

AUDIT REPORT

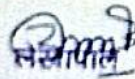
FOR THE PERIOD
01/04/2019 TO 31/03/2020

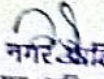


NAGAR PARISHAD
KOLARAS, DISTT SHIVPURI (M.P.)

AUDITOR

JPAAG AND ASSOCIATES
CA. SARVESH GARG
Chartered Accountants
Behind Allahabad Bank, Near Arya Samaj Mandir
Arya Samaj Road, Shivpuri
Phone No. 07492-356007
Mob. No. 9425715270


मुख्य नगरपालिका अधिकारी
नगर पंचायत कोलारस
जिला शिवपुरी (म.प्र.)


मुख्य नगरपालिका अधिकारी
नगर पंचायत कोलारस
जिला शिवपुरी (म.प्र.)



JPAAG & ASSOCIATES
CHARTERED ACCOUNTANTS

Behind Allahabad Bank
Near Arya Samaj Mandir,
Arya Samaj Road,
Shivpuri (M.P)
Email: sarveshgarg17@yahoo.com
Mobile: 9425715270

INDEPENDENT AUDITOR'S REPORT

To
Joint Director
Directorate, Urban Administration & Development, MP.

Report on the Financial Statements

We have audited the financial statements of Nagar Parishad, Kolaras Distt-Shivpuri(MP) which comprise the Receipts & Payment Account and Income & Expenditure Account for the year ended as at 31.03.2020.

Management Responsibility for the financial statements

Management of the Nagar Parishad is responsible for the preparation of these Financial Statements that give true and fair view of the receipt and payment in accordance with Urban Local Bodies Act and Madhya Pradesh Municipalities Act, 1961. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit.

We have taken into account the provisions of the Act, the accounting standards and matters which are required to be included in the auditor's report under the provisions of the relevant act.

We have conducted our audit in accordance with standards on auditing issued by 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 financial statements are free from material mis-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for expressing an opinion on the effectiveness of the entity internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



मुख्य नगर प्रशिका अधिकारी
नगर परिषद कोलारस
जिला शिवपुरी (म.प्र.)

Basis for Qualified Opinion

The Nagar Parishad has prepared its financial statements on the basis of single entry principle although the double entry principle has made mandatory to all urban local bodies since 01-04-2013. As it is practising single entry system of accounting balance sheet could not be formed as explained to us by the parishad. The Expenses were booked in cash book by the name of Taxes such as Commercial Tax, TDS, Labour Tax etc, these should be booked in their respective expenditure heads. Further there are many omission, commission & totalling errors in cash book.

Qualified Opinion

In our opinion, and to the best of our information and according to the explanation given to us, except for the effects of the matter described in the basis of qualified opinion paragraph, the financial statement give the information required by the relevant act and give a true and fair view in conformity with the accounting principles generally accepted in India:-

1. In the case of Receipts and payments Account, of the Receipts & Payments for the year ended on 31st March 2020
2. In the case of Income & Expenditure Account, of the Excess of Income over Expenditure for the year ended on 31st March 2020

Report on other Legal and Regulatory Requirements

- As required by the order of Joint Director of Directorate, Urban Administration & Development, MP
- Further, we report that:-
 - a. We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of account as required by law have not been kept by the Nagar Parishad Kolaras, so far as appear from our examination.
 - c. The receipt and payment are in agreement with cashier cash book and cash book maintained by the account officer.

For: JPAAG and Associates
Chartered Accountants

(CA. Sarvesh Garg)
Partner



मुख्य नगर पालिका अधिकारी
नगर परिषद कोलारस
जिला शिवपुरी (म.प्र.)

