

AUDIT REPORT

OF

NAGAR PALIKA PARISHAD, KHACHROD

DISTRICT - UJJAIN (M.P.)

FOR THE YEAR ENDED ON 31ST MARCH 2020

FINANCIAL YEAR : 01.04.2019 TO 31.03.2020

AUDITORS

S B C J & ASSOCIATES

CHARTERED ACCOUNTANTS

7/26, PRAGATI NAGAR, NEAR NANAKHEDA BUS STAND,

UJJAIN - 456 010 (M.P.)

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AUDIT REPORT SIGNED BY

CA. KAMALNAYAN JAIN

(M.Com., LL.B., FCA)

S B C J & Associates
Chartered Accountants

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AUDITOR'S REPORT

NAGAR PALIKA PARISHAD, KHACHROD, DISTRICT UJJAIN (M.P.)

Report on the Financial Statements

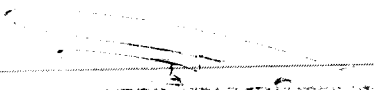
We have audited the accompanying financial statement of **NAGAR PALIKA PARISHAD, KHACHROD, DISTRICT UJJAIN (M.P.)**, which comprises of the **Receipts and Payments Account** for the year ended on **31st March, 2020**. The above Institution do not keep its accounts on double entry system of accounting therefore, there are no Balance Sheet and Income & Expenditure Account. The Institution only prepares Receipts and Payments Account. The Institution follows Cash System of Accounting. The observations on the scope of audit work prescribed and other notes, comments and explanatory information etc. are attached herewith.

Management's Responsibility for the Financial Statements

The Institution's Management is responsible for the preparation of the Receipts and Payments Account that give a true and fair view of the Receipts and Payments in accordance with the Accounting Standards and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Receipts and Payments Account that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the above Receipts and Payments Account based on our audit. We conducted our audit in accordance with the standards on Auditing issued by


[Chief Municipal Officer]

[Accountant]

the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Receipts and Payments Account is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Receipts and Payments Account. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Receipts and Payments Account, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institution's preparation and fair presentation of the Receipts and Payments Account in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institution's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management as well as evaluating the overall presentation of the Receipts and Payments Account. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. Test check methods have been applied in areas where ever the same has been considered appropriate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Receipts and Payments Account give a true and fair view, in conformity with the accounting principles generally accepted in India, read with significant accounting policies, of the Receipts and Payments of the Institution for the year ended on that date, subject to the following :

- (a) As per the last year's Audit Report, the Closing Balance of bank accounts stood at Rs. 1,91,25,001/- whereas in the current year's Cash Book, the opening balance of bank accounts is appearing at Rs. 1,70,94,317/-. The difference of Rs. 20,30,684/- is though considered in receipts and payments account prepared by the institution ; and
- (b) Apart from the above, the some of the bank account balances as per cash book and as per bank statement are significantly unreconciled and due to that many significant items / amounts of receipts / payments might have been omitted to be included in the receipt and payment

account. It is informed to us that the differences between bank balances as per bank statement and as per cash book includes various differences pertaining to the earlier many years, therefore, it is not possible to prepare bank reconciliation statements and to exactly reconcile the above differences instantly.

For S B C J & Associates
Chartered Accountants

CA. Kamalnayan Jain
(Partner)

MRN. - 409833

FRN. - 007051C

UDIN - 20409833AAAABQ1757

Date - 27th August, 2020
Place - Ujjain (M.P.)

S B C J & Associates
Chartered Accountants

Head Office :

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Near Union Bank of India,
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OBSERVATIONS ON THE SCOPE OF AUDIT WORK PRESECIBED

NAGAR PALIKA PARISHAD, KHACHROD, DISTRICT UJJAIN (M.P.)

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

(1) AUDIT OF REVENUE :

(i) The Institution is following Cash System of Accounting for recording receipts. The receipts of revenue from all the sources on the above basis have been examined.

(ii) The revenue receipts have been checked from the counterfoils of receipts books. They are generally found to have been duly recorded in the Challans, Cashier's Cash Book and Accountant's Cash Book. Few instances where some discrepancies have been noticed are mentioned as under :

Date	Amount (Rs.)	Observation
29.06.2019	10/-	The amount is correctly entered in Cash Book and Khatoni, however, there is a summation error in Cash Book for amount of Rs. 10/- only. Though, the correct effect of the same is considered in receipts and payments account prepared by the institution.
28.08.2019	60/-	The amount is correctly entered in Cash Book and Khatoni, however, there is a summation error in Cash Book for amount of Rs. 60/- only. Though, the correct effect of the same is considered in receipts and payments account prepared by the institution.

[Chief Municipal Officer]

[Accountant]

Page 4

Remark as to above defects :-

The above mentioned mistakes are required to be rectified in the Cash Book of Nagar Palika Parishad however it has been informed to us that the effect of the above entries has been taken in the closing balances as mentioned in the Receipts and Payments Account.

The revenue receipts are generally found on test check, to have been deposited in bank account in time. On some days there are delays in deposit of money in bank account but they are generally of not more than 2 days. For these minor delays the account officer has offered explanation that they are mostly due to bank holidays. It is informed to us that the challan for deposit of money in bank is internally checked by an independent person apart from a person who has received money and has issued receipt to the tax payer etc. However, on the basis of test check, in few cases, it is noticed that the challans have not been checked / not signed for checking by such independent person. It is suggested that the pre bank deposit checking of challan with counterfoils of receipts by an independent person should be invariably done in all cases.

