary. Although management has the responsibility for the preparation of the financial statements and the accompanying footnotes, the auditor may assist in the preparation of financial statements.

Management is responsible for the integrity and objectivity of the financial statements. Estimates are necessary in the preparation of these statements and, based on careful judgments, have been properly reflected. Management has established systems of internal control that are designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, and to produce reliable accounting records for the preparation of financial information.

Management recognizes its responsibility for conducting the Corporation's affairs in compliance with established financial standards and applicable laws, and maintains proper standards of conduct for its activities.

- ♦ Management is responsible for preparing the financial statements and the contents of the statements are the assertions of management

*[Handwritten signature]*  
20/11/2019

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- The independent auditor is responsible for examining management's financial statements and expressing an opinion on their fairness

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Municipal Corporations & Councils Act requires the auditor to:

- Gives a true and fair view about whether the financial report complies with the accounting standards
- Conduct their audit in accordance with auditing standards



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recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Corporation are being made only in accordance with authorizations of management and directors of the Corporation; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Corporation's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that Ambah Municipal Council is maintained effective internal control over financial reporting as of March 31, 2020, is fairly stated, in all material respects, based on criteria established in Internal Control.

Date: 22/02/2021

Place: Gwalior

M/s Abhishek V Gupta & Co.

CA Abhishek Gupta

Partner

M.No. 412903

FRN:0017949C

# Karyalaya Nagar Palika Parishad Ambah

## Income & Expenditure A/c

1-Apr-2019 to 31-Mar-2020

Particulars	Amount( )	Particulars	Amount( )
<b>Expenses (Indirect) (Indirect Expenses)</b>		<b>Income (Direct) (Direct Incomes)</b>	
2101011000 (SALARIES & ALLOWANCES-STAFF)	31,324,611.00	1100101000 (PROPERTY TAX CURRENT)	454,025.00
2101021000 (WAGES)	11,683,089.00	1100201000 (WATER TAX)	1,163,443.00
2103000000 (PENSION)	129,236.00	1108021000 (TOWN DEVELOPMENT TAX)	6,875.00
2104001000 (DEATH & RETIREMENT BENEFIT)	50,000.00	1108041000 (EDUCATION CESS CURRENT)	72,753.00
2104021000 (EPF)	1,078,228.00	1202001000 (COMPENSATION IN LIEU OF OCTOP)	34,461,003.00
2201001000 (RENT-OFFICE BUILDING)	-	1202025000 (COMPENSATION-EXPORT TAX)	302,700.00
2201002000 (RENT-OTHERS)		1301001000 (RENT FROM MARKET)	254,250.00
2201101000 (ELECTRICITY CHARGES)		1301003000 (RENT COMMUNITY HALL)	4,303.00
2201201000 (TELEPHONE EXPENSES)		1401201000 (BUILDING PERMISSION FEE (NAMANTRAN))	5,000.00
2201202000 (MOBILE EXPENSES)		1401300000 (CONSOLIDATED FEES FROM FOR CERTIFICATE OR EXTRACT)	9,350.00
2201221000 (POSTAGE EXPENSES)		1401301000 (FEES FROM COPIES OF PLAN)	244.00
2202101000 (PRINTING EXPENSES)		1401310000 (FEE-ABOUT REGISTRATION)	40,000.00
2202102000 (STATIONERY)		1401501000 (ENCLOSUREMENT FEES)	179,000.00
2203011000 (FUEL,PETROL & DIESEL)		1401503000 (BUILDING CONSTRUCTION REGULARIZATION FEE)	751.00
2205001000 (AUDIT FEES)		1402000000 (CONSOLIDATED PENALTIES AND FINES)	5,450.00
2205101000 (LEGAL FEES)		1404000000 (CATTLE POUNDING FEE)	15,470.00
2206001000 (ADVERTISEMENT EXPENSES)		1404010000 (APPLICATION FEE)	12,520.00
2206032000 (FESTIVAL CELEBRATION EXPENSES-NATIONAL)	212,935.00	1404014000 (MISCELLANEOUS FEES)	9,800.00
2206033000 (FESTIVAL CELEBRATION EXPENSES-RELIGIOUS)	106,000.00	1404017000 (WATER CONNECTION CHARGES)	55,425.00
2208052000 (MISC EXP)	2,071,467.00	1404022000 (RTI ACT)	66.00
2301001000 (WATER WORKS)	282,300.00	1405005000 (SEWERAGE CLEANING CHARGES)	9,563.00
2302041000 (BULK PURCHASE-ELECTRICAL STORE)	47,000.00	1501102000 (SALE OF RATION CARD)	30.00
2304001000 (HIRE CHARGES OF MACHINERIES)	6,020.00	1701000000 (INTEREST RECEIVED)	472,168.00
2304002000 (HIRE CHARGES VEHICLES)	588,024.00	Passenger Tax	3,414,445.00
2305027000 (R&M Sewerage & Drains)	460,600.00	<b>Income (Indirect) (Indirect Incomes)</b>	
2305028000 (R&M HAND PUMP)	375,096.00	1701011000 (MUTATION FEE (NAMANTRAN))	133,468.00
2305041000 (R&M PLANT & MACHINERIES)	13,400.00	1701002000 (FDR WITH INTEREST)	200,000.00

