MUNICIPAL COUNCIL BETUL

Annual Audit Report 2019-20

Auditors:

PATIDAR & ASSOCIATES
CHARTERED ACCOUNTANTS

M1 & 2, 154 ZONE – 1 M.P. NAGAR,
BHOPAL (M.P.) 462011
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INDEPENDENT AUDITOR'S REPORT

To the Stakeholders of BETUL MUNICIPAL COUNCIL

1. **Report on the Financial Statements**

We have audited the accompanying financial statements of BETUL MUNICIPAL COUNCIL ("theULB"), which comprise the Balance Sheet as at March 31, 2020 and the Income and Expenditure 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 Council'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 Council in accordance with the provisions of Municipal Council 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 Council 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.

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

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to the Council'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 Council'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 Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information as required by the Manual in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Council as at 31st March, 2020 and its income/expenditure for the year ended on that date.

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) Non-maintenance/incomplete few registers as prescribed under manual.
c) Non-availability of details and non-recognition of entries in books of accounts related to security deposits provided by contractors and other service providers to the Council.
d) Non compliance found in provisions related to TDS, as consolidated payments is not considered while deciding whether TDS to be deducted or not during the year.
e) Capital Work in Progress has not been converted into Fixed Asset of the ULB after its completion, which is required to be made.
f) Separate cash book maintained for respective schemes by ULB, However their balances are not incorporated in main cash book at the end of the financial year.
g) Closing and Opening Bank Balance's as per Cash Book and Financial Statements are not tallied, there is a difference in between which is to be reconciled.

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h) Tax Revenue Recoverable and recovered during the financial year as per vasuli patrak of Revenue Department in comparison with Financial statement provided to us were not matched which might due to misclassifications of head, necessary adjustments to be required.

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 Council so far as appears from our examination of those books.

c) The Balance Sheet and Income and Expenditure 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 Balance Sheet and Income and Expenditure 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 Council.

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 Council and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 1'.

Place: Bhopal

For Patidar & Associates
Chartered Accountants

Date: 31/08/2020
UDIN No: 20418806AAAABE3119

CA Neelesh Patidar
(Partner)
MRN - 418806

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Annexure '1'

Report on Internal Financial Controls over Financial Reporting

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

We have audited the internal financial controls over financial reporting of BETUL MUNICIPAL COUNCIL ("the Council") as of March 31, 2020 in conjunction with our audit of the financial statements of the Council for the year ended on that date.

2. **Management's Responsibility for Internal Financial Controls**

The Council's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Council. 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 Council'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 Council 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 Council'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. 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.

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

4. **Meaning of Internal Financial Controls Over financial Reporting.**

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A Council'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 Council'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 Council;

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 Council are being made only in accordance with authorizations of management and officers of the Council; and

c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Council'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 Council did not have an appropriate internal financial control system over financial reporting since the internal controls adopted by the Council 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 Council did not have an appropriate internal control system for tax and user charges collection, tax demand evaluation and establishing proper segregation of tax and user charges to various heads of revenue, which could potentially result in the Council recognizing revenue without establishing reasonable certainty of ultimate collection.

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c) The Council 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 Council's trade payables, consumption, inventory and expense account balances.

d) The Council 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 Council'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 Council'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 Council 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 internal control over financial reporting criteria established by the Council.

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 Council, and these material weaknesses do not affect our opinion on the financial statements of the Council.

Place: Bhopal
Date: 31/08/2020

For Patidar & Associates
Chartered Accountants

CA Neelesh Patidar
(Partner)
MRN - 418806

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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 not made available to us for verification. 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.

iii) Percentage of revenue collection increase decrease in various heads in sampati tax, samekit kar, shiksha upkar, nagriya vikas upkar, and other tax compared to previous year shall be part of report.
Details are given in Annexure C attached to this report.

iv) 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.

v) 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.

vi) 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. Hence, it was not possible for us to report the revenue recovery against the quarterly and monthly targets and any lapses there to.
However, on verification of revenue registers we observed huge outstanding from past several years, below mentioned are few cases.

In case of property tax

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S. No.	Ward Name	Consumer Name	Identification No.	Outstanding upto 31/03/2020
1	Bhagat Singh Ward	Sunil S R Diwedi	1700291001	66,585.00
2	Bhagat Singh Ward	Babul KasiyaYadav	1700110001	44,647.00
3	Bhagat Singh Ward	Kishore Patrikar Mohan Mishra	1700039001	44,319.00
4	Shashtri Ward	KamlaBaiRatanlal	1900368002	36,992.00
5	Shashtri Ward	Indira DaulatPawar	1900481001	33,758.00
6	Bhagat Singh Ward	Dr. SaleemMohd. Hameed	1700229001	23,126.00

In case of Water Tax

Ward Name	Connection No.	Consumer Name	Outstanding Period	Amount	Surcharge	Total
Rajendra Ward	794	GyanchandKishanchand	April 1993 to March 2020	13,470.00	3,390.00	16,860.00
Rajendra Ward	629	MitthuHiralalChoudhary	April 1993 to March 2020	12,420.00	3,120.00	15,540.00
Rajendra Ward	1005	Kailash Shiv Narayan	April 1993 to March 2020	12,420.00	3,120.00	15,540.00
Chandrashekar Ward	7894	MunnibaiLakhanlal	January 2011 to March 2020	6,600.00	1,656.00	8,256.00
Chandrashekar Ward	8099	MalaniMahadev	November 2011 to March 2020	6,200.00	1,568.00	7,768.00
Chandrashekar Ward	7891	Ramesh Ganesh Rao	April 2011 to March 2020	5,880.00	1,632.00	7,512.00

In case of Shop Rent

S.no.	Particular	Complex/Shop	Outstanding (Rs.)	Current Year(Rs.)	GST(18%)	Total(Rs.)
1	Narayan Tulsiram	MSSE Shopping Complex	45,959.00	11,734.00	2,112.00	59,805.00
2	Rajesh Kumar	Shaheed Nagar Complex	29,805.00	8,729.00	1,571.00	40,105.00

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3	BasantMakode	DMC Shopping Complex	21,992.00	8,422.00	1,516.00	31,930.00
4	Dalchand Prasad	NSE Shopping Complex	17,869.00	6,632.00	1,194.00	25,695.00
Grand Total			**1,15,625.00**	**35,517.00**	**6,393.00**	**1,57,535.00**

vii) 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. As interest income recorded at the time of FDR maturity.

viii) The case where, the investments are made on lesser interest rates shall be brought to the notice of the Commissioner/CMO.
All FDR's have been verified as 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.

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. Test checked vouchers revealed below mentioned discrepancy.

1. In case of payment, proper bill is not placed by the contractor as essentials of bill is not been made; instances for the same is tabled below:-

S.no.	Date	Voucher No.	Supplier Name	Nature	Payment	Remarks
1	09/09/2019	996	Patrika Bhopal	Advertisement	32,760.00	TDS is not deducted by ULB, however it should be deducted as the amount exceeds Rs.30000.
2	18/09/2019	1147	Shiv Chemicals	Purchase	2,99,492.00	TDS deducted on purchase of material, which is not required to be deducted.

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2. Quotations and necessary documents are generally not annexed with vouchers.

3. Aggregate payment during the year not considered while deciding whether to deduct TDS or not.

3) He should also check monthly balance of the cash book and guide the accountant to rectify errors, if any.
No issue 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 verily 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 income & expenditure and creation of Fixed Asset
We have verified, on test check basis, the Utilization certificates of various schemes, Grant registers maintained and the same tallies with the income & expenditure and creation of fixed asset. Fixed assets were not recognised on payment of final bill as it continuously recorded as Capital Work in Progress due to which correct position of fixed asset cannot be determinable.