(iii) The percentage of increase / decrease in revenue collection in various heads prescribed, as compared to the corresponding figures mentioned in the Receipts and Payments Account of the previous year i.e., of Financial Year 2018-19 are as under :

Head of Income	Recovery In Financial Year 2019-20 (Rs.)	Recovery In Financial Year 2018-19 (Rs.) (As per Chart of Audit Report of F.Y. 2018-19)	Increase / (-) Decrease (Rs.)	% of Increase / (-) Decrease
(1)	(2)	(3)	(4)	(5)
Property Tax (Sampatti Kar)	17,68,407/-	12,25,280/-	+ 5,43,127/-	+ 44.33 %
Samekit Kar	10,42,622/-	12,00,669/-	- 1,58,047/-	- 13.16 %
Shiksha Upkar	4,54,263/-	2,94,660/-	+ 1,59,603/-	+ 54.17 %
Jal Kar	35,96,871/-	37,09,819/-	- 1,12,948/-	- 3.04 %
Nagariya Vikas Upkar	4,02,706/-	3,45,160/-	+ 57,546/-	+ 16.67 %

(iv) The revenue receipts are generally found to have been deposited in bank account in time. On some days there are delays in deposit of money in bank account but they are generally of not more than 2 days. For these minor delays the account officer has offered explanation that they are mostly due to bank holidays. It is informed to us that the challan for deposit of money in bank is internally checked by an independent person apart from a person who has received

money and has issued receipt to the tax payer etc. However, on the basis of test check, in few cases, it is noticed that the challans have not been checked / not signed for checking by such independent person. It is suggested that the pre bank deposit checking of challan with counterfoils of receipts by an independent person should be invariably done in all cases.

(v) The entries in Cash book have been verified with respective vouchers, counterfoils of receipts, bank deposit slips etc. Few instances of errors, omissions, mistakes etc. came across during the course of audit such as the amount entered in cash book is not exactly on the same date as appearing in bank statement. Few instances are as under :-

Bank Account Details	Bank Account Date	Cash Book Date	Amount
SBI 730703	06.04.2019	08.04.2019	Rs. 1,562/-
BOI 00192	21.08.2020	24.08.2019	Rs. 5,00,000/-
NMGB 00750	30.09.2019	31.03.2020	Rs. 3,069/-
SBI 730703	13.03.2020	04.03.2020	Rs. 33,91,122/-

(vi) It is informed to us that the Municipality has not laid down any monthly or quarterly targets for revenue recovery. It has only yearly target (Budget) for the same. The comparative figures of revenue recovery against the yearly budgetary figures in respect of the some major heads of revenue are mentioned as under :

Head of Income	Yearly Target (Budgeted Amount) (Rs.)	Recovery In Financial Year 2019-20 (Rs.)	Over Target / (-) Shortfall (Rs.)	% of Over Target / (-) Shortfall
Property Tax (Sampatti Kar)	35,00,000/-	17,68,407/-	-17,31,593/-	-49.47%
Samekit Kar	30,00,000/-	10,42,622/-	-19,57,378/-	-65.25%
Shiksha Upkar	5,50,000/-	4,54,263/-	-95,737/-	-17.41%
Jal Kar	80,00,000/-	35,96,871/-	-44,03,129/-	-55.04%
Nagariya Vikas Upkar	6,30,000/-	4,02,706/-	-2,27,294/-	-36.08%

(vii) The municipality is following cash system of accounting, therefore, interest income is also recorded on receipt basis. The interest income on Fixed Deposits has been verified from their maturity amount / renewal amount as recorded on the Fixed Deposit Receipts wherever available / wherever relevant details have been mentioned on Fixed Deposit. The entire details have been given in the attached **Annexure "A"**. In cases where the Fixed Deposits are renewed at an amount other than the maturity amount mentioned on Fixed Deposit Receipt, it is difficult to verify that whether the full interest has been granted by the bank or any deduction has been

made from maturity amount by bank. In this regard it is suggested that every year the municipality should obtain the interest certificate from the bank in respect of each Fixed Deposit and verify the actual amount received on renewal.

Some of the important observations regarding FDRs are as follows :

- The municipality has maintained FDR Register but the same is not updated.
- Details of deductions (like TDS etc.) is not available.
- Interest Certificates have not been obtained from some of the banks, instead estimated interest on FDR has been accounted in cash book.
- Bank wise and FDR wise details of FDRs are not recorded in cash book, therefore, it is not possible to check principal amount and / or any adjustment made in the FDR amount.
- FDR are only recoded in the Cash Book when the Maturity is received or the New FDR is formed there are no balances are maintained on yearly basis.
- Renewal details of FDR are not available in some cases. The entire details have been given in the attached **Annexure "A"**.

(viii) The entire details of Fixed Deposits along with the rate of interest thereof and comments regarding lesser rate of interest (wherever appears to be so) have been given in the attached **Annexure "A"**.

(2) AUDIT OF EXPENDITURE :

- (i) The Institution is following Cash System of Accounting. The expenses have been recorded on payment thereof. The audit has been done in respect of general expenditure and expenditure incurred under the schemes.
- (ii) The entries of expenditure made in the cash book have been verified from the relevant vouchers and supporting. Some of the discrepancies which came across on test check are as under :

Date	Voucher Number	Amount	Description
07.04.2019	07	Rs. 1,34,000/-	Expenses Voucher is not found on record.
29.04.2019	33	Rs. 1,28,000/-	Expenses Voucher is not found on record.

04.05.2019	73	Rs. 3,000/-	Expenses Voucher is not found on record.
24.05.2019	164	Rs. 22,100/-	Expenses Voucher is not found on record.
21.06.2019	269	Rs. 1,63,200/-	Expenses Voucher is not found on record.
25.11.2019	N.A.	Rs. 200/- -	The amount is correctly entered in Cash Book and Khatoni, however, there is a summation error in Cash Book for amount of Rs. 200/- only. Though, the correct effect of the same is considered in receipts and payments account prepared by the institution.
02.03.2020	1241	Rs. 3,09,803/-	Expenses Voucher is not found on record.

Further, during our test check, we found that accounting policy for recording of expenses is not uniform throughout the financial year. The institution has followed two different approaches to record the expenses i.e. sometimes the Net Expenses are directly recorded in Payments side of the Cash Book (i.e. net of the TDS, SD, and Royalty etc.) whereas sometimes the Gross Expenses are recorded and TDS, SD, and Royalty etc. are recorded in receipts side of the Cash Book.

- (iii) The monthly balances of amounts laying in bank accounts as appearing in the cash book are almost not tallying with the balances as appearing in the respective bank statements. It is due to the reasons that (a) the municipality has no practice to prepare monthly bank reconciliation statements. (b) there are some mistakes in the cash book (some instances of which have been mentioned in this audit report at other respective places.). It is observed by us that the differences between the bank balances as per cash book and as per bank statements are there, from earlier many years also. Therefore, the municipality is required to do the thorough efforts as a separate and distinct task to exactly reconcile the bank balances by considering the records of earlier years also. however, for the purpose of giving guidance bank reconciliation statements in respect of some banks have been prepared reconciling the differences to the extent information is available. The same are attached herewith at **Annexure "B-1" to Annexure "B-7"**. It is also observed by us that the number of bank accounts kept by the Municipality appears to be more than its reasonable requirements. Therefore, the number of bank accounts may be reduced to reasonable extent by considering the actual requirements of the municipality. This may be helpful in ensuring smooth, correct and timely accounting of bank entries in the cash book and in preparation of bank reconciliation statements.
- (iv) During the course of audit, it is observed that expenditure for a particular scheme is limited to the funds allocated for that particular scheme. We did not find any over payment during our test check.