2305309000 (R&M TRACTOR)	436,335.00	Animal Haat	38,760.00
2305502000 (R&M-Computer)	49,550.00	ANIMAL REGISTRATION	572,730.00
2305602000 (R&M ELECTRICAL FITTING)	93,700.00	AUCTION ANIMAL -HAAT FEE	103,000.00
2305760000 (R&M MOTOR PUMP)	1,371,807.00	Book Sale	300.00
2308004000 (CLEANING EXPENSES BY OUT SOURCES)	1,404,263.00	CLOSED LIST CREDIT	9,000.00
2353900000 (R&M VEHICALS - OTHERS)	97,800.00	COMPOUND TAX	160,905.00
2407001000 (Bank Charges)	873.00	ELECTION HOARDING PUBLICITY FEE	4,000.00
2501003000 (COUNCILLOR ELECTION EXPENSES)	364,000.00	GARDEN REGISTRATION	1,000.00
2808030000 (PROFESSIONAL AND OTHER FEES)	445,950.00	Building Permission Fees	108,378.00
Battery	71,800.00	Mela Recovery	4,200.00
Bulk Purchase -Others	22,775,805.00	Mela Rent	853,385.00
Consolidated Roads & Bridges	28,484,846.00	Mudrank Fee	888,000.00
CONSTRUCTION SHOPPING COMPLEX	664,724.00	Other Income	46,099.00
Courier Charges	11,930.00	PROPERTY TAX FEE	150.00
DRP CHARGES	236.00	Public Participation	7,100.00
ELECTION EXP	1,066,400.00	RECOVERY	11,600.00
E-TENDRING		RENT FIRE BRIGADE	5,420.00
Fire Brigade Exp		Sambal Yojna Grant	400,000.00
GARBAGE VEHICLE	458,784.00	Sanchi Milk Depos	1,000.00
GST CHALLAN	3,284,712.00	Sanchi Milk Rent	1,500.00
Handling Charges	59.00	Shop Premium	3,261,751.00
HONORARIUM		SHOP RENT	1,223,311.00
T CHALLAN		SURCHARGE	8,452.00
Other Expenses	12,281,318.00	Tender Fee	376,973.00
OWN PROGRAM	1,826,540.00	TOWN DEVELOPMENT FEE	92,131.00
PESTICIDE POWDER	620,200.00	Water Connection Change Fee	420.00
Photocopy Exp		Nett Loss	101,050,669.00
R&M CIVIC AMENITIES	37,895.00		
R&M FIRE BRIGADE	110,600.00		
Sambal Yojna	1,000,000.00		

Swachhta Mission Exp	6,912.00		
Tent Exp	82,600.00		
2104011000 (LEAVE ENCASHMENT)	276,602.00		
3305001000 (Hudco Loan)	2,361,052.00		
3502032000 (WORK CONTRACT TAX)	725,956.00		
TRACTOR RENT	86,400.00		
<b>Total</b>	<b>151,412,340.00</b>	<b>Total</b>	<b>151,412,340.00</b>