Membership No.:426968

FRN No : 013380C

Place: Shivpuri

Date: 11.11.2020

UDIN 20426968AAAAEH5635

COMMENTS TO AUDITOR REPORT ON THE BASIS OF AUDIT SCOPE

AUDIT OF REVENUE

- Checking of revenue from various source such as Property Tax, Water Tax, Samekit Kar, Education Cess, Rent, Interest and various funds has been done. The revenue receipts are checked on test basis from counter files of Receipt Book and was found satisfactory, all the receipts are properly recorded in Books and same are deposited in bank on next day except in case of bank and public holidays.
- Revenue Receipts from counterfoil are checked and found proper and in accordance with the rules. Receipt books are also maintained properly.
- The following errors related to income in the cash book were found:
 1. There is totalling error in connection with the cash book, which has been corrected in the cashbook during the year, which is inappropriate.
 2. The amount which is received directly in the bank account, the same is not being entered in the income register by the Council timely.
 3. No information or records were made available for Quarterly and Monthly revenue targets, so no opinion could be formed on any lapse in revenue recovery during the period. It is advised to have a proper record of Monthly and Quarterly Targets and proper action should be initiated towards the recovery and a separate committee of people should be set to achieve the revenue recovery Targets.
 4. Surplus funds by the Nagar Parishad, Kolaras have not been invested in the form of Fixed Deposits.
 5. The double entry book keeping system is not implemented by the concerned Urban Local Body.
 6. During the audit , on verification of books and store on test check basis it was observed that the books and stock are maintained but not updated on regular basis, same is brought to the notice of CMO, Nagar Parishad, Kolaras, and have assured that now onwards all the books will be updated timely.
 7. Surplus funds by the Nagar Parishad Kolaras have not been invested in the form of short term Fixed Deposits.

AUDIT OF EXPENDITURE

- Checking of expenditure under all schemes has been done.
- All receipts and payments are duly authorized. During the audit, it was found that there was no practice of checking monthly balances which result in omission of entries such as saving bank Interest and Bank charges, thus it is suggested that the balances of cash book should be verified with bank balance on monthly basis.
- There is no one- to - one correlation between the receipt of grant and its corresponding utilization. Further in case of some grants there was no specific usage order (Sanction order) mentioned.
- Observations related to the monthly balance of Cash book:
 - In Cashbook daily balances of all bank account are not mentioned.
 - Cash and bank balance in cash book are not being marked separately, due to which there is no clear description if any day cash is not deposited to bank.

AUDIT OF BOOK KEEPING

मुख्य नगर पालिका अधिकारी
नगर परिषद कोलारस
जिला शिवपुरी (म.प्र.)

- Audit of Scheme Wise Cash book, Stock register, EMD register, Tender Register, Ledger has not been prepared.
- Accounting rules are followed during preparation of Books of accounts however all the books are maintained on single entry system.
- Accounts must be maintained on accrual basis on double entry system as per Madhya Pradesh Municipal Accounting Manual. (MPMAM). Interest on FDR is not accounted on Accrual Basis.
- Internal audit system should also be implemented for proper and timely reporting.
- Annual work plan must be prepared by ULB.
- No register has been formed in respect of the advances given to the council by its employees.
- Fixed Asset register are not maintained by ULB and fixed assets are not numbered physically.

AUDIT OF FDR

- It is been observed that in spite of excess balances in bank, short term FDR has not been made on regular intervals which has resulted in the revenues leakage to the council in the form of FDR Interest.
- FDR register in not properly maintained.

AUDIT OF TENDER

- Tendering Procedure has been followed for awarding tenders but it is being we observed that:
- Tender register is not prepared properly.
- Condition of minimum technical experience in the tender process is not kept by the council, as a result, the council cannot ensure the minimum guarantee in the work done by the council tender.
- Competitive online E tendering procedure is followed for Tenders more than Rs. 2 lakhs.
- Tender Fees, form fees has been charged and EMD and performance guarantee are called by ULB and the same has been accounted properly.
- No cases of Bank guarantees are found during the course of audit.
- No error has been observed in contract termination process.

AUDIT OF GRANTS & LOANS

- Audit of Grant received under different schemes such as 13th vitya ayog, 14th vitya ayog, Mool Bhut, Chungi Shatipurti etc has been done by us.
- Scheme wise Cash books are maintained by ULB and verified by us.
- During the audit we found that Grant Register has been prepared by the Council but not updated on time.
- Diversions of funds are not found during the course of our audit.

मुख्य नगर पालिका अधिकारी
नगर परिषद कोलारस
जिला शिवपुरी (मप्र)

- Statutory compliances are not followed by ULB, TDS, Commercial tax and Labour tax has been deducted and deposited in treasury but returns have not been filed for the same till date.
- Professional tax has been deducted and deposited however no details of return are available.
- The building rent register is not being updated on the basis of the daily register, which, as a result, exact information regarding the building rent recovery can't be obtained from the Building Rent Register. The register used for property tax, consolidated tax, urban development cess and education cess is not being updated on the basis of Daily Collection Register, as a result the exact information related to recovery can't be obtained from the register.
- Single entry book keeping system should be migrated into Double entry book keeping system through use of certain accounting software such as TALLY.
- Separate bank registers should be made for each bank.
- The concerned Urban Local Body should close or make operative their non-operative bank accounts.
- Maintenance of registers to be compulsorily followed :-
 - a) Fixed Assets Register
 - b) Advance Tracking Register
 - c) Bank wise Cheque Issue Register
 - d) Grant register along with Sanction Letter.
 - e) Grant Utilization Register

For: JPAAG and Associates
Chartered Accountants

(CA. Sarvesh Gang.)