- (v) The expenditures incurred were generally in accordance with the guidelines, directives, acts and rules issued by the Government of India / State Government. No adverse cases of contravention of the same came across during the course of test check.
- (vi) The expenditures are found to be generally supported by the financial and administrative sanction of the competent authority limited to the administrative and financial limits of the sanctioning authority.
- (vii) Appropriate sanction of the competent authority has been obtained for incurring expenses. Expenditures without proper sanction were not come to our notice during the course of audit on test check basis.
- (viii) It is explained to us that the Utilization Certificates have not been issued by the Municipality in all the cases. The same have been issued by the Municipality only in the cases where they have been asked by the higher authorities. The Municipality does not keep and maintain its accounts on double entry system of accounting, therefore, there is no Income and Expenditure Account and Balance Sheet. Further, Fixed Assets Register is not maintained by the municipality.
- (ix) It is informed to us that the Municipality did not provide any temporary or other advance to the Contractors or employees or any other persons.

(3) AUDIT OF BOOK KEEPING :

- (i) All the books of accounts i.e., Accountant's Cash Book, Cashier's Cash Book, Khata Khatoni, Grant Register, Security Deposit Register and Fixed Deposit Register have been examined during the course of audit. Some of the records and registers maintained by the Municipality are not in proper format and also not completed.
- (ii) It is informed to us that the Municipality is required to maintain its accounting records as per Madhya Pradesh Municipal Accounting Manual (MPMAM) but presently the Municipality is not fully following the same.
- (iii) It is informed to us that the Municipality is not providing any advance of any kind to the Contractors or to the employees or to any other persons. Therefore, there is no such case of non- recovery of advances. Further, in absence of any advances, the institution has not maintained any Advance Register.
- (iv) As mentioned supra, the Municipality is not providing any temporary advances.
- (v) It is informed to us that the municipality has no practice to prepare bank reconciliation statements and it is not possible to prepare the exact reconciliation instantly as the balances are unreconciled / not exactly reconciled from last many earlier years also. The preparation of exact reconciliation may require examination of records of many earlier

years. In respect of some of bank accounts, the previous auditor had included bank reconciliation statement in his audit report but the same were on the indicative basis and for the purpose of providing guidance only. Those statements were also containing net unreconciled differences. Therefore, looking to the prevailing circumstances, the municipality is required to do the thorough efforts as a separate and distinct task to reconcile the bank balances by considering the records of earlier years also. However, for the purpose of providing guidance, the reconciliation statements have been prepared and attached herewith in respect of some of the bank accounts. The differences have been reconciled to the extent of information available.

- (vi) The receipts and payments of grants as per grant register have been verified from the entries in the cash book. On verification, it is observed that grant register is maintained duly as per the rules and guidelines as prescribed. Some of the error found during the test check were:
- Grant received on 22.01.2020 (Rajya Vitt) as appearing in the bank statement was Rs. 5,46,000/-. The same was correctly recorded in cash book but it is wrongly recorded in grant register at Rs. 5,64,000/-.
 - Grant received (Chungi Kshatipurti) amounting Rs. 33,91,122/- as appearing in the bank statement on 13.03.2020 was though correctly recorded in Cash Book also but the same is entered on 04.03.2020 in Cash Book.
- (vii) It is informed to us that the fixed asset register have not been maintained by the institution, therefore, it is not possible for us to comment on status of fixed assets.
- (viii) The receipts and payments for the grants / project funds have been included in the receipts and payments account and cash book of the institution.

(4) AUDIT OF FIXED DEPOSITS / TERM DEPOSITS WITH BANKS :

- (i) The municipality is maintaining register of Fixed Deposits with banks. The audit of fixed deposits has been done with the help of Fixed Deposit Receipts issued by banks and the Fixed Deposit Register (though the Fixed Deposit Register is not updated) maintained by the Municipality. The details regarding fixed deposits made, there maturity, renewal, interest thereon, physical verification of Fixed Deposit Receipts etc. have been given in the attached **Annexure "A"**.
- (ii) It is observed during the course of audit that renewal of some of the fixed deposits / term deposits was not timely done by the municipality. The complete details regarding renewal of fixed deposits / term deposits have been given in the attached **Annexure "A"**.

- (iii) The details regarding rate of interest at which the each Fixed Deposit have been given in the attached **Annexure "A"**. It is suggested that since the Municipality makes big deposits therefore, every time when new Fixed Deposit is made / Old Fixed Deposits are renewed, it may issue request letters to the reputed banks to quote best possible higher interest rates. So that the Municipality may have good options available for earning higher interest rates. The option for auto renewal should be invariably opted (only as a precautionary measure, without prejudice to the above mentioned suggestion) so that in case when renewal could not be done timely, the Municipality may not suffer any interest loss.
- (iv) The Municipality is following cash basis of accounting. Therefore, the entries of interest received have been verified in the cash book on the above basis. Interest Certificates have not been obtained from the some of the banks by the institution.

Besides the above, Some of the important observations regarding FDRs / TDRs which came across to our notice during the course of audit are as follows :

- The municipality has maintained FDR Register but the same is not updated.
- Details of deductions (like TDS etc.) is not available.
- Interest Certificates have not been obtained from all the banks.
- Bank wise and FDR wise details of FDRs are not recorded in cash book, therefore, it is not possible to check principal amount and / or any adjustment made in the FDR amount.
- Renewal details of FDR are not available in some cases. The entire details have been given in the attached **Annexure "A"**.
- It is observed that municipality does not get timely renewal of the FDRs/TDRs. Most of the FDRs/TDRs have already matured but the institution did not renew it within time.