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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. Accounts department has neither capitalized the expenditure after final payment of measurement book, as this issue is already mentioned in Emphasis of matter point in audit report. 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 Council.

9) He shall verify that all temporary advances have been fully recovered.
Staff advance register is provided to us for the purpose to verify and as explanation provided by the ULB, Same is recovered by the GPF contribution of respective employees. Details further provided in sub point (iii) of point no.3.

3. <u>**Audit of Book Keeping**</u>

i) 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 Council and on perusal of books of accounts by us, it was noticed by us that the Council has not maintained all the required books of accounts as prescribed under MP MAM. The bookkeeping related to stores (other than water supply store Dept.) were not provided to us for verification. Hence, it was not possible for us to verify the same.

ii) 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. Also, the accounts prepared are not in conformity with the accounting standards for local bodies as issued by Institute of Chartered Accountants of India.

iii) 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 Council, advances are recovered by adjusting the same from the salary of respective employee. Details of Outstanding advances as on 31/03/2020 are tabled below:-

S.No.	Name of Person to whom advance is given	Amount (Rs.)
1	Mr. Parte RI	1,45,000.00
2	Mr. Vijay	50,000.00
	TOTAL	1,95,000.00

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iv) 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

During our course of verification ULB did not furnish Bank Reconciliation Statement. However guidance provided to ULB for preparing the same. Detail regarding the closing balances as per cash book and Bank statements are mentioned below:-

Bank Name	Bank Account No.	Scheme/Head	Closing Balance as per Cash book as on 31/03/2020	Closing Balance as per Bank as on 31/03/2020	DIFFERENCE
State Bank of India	10645133002	Sanchit nidhi	37,26,991.68	36,76,991.68	50,000.00
State Bank of India	10645133013	Nagar Palika Nidhi	44,29,539.29	43,16,196.29	1,13,343.00
State Bank of India	10900198684	Shop Premium	9,89,171.00	9,89,171.00	-
State Bank of India	53032941867	Grants	3,83,20,932.84	3,83,20,932.84	-
State Bank of India	53032941266	Nagar Palika Nidhi	7,02,192.95	7,02,192.95	-
Kotak Bank	9425167991	Swacch Bharat Mission	13,54,672.00	13,54,672.00	-
Kotak Bank	3011876916	Nagar Palika Nidhi	5.00	5.00	-
HDFC Bank	50100103240592	UIDSSMT	-	-	-
HDFC Bank	50100207839870	Nagar Palika Nidhi	27,94,919.37	27,94,919.37	-
Bank of India	958220110000154	Nagar Palika Nidhi	78,59,953.15	78,25,473.15	34,480.00
Bank of Baroda	30720100003174	Education Cess	1,55,26,462.00	1,55,26,462.00	-
Bank of Baroda	30720100003076	UIDSSMT	26,16,634.00	26,16,634.00	-
Bank of Baroda	30720100002022	Nagar Palika Nidhi	-	-	-
Bank of Maharashtra	60109509814	CM Infrastructure	-	-	-
Bank of Maharashtra	60108833412	Security Deposits	-	-	-
Bank of Maharashtra	60201328708	Octroi Compenstaion	1,14,28,805.80	1,14,28,805.80	-
Punjab National Bank	0081000100133881	Shelter Fees	17,49,616.10	17,49,616.10	-
Dena Bank	128810036875	NPS	54,068.00	57,52,662.80	(56,98,594.80)
Axis Bank	917010030385056	Nagar Palika Nidhi	52,98,938.30	52,98,938.30	-
Axis Bank	918020049030866	Nagar Palika Nidhi	1,36,29,607.00	1,36,63,378.00	(33,771.00)
HDFC Bank	50100241010002	Nagar Palika Nidhi	4,38,58,020.00	4,38,58,020.00	-
HDFC Bank	50100290858170	Nagar Palika Nidhi	1,23,31,841.50	1,23,31,841.50	-
ICICI Bank	094305008237	Nagar Palika Nidhi	3,36,238.67	3,36,238.67	-
State Bank of India	33640988371	NULM	31,14,174.05	31,14,174.05	-
State Bank of	34028156433	Shramik kramkar	4,62,176.50	4,92,676.50	(30,500.00)

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India		Yojna			
State Bank of India	10645132995	Vidhayak/Sansad Nidhi	1,21,24,055.34	1,21,24,055.34	-
State Bank of India	30305946142	Sarva Shiksha Abhiyan	-	-	-
State Bank of India	10900198866	DUDA	17,70,865.63	17,70,865.63	-
HDFC	50100103240589	NULM	-	-	-
Union Bank	746702010000479	Amrut Yojna	30,736.50	30,736.50	-
Union Bank	746702010000635	PMAY	1,53,66,778.77	1,53,66,778.77	-
Bank of Baroda	30720100002178	Janbhagidari	92,84,388.50	92,84,388.50	-
Central Bank	2029073733	BRGF	76,80,685.20	76,80,685.20	-
TOTAL			**21,68,42,469.14**	**22,24,07,511.94**	**(55,65,042.80)**

****Financial Statement has not made any bifurcation regarding Bank Balances, consolidated closing balance made without showing individual balance of respective banks.**

v) 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 verified and found them complete and balanced. Entries verified from Grant register with cash book on test basis and found them to be correctly recorded.

vi) The auditor shall verify the fixed assets register from other records and discrepancies shall be brought to the notices of Commissioner / CMO.
During the course of our verification and as explained by the ULB, fixed assets registers were maintained and possess with the PWD Department. In addition, Capital work in progress is not transfer to respective fixed asset after its completion which is to be transfer on the time of final payment to the contractor. Hence we are not able to verify the same and comment upon whether it is complete and correctly balance.

vii) The auditor shall reconcile the account of receipt and payment especially for project funds.
Separate cash book is maintained for certain special funds, Details for the same is tabled below:-

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Zone I, Bhopal, 462011

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S.No.	Head	Bank Account	Account No.	Closing Balance as per cash book
1	Janbhagidari	Bank of Baroda	02178	92,84,388.50
2	Vidhayak/Sansad Nidhi	State Bank of India	32995	1,21,24,055.34
3	NULM	State Bank of India	88371	31,14,174.05
4	DUDA	State Bank of India	8866	17,70,865.63
5	Amrut Yojna	Union Bank of India	479	30,736.50
6	PMAY	Union Bank of India	635	1,53,66,778.77
7	Shramik Karamkar Yojna	State Bank of India	6433	4,62,176.50
8	BRGF	Central Bank of India	2029673733	76,80,685.20

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 as with the provided documents and Detail regarding the same is tabled below:-

S.no.	BANK NAME	FDR NO.	Rate of Interest	Date of Investment	Date of Maturity	Tenure	Investment(Rs.)	Maturity Amount(Rs.)
1	State Bank of India	39039827619	6.38%	02/01/2020	02/01/2021	1 Year	50,00,000.00	53,19,901.00
2	State Bank of India	39041173499	6.38%	02/01/2020	02/01/2021	1 Year	75,00,000.00	79,79,851.00
3	Bank of Baroda	058957382	5.50%	02/01/2020	02/01/2021	1 Year	2,50,00,000.00	2,64,03,620.00
4	State Bank of India	38523876164	7.47%	13/06/2019	13/06/2022	3 Years	2,50,00,000.00	3,06,04,934.00
5	Punjab National Bank	8100PU00009157	7.00%	02/05/2019	02/05/2020	1 Year	70,00,000.00	75,03,013.00

2. It shall be ensured that proper record of FDR's are maintained and renewals are timely done.
   Proper records of FDR's are maintained.