Partner

Membership No.: 426968

FRN No : 013380C

Place: Shivpuri

Date: 11.11.2020

UDIN 20426968AAAAEH5635

मुख्य नगर पालिका अधिकारी
नगर पालिका कोलारस
जिला शिवपुरी (म.प्र.)

RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDING 31st MARCH 2020

NAGAR PARISHAD
KOLARAS, DISTT SHIVPURI (M.P.)

LIABILITIES		ASSETS	
	AMOUNT (RS.)		AMOUNT (RS.)
OPENING BALANCE		ADMINISTRATIVE EXPENSES	
Cash at Bank (As per Annexure A)	₹83,817,091	Advertisemnet Expenses	₹854,560
Cash in Hand		Bank Charges	₹8,310
		Photocopy & Stationaty Expenses	₹73,025
TAX REVENUE		Computer Repairs	₹32,375
Property Tax		Deisel Expenses	₹2,786,540
Samatik Kar	₹642,518	Legal Fees	₹122,924
Shiksha Upkar	₹305,711	Repairs	₹4,323,377
	₹57,924	Firewood exp	₹113,710
ASIGNED COMPENSATION		Mobile expenses	₹9,000
Grant from Chungi Chati		Painting exp	₹184,110
		Pradhan hardware	₹57,540
RENTAL INCOME		Food exp	₹135,992
Rents		water exp	₹40,990
		Electricity Bill	₹8,114,520
FEES & CHARGES		Travelling	₹126,871
Asthai Vasuli	₹101,371	Festival Expenses	₹1,144,065
Bazar bethak		Electricity exp	₹451,924
Water Tax	₹243,160	Vehicle expenses	₹2,088,763
Vived	₹65,555	Battary	₹3,937
Bhavan Nirman Permission	₹334,914	Salary	₹20,676,649
water tenker charge	₹396,249	Wages	₹140,628
New Water Connection Charges	₹1,255	Safai Samagri	₹904,273
Tender Receipts	₹7,235	Printing Expenses	₹165,442
	₹62,400	Offiec Expenses	₹47,040
INTEREST EARNED		Plantation	₹94,758
Interest on Saving A/c and FDRs	₹298,979	Travelling Expenses	₹114,706
		Tanker Supply Expenses	₹2,000
DEPOSITS		Tire expenses	₹32,510
Deposit Received	₹1,932,334	Tent Arrangements	₹919,772
FDR Matured		Muram Expenses	₹70,350
		Other Expenses	₹478,435
GRANT RECEIVED		FIX ASSETS	
Grant for Road mainatnce	₹1,145,000	CC Road & Other Construction	₹8,255,794
Rajya Vith Ayog	₹369,000	Fire brigade	₹1,893,097
Sambal yojna	₹430,000	Tiretube purchase	₹42,020
Vishesh Nidhi	₹7,500,000	Water equipments purchase	₹5,268,468
Niryat Kar	₹165,000	Almirah purchase	₹5,000
Vadijya Kar	₹267,000	Iron Frame	₹65,802
Mudrank Shulk	₹466,000	Electricity Equipment Expenses	₹823,790
14 Vity Ayog Garnt	₹6,081,000	Sambal yojna	₹1,651,250
Yatri Kar	₹395,000	Mukyamantri Adho Sarachna	₹3,665,362
Other Grant	₹17,783,013	Pension Yojna Expenses	₹1,093,036
UIDSSMT Grant	₹72,138	Anterastriya anugrah yojna	₹50,000
Schri Awas Yojna	₹97,600,000	Samajik Suraksha Expenses	₹2,500,000
		UIDSSMT sadak Yojna	₹13,261,190
		Vivha Syata	₹2,501,859

मुख्य अधिकारी
नगर पंचायत कोलारस
जिला शिवपुरी (म.प्र.)