(5) AUDIT OF TENDERS / BIDS :

- (i) The tenders / bids invited by the Municipality have been audited on test check basis. It is noticed that no tender register has been kept and maintained by the Municipality, though it is informed to us that tender process is completely online as per govt. directives.
- (ii) The Municipality has generally followed competitive tendering procedures for the bids. However, in most of the cases have come across during the course of audit wherein only single bidder has participated in the tender process. Further, it is informed to us that tender process is completely online, therefore, there may be instances where tendering / bidding is done only by a single bidder. Some instances where only single bidder participated are mentioned as under :

[Chief Municipal Officer]

[Accountant]

Sr. No.	Work Description	Tender No.	Value (Rs.)	Bidder Name
01	CC Road, Ward No. 19, Gopal Mandir	1702	4.64 lacs	Shri Sai Siddhestwar Construction
02	CC Road, Ward No. 02	1706	5.38 lacs	Kailash Chand Sagitra
03	CC Road, Ward No. 14	1708	18.27 lacs	Sachin Gagrani
04	CC Road, Ward No. 02	2164	16.78 lacs	B.H.S. Enterprises

- (iii) The Municipality has obtained tender fee / bid processing fee. No adverse case of non obtaining of the same came across on test check during the course of audit.
- (iv) It is informed to us that the Municipality has not obtained any bank guarantee during the F.Y. 2019-20.
- (v) Since no Bank Guarantee has been obtained during the F.Y. 2019-20, this clause is not applicable to the municipality.
- (vi) In absence of any bank guarantee, this clause is also not applicable to the municipality.
- (vii) The Municipality has maintained Security Deposit Register (i.e. Nikshep or Amanat Register) for deposits obtained and returned to the outsiders. However, the municipality is not getting signatures of the outsiders on the back of the Deposit Receipts. It is suggested that signatures of the outsider should invariably be taken on the back of the document in interest of the Municipality.

(6) AUDIT OF GRANTS AND LOANS :

- (i) The audit has been done in respect of grants given by the Central Government. These grants are included in the receipts and payments account and cash book maintained by the institution. In this regard no adverse cases of non proper utilization have come across on test check during the course of audit.
- (ii) The audit has been done in respect of grants given by the State Government. These grants are included in the receipts and payments account and cash book maintained by the institution. In this regard no adverse cases of non proper utilization have come across on test check during the course of audit.

- (iii) It is informed to us that neither any loan has been provided for physical infrastructure nor any asset was created.
- (iv) No instances of diversion of funds from capital receipts / grants / loans to revenue expenditure and from one scheme to another came across during the course of audit.

OTHER OBSERVATIONS / NOTES / COMMENTS / INFORMATION :

- (i) The Municipality is a registered entity under GST Act. It is found during the course of the audit that Municipality is having more than one GSTIN (which are active). Details of the GSTIN are as follows :-

S. No.	GSTIN	Type	Status	Remark
01	23AAA.N1733H1ZE	Regular	Inactive	GSTIN is duly cancelled on 06.09.2017 but GSTR-10 (Final Return) and GSTR-1 for the Sept. 2017 is not filed.
02	23AAALN1733H2ZD	Regular	Active	This registration is active form 08.06.2020 .
03	23AAALN1733H1DN	Tax Deductor	Active	This registration is active from 12.10.2017 but no returns have been filed for the F.Y. 2017-18, F.Y. 2018-19 and F.Y. 2019-20 on this registration.
04	23AAALN1733H2DM	Tax Deductor	Active	This registration is active from 05.01.2018 . Regular Returns pertaining to GST TDS have been filed on this registration.

It is suggested that the institution should immediately surrender the extra GSTIN which are not required.

- (ii) The abstract sheet for reporting in audit paras is attached herewith.

[Chief Municipal Officer]

[Accountant]

NAGAR PALIKA PARISHAD, KHACHROD, DISTRICT UJJAIN (M.P.)

Receipts & Payments Account (Page 1/2)

For the Period From 01st April, 2019 to 31st March, 2020

(Rounded Off to Rupees)

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
To Opening Balances :		By Payments During The Year :	
(As per last year's Audit Report) :			
(A) Bank Balances :		Vetan Saamanya	4485450
Bank Of Baroda 0811	234966	Office Aaksmitta	771925
Bank Of India 03115	698491	Stationary	618653
Bank Of India 192	2201058	Asthaai Sthapana Saamanya	1132139
ICICI 01895	8032803	Avkaash Nagadikaran	15000
ICICI 1896	1287182	Rajasva Sthapana	5467793
Narmada Jhabua Gramin Bank 0750	109258	Rajasva Aaksmitta	239083
State Bank Of India 486639	86224	Asthaai Sthapana Rajasva	299411
State Bank Of India 125209	125687	Prakash Saamgri	177130
State Bank Of India 127681	396147	Vidyut Pravah, Street Light etc.	1765077
State Bank Of India 2134	2299823	Jal Pradaya, Powerpump, Vidyut Bill etc.	629932
State Bank Of India 489233	1366484	Nagar Paalika Bhavan And Garden	345566
State Bank Of India 730703	2286878	Nagda Naayan H.T. Vidyut	4939245
Total Bank Balance	19125001	Asthaai Sthapana Jal Pradaay	1364690
(B) Cash Balance :		Ja. Aaksmikta	319804
Cash in Hand	2500	Jal Pradaya Marammat, Sadharan And New Project	410270
Total Opening Balances	19127501	Pay Jal Sankat kaarya Yojna	97210
Less: Difference in Opening Balances		Jal Aavardhan Yojna	2988719
Opening Balances as per Cash book Rs. 1,70,96,817/-	2030684	Pay Jal Kist	4616591
Opening Balances as per last year's Audit Report: Rs. 1,91,27,501/-		Mukhyamanti Sambal Naya Savera Yojna	1710000
		Swaasthya Adhikaari ki Sthapana	19274846
		Swachhata Aaksmikta	97089
		Asthaai Sthapana Swachhata	7637747
		Vividh Kharch Sanitation	1217819
	17096817	Vanan Durusti	855658
		Mudrank Shulk	867800
		Diesel	244000
		Rashi Transfer	0
		Baagwaan Udhyaan Aaksmikta	236805
		F.D.R.	74205
To Receipts During The Year :		Sulabh Complex And Saarvajnik Shochalaya Nirmaan	358891
Niryat Kar Kshatipurti	105000	Swimming pool And Gym Nirmaan	961483
Tender Form Shulk	153405	Nagar Paalika Aadhunikikaran	180668
Samekit Kar (Due Amount)	550400	Mulbhoot Suvidha Anudan	7390464
Samekit Kar (Current Year)	492222	Mukhyamantri Kalyaankaari Yojna	1235000
Chungi Kshatipurti	5202853	Rajya Vitt Aayog	4893846
Sampatti Kar (Due Amount)	476199	Sansadh Nidhi	10000
Sampatti Kar (Current Year)	1292208	Sthaai Sthapana Nirmaan	2049098
Shiksha Vikas Upkar (Due Amount)	105305	Asthaai Sthapana Nirmaan	1245981
Shiksha Vikas Upkar (Current Year)	348958	Sadak Marammat Anuksharan	780766
Nagriya Vikas Upkar (Due Amount)	138044	Naye Raaste Sadako And Naaliyo ka Nirmaan	1798684
Nagriya Vikas Upkar (Current Year)	264662	Nirnaan Aaksmikta	1606386
Septic Tank Safaai Shulk	12000	Vishesh Nidhi Anudaan	500005
Yatri Kar Kshatipurti	1850000	Paribhaashit Pension Anshdaan	582295
Samjhota Shulk	21000	Pradhan Mantri Aawas Yojna	79820000
Pashu Panjiyan Fees Nilami	1330180	Samaachar Patro ko Bhugtaan	272117
Bazar Baithak Fees Nilami	1001000	Raashtriya Tyohaar	238103
Aavedan Shulk	290	14th Vitt Ayog	16542263
Vikas Shulk	1260303	Nagar Paalika Nirvaachan	485136
FDR Maturity Receipts	12010000	Dhaarmik Parv	166070
Dukan Kiraya (Due Amount)	867098	Vividh Expenses	34495129
Dukan Kiraya (Current Year)	531540	Swachhata Mission Project Uday	1427585
Bhawan Nirman Anumati Shulk	1084050	M.M.S. Pay Jal Yojna Anudaan	3601450
Saamudaayik Bhavan Kiraya	26100	M.V.S. Pay Jal Yojna Navin Nal Collection	1221241
Balance Carried Forward To Page 2	93045634	Balance Carried Forward To Page 2	224756324