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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.
   Only few files related to tenders and bids were presented before us, so we can comment only on basis of cases verified for procedures to tenders / bids.

2. He shall check whether competitive tendering procedures are followed for all bids.
   As per the information and explanation provided to us by the management of the Council, Proper tendering procedure is during the allotment of the same. Hence, it seems that the compliance of such procedures is made.

3. He shall verify the receipts of tender fee / bid processing fee / performance guarantee both during the construction and maintenance period.
   Tender fees and bid processing fees has been taken to books of accounts and realised as income of current year. Performance guarantee were recorded in respective registers, which is in possession with PWD Department. Detail regarding the same is provided below:-

S.no.	PARTY NAME	PURPOSE	CONTRACT AMOUNT(Rs.)	TENDER FEES(Rs.)	PROCESSING FEES(Rs.)	REMARK
1	Laxmi Pump & Machinery	Spare Parts(hand pump) Purchase	25,00,000.00	5,000.00	295.00	Rs.50,000 Security Deposit received as Fixed Deposit.

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.

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6. The cases of extension of BG shall be brought to the notice of Commissioner / CMO. Proper guidance to extend the BC'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**

i) The auditor is responsible for audit of grants given by Central Government and its utilization.
Verification had been conducted for the grants received from the Central government, Details for the same as per Utilization Certificate is provided in table below:-

S.No.	Grants	Opening Balance	Received	Utilized	Closing Balance
1	14th Finance Commission	-	7,48,81,000.00	4,52,09,766.00	2,96,71,234.00

ii) He is responsible for audit of grants received from State Government and its utilization.
Verification had been conducted for the grants received from the State government, Details for the same as per Utilization Certificate is provided in table below:-

S.No.	Grants	Opening Balance	Received	Utilized	Closing Balance
1	Road Development	-	63,94,000.00	58,66,856.00	5,27,144.00
2	Basic Amenities	77,07,161.00	1,95,63,000.00	2,72,70,161.00	-
3	State Finance Commission	-	1,19,50,000.00	1,18,29,692.00	1,20,308.00
4	Passenger Tax	-	33,44,000.00	33,44,000.00	-
5	Stamp Duty	-	50,63,000.00	50,63,000.00	-
6	Octroi Compensation	-	11,12,26,906.00	11,12,26,906.00	-
7	Special Fund	1,75,00,000.00	75,00,000.00	-	2,50,00,000.00

iii) 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, Loan is obtained by the ULB, however same is not taken into account while preparing financial statement.

Details regarding the Loan are provided below:-

S.No.	Financial Institution	Account No.	Object of Loan
1	HUDCO	-	CM AdhosanrachanaYojna (CC Road Phase-I)

Quarter	Date of Installment	Installment(Rs.)
1st Quarter	22/05/2019	6,97,227.00
2nd Quarter	21/08/2019	6,88,368.00
3rd Quarter	08/11/2019	6,75,683.00
4th Quarter	11/02/2020	6,66,892.00
TOTAL		27,28,170.00

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

As per the information available to us and as per our verification some instances of diversion of funds from one grant account to another has not been noticed.

Differences may arise due to difference of balance in grant register and non-adherence to guidelines related to opening of a designated bank account for each grant. Possibilities cannot be ruled out for situations wherein same bank account may be used for regular transactions of administration of Council like salary and other administrative expense. It is strongly suggested to maintain the spirit of financial propriety that separate bank account should be maintained for each fund and monitored separately while regular expense of Council should be paid through bank account for such purpose. Hence, diversion of fund cannot be rolled out.

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Other Audit Observations

1. Non recovery of taxes

Urban Local Bodies (ULB) earn revenue from their own resources through taxes, rent, fees, issue of licenses etc. In test checked Nagar Palika Nigam as of 31 March 2020 a sum of Rs.2.67Crores (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 taxes

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 Curent Year	Total un-recovered amount
1	SampattiKar	81,61,060	70,44,423	11,16,637	1,52,96,918	94,98,120	57,98,798	69,15,435
2	SamekitKar	28,45,981	26,67,538	1,78,443	32,24,204	27,81,550	4,42,654	6,21,097
3	NagriyaVikasUpkar	35,26,699	28,06,368	7,20,331	47,95,614	26,78,515	21,17,099	28,37,430
4	Shikshaupkar	40,86,321	21,21,894	19,64,427	60,38,648	25,45,424	34,93,224	54,57,651
5	Bhawan/BhumiKiraya	15,75,076	8,51,567	7,23,509	35,45,058	22,54,745	12,90,313	20,13,822
6	JalUpbhoktaPrabhar	69,41,286	14,10,182	55,31,104	1,06,75,848	73,78,470	32,97,378	88,28,482
	Total	2,71,36,423	1,69,01,972	1,02,34,451	4,35,76,290	2,71,36,824	1,64,39,466	2,66,73,917
	Total Un-Recovered amount							**2,66,73,917**

Place: Bhopal

Date: 31/08/2020

For Patidar & Associates

Chartered Accountants

CA Neelesh Patidar
(Partner)
MRN - 418806

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URBAN LOCAL BODY - BETUL

BALANCE SHEET as at 31st March 2020

	Particulars	Schedule No.	Current Year (Rs.)		Previous Year (Rs.)	
A	**SOURCES OF FUNDS**					
A1	**Reserves and Surplus**					
	Municipal (General) Fund	B-1	5,91,53,934		7,70,94,385	
	Earmarked Funds	B-2	6,15,39,647		5,11,73,206	
	Reserves	B-3	1,19,36,38,034		1,11,83,76,906	
	Total Reserves and Surplus			**1,31,43,31,615**		**1,24,66,44,496**
A2	**Grants,Contribution for Specific Purpose**	B-4	12,70,10,814	12,70,10,814	23,89,56,657	23,89,56,657
A3	**Loans**					
	Secured loans	B-5	-		-	
	Unsecured loans	B-6	3,03,17,475		3,30,45,645	
	Total Loans			**3,03,17,475**		**3,30,45,645**
	TOTAL SOURCES OF FUNDS [A1 - A3]			**1,47,16,59,903**		**1,51,86,46,798**
B	**APPLICATION OF FUNDS**					
B1	**Fixed Assets**	B-11				
	Gross Block		52,12,87,225		44,76,03,451	
	Less: Accumulated Depreciation		21,46,59,306		18,05,58,154	
	Net Block		**30,66,27,918**		**26,70,45,297**	
	Capital Work-in-Progress		95,81,53,382		92,21,88,164	
	Total Fixed Assets			**1,26,47,81,300**		**1,18,92,33,461**
B2	**Investments**					
	Investment- General Fund	B-12	-		-	
	Investment- Other Funds	B-13	6,95,00,000		1,62,00,000	
	Total investment			**6,95,00,000**		**1,62,00,000**
B3	**Current assets,loans & advances**					
	Stock in hand (inventories)	B-14	-	-	-	-
	Sundry Debtors (Receivables)	B-15				
	Gross amount outstanding		2,66,63,166		2,13,76,374	
	Less: Accumulated Provision against bad and doubtful receivables		-		-	
	Sundry Debtors (Receivables) - Net		**2,66,63,166**		**2,13,76,374**	
	Prepaid expenses	B-16	-		-	
	Cash and Bank Balances	B-17	21,68,42,470		39,78,87,523	
	Loans, advances and deposits	B-18	9,08,685		9,86,817	
	Total Current Assets		**24,44,14,320**		**42,02,50,714**	
B4	**Current Liabilities and Provisions**					
	Deposits received	B-7	9,16,78,322		8,93,12,624	
	Deposit Works	B-8	-		-	
	Other liabilities (Sundry Creditors)	B-9	1,53,57,396		1,77,24,753	
	Provisions	B-10	-		-	
	Total Current Liabilities		**10,70,35,718**		**10,70,37,377**	
B5	**Net Current Assets (B3-B4)**			13,73,78,603		31,32,13,337
C	**Other Assets**	B-19		-		-
D	**Miscellaneous Expenditure (to the extent not Written off)**	B-20		-		-
	TOTAL APPLICATION OF FUNDS [B1+B2+B5+C+D]			**1,47,16,59,903**		**1,51,86,46,798**
	Notes to the Balance Sheet - Attached					