# Karyalaya Nagar Palika Parishad Ambli

## Receipts and Payments

1-Apr-2019 to 31-Mar-2020

Receipts	Amount (₹)	Payments	Amount (₹)
<b>Opening Balance</b>		<b>Current Liabilities</b>	
Bank Accounts	78,066,429.00	3305001000 (Hudco loan)	2,361,052.00
<b>Current Liabilities</b>		2104011000 (LEAVE ENCASHMENT)	276,602.00
3401001000 (EARNST MONEY DEPOSIT)	35,000.00	3401011000 (SECURITY DEPOSIT)	352,260.00
3402002000 (RENT DEPOSIT-PREMIUM)	467,702.00	3502032000 (WORK CONTRACT TAX)	725,956.00
3402001000 (WATER DEPOSIT)	18,700.00	<b>Fixed Assets</b>	
STATE GRANT LIABILITIES	40,100,683.00	4102051000 (BUILDING-GAUSHALA)	551,422.00
<b>Fixed Assets</b>		4102032000 (BUILDING-PUBLIC CONVENIENCE(TOILET))	974,238.00
4102032000 (BUILDING-PUBLIC CONVENIENCE(TOILET))	30,500.00	4106002000 (COMPUTER)	112,144.00
4103021000 (FOOT OVER BRIDGE)	3,850.00	4103300000 (CONSOLIDATED PUBLIC LIGHTING)	460,800.00
<b>Income (Direct) (Direct Incomes)</b>		4106003000 (COOLER (ASSET))	92,160.00
1404013000 (APPLICATION FEE)	12,520.00	4107006000 (Electrical Fittings)	5,119,886.00
1201031000 (BASIC AMENITIES)	1,895,000.00	4107000000 (FURNITURE, FIXTURES, FITTING & ELECTRICAL APPLIANCES)	3,707,976.00
1401503000 (BUILDING CONSTRUCTION REGULARIZATION FEE)	751.00	4103231000 (HAND PUMP)	9,680.00
1401201000 (BUILDING PERMISSION FEE (NAMANTRAN))	5,000.00	4104000000 (MOTOR PUMP)	679,296.00
1404009000 (CATTLE POUNDING FEE)	15,470.00	4101003000 (PARKS & GARDENS)	753,440.00
1202025000 (COMPENSATION-EXPORT TAX)	31,884,558.00	4104000000 (PLANT & MACHINERY)	936,000.00
1202001000 (COMPENSATION IN LIEU OF OCTROI)	2,576,445.00	4105009000 (TRACTOR)	430,000.00
1401300000 (CONSOLIDATED FEES FROM FOR CERTIFICATE OR EXTRACT)	9,350.00	4105090000 (VEHICLE-OTHERS)	5,557,000.00
1402000000 (CONSOLIDATED PENALTIES AND FINES)	5,450.00	4103223000 (WATER PIPELINE-PVC)	299,001.00
1108041000 (EDUCATION CESS CURRENT)	72,753.00	<b>Current Assets</b>	
1401501000 (ENCROACHMENT FEES)	179,000.00	Loans & Advances (Asset)	85,000.00
1401313000 (FEE-LABOUR REGISTRATION)	40,000.00	<b>Income (Direct) (Direct Incomes)</b>	
1401301000 (FEES FROM COPIES OF PLAN)	244.00	1405005000 (SEWERAGE CLEANING CHARGES)	460,600.00
1202011000 (GRANT STATE FINANCE COMMISSION)	9,138,421.00	<b>Income (Indirect) (Indirect Incomes)</b>	
1701000000 (INTEREST RECEIVED)	472,168.00	1301011000 (MUTATION FEE (NAMANTRAN))	9,000.00
1404014000 (MISCELLANEOUS FEES)	9,800.00	Total Mistake (Dr)	18,375.00
1100101000 (PROPERTY TAX CURRENT)	454,025.00	<b>Expenses (Indirect) (Indirect Expenses)</b>	
1301003000 (RENT COMMUNITY HALL)	4,303.00	2206001000 (ADVERTISEMNT EXPENSES)	325,848.00