(Chief Municipal Officer)

(Accountant)

NAGAR PALIKA PARISHAD, KHACHROD, DISTRICT UJJAIN (M.P.)

Receipts & Payments Account (Page 2/2)
For the Period From 01st April, 2019 to 31st March, 2020

Receipts	Amount (Rs.)	Payments	(Rounded Off to Rupees) Amount (Rs.)
Balance Carried From Page 1	93045634	Balance Carried From Page 1	224756324
Audit Objection Recovery	33998	Mukhyamantri Adhyosanrachna Yojana	13512794
Road Cutting	80550	Taalab Gadrikaran, Sondaryakaran & Udhyaan Nirman	126270
Namantaran Aavedan Shulk	588250	Chaamunda Mata Mela	821830
Suchna Ke Adhikar Antargat (RTI Processing)	758	Kaanuni Prabhaar	227200
Vividh Rashi	1056491	Adyaksh, Vidhayak & Parshadgann Maandeya	570150
Saahukaari Licence Fees	101250	Telephone Expenses	41288
Kshatipurti	113100	Lakha Pariksha Fees	40000
Raashan Card Shulk	360	Karamchaari Bhavishya Nidhi E.P.F.	1343106
BPL Raashan Card Shulk	690	Sanchit Nidhi	900000
Satya Pratilipi And Pramaan	800	Arrear	144525
Dukan Nilami Rashi	3704375	Tax Amaanat	1629930
Nirmaan Shramik Parjiyan	15	Nikshep	1557019
Pension Anshdaan	66083	Viniyamitikan Karamchaari Ka Vetan	9546030
Vinidhaano Per Byaaj (Interest)	2553723		
Mudrank Shulk	1642000	To Closing Balances :	
Sansadh Nidhi	30000	Cash in Hand	0
Rajya Vitt Aayog	5906000	Bank Balances :	
14th Vitt Ayog	26922000	Bank Of Baroda 0811	75885
Sadak Marammat Anuksharan	2095000	Bank Of India 03115	987283
Mulbhoot Suvidha Anudan	8032000	Bank Of India 192	2002671
Jal Aavardhan Yojna	2304000	Bank Of India 1429	0
Pradhan Mantri Aawas Yojna Grant	106131000	ICICI 01895	608096
Jal Pradaay Bill (Due Amount)	791663	ICICI 1896	2434487
Jal Pradaay Bill (Current Year)	2805208	ICICI 6207	1319458
Pani Tanker	900	Narmada Jhabua Gramin Bank 0750	37280
Pay Jal Yojna Nal Connection	17902	State Bank Of India 486639	100685
Vishesh Nidhi Anudaan	5000000	State Bank Of India 125209	155393
E.P.F. Amaanat	799711	State Bank Of India 127681	111765
Mukhyamantri Adhyosanrachna Anudaan	24000000	State Bank Of India 2134	1366636
Tax Amaanat	3139407	State Bank Of India 489233	1097096
Muhyamantri Kalyaankaari Yojna	930000	State Bank Of India 730703	22670263
Amaanat	600231	Axis Bank 8439	20494
Swachhata Mission	1279000	Axis Bank 8966	649715
Truti Sudhaar And Rectifications	4584425	Canara Bank 3378	12437910
Mukhyamantri Yuva Swaabhimaan	2323750		
G.P.F. Amaanat	495438		
Swachhata Kar	101300		
Dukan Kiraya Agrim	8521		
Seva Kar	3050		
Grand Total Rs.	301288583	Grand Total Rs.	301288583

These financial statements have been prepared by us. We certify the correctness of the above particulars.

As Per Our Report Of Even Date Attached

For S B C J & Associates
Chartered Accountants

(Chief Municipal Officer)

(Accountant)

CA. Kamalnayan Jain

Partner

MRN. 409833

FRN. 007051C

UDIN - 20409833AAAABQ1757

Date - 27th August, 2020

Place - Ujjain (M.P.)

(Chief Municipal Officer)

(Accountant)

NAGAR PALIKA PARISHAD, KHACHROD, DISTRICT - UJJAIN (M.P.)