FOR AND BEHALF OF
MUNICIPAL COUNCIL
BETUL

ON BEHALF OF
FOR PATIDAR & ASSOCIATES
CHARTERED ACCOUNTANTS

COMMISSIONER

ACCOUNTS OFFICER

CA NEELESH PATIDAR
PARTNER
M.No. 418806

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ATTACHED TO AND FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2020

Schedule B-1: Municipal (General) Fund (Rs)

Account Code	Particulars	Water Supply, Sewerage and Drainage	Road Development and Maintenance	Bustee Services	Commercial Projects	General Account
31010	**Balance as per last amount**	-	-	-	-	7,70,94,385
	Additions during the year	-	-	-	-	-
31090	Surplus for the year	-	-	-	-	-1,79,40,451
	Transfers	-	-	-	-	-
	Total (Rs)	-	-	-	-	**5,91,53,934**
	Deductions during the year	-	-	-	-	-
31090	Deficit for the year	-	-	-	-	-
	Transfers	-	-	-	-	-
310	**Balance at the end of the current year**	-	-	-	-	**5,91,53,934**

Schedule B-2: Earmarked Funds (Special Funds/Sinking Fund/Trust of Agency Fund)

Account Code	Particulars	Illegal Colony	Sanchit Nidhi	Janbhagidari	General Provident Fund	Pension Fund
	(a) Opening Balance	**72,60,134**	**2,23,79,785**	**2,15,33,287**	-	-
	(b) Additions to the Special Fund		-	-	-	-
	· Transfer from Municipal Fund	-	64,20,943	39,45,498	-	-
	· Interest/Dividend earned on Special Fund Investments	-	-	-	-	-
	· Profit on disposal of Special Fund Investments	-	-	-	-	-
	· Appreciation in Value of Special	-	-	-	-	-
	· Other addition (Specify nature)	-	-	-	-	-
	Total (b)	-	**64,20,943**	**39,45,498**	-	-
	(c) Payments Out of Funds	-	-	-	-	-
	[1] Capital expenditure on	-	-	-	-	-
	· Fixed Asset	-	-	-	-	-
	· Others	-	-	-	-	-
	[2] Revenue Expenditure on	-	-	-	-	-
	· Salary, Wages and allowances etc	-	-	-	-	-
	Contributions	-	-	-	-	-
	[3] Other:	-	-	-	-	-
	· Loss on disposal of Special Fund investments	-	-	-	-	-
	· Diminution in Value of Special Fund investments	-	-	-	-	-
	· Transferred to Municipal Fund	-	-	-	-	-
	Total (c)	-	-	-	-	-
311	**Net Balance of Special Funds [(a+b)-(c)]**	**72,60,134**	**2,88,00,728**	**2,54,78,785**	-	-

Schedule B-3: Reserves

Account Code	Particulars	Opening Balance (Rs)	Additions During the Year (Rs)	Total (Rs)	Deductions During the Year (Rs)	Balance at the End of Current Year (Rs)
1	2	3	4	5(3+4)	6	7(5-6)
31210	Capital Contribution	1,11,83,76,906	10,93,62,280	1,22,77,39,186	3,41,01,152	1,19,36,38,034
31211	Capital Reserve					
	Total Reserve funds	**1,11,83,76,906**	**10,93,62,280**	**1,22,77,39,186**	**3,41,01,152**	**1,19,36,38,034**

Schedule B-4: Grants & Contribution for Specific Purposes						
Particulars	**Grants from Central Government**	**Grants from State Government**	**Grants from other Government Agencies**	**Grants from Financial Institutions**	**Others Specify**	**Total**
Account Code	**32010**	**32020**	**32030**	**32040**	**32080**	
(a) Opening Balance	**9,18,32,439**	**14,71,24,218**		**-**		**23,89,56,657**
(b) Additions to the Grants						**-**
Grant received during the year	11,29,20,551	11,17,81,270		-	-	**22,47,01,821**
Interest/Dividend earned on Grant investments	-	-	-	-	-	**-**
Profit on disposal of Grant investments	-	-	-	-	-	**-**
Appreciation in Value of Grant investments	-	-	-	-	-	**-**
Other addition (Specify nature)	-	-	-	-	-	**-**
Total(b)	**11,29,20,551**	**11,17,81,270**	**-**	**-**	**-**	**22,47,01,821**
Total (a+b)	**20,47,52,990**	**25,89,05,488**	**-**	**-**	**-**	**46,36,58,478**
(C) Payment out of funds						**-**
Capital expenditure of Fixed Assets	-	-	-	-	-	**-**
Capital Expenditure of Other	5,43,39,514	7,38,17,114	-	-	-	**12,81,56,628**
Revenue Expenditure on	92,76,120	11,06,74,855	-	-	-	**11,99,50,975**
Salary, Wages, allowances etc	-	-	-	-	-	**-**
Rent	-	-	-	-	-	**-**
Other	-	-	-	-	-	**-**
Payment to Beneficiaries	8,85,40,062	-	-	-	-	**8,85,40,062**
Diminution in Value of Grant investments	-	-	-	-	-	**-**
Grants Refunded	-	-	-	-	-	**-**
Grant Adjustments	-	-	-	-	-	**-**
Total (C)	**15,21,55,696**	**18,44,91,969**	**-**	**-**	**-**	**33,66,47,664**
Net balance at the year end (a+b)- (C)	**5,25,97,294**	**7,44,13,520**	**-**	**-**	**-**	**12,70,10,814**

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Schedule B-5: Secured Loans

Account Code	Particulars	Current Year (Rs)	Previous year (Rs)
33010	Loans from Central Government	-	-
33020	Loans from State Government	-	-
33030	Loans from Govt. bodies & Associations	-	-
33040	Loans from international agencies	-	-
33050	Loans from banks & other financial institutions	-	-
33060	Other Term Loans	-	-
33070	Bonds & debentures	-	-
33080	Other Loans	-	-
	Total Secured Loans	**-**	**-**

Notes:

*The nature of the Security shall be specified in each of these categories;

*Particulars of any guarantees given shall be disclosed;

*Terms of redemption (if any) of bonds/debentures issued shall be stated, together with the earliest date of redemption;

*Rate of interest and original amount of loan and outstanding can be provided for every Loan under each of these categories separately;

*For loans disbursed directly to an executing agency, please specify the name of the Project for which such loan is raised.

Schedule B-6: Unsecured Loans

Code No.	Particulars	Current Year (Rs)	Previous year (Rs)
33110	Loans from Central Government	-	-
33120	Loans from State Government	-	-
33130	Loans from Govt. bodies & Associations	3,03,17,475.0	3,30,45,645.0
33140	Loans from international agencies	-	-
33150	Loans from banks & other financial institutions	-	-
33160	Other Term Loans	-	-
33170	Bonds & debentures	-	-
33180	Other Loans	-	-
	Total Un-Secured Loans	**3,03,17,475.0**	**3,30,45,645.0**

Note: Rate of interest and original amount of loan and outstanding can be provided for every Loan under each of these categories separately.