1301001000 (RENT FROM MARKET)	254,250.00	2407001000 (Bank Charges)	873.00
ROAD TAX	870,118.00	Battery	71,800.00
1404022000 (RTI ACT)	66.00	2302041000 (BULK PURCHASE-ELECTRICAL STORE)	47,000.00
1501102000 (SALE OF RATION CARD)	30.00	Bulk Purchase -Others	22,775,805.00
1108021000 (TOWN DEVELOPMENT TAX)	6,875.00	2308004000 (CLEANING EXPENSES BY OUT SOURCES)	1,404,263.00
1404017000 (WATER CONNECTION CHARGES)	55,425.00	Consolidated Roads & Bridges	28,525,659.00
1100201000 (WATER TAX)	1,163,443.00	CONSTRUCTION SHOPPING COMPLEX	664,724.00
Income (Indirect) (Indirect Incomes)		2501003000 (COUNCILLOR ELECTION EXPENSES)	364,000.00
Animal Haat	38,760.00	Courier Charges	11,930.00
ANIMAL REGISTRATION	572,730.00	2104001000 (DEATH CLAIM RETIREMENT BENEFIT)	50,000.00
AUCTION ANIMAL HAAT FEE	103,000.00	DRP CHARGES	236.00
Book Sale	300.00	2201101000 (ELECTRICITY CHARGES)	14,097,751.00
CLOSED LIST CREDIT	9,000.00	ELECTION EXP	1,066,400.00
COMPOUND TAX	160,905.00	2104021000 (EPF)	1,078,228.00
ELECTION HOARDING PUBLICITY FEE	4,000.00	E-TENDRING	45,000.00
1701002000 (FDR WITH INTEREST)	200,000.00	2206032000 (FESTIVAL CELEBRATION EXPENSES-NATIONAL)	212,935.00
GARDEN REGISTRATION	1,000.00	2206033000 (FESTIVAL CELEBRATION EXPENSES-RELIGIOUS)	106,000.00
INFRASTRUCTURE	108,378.00	Fire Brigade Exp	286,200.00
Mela Recovery	4,200.00	2203011000 (FUEL PETROL & DEISEL)	4,840,567.00
Mela Rent	853,385.00	GARBAGE VEHICLE	458,784.00
Mudrank Fee	888,000.00	GST CHALLAN	3,284,712.00
1301011000 (MUTATION FEE (NAMANTRAN))	142,468.00	Handling Charges	59.00
Other Income	40,000.00	2304001000 (HIRE CHARGES OF MACHINERIES)	0,120.00
PROPERTY TAX FEE	150.00	2304002000 (HIRE CHARGES VEHICALS)	595,524.00
Public Participation	7,100.00	HONORARIUM	746,397.00
RECOVERY	11,600.00	IT CHALLAN	1,393,690.00
RENT FIRE BRIGADE	5,420.00	2205101000 (LEGAL FEES)	111,000.00
Sambal Yojna Grant	400,000.00	2201202000 (MOBILE EXPENSES)	7,747.00
Sanchi Milk Deposit	1,000.00	Other Expenses	12,328,434.00
Sanchi Milk Rent	1,500.00	OWN PROGRAM	1,826,540.00

Shop Premium	3,261,751.00	2103000000 (PENSION)	129,236.00
SHOP RENT	1,223,311.00	PESTICIDE POWDER	826,200.00
SURCHARGE	8,452.00	Photocopy Exp	26,400.00
Tender Fee	376,973.00	2201221000 (POSTAGE EXPENSES)	1,140.00
		2202101000 (PRINTING EXPENSES)	208,208.00
TOWN DEVELOPMENT FEE	92,131.00	2808030000 (PROFESSIONAL AND OTHER FEES)	445,950.00
Water Connection Change Fee	425.00	2201002000 (RENT-OTHERS)	23,500.00
<b>Expenses (Indirect) (Indirect Expenses)</b>		R&M CIVIC AMENITIES	37,895.00
2205001000 (AUDIT FEES)	12,597.00	2305502000 (R&M-Computer)	49,550.00
Consolidated Roads & Bridges	40,813.00	2305602000 (R&M ELECTRICAL FITTING)	93,700.00
2304001000 (HIRE CHARGES OF MACHINERIES)	3,100.00	R&M FIRE BRIGADE	110,600.00
2304002000 (HIRE CHARGES VEHICALS)	7,500.00	2305028000 (R&M HAND PUMP)	375,596.00
HONORARIUM	15,000.00	2305760000 (R&M MOTOR PUMP)	1,371,807.00
Other Expenses	47,116.00	2305041000 (R&M PLANT & MACHINERIES)	13,400.00
2201001000 (RENT-OFFICE BUILDING)	751.00	2305309000 (R&M TRACTOR)	436,335.00
2305027000 (R&M WATER PIPELINE)	500.00	2353900000 (R&M VEHICALS - OTHERS)	97,800.00
2101011000 (SALARIES & ALLOWANCES-STAFF)	71,290.00	2101011000 (SALARIES & ALLOWANCES-STAFF)	31,395,901.00
2208052000 (Other Grants)	20,226,708.00	Sambal Yojna	1,000,000.00
		2202102000 (STATIONERY)	82,300.00
		2208052000 (SUSPENSE ACCOUNT)	2,071,467.00
		Swachhta Mission Exp	6,912.00
		2201201000 (TELEPHONE EXPENSES)	685.00
		Tent Exp	82,600.00
		TRACTOR RENT	86,400.00
		Misc Exp	92,225.00
		2101021000 (WAGES)	11,683,089.00
		2301001000 (WATER WORKS)	282,300.00
		<b>Closing Balance</b>	
		Bank Accounts	24,855,432.00
<b>Total</b>	<b>196,795,742.00</b>	<b>Total</b>	<b>196,795,742.00</b>