**Annexure "A" (Forming Part of Statement Of Observations On The Scope Of Audit Work Prescribed)
Details Of Fixed Deposits / Term Deposits Made With Banks**

Name Of Bank	Account No.	Date Of FDR / Renewal	Date Of Maturity	Interest Rate	Principal / Renewed Amount	Maturity Amount	Renewal Due Date	Physical Verification of FDR
State Bank of India	36729092557	22.09.2018	21.12.2018	6.25%	6507864	6608156	21.12.2018	Verified
State Bank of India	36493655890	21.07.2018	19.10.2018	6.25%	2802821	2846015	19.10.2018	Verified
Bank of Baroda	54430300001227	04.10.2019	04.10.2020	6.45%	74205	79108	NOT DUE	Verified
Bank of Baroda	54430300000946	17.12.2018	17.12.2019	6.70%	400000	427481	17.12.2019	Verified
Bank of Baroda	54430300001021	08.02.2019	08.02.2020	6.70%	850000	908397	08.02.2020	Verified
Bank of Baroda	54430300000861	02.08.2018	02.08.2019	6.60%	300000	320295	02.08.2019	Verified
Bank of India	911245110003195	07.08.2013	07.08.2018	9.00%	129167	201567	07.08.2018	Verified
Bank of India	911245110004754	02.07.2015	02.01.2022	8.00%	139398	233271	NOT DUE	Verified
Bank of India	911245110000922	09.04.2019	09.04.2029	6.35%	414152	777626	NOT DUE	Verified
Madhya Pradesh Gramin Bank	042545110003133	31.03.2020	31.03.2021	6.15%	300000	318880	NOT DUE	Verified
Madhya Pradesh Gramin Bank	042545110002631	28.03.2018	28.03.2023	6.30%	800000	1093520	NOT DUE	Verified
Madhya Pradesh Gramin Bank	042545110002754	02.08.2020	02.08.2021	6.80%	350000	INA	NOT DUE	Verified
Madhya Pradesh Gramin Bank	042545110000657	28.12.2012	28.12.2015	9.00%	500000	653025	28.12.2015	Verified
Madhya Pradesh Gramin Bank	042545110000855	02.08.2013	02.08.2018	8.75%	600000	924925	02.08.2018	Verified
Madhya Pradesh Gramin Bank	042545110001071	30.12.2013	30.09.2018	9.00%	750000	1144628	30.09.2018	Verified
Madhya Pradesh Gramin Bank	042545110001362	10.07.2014	10.01.2021	9.00%	1000000	1783390	NOT DUE	Verified
Madhya Pradesh Gramin Bank	042545110001401	05.02.2014	05.02.2020	8.75%	334625	562477	05.02.2020	Verified
Madhya Pradesh Gramin Bank	042545110001534	10.11.2014	10.05.2020	9.00%	196540	320659	NOT DUE	Verified
Madhya Pradesh Gramin Bank	042545110001535	10.11.2014	10.05.2020	9.00%	350000	571033	NOT DUE	Verified
Madhya Pradesh Gramin Bank	042545110002019	01.12.2015	01.12.2018	8.00%	550000	697533	01.12.2018	Verified
Madhya Pradesh Gramin Bank	042545110001758	07.04.2015	07.04.2018	9.00%	657831	859160	07.04.2018	Verified
Madhya Pradesh Gramin Bank	042545110002020	01.12.2015	01.12.2018	8.00%	522836	663082	01.12.2018	Verified
Madhya Pradesh Gramin Bank	042545110002348	05.11.2016	05.11.2017	7.50%	500000	538568	05.11.2017	Verified

FOOTNOTES :-

INA stands for Information Not Available.

Many FDRs have been automatically renewed by the bank on maturity date but the renewed copy of these FDRs are not available with Nagar Palika Parishad, hence, rate of interest is taken which is available on the original FDR.

The above statements has been prepared by us. We certify the correctness of the above particulars.

(Chief Municipal Officer)

(Accountant)

NAGAR PALIKA PARISHAD, KHACHROD, DISTRICT UJJAIN (M.P.)
Annexure "B-1" (Forming Part of Statement Of Observations On The Scope Of Audit Work Prescribed)

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - STATE BANK OF INDIA
ACCOUNT NO. - 36193362134
PERIODICITY - 01.04.2019 TO 31.03.2020

PARTICULARS	AMOUNT
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2020	1366636
ADD / LESS : ADJUSTMENT ENTRIES	0
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2020	1366636

NAGAR PALIKA PARISHAD, KHACHROD, DISTRICT UJJAIN (M.P.)
Annexure "B-2" (Forming Part of Statement Of Observations On The Scope Of Audit Work Prescribed)

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - STATE BANK OF INDIA
ACCOUNT NO. - 33943489233
PERIODICITY - 01.04.2019 TO 31.03.2020

PARTICULARS	AMOUNT
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2020	1097096
ADD / LESS : ADJUSTMENT ENTRIES	0
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2020	1097096

NAGAR PALIKA PARISHAD, KHACHROD, DISTRICT UJJAIN (M.P.)
Annexure "B-3" (Forming Part of Statement Of Observations On The Scope Of Audit Work Prescribed)

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - STATE BANK OF INDIA
ACCOUNT NO. - 33943486639
PERIODICITY - 01.04.2019 TO 31.03.2020

PARTICULARS	AMOUNT
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2020	100685
ADD / LESS : ADJUSTMENT ENTRIES	0
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2020	100685

NAGAR PALIKA PARISHAD, KHACHROD, DISTRICT UJJAIN (M.P.)
Annexure "B-4" (Forming Part of Statement Of Observations On The Scope Of Audit Work Prescribed)

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - CANARA BANK
ACCOUNT NO. - 5835101003378
PERIODICITY - 01.04.2019 TO 31.03.2020

PARTICULARS	AMOUNT
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2020	12437910
ADD / LESS : ADJUSTMENT ENTRIES	0
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2020	12437910

NAGAR PALIKA PARISHAD, KHACHROD, DISTRICT UJJAIN (M.P.)
Annexure "B-5" (Forming Part of Statement Of Observations On The Scope Of Audit Work Prescribed)

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - ICICI BANK
ACCOUNT NO. - 657701701896
PERIODICITY - 01.04.2019 TO 31.03.2020

PARTICULARS	AMOUNT
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2020	2434487
ADD / LESS : ADJUSTMENT ENTRIES	0
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2020	2434487