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Schedule B-7: Deposits Received

Account Code	Particulars	Current Year (Rs)	Previous year (Rs)
34010	From Contractors	7,70,78,378	7,45,71,320
34020	From Revenues	1,42,78,809	1,33,53,169
34030	From Staff		
34080	From other	3,21,135	13,88,135
	Total deposits received	**9,16,78,322**	**8,93,12,624**

Schedule B-8: Deposits Works

Account Code	Particulars	Opening balance as the beginning of the year (Rs)	Additions during the current year (Rs)	Utilization/ expenditure (Rs)	Balance outstanding at the end of the current year (Rs)
34110	Civil Works				-
34120	Electrical works	-	-	-	-
34180	Others	-	-	-	-
	Total of deposit works	-	-	-	-

Schedule B-9: Other Liabilities (Sundry Creditors)

Account Code	Particulars	Current Year (Rs)	Previous year (Rs)
35010	Creditors	13,19,733	13,25,040
35011	Employee Liabilities	1,07,67,096	95,33,861
35012	Unsecured Loan	-	-
35013	Outstanding liabilities	20,90,704	31,58,026
35020	Recoveries Payable	11,79,863	37,07,826
35030	Government Dues Payable	-	-
35040	Refunds Payable	-	-
35041	Advance Collection of Revenues	-	-
35080	Others	-	-
	Total Other Liabilities (Sundry Creditors)	**1,53,57,396**	**1,77,24,753**

Schedule B-10: Provisions

Account Code	Particulars	Current Year (Rs)	Previous year (Rs)
36010	Provision for Expenses		
36020	Provision for Interest		
36030	Provision for Other Assets		
	Total Provision	-	-

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Schedule B-11: Fixed Assets

Account Code	Particulars	Gross Block: Opening Balance	Gross Block: Additions during the period	Gross Block: Deductions during the period	Gross Block: Cost at the end of the year	Accumulated Depreciation: Opening Balance	Accumulated Depreciation: Additions during the period	Accumulated Depreciation: Deductions during the period	Accumulated Depreciation: Total at the end of the year	Net Block: At the end of current year	Net Block: At the end of Pervious year
1	2	3	4	5	6	7	8	9	10	11	12
	Land & Buildings										
41010	Land	290	-	-	290	-	-	-	-	290	290
41015	Lakes and Pond	5,46,504	21,58,411		27,04,915		-	-	-	27,04,915	5,46,504
41020	Buildings	1,17,91,779	27,98,960	-	1,45,90,739	45,40,813	6,04,954	-	51,45,766	94,44,973	72,50,966
41025	Heritage Buildings	16,49,875	-		16,49,875			-			16,49,875
	Infrastructure Assets							-			-
41030	Roads and Bridges	9,83,86,836	1,71,20,225		11,55,07,061	6,38,07,735	1,04,46,162	-	7,42,53,897	4,12,53,164	3,45,79,101
41031	Sewerage and drainage	2,68,29,339	1,59,56,771		4,27,86,110	89,06,625	27,22,894	-	1,16,29,519	3,11,56,591	1,79,22,714
41032	Water ways	12,81,07,606	3,16,15,357		15,97,22,963	2,64,34,261	44,85,814	-	3,09,20,076	12,88,02,887	10,16,73,345
41033	Public Lighting	2,27,14,965	-		2,27,14,965	77,59,511	18,32,253	-	95,91,763	1,31,23,202	1,49,55,454
41034	Bridges	61,24,501	-		61,24,501	35,45,580	3,34,967	-	38,80,547	22,43,954	25,78,921
	Other Assets						-	-			-
41040	Plants & Machinery	11,15,42,468	19,490		11,15,61,958	4,33,01,931	1,07,00,845	-	5,40,02,775	5,75,59,183	6,82,40,537
41050	Vehicles	3,12,84,221	31,86,581		3,44,70,802	1,92,57,795	19,12,180	-	2,11,69,975	1,33,00,827	1,20,26,426
41060	Office & other equipment	28,67,599	2,75,179		31,42,778	11,13,039	4,82,917	-	15,95,956	15,46,822	17,54,560
41070	Furniture, Fixtures, electrical appliances	57,57,468	5,52,800		63,10,268	18,90,865	5,78,168	-	24,69,033	38,41,235	38,66,603
41080	Other fixed assets	-	-		-	-	-	-	-	-	-
	Total	**44,76,03,451**	**7,36,83,774**	-	**52,12,87,225**	**18,05,58,154**	**3,41,01,152**	-	**21,46,59,306**	**30,49,78,043**	**26,70,45,297**
412	**Capital Work in Progress**	**92,21,88,164**	**3,59,65,218**	-	**95,81,53,382**					**95,81,53,382**	**92,21,88,164**

Note:

1. Additions include fixed asset created out Earmarked Funds and Grants transferred to Urban Local Body's fixed block as referred to in Schedule B-2 and B-4.
2. Gross Block means cost of acquisition of fixed asset. Opening Balance in Gross Block as on the first day of the year represents the closing balance of the previous year. For instance, the opening balance as on 1 shall be equal to the closing asset balance as on 31 March 2011.
3. Land includes areas used as and for the purpose of public places such as parks, squares, gardens, lakes, museums, libraries, godowns etc.
4. Buildings include office and works buildings, commercial buildings, residential buildings, school and college buildings, hospital buildings, public buildings temporary structures and sheds, etc.
5. Roads and bridges include roads and streets, pavements, pathways, bridges, culverts and subways.
6. Sewerage and drainage include sewerage lines, storm-water drainage lines and other similar drainage system.
7. Waterworks include water storage tank, water wells, bore wells, Water pumping station, Water transmission & distribution system etc.

No depreciation is to be charged on Land.

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Schedule B-12: Investments- General Funds

Account code	Particulars	With whom invested	Face value (Rs)	Current year Carrying Cost (Rs.)	Previous year Carrying Cost (Rs.)
42010	Central Government Securities		-	-	-
42020	State Government Securities		-	-	-
42030	Debentures and Bonds		-	-	-
42040	Preference Shares Equity Shares		-	-	-
42060	Units of Mutual Funds		-	-	-
42080	Other Investments		-	-	-
	Total of Investments General Fund		**-**	**-**	**-**

Schedule B-13: Investments- Other Funds

Account code	Particulars	With whom invested	Face value (Rs)	Current year Carrying Cost (Rs.)	Previous year Carrying Cost (Rs.)
42110	Central Government Securities		-	-	-
42120	State Government Securities		-	-	-
42130	Debentures and Bonds		-	-	-
42140	Preference Shares Equity Shares		-	-	-
42160	Units of Mutual Funds		-	-	-
42180	Other Investments		-	6,95,00,000	1,62,00,000
	Total of Investments General Fund		**-**	**6,95,00,000**	**1,62,00,000**

Schedule B-14 Stock in Hand (Inventories)

Account code	Particulars	Current year (Rs)	Previous year (Rs)
43010	Stores Loose	-	-
43020	Tools Others	-	-
	Total Stock in hand	**-**	**-**

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Schedule B-15 Sundry Debtors (Receivables)