**Karyalaya Nagar Parishad Ambah**  
**Balance Sheet**

1-Apr-2019 to 31-Mar-2020

Liabilities	Amount (₹)	Assets	Amount (₹)
<b>Capital Account</b>		<b>Fixed Assets</b>	
Municipal Fund	78,066,429.00	4101003000 (PARKS & GARDENS)	753,440.00
<b>Current Liabilities</b>		4102032000 (BUILDING-PUBLIC CONVENIENCE(TOILET))	943,738.00
STATE GRANT LIABILITIES	40,100,683.00	4102051000 (BUILDING-GAUSHALA)	551,422.00
Other Grants	9,337,000.00	4103021000 (FOOT OVER BRIDGE)	-3,850.00
1201031000 (BASIC AMENITIES)	18,196,421.00	4103223000 (WATER PIPELINE-PVC)	299,001.00
3401001000 (EARNEST MONEY DEPOS)	35,000.00	4103231000 (HAND P.IMP)	9,680.00
3402001000 (WATER DEPOSIT)	18,700.00	4103300000 (CONSOLIDATED PUBLIC LIGHTING)	460,800.00
3402002000 (RENT DEPOSIT-PREMIUM)	467,702.00	4104000000 (PLANT & MACHINERY)	936,000.00
Grant for Road Repair	870,118.00	4104060000 (MOTOR PUMP)	879,296.00
		4105009000 (TRACTOR)	430,000.00
		4105090000 (VEHICLE-OTHERS)	5,557,000.00
		4106002000 (COMPUTER)	112,144.00
		4106003000 (COOLER (ASSET))	92,160.00
		4107000000 (FURNITURE, FIXTURES, FITTING & ELECTRICAL APPLIANCES)	3,707,976.00
		4107006000 (Electrical Fittings)	5,119,886.00
		<b>Current Assets</b>	
		3401011000 (SECURITY DEPOSIT)	352,260.00
		Loans & Advances (Asset)	85,000.00
		Bank Accounts	24,855,432.00
		Excess of Expenditure Over Income	101,950,668.00
<b>Total</b>	<b>147,092,053.00</b>	<b>Total</b>	<b>147,092,053.00</b>

**Karyalaya Nagar Palika Parishad Ambah****Cash Flow Summary**

1-Apr-2019 to 31-Mar-2020

	Amount (')
<b>Inflow of Cash :</b>	
Current Liabilities	521402.00
Grants Liabilities	68504222.00
Direct Incomes (Income (Direct))	49461672.00
Municipal Fund	78066429.00
Total	196553725.00
<b>Outflow of Cash :</b>	
Current Liabilities	0.00
Fixed Assets	19848693.00
Current Assets	437260.00
Indirect Expenses (Expenses (Indirect))	151412340.00
Total	171698293.00
Nett Inflow	24855432.00

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

NAME OF ULB: NAGAR PALIKA PAIRISHAD AMBAH					
NAME OF AUDITOR: Abhishek V Gupta & Co.					
Sr. no.	PARAMETERS	DESCRIPTION		OBSERVATION IN BRIEF	SUGGESTIONS
2	Audit of Expenditure			Bifurcation of Capital & revenue Expenditure should be Properly done.	Nature of Expenditure Should be Understood by Staff. Training of GL Codes should be Provided to staff.
3	Audit of Book Keeping			Record of Security Deposit & EMD should be Improved.	Books of Security Deposit & EMD Should be Maintained as per MP/MAM
4	Audit of FDR			Interest on FDRs should be entered on Accrual Basis.	FDR Sheet should be prepared Annually on Accrual Basis.
5	Audit of Tenders/Bids			Tenders are online & transparent but more control required when the payment made to Publishers, reputed and local newspaper rates should be compared. Sometime it has been seen that local newspapers are charging high rates in comparison to reputed newspaper	Comparison should be done at the time of fixing the rates of publicity of tenders & others.
6	Audit of Grants & Loans			Heads of Grant should be mentioned Properly & FDRs made from Grants & Loans should be mentioned specifically and interest received on FDRs should be credited in Grant fund instead of other & Municipal Fund. Only Schemes registers are Maintained by ULB	Loan and Grant wise Register should be maintained by mentioning Expenditure incurred from Particular Grant.
7	Incidences relating to diversion of funds from capital receipts/Grants/Loans to Revenue Nature Expenditure and from one scheme/project to another			No Such Incidences are Found During the Audit.	
		Revenue Expenditure	Revenue Receipts		

*Abhishek V Gupta*

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

NAME OF ULB: NAGAR PALIKA PARISHAD AMBAH						
NAME OF AUDITOR: Abhishek V Gupta & Co.						
Sr. no.	PARAMETERS	DESCRIPTION			OBSERVATION IN BRIEF	SUGGESTIONS
1	Audit of Revenue					
	राजस्व कर वसूली	Receipts in Rs.				
		Year 2019-20	Year 2018-19	% of Growth		
(i)	संपत्तिकर	454,175.00	284,595.00	59.59%	Increase in Collection of Tax : shows good efforts are made for collection but still it's less than demand created at the beginning of the year.	Targets should be given to each employees monthly and should review by CMD every month. Capms should be organised to collect
(ii)	समेकित कर	169,357.00	533,957.00	-58.28%	Decrease in Collection of Tax shows less efforts are made for collection.	Bifucation Should be done Properly.
(iii)	नगरीय विकास उपकर	99,006.00	84,001.00	17.86%	Increase in Collection of Tax shows good efforts are made for collection but still it's less than demand created at the beginning of the year.	Bifucation Should be done Properly.
(iv)	शिक्षा उपकर	72,753.00	73,691.00	-1.27%	Decrease in Collection of Tax shows less efforts are made for collection.	Bifucation Should be done Properly.
	कुल योग	795,291.00	976,244.00			
	गौर राजस्व वसूली					
(i)	भवन भूमि किराया	1,250,826.00	761,521.00	54.25%	Increase in Collection of Rent shows good efforts are made for collection but still it's less than demand created at the beginning of the year.	Constructed Shops and Property should be given on rent through Auction.
(ii)	जल उपभोक्ता प्रभार	1,163,443.00	1,284,120.00	-9.40%	Decrease in collection of Water Tax shows collection from the Water connections are not done properly.	Camps & New Policies Should be organised by ULB. New discounting Policies Should be introduced by ULB for those who have to pay water tax since long.
(iii)	टोस अपशिष्ट प्रबंधन उपभोक्ता प्रभार	0	-	#DIV/0!	No such collection made during the year.	President in Council should introduce such Tax.
(iv)	अन्य कर / शुल्क	7,185,964.00	5,445,984.00	31.95%	Increase in Collection of Other fees and Income shows good efforts are made for collection but still it's less than demand created at the beginning of the year.	Camps & New Policies Should be organised by ULB. New discounting Policies Should be introduced by ULB.
	कुल योग	9,600,233.00	7,491,625.00			
	महा योग	10,395,524.00	8,467,869.00			

*Handwritten signature and date:*  
 15/05/2020

Division	District	ULB Name	Revenue Expenditure					Capital Expenditure			Total Expenditure
			Establishment Expenses	Administrative Expenses	operation & Maintenance	Interest Exp.	other Exp.	Capital Expenses	loan repayment	Other	
Gwalior-Chambal	Morena	Ambah	44,541,766.00	22,278,685.00	69,949,519.00	2,361,052.00	12,281,318.00	19,848,693.00	-	437,260.00	171,698,293.00

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

NAME OF U.B.: NAGAR PALIKA PARISHAD AMBAH

NAME OF AUDITOR: Abhishek V Gupta & Co.