	Jal Awardhan Yojna	₹18,381,332
	Loan Repayment	₹1,156,479
	Sehri Awas Yojna Expenses	₹108,675,535
	DEPOSITS	
	Deposit Return	₹853,527
	DUTIES & TAXES	
	TDS	₹157,637
	Labour Tax	₹1,842,696
	CLOSING BALANCE	
	Cash at Bank	₹36,003,534
	(as per annexure B)	
	Cash in Hnad	
TOTAL (Rs.)	₹252,466,505	TOTAL (Rs.)
		₹252,466,505

AS PER OUR REPORT OF EVEN DATE ANNEXED

For: JPAAG AND ASSOCIATES
Chartered Accountants

(CA. SARVESH GARG)
Partner

Membership No.: 426968

FRN No : 013380C

Place: Shivpuri

Date 20.11.2020

UDIN 20426968AAAAEH5635

We hereby confirm and authenticate the correctness of the
above Receipt & Payment A/c
For: Nagar Parishad , Kolaras

CMO
मुख्य नगर पालिका अधिकारी
नगर पालिका कोलारस
जिला शिवपुरी (म.प्र.)

NAGAR PARISHAD
KOLARAS, DISTT SHIVPURI (M.P)
INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDING 31st MARCH 2020

LIABILITIES	AMOUNT (Rs.)	ASSETS	AMOUNT (Rs.)
ADMINISTRATIVE EXPENSES		TAX REVENUE	
Advertisemnet Expenses	₹854,560	Property Tax	₹642,518
Bank Charges	₹8,252	Samatik Kar	₹305,711
Photocopy & Stationaty Expenses	₹73,025	Shiksha Upkar	₹57,924
Computer Repairs	₹32,375		
Deisel Expenses	₹2,786,540	ASIGNED COMPENSATION	
Legal Fees	₹122,924	Grant from Chungi Chati	₹26,369,237
Repairs	₹4,323,377		
Firewood exp	₹113,710	RENTAL INCOME	
Mobile expenses	₹9,000	Rents	₹101,371
Painting exp	₹184,110		
Pradhan hardware	₹57,540	FEES & CHARGES	
Food exp	₹135,992	Asthai Vasuli	₹243,160
water exp	₹40,990	Bazar bethak	₹65,555
Electricity Bill	₹8,114,520	Water Tax	₹334,914
Travelling	₹126,871	Vived	₹396,249
Festival Expenses	₹1,144,065	Bhavan Nirman Permission	₹1,255
Electricity exp	₹451,924	water tenker charge	₹7,235
Vehicle expenses	₹2,088,763	New Water Connection Charges	₹62,400
Battary	₹3,937	Tender Receipts	₹298,979
Salary	₹20,676,649		
Wages	₹140,628	INTEREST EARNED	
Safai Samagri	₹904,273	Interest on Saving A/c and FDRs	₹512,065
Printing Expenses	₹165,442		
Offiec Expenses	₹47,040		
Plantation	₹94,758		
Travelling Expenses	₹114,706		
Tanker Supply Expenses	₹2,000		
Tire expenses	₹32,510		
Tent Arrangements	₹919,772		
Muram Expenses	₹70,350		
Other Expenses	₹478,435		
Profit / Loss transfer to General Reserve	(14,920,465)		
TOTAL (Rs.)	29,398,573	TOTAL (Rs.)	29,398,573

AS PER OUR REPORT OF EVEN DATE ANNEXED

For: JPAAG AND ASSOCIATES

Chartered Accountants

(CA. SARATHI GAR)

Partner

Membership No.:426968

FRN No : 013380C

Place: Shivpuri

Date 20.11.2020

UDIN 20426968AAAAEH5635

We hereby confirm and authenticate the correctness of the above Income & Expenditure A/c

For: Nagar Parishad , Kolaras

मुख्य नगर पंचायत अधिकारी

नगर पंचायत कोलारस

जिला शिवपुरी (म.प्र.)

SCHEDULE-A		OPENING BANK BALANCES	AMOUNT (Rs.)
CASH AT BANK			
State Bank of India (Bindal market)	10743829052		95,744
State Bank of India (A.B. Road)	53029552424		3,991,216
Madhyanchal Gramin Bank	8025526389		247,165
State Bank of India (Bindal market FDR)	10743884514		221,626
Canara Bank	