Account code	Particulars	Gross Amount (Rs)	Provision for Outstanding revenues (Rs)	Net Amount (Rs)	Previous year Net amount (Rs)
43110	***Receivables for property taxes***				
	Less than 5 years	28,03,312	-	28,03,312	19,76,317
	More than 5 years		-	-	-
	Sub-total	**28,03,312**	**-**	**28,03,312**	**19,76,317**
	Less: State Government Cesses/Levies in Taxes-Control Acounts		-	-	
	Net Receivables of property Taxes	**28,03,312**	**-**	**28,03,312**	**19,76,317**
43120	***Receivables of Other Taxes***				
	Less than 3 years	1,89,74,693	-	1,89,74,693	1,56,01,128
	More than 3 years		-	-	-
	Sub-total	**1,89,74,693**	**-**	**1,89,74,693**	**1,56,01,128**
	Less: State Government Cesses/Levies in Taxes-Control Acounts		-	-	
	Net Receivables of Other Taxes	**1,89,74,693**	**-**	**1,89,74,693**	**1,56,01,128**
	Receivable of Cess Income				
	Less than 3 years	-	-	-	-
	More than 3 years		-	-	
	Sub-total	**-**	**-**	**-**	**-**
43130	***Receivables for Fees and User Charges***				
	Less than 3 years	13,34,509	-	13,34,509	13,22,132
	More than 3 years		-	-	
	Sub-total	**13,34,509**	**-**	**13,34,509**	**13,22,132**
43140	***Receivables from Other Sources***				
	Less than 3 years	35,50,652	-	35,50,652	24,76,797
	More than 3 years		-	-	
	Sub-total	**35,50,652**	**-**	**35,50,652**	**24,76,797**
43150	Receivables from Government	-			-
	Sub-total	**48,85,161**	**-**	**48,85,161**	**37,98,929**
43180	Receivables Control Account	-			-
	Sub-total	-			-
	Total of Sundry Debtors (Receivables)	**2,66,63,166**	**-**	**2,66,63,166**	**2,13,76,374**

Schedule B-16: Prepaid Expenses

Account code	Particulars	Current year (Rs)	Previous year (Rs)
44010	Establishment	-	-
44020	Administrative	-	-
44030	Operation & Maintenance	-	-
	Total Prepaid expenses	-	-

Schedule B-17: Cash and Bank Balances

Account code	Particulars	Current year (Rs)	Previous year (Rs)
45010	**Cash Balance**	-	-
	Balance with Bank - Municipal Funds		
45021	Nationalised Banks	2,49,64,792	7,68,33,585
45022	Other Schedule Banks	-	-
45023	Scheduled Co-Operative Bank		
45024	Post Office	-	-
	Sub- Total	**2,49,64,792**	**7,68,33,585**
	Balance with Bank - Special Funds		
45041	Nationalised Banks	-	-
45042	Other Schedule Banks	-	-
45043	Scheduled Co-Operative Bank	-	-
45044	Post Office	-	-
	Sub- Total	-	-
	Balance with Bank - Grant Funds		
45061	Nationalised Banks	19,18,77,678	32,10,53,938
45062	Other Schedule Banks	-	-
45063	Scheduled Co-Operative Bank	-	-
45064	Post Office	-	-
	Sub- Total	**19,18,77,678**	**32,10,53,938**
	Total Cash and Bank balances	**21,68,42,470**	**39,78,87,523**

Schedule B-18: Loans, advances, and deposits

Account Code	Particulars	Opening Balance at the beginning of the year (Rs)	Paid during the current year (Rs)	Recovered during the year (Rs)	Balance outstanding at the end of the year (Rs)
46010	Loans and advances to employees	2,73,132	2,85,000	3,63,132	1,95,000
46020	Employees Provident Fund Loans	-	-	-	-
46030	Loans to Others	-	-	-	-
46040	Advance to Suppliers and Contractors	-	-	-	-
46050	Advance to Others	-	-	-	-
46060	Deposit with External Agencies	7,13,685	-	-	7,13,685
46080	Other Current Assets	-	-	-	-
	Sub- Total	**9,86,817**	**2,85,000**	**3,63,132**	**9,08,685**
461	Less: Accumulated Provisions against Loans, Advances and Deposits [Schedule B-18 (a)]	-	-	-	
	Total Loans, advances, and deposits	**9,86,817**	**2,85,000**	**3,63,132**	**9,08,685**

Schedule B-18 (a): Accumulated provision against Loans, Advances, and Deposits

Account Code	Particulars	Current year (Rs)	Previous year (Rs)
46110	Loans to Others	-	-
46120	Advances	-	-
46130	Deposits	-	-
	Total Accumulated Provision	**-**	**-**

Schedule B-19: Other Assets

Account Code	Particulars	Current year (Rs)	Previous year (Rs)
47010	Deposit Works	-	-
47020	Other asset control accounts	-	-
	Total Other Assets	**-**	**-**

Schedule B-20: Miscellaneous Expenditure (to the extent not written off)

Account Code	Particulars	Current year (Rs)	Previous year (Rs)
48010	Loan Issue Expenses	-	-
48020	Deferred Discount on Issue of Loans	-	-
48021	Deferred Revenue Expenses	-	-
48030	Other	-	-
	Total Miscellaneous expenditure	-	-

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URBAN LOCAL BODY - BETUL

INCOME AND EXPENDITURE STATEMENT

For the period from 1 April 2019 to 31 March 2020

	Item/ Head of Account	Schedule No.	Current Year (Rs)	Previous year (Rs)
A	**INCOME**			
	Tax Revenue	IE-1	30,748,193	33,345,451
	Assigned Revenues & Compensations	IE-2	114,169,906	115,630,634
	Rental Income From Municipal Properties	IE-3	8,837,571	16,365,559
	Fees & User Charges	IE-4	25,747,573	23,579,674
	Sale & Hire Charges	IE-5	1,028,985	8,548,108
	Revenue Grants, Contribution & Subsidies	IE-6	242,592,188	312,802,843
	Income From Investments	IE-7	2,716,828	1,941,282
	Interest Earned	IE-8	10,466,563	6,328,927
	Other Income	IE-9	756,064	585,347
	Total - INCOME		**437,063,871**	**519,127,825**
B	**EXPENDITURE**			
	Establishment Expenses	IE-10	134,039,209	127,384,343
	Administrative Expenses	IE-11	48,482,468	11,289,715
	Operations & Maintenance	IE-12	104,096,903	119,315,254
	Interest & Finance Charges	IE-13	24,082	409,568
	Programme Expenses	IE-14	8,612,873	8,390,445
	Revenue Grants, Contribution and Subsidies	IE-15	119,226,692	223,019,325
	Provisions and Write Off	IE-16	-	-
	Miscellaneous Expenses	IE-17	6,420,943	1,451,000
	Depreciation	B-11	34,101,152	33,958,061
	Total - EXPENDITURE		**455,004,322**	**525,217,711**
C	***Gross surplus/ (deficit) of income over prior period items (A-B)***		**-17,940,451**	**-6,089,886**
D	Add/Less: Prior period Items (Net)	IE-18	-	-
E	***Gross surplus/ (deficit) of Income over prior period items (C-D)***		**-17,940,451**	**-6,089,886**
F	Less: Transfer to Reserved Fund		-	-
G	***Net balance being surplus/ (deficit) carried over to Municipal Fund (E-F)***		**-17,940,451**	**-6,089,886**

FOR AND BEHALF OF
MUNICIPAL COUNCIL
BETUL

ON BEHALF OF
FOR PATIDAR & ASSOCIATES
CHARTERED ACCOUNTANTS

CA NEELESH PATIDAR
PARTNER
M.No. 418806

COMMISSIONER

ACCOUNTS OFFICER

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ATTACHED TO AND FORMING PART OF INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2020

Schedule IE-1: Tax Revenue

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
11001	Property Tax	1,52,96,918	1,52,43,484
11002	Water Tax	3,65,364	3,61,747
11003	Sewerage Tax	7,65,580	7,04,510
11004	Conservancy Charge	228	4,347
11005	Lighting Tax	-	1,250
11006	Education Tax	-	-
11007	Vehicle Tax	-	-
11008	Tax on Animals	-	-
11009	Electricity Tax	-	-
11010	Professional Tax	-	-
11011	Advertisement Tax	2,59,437	10,73,569
11012	Pilgrimage Tax	-	-
11013	Export Tax	-	-
11060	Cess	-	
11080	Others Taxes	1,40,60,666	1,59,56,544
	Sub Total	**3,07,48,193**	**3,33,45,451**
11090	Less: Tax Remissions & Refund [Schedule IE - 1(a)]		
	Sub Total	**3,07,48,193**	**3,33,45,451**
	Total Tax Revenue	**3,07,48,193**	**3,33,45,451**