NAME OF AUDITOR: Abhishek V Gupta & Co.						
Sr. no.	PARAMETERS	DESCRIPTION			OBSERVATION IN BRIEF	SUGGESTIONS
8	any other (a) percentage of revenue expenditure (establishment , salary, operation & maintenance) with Respect to Revenue Receipts (Tax & non Tax) excluding octroi, Entry tax, Stamp Duty and other grants etc.	151,412,340.00	10,395,524.00	14.56.51%	Revenue Expenditure is too high in comparison of Own Revenue. Income should be increased by Collection of taxes & Interest & fees & Charges.	
		Capital Expenditure	Total Expenditure			
	(b)Percentage of Capital Expenditure with Respect to Total Expenditure	20,285,953.00	171,698,293.00	11.81%	Revenue Expenditure covers Major Part of Total Expenditure. These expenditure are Made from Grants & Schemes & Own Resources.	Source of Expenditure should be Mentioned at the time of Payment and Budget should be Checked before Making Payments.
9	Whether all the Temporary Advances have been fully recovered or not.				Temporary Advances are not given to staff During the year.	Advances Register Should be Maintained, if given.
10	Whether Bank Reconciliation Statements is being regularly Prepared.				No such Bank Reconciliation prepared by U.B.	Bank Reconciliation Should be Prepared on Monthly Basis. Such Instructions are also given by UADD.

Abhishek V Gupta & Co.

CA Abhishek Gupta

Partner

Firm Reg No. 0017949C

Membership No. 412903

UDIN:

NOTES TO THE  
ACCOUNTS  
FORMING PART OF  
THE  
“BALANCE SHEET”  
AS ON  
31<sup>ST</sup> MARCH, 2020

## General Notes to the Accounts- Income & Expenditure Accounts

**Tax Revenue:** Tax Revenue Includes the following Taxes under the Income & Expenditure:-

1. Property Tax
2. Water Tax
3. Conservancy Tax
4. Education Tax
5. Electricity Tax
6. Professional Tax
7. Advertisement Tax
8. Compound Tax
9. Cess
10. Other Taxes
11. Rental Income
12. User Charges
13. Fees & Licenses
14. Other Income

Aforesaid Taxes & Revenues are recognized as revenue cash basis.

### **Compensations:**

1. Compensation in lieu of Octroi
2. Compensation in lieu of Pilgrimage Tax

**Compensation in lieu of Octroi:** Compensation in lieu of Octroi is recognized as revenue on the basis of the statement received from the Government.

Compensation in lieu of Octroi is taken on Gross Amount as per Statement received from the Government & the deductions made from the Compensation is to be treated as expenses in the Income & Expenditure Account. Sometimes if entry is not found in Statement received from Government Department but reflects in Bank Statements then it has been recognized on receipt basis.

**Compensation in lieu of Pilgrimage Tax** : Compensation in lieu of Pilgrimage Tax is recognized as revenue on the basis of the statement received from the Government.

Compensation in lieu of Pilgrimage Tax is taken on Gross Amount as no deduction is made there from as per Statement received from the Government. Sometimes if entry is not found in Statement received from Government Department but reflects in Bank Statements then it has been recognized on receipt basis.

**Revenue Grants, Contribution & Subsidies**:- Revenue Grants, Contribution & Subsidies includes the followings:-

1. Revenue Grants
2. Re-imbursement of Expenses
3. Contribution towards Schemes

**Revenue Grants**: Revenue Grant is recognized on the basis of the statement received from the Government.

Revenue Grant is taken on net Amount as per the statement received from Government. Sometimes if entry is not found in Statement received from Government Department but reflects in Bank Statements then it has been recognized on receipt basis. .

**Interest on Bank Accounts**: Interest on Bank Accounts is recognized on the basis of Bank Statements kept by the Accounts Departments & the Data maintained by the Accounts Department.

**Establishment Expenses**: Establishment Expenses includes the following Expenses:

1. Salaries, Wages & Bonus
2. Benefits and Allowances
3. Pension
4. Other Terminal & Retirement Benefits

**Salaries, Wages & Bonus**:- Salaries, Bonus & Wages are recognized on the basis of due.

Salaries, Wages & Bonus are taken from the data maintained by the Accounts Department & same as incorporated in Income & Expenditure Accounts.

Salary, Wages & Bonus due for the month of March paid in April is taken as Salary Payable under the Current Liabilities Head in the Balance Sheet.

**Benefits and Allowances & Pension:** Same approach is considered in the case of Benefits and Allowances & Pension.

**Administrative Expenses & Operating & Maintenance Expenses:** Administrative Expenses & operating & Maintenance Expenses are taken from the data maintained by the Accounts department. Unpaid part is treated as payables & shown under the head Miscellaneous Expenses in the Balance sheet.

**Bank Charges:** Bank charges are taken from the data maintained by Accounts Departments & Bank Statements.

**Election & own Programs Expenses:** Election & Own program expenses are taken on cash basis from the data maintained by Accounts Department.

Own Program Expenses includes the expenses incurred for tournaments & programs conducted by Gwalior Municipal Council.

**Grants, Contribution & Subsidies:** Grants includes the grants given by the Gwalior Municipal Council for revenue purposes. Such as Grant to Marav Kusth Ashram etc.

**Other Points:**

1. Reserve @ 5% of the Total Income earned by the Municipal Council is created during the Year as per **President-in-Council Kaamkaaz Sanchalan Adhiniyam, 1998.**  
Where total income means Income Earned during the Year except Grants & Compensations, Contributions, Loans & Subsidies.
2. In other words, Depreciation has been charged on the basis of average useful life prescribed in MPMAM. Assets having Amount Rs. 5000/- or less is treated as revenue Expenditure as per MPMAM. Where Date of Creation is not identified the Depreciation is charged for whole Year.
3. Income & Expenditure for the Year 2009-2010 included the data received from MPUSP & ADB.

4. Some of the entries into the systems are rectified by us due to wrong posted by MC Data Operators & after rectifications the closing balances are taken into consideration.
5. In some cases Accounting Codes are also changed by us as per MPMAM and accordingly its impact on Income & Expenditure.

**Other Income & Expenditure Points:**

**Income**

1. Bank Interest Includes the Interest received from Saving Bank Accounts & the Interest received from Auto sweep.
2. Interest received from Schemes Bank Accounts like Pensions etc. are directly credited to respective schemes.
3. Revenue Contribution includes the Contribution made by Janbhagidari or others.
4. No Assets / Liabilities, as Revenue are written back during the Year.
5. No Profit on sale / disposal of Assets arises during the Year.

**Notes to the Accounts –Balance Sheet**

Balance Sheet is made without considering opening Balances as OBS of Ulb is not still approved.

**1. Municipal (General) Fund:**

.Municipal fund as on 01.04.2019 is balancing figure of Assets & Liabilities as Per MPMAM includes all Funds and Bank differences along with adjustments of Income & Expenses.

**4. Grant**

**4.1 Grant:** Grants have been listed subject to the ready availability of the Grant records maintained, and the corresponding Bank Accounts, wherever, separately maintained for the purpose. This is subject to scrutiny and adjustment.

**5. Un-Secured Loan:** there are no unsecured loans taken by MC as of 31<sup>st</sup> March, 2020.

**5.1 Secured Loan:** Loan from HUDCO has been taken by the MC previously.

**6. Fixed Assets:** The Valuation of fixed assets has been done as per methodology provided in MPMAM and the generally accepted Accounting Principles..

#### **7. Investment**

**7.1 Investment- General Fund:** FDR from Municipal Funds with the Banks has been shown Under Investment - General Fund.

**7.2 Investment – Other Fund:** FDR from the Grant funds & Special Funds like GPF, FBF & Schemes and Projects fund etc. have been shown under Investment - Other Fund.

**8. Current Assets:** Current Assets include the items prescribed in the MPMAM

**Bank:-** Bank balance as on 31.03.2020, has been worked out on the basis of bank statements/Bank Cash Book provided and after Reconciliation & adjustments. reconciliation are not done due to non-availability of Bank Statements.

**Cash:-** The cash in hand as of 31-03-10 are taken "NIL" as per the Day Book maintained by the Accounts Department.

#### **Advances to Staff**

. The Advance paid to staff is taken from the Statement provided by the Accounts Department& the same taken as current asset.. These advances are subject to reconciliation and confirmation.

#### **Security Deposit**

##### **Security Deposit with Telecom Dept / Cell phone service provider**

As per available records, no deposits were paid. Therefore, the same is considered as Nil. Confirmation from the said department/agency is awaited.

##### **Security Deposit with Electricity Board**

As per available records, no deposits were paid. Therefore, the same is considered as Nil. Confirmation from the said department/agency is awaited.

#### **9. Current Liabilities**

**9.1 Security Deposit from Contractors:** The figure has been arrived from the data maintained by the Accounts Departments after adjustment of Refund. The amount is subject to reconciliation and confirmation.