NAGAR PALIKA PARISHAD, KHACHROD, DISTRICT UJJAIN (M.P.)
Annexure "B-6" (Forming Part of Statement Of Observations On The Scope Of Audit Work Prescribed)

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - ICICI BANK
ACCOUNT NO. - 657701706207
PERIODICITY - 01.04.2019 TO 31.03.2020

PARTICULARS	AMOUNT
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2020	1319458
ADD / LESS : ADJUSTMENT ENTRIES	0
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2020	1319458

NAGAR PALIKA PARISHAD, KHACHROD, DISTRICT UJJAIN (M.P.)
Annexure "B-7" (Forming Part of Statement Of Observations On The Scope Of Audit Work Prescribed)

BANK RECONCILIATION STATEMENT

NAME OF THE BANK - AXIS BANK
ACCOUNT NO. - 919010051228439
PERIODICITY - 01.04.2019 TO 31.03.2020

PARTICULARS	AMOUNT
CLOSING BALANCE AS PER CASH BOOK AS ON 31.03.2020	20494
ADD / LESS : ADJUSTMENT ENTRIES	0
CLOSING BALANCE AS PER BANK STATEMENT AS ON 31.03.2020	20494

S B C J & Associates
Chartered Accountants

Head Office :

LIG-212-B, E-7, Arera Colony,
Near Union Bank of India,
Bhopal – 462 026 (M.P.)



CA. Kamalnayan Jain
(M.Com. LL.B. FCA)

7/26, Pragati Nagar
Near Nanakheda Bus Stand
Ujjain – 456 010 (M.P.)
Mobile – 90989 35635
Email – knjca@yahoo.com

REVISED ABSTRACT SHEET FOR REPORTING ON AUDIT PARAS FOR FINANCIAL YEAR 2019-20

NAME OF ULB : NAGAR PALIKA PARISHAD, KHACHROD, DISTRICT UJJAIN (M.P.)
NAME OF AUDITOR : S B C J & ASSOCIATES, CHARTERED ACCOUNTANTS

S. No.	Parameters	Description			Observation in Brief	Suggestions
		Recovery In Financial Year 2018-19 (Rs.)	Recovery In Financial Year 2019-20 (Rs.)	% Of Growth		
01	AUDIT OF REVENUE					
	<u>Rajaswa Kar Vasuli</u>					
	Property Tax (Sampatti Kar)	12,25,280/-	17,68,407/-	+ 44.33 %	% has increased in comparison with earlier year. However, in some heads it is less than current year's target. There are no monthly / quarterly target for revenue collection.	Attempt should be made to increase the revenue collection. Apart from yearly targets, monthly / quarterly targets should also be made for revenue collection.
	Samekit Kar	12,00,669/-	10,42,622/-	- 13.16 %		
	Shiksha Upkar	2,94,660/-	4,54,263/-	+ 54.17 %		
	Nagariva Vikas Upkar	3,45,160/-	4,02,706/-	+ 16.67 %		
	Total Rs.	30,65,769/-	36,67,998/-	+ 19.64 %		


Chief Municipal Officer
नगरपालिका कार्यालय

[Accountant]

	Gair Rajaswa Vasuli					
	Bhawan Bhumi Kiraya	13,20,748/-	14,33,259/-	+ 8.52 %	% has decreased in comparison with earlier year. Further, it is less than current year's target also. There are no monthly / quarterly targets for revenue collection.	Attempt should be made to increase the revenue collection. Apart from yearly targets, monthly / quarterly targets should also be made for revenue collection.
	Jal Upbhokta Prabhar	37,09,819/-	35,96,871/-	- 3.04 %		
	Thos Apshisht Prabandhan	0.00	0.00	0.00 %		
	Other Tax, Fees etc.	8,38,00,563/-	6,12,82,981/-	- 26.87 %		
	Total Rs.	8,88,31,130/-	6,63,13,111/-	- 25.35 %		
	Grand Total Rs.	9,18,96,899/-	6,99,81,109/-	- 23.85 %		

Foot Note: - All the figures for the F.Y. 18-19 are taken from the last year audit report.

AUDITOR'S COMMENTS / OBSERVATIONS / SUGGESTIONS ON REVISED ABSTRACT SHEET PARAMETERS

S. No.	Parameters	Description	Observation in Brief	Suggestions
01	Audit of Revenue	<p>Checking of revenue receipts</p> <p>Checking of % increase / decrease in revenue collection as compared to previous year.</p> <p>Checking of Delay in bank deposit</p> <p>Verification of cash book entries.</p> <p>Checking of Recovery against revenue targets</p> <p>Verification of interest on fixed deposits and timely accounting.</p> <p>Checking for instances of lesser rates of fixed deposit interest</p>	<p>Mistakes found in cash book entries (details in report).</p> <p>Deficiency in internal control found (details in report).</p> <p>Increase in collection of major items as compared to previous year but less than current year's target (details in report).</p> <p>Lesser interest rate fixed deposit found (details in report).</p>	<p>Entries in cash book (especially for bank transactions) should be made carefully and timely.</p> <p>Internal control should be strengthened i.e., before deposit of receipts in bank, the challan should be invariably checked by an independent person from counterfoils of receipts.</p> <p>Efforts should be made to achieve revenue targets.</p> <p>Efforts required to achieve better FD rate of interest</p> <p>Bank interest entries should be regularly made in cash book.</p>

[Chief Municipal Officer]

[Accountant]

02	Audit of Expenditure	<p>Checking of expenses in cash book from vouchers</p> <p>Checking of monthly balances</p> <p>Checking for Administrative powers for expenditure, proper sanction</p> <p>Checking of utilization certificates.</p> <p>Checking of temporary advances.</p>	<p>Few instances found for non proper scrutiny of quotations / invoices.</p> <p>Cash book balances (in bank) contains unreconciled differences from earlier years also (details in report).</p> <p>Utilization certificates not prepared in some cases (details in report).</p>	<p>Bank reconciliation statements should be got prepared for reconciling differences pending from earlier years also.</p> <p>Quotations should be carefully scrutinized before accepting the same.</p> <p>Sanctioning norms should be carefully followed.</p> <p>Utilization certificates should be prepared invariably in all cases.</p>
03	Audit of Book Keeping	<p>Checking of system of accounting</p> <p>Checking of books of account, advance registers, bank reconciliation, grant register, fixed asset register etc.</p>	<p>Single entry system of accounting is followed by the institution.</p> <p>Double entry system is not followed. Balance Sheet and Income Expenditure Account is not prepared.</p> <p>Manual books of account are kept. Computerized books of account are not kept. Due to that there are few totaling and posting (Khatoni) mistakes (details in report).</p> <p>Differences are there between bank balances and cash book balances (details in report).</p> <p>Differences are there between accountant cash book and khatoni cash book (details in</p>	<p>Double entry system should be followed. Balance Sheet and Income Expenditure Account should be prepared.</p> <p>Computerized books of account should be maintained through appropriate software to avoid totaling and posting (Khatoni) mistakes.</p> <p>Bank reconciliation should be prepared regularly and timely and also in respect of all bank accounts and also differences carried from earlier years should also be reconciled.</p> <p>Till full computerization is made, Khatoni entries and totaling should be carefully made and differences should be regularly reconciled.</p> <p>Fixed asset register should be</p>

[Accountant]

			report). Fixed asset register was not maintained (details in report). Large number of bank accounts may be in excess of real requirement (details in report).	completed regularly. Number of bank accounts should be kept at minimum as per real requirement for better controlling. Books of Accounts should be maintained as per MP/MAM.
04	Audit of FDR / TDR	Checking of appropriateness of rate of interest Verification of fixed deposit receipts Checking of timely renewals Checking of interest entries etc.	Instance of lesser rate of interest found (details in report). Instance of non timely renewal found (details in report). Unexplained deduction by banks from maturity amount found (details in report). Non timely recording of interest in cash book found (details in report).	Attempt should be made to earn best rates of interest. Timely renewal of fixed deposit should be made. Regular and timely entry of interest should be done in cash book. Deductions made by banks (if any) should be asked and refunds should be obtained. Renewed fixed deposit receipts should be obtained invariably from banks.
05	Audit of Tenders / Bids	Checking of competitive procedures in tenders / bids Checking for tender fees Checking of bank guarantees etc.	Instances of acceptances of single bid found (details in report). Tender register not maintained (details in report).	Attempt should be made to avoid work allotment in case of only single bid. Bank guarantee expiry / renewal etc. matters should be carefully dealt with. On expiry it should be got renewed within time. Tender register should be maintained.
06	Audit of Grants & Loans	Checking of grants , its utilization and	Instances of excess expenditure	Utilization certificates should be

[Chief Municipal Officer]


[Accountant]

		diversion of grants for other purposes	than grant were not found (details in report). Utilization certificate not prepared in some cases (details in report). Grant register is properly maintained (details in report).	invariably prepared in all cases. Grant received should be tallied with the grant issued / sanctioned. Entries should be made for deductions if any. Grant register should be maintained in proper format and it should be updated regularly.
07	Incidences relating to diversion of funds from Capital receipts / Grants / Loans to Revenue Nature Expenditure and from one scheme / project to another.	Incidences relating to diversion of funds	No incidence came across during audit.	Utilization certificates should be invariably prepared for all cases.
08 (a)	Percentage of Revenue Expenditure (Establishment, Salary, Operation & Maintenance) with respect to Revenue Receipts (Tax and Non-Tax)	The municipality is not maintaining its accounts on double entry system. Therefore, in respect of various items, exact classification as to its treatment as revenue expenditure / capital expenditure is not clarified. Therefore, in the present circumstances, calculation of this percentage is not practicable.	The municipality is not maintaining its accounts on double entry system. Therefore, in respect of various items, exact classification as to its treatment as revenue expenditure / capital expenditure is not clarified. Therefore, in the present circumstances, calculation of this percentage is not practicable.	The municipality should keep its books of accounts on double entry system. The municipality should also follow the detailed guidelines mentioned in MPMAM for keeping its books of accounts.
08	Percentage of Capital	The municipality is not maintaining its	The municipality is not	The municipality should keep its books

Prithvi Municipality Office

[Accountant]

(b)	Expenditure with respect to Total Expenditure.	accounts on double entry system. Therefore, in respect of various items, exact classification as to its treatment as revenue expenditure / capital expenditure is not clarified. Therefore, in the present circumstances, calculation of this percentage is not practicable.	maintaining its accounts on double entry system. Therefore, in respect of various items, exact classification as to its treatment as revenue expenditure / capital expenditure is not clarified. Therefore, in the present circumstances, calculation of this percentage is not practicable.	of accounts on double entry system. The municipality should also follow the detailed guidelines mentioned in MPMAM for keeping its books of accounts.
09	Whether all the temporary advances have been fully recovered or not.	Checking of terms and conditions of temporary advances. Checking of advance register. Checking of recovery installments. Checking of interest income (if any) on temporary advance given.	Presently, the Municipality is not providing any advance to employees as well as to the Contractors or to any other persons.	The terms and conditions of advance should not be detrimental to the interest of the municipality. The municipality should maintain the advance register in proper format. The advance register should be regularly updated. Interest should be charged on advance given to employees or any other person. The above mentioned suggestions should be followed if the Municipality starts giving advances in future.
10	Whether the Bank Reconciliation Statements are being regularly prepared.	Checking of Bank statements with cash book. Checking of Bank Reconciliation Statement.	Differences are there between bank balances and cash book balances (details in report). The municipality has no practice to prepare bank reconciliation statements.	Bank reconciliation should be prepared regularly and timely and also in respect of all bank accounts. Differences carried from earlier years should also be reconciled. The number of bank accounts should


[Chief Municipal Officer]

[Accountant]

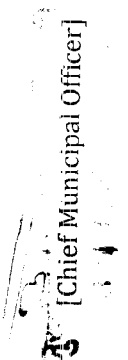
			Bank balances are unreconciled from last many earlier years.	be reduced to reasonable extent by considering the actual requirements of the municipality. This may be helpful in ensuring smooth, correct and timely accounting of bank entries in the cash book and in preparation of bank reconciliation statements.
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Date – 27th August, 2020
Place – Ujjain (M.P.)

For S B C J & Associates
Chartered Accountants



CA. Kamal Nayana Jain
(Partner)
MRN. – 409833
FRN. – 007051C
UDIN - 20409833AAAAABQ1757

 [Chief Municipal Officer]

[Accountant]