Schedule IE-1 (a): Remission and Refund of taxes

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
1109001	Property Tax		-
1109002	Octroi & Toll		-
	Cess Income		
1109003	Surcharge		-
1109004	Advertisement tax		-
1109011	Others		-
	Total refund and remission of tax revenues	-	-

Schedule IE-2:Assigned Revenues & Compensations

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
12010	Taxes and Duties Collected By Others	4,96,000	-
12020	Compensation in Lieu Of Taxes/Duties	11,36,73,906	11,56,30,634
12030	Compensation in Lieu Of Concession	-	
	Total Assigned Revenues & Compensations	**11,41,69,906**	**11,56,30,634**

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Schedule IE-3:Rental Income From Municipal Properties

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
13010	Rent From Civic Amenities	85,40,347	1,57,71,367
13020	Rent From Office Buildings	-	40,710
13030	Rent From Guest Houses	21,000	40,000
13040	Rent From Lease of Lands	2,76,224	5,13,482
	Sub Total	**88,37,571**	**1,63,65,559**
13090	Less: Rent remission and refunds	-	-
	Sub Total	**88,37,571**	**1,63,65,559**
	Total Rental Income From Municipal Properties	**88,37,571**	**1,63,65,559**

Schedule IE-4: Fees & User Charges - Income head-wise

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
14010	Empanelment & Registration Charges	4,41,060	14,96,168
14011	Licensing Fees	33,21,888	39,93,268
14012	Fees for Grant of Permit	2,48,634	4,49,408
14013	Fees For Certificate Or Extract	18,323	9,348
14014	Development Charges	15,97,813	16,08,476
14015	Regularisation Fees	97,004	34,600
14020	Penalties And Fines	6,38,470	26,24,932
14040	Other Fees	50,63,470	41,87,167
14050	User Charges	1,14,72,332	69,89,958
14060	Entry Fees	6,73,724	5,45,795
14070	Service / Administrative Charges	21,74,856	16,40,554
14080	Other Charges	-	-
	Sub Total	**2,57,47,573**	**2,35,79,674**
14090	Less: Rent Remission and Refunds	-	
	Sub Total	**2,57,47,573**	**2,35,79,674**
	Total Income from Fees & User Charges	**2,57,47,573**	**2,35,79,674**

Schedule IE-5: Sale & Hire Charges

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
15010	Sale Of Products	-	-
15011	Sale of Forms & Publications	10,28,985	85,48,108
15012	Sale of Stores & Scrap	-	-
15030	Sale of Others	-	-
15040	Hire Charges for Vehicles	-	-
15041	Hire Charges for Equipments	-	-
	Total Income from Sale & Hire Charges - income head- wise	**10,28,985**	**85,48,108**

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Schedule IE-6: Revenue Grants, Contribution &Subsidies

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
16010	Revenue Grants	24,25,92,188	31,28,02,843
16020	Reimbursement of Expenses	-	-
16030	Contribution Towards Schemes	-	-
	Total Revenue Grants, Contribution & Subsidies	**24,25,92,188**	**31,28,02,843**

Schedule IE-7: Income From Investments - General Fund

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
17010	Interest on Investments	27,16,828	19,41,282
17020	Dividend	-	-
17030	Income from projects taken up on commercial basis	-	-
17040	Profit on Sale of Investments	-	-
17080	Others	-	-
	Total Income From Investments	**27,16,828**	**19,41,282**

Schedule IE-8:- Interest Earned

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
17110	Interest From Bank Accounts	1,04,66,563	63,28,927
17120	Interest On Loans And Advances To Employees	-	-
17130	Interest On Loans To Others	-	-
17180	Other Interest	-	-
	Total Interest Earned	**1,04,66,563**	**63,28,927**

Schedule IE-9:- Other Income

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
18010	Deposits Forfeited		
18011	Lapsed Deposits	-	-
18020	Insurance Claim Recovery	-	-
18030	Profit on Disposal of Fixed Assets		
18040	Recovery From Employees	-	-
18050	Unclaimed Refund/ Liabilities	-	-
18060	Excess Provisions Written Back	-	-
18080	Miscellaneous Income	7,56,064	5,85,347
18540	Other Income	-	-
	Total Other Income	**7,56,064**	**5,85,347**

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Schedule IE-10:- Establishment Expenses

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
21010	Salaries, Wages And Bonus	11,83,74,876	11,39,56,027
21020	Benefits And Allowances	18,34,502	25,00,928
21030	Pension	1,31,28,326	1,01,76,466
21040	Other Terminal & Retirement Benefits	7,01,505	7,50,922
	Total Establishment Expenses	**13,40,39,209**	**12,73,84,343**

Schedule IE-11:-Administrative Expenses

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
22010	Rent, Rates and Taxes	-	-
22011	Office Maintenance	3,30,98,454	9,29,025
22012	Communication Expenses	29,80,602	2,46,589
22020	Books & Periodicals	30,511	16,088
22021	Printing and Stationery	20,23,017	26,16,195
22030	Travelling & Conveyance	2,46,422	1,88,296
22040	Insurance	3,19,837	4,64,110
22050	Audit Fees	14,26,700	-
22051	Legal Expenses	25,000	32,000
22052	Professional and Other Fees	4,20,393	14,72,823
22060	Advertisement And Publicity	65,47,621	46,24,210
22061	Membership & Subscriptions	-	-
22080	Other Administrative Expenses	13,63,911	7,00,379
	Total Administrative Expenses	**4,84,82,468**	**1,12,89,715**

Schedule IE-12:-Operations & Maintenance

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
23010	Power & Fuel	66,93,395	4,08,97,096
23020	Bulk Purchases	25,15,373	1,62,88,614
23030	Consumption of Stores	-	-
23040	Hire Charges	14,64,482	8,62,719
23050	Repairs & Maintenance - Infrastructure Assets	4,81,06,871	3,26,79,203
23051	Repairs & Maintenance - Civic Amenities	48,47,417	80,41,052
23052	Repairs & Maintenance - Buildings	1,67,59,125	79,40,742
23053	Repairs & Maintenance - Vehicles	12,36,923	29,03,599
23055	Repairs & Maintenance - Office Equipments	25,900	99,900
23056	Repairs & Maintenance - Electrical Appliances	2,52,772	10,69,947
23057	Repairs & Maintenance - Heritage Building		1,67,133
23059	Repairs & Maintenance - Others	-	-
23080	Other Operating & Maintenance Expenses	2,21,94,646	83,65,249
	Total Operations & Maintenance	**10,40,96,903**	**11,93,15,254**

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Schedule IE-13:- Interest & Finance Charges

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
24010	Interest on Loans From Central Government		
24020	Interest on Loans From State Government	-	3,86,975
24030	Interest on Loans From Government Bodies & Associations		-
24040	Interest on Loans From International Agencies		-
24050	Interest on Loans From Banks & Other Financial Institutions	-	-
24060	Other Term Loans	-	-
24070	Bank Charges	24,082	22,593
24080	Other Finance Expenses		
	Total Interest & Finance Charges	**24,082**	**4,09,568**

Schedule IE-14:- Programme Expenses

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
25010	Election expenses	-	1,88,201
25020	Own Programs	86,12,873	82,02,244
25030	Share in Programs Of Others	-	-
	Total Programme Expenses	**86,12,873**	**83,90,445**

Schedule IE-15:- Revenue Grants, Contribution and Subsidies

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
26010	Grants [specify details]	11,92,26,692	22,30,19,325
26020	Contributions [specify details]	-	
26030	Subsidies [specify details]		
	Total Revenue Grants, Contribution and Subsidies	**11,92,26,692**	**22,30,19,325**

Schedule IE-16:- Provisions and Write Off

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
27010	Provisions for Doubtful Receivables		
27020	Provision for Other Assets		
27030	Revenues Written Off		
27040	Assets Written Off		
27050	Miscellaneous Expense Written Off		
	Total Provisions and Write Off	-	-

Schedule IE-17:- Miscellaneous Expenses

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
27110	Loss on Disposal Of Assets		-
27120	Loss on Disposal Of Investments		-
29010	Transfer to General Activity Fund	64,20,943	14,51,000
29050	Public Health,Safety&Disease Control Activity	-	-
29110	Ward/Zone Development	-	-
27180	Other Miscellaneous Expenses		-
	Total Miscellaneous Expenses	**64,20,943**	**14,51,000**

Schedule IE-18:- Prior Period Items (Net)

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
18500	Income	-	-
18510	Taxes Other - Revenues	-	-
	Recovery of revenues written off	-	-
18540	Other Income	-	-
	Sub - Total Income (a)	-	-
28500	Expenses	-	-
28550	Refund of Taxes	-	-
28560	Refund of Other Revenues	-	-
28580	Other Expenses	-	-
	Sub - Total Income (b)	-	-
	Total Prior Period (Net) (a-b)	-	-

मुख्य नगर पालिका अधिकारी
नगर पालिका परिषद बैतूल

URBAN LOCAL BODY - BETUL

Betul, Madhya Pradesh

Receipts and Payments 1-Apr-2019 to 31-Mar-2020

Receipts	Nagar Palika Parishad Beohari		Payments	Nagar Palika Parishad Beohari	
	1-Apr-2019 to 31-Mar-2020			1-Apr-2019 to 31-Mar-2020	
Opening Balance		**39,78,87,523**	**2 - Revenue Expenditure**		**13,73,11,526**
Bank Accounts	39,78,87,523		210 - Establishment Expenses	1,52,91,319	
Cash	-		220 - Administrative E Expenses	42,33,237	
1 - Revenue Income		**16,06,43,465**	230 - Operations & Maintenance	92,85,692	
110 - Tax Revenue	10,27,445		240 - Interest & Finance Charges	24,082	
120 - Assigned Revenues & Compensations	11,41,69,906		250 - Programme Expenses	70,58,350	
130 - Rental Income From Municipal Properties	52,92,513		260 - Revenue Grants, Contribution and Subsidies	10,14,18,846	
140 - Fees & User Charges	2,57,47,573		**3 - Capital Receipts and Liabilities**		**36,58,59,161**
150 - Sale & Hire Charges	10,28,985		320 - Grants, Contribution for Specific Purposes	8,89,392	
160 - Revenue Grants, Contribution & Subsidies	-		331 - Unsecured Loans	27,28,170	
170 - Income From Investments	21,54,416		340 - Deposits Received	1,15,88,495	
171 - Interest Earned	1,04,66,563		350 - Other Liabilities	35,06,53,104	
180 - Other Income	7,56,064		**4 - Capital Expenditure & Assets**		**10,21,86,985**
185 - Prior Period	-		410 - Fixed Assets	2,57,96,888	
3 - Capital Receipts and Liabilities		**21,89,27,727**	412 - Capital Work-in- Progress	66,05,097	
311 - Earmarked Funds	39,45,498		421 - Investments -General Funds	6,95,00,000	
320 - Grants, Contribution for Specific Purposes	20,67,96,865		460 - Loans, Advances and Deposits	2,85,000	
330 - Capital Receipts & Liabilities	-				
340 - Deposits Received	58,87,363				
350 - Other Liabilities	22,98,001				
4 - Capital Expenditure & Assets		**4,47,41,427**			
421 - Investments -General Funds	1,62,00,000		**Closing Balance**		**21,68,42,470**
431 - Sundry Debtors (Receivables)	2,85,41,427		Bank Accounts	21,68,42,470	
460 - Loans, Advances and Deposits	-		Cash	-	
Total		**82,22,00,141**	**Total**		**82,22,00,141**

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Annexure - C

Name of ULB **Betul Municipal Council**

Name of Auditor **Patidar & Associates**

S. no.	Parameters	Discription			Observation in Brief	Suggestions
1	Audit of Revenue					
	Rajaswa Kar Wasooli	Receipts in Rs.				
		Year 2018-19	Year 2019-20	% of Growth		
1	Property Tax	Rs. 19,693,938.00	Rs. 16,542,543.00	-16.00%	Collections wrt dues of corrent year is around 58% which is good. Need to improve collection efforts of prevous years dues and also proper register with Previous dues should be maintained.	ULB should impose strict penalties and legal actions to improve past Due collections.
2	Samekit Kar	Rs. 4,645,266.00	Rs. 5,449,088.00	17.30%	Collections wrt dues of corrent year is around 63% which is also good. Need to improve collection efforts of prevous years dues.	ULB should impose strict penalties and legal actions to improve past and current due collections.
3	Nagriya Vikas Upkar	Rs. 4,682,561.00	Rs. 5,484,883.00	17.13%	Collections wrt dues of corrent year is around 60% which is good . however growth with respect to previous year is in decline trend which need to improve.	ULB should impose strict penalties and legal actions to improve past and current due collections.
4	Shiksha Upkar	Rs. 4,767,450.00	Rs. 4,667,318.00	-2.10%	Collections wrt dues of corrent year is around 56% which is good. Need to improve collection efforts of prevous years dues. Growth with respect to previous year is not encouraging which should take into consideration	ULB should impose strict penalties and legal actions to improve past Due collections.
	Total	Rs. 33,789,215.00	Rs. 32,143,832.00	-4.87%		
	Gair-Rajaswa Wasooli					
1	Bhawan Bhoomi Kiraya	Rs. 3,883,572.00	Rs. 3,106,312.00	-20.01%	Collections wrt dues of current year is around 63% which is quite good. Need to improve collection efforts of previous years due.	ULB should impose strict penalties and legal actions to improve past and current due collections.
2	Jal Upbhokta Prabhar	Rs. 8,537,569.00	Rs. 8,788,652.00	2.94%	Collections wrt dues of corrent year is around 23% which is quite average. Growth is also in downside trend which is a adverse sign of recovery. Effective measures is requried.	ULB should impose strict penalties and legal actions to improve past and current due collections.
	Total	Rs. 12,421,141.00	Rs. 11,894,964.00	-4.24%		
	Grand Total	**Rs. 46,210,356.00**	**Rs. 44,038,796.00**	**-4.70%**		

Reporting on Audit Paras for Financial Year 2019-20

Name of ULB: Betul Municipal Council

Name of Auditor: Patidar & Associates, Chartered Accountants

S. no.	Parameters	Description	Observation in brief	Suggestions
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. TDS should be correctly deducted and deposited on time.
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	Outstanding FDR's details during the year are provided in prescribed annexure.
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 expendit	405.62% (13,73,11,526 / 3,38,52,580) x 100		

	ure (Establishment, salary, Operation& Maintenance) with respect to revenue receipts (Tax & Non Tax).			
	b) Percentage of Capital expenditure wrt Total expenditure.	43.52% (10,58,04,547 / 24,31,16,,073) x 100		
9	Whether all the temporary advances have been fully recovered or not.		Cases of outstanding advances have been outlined in point no. 3 (3) 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 on Regular basis.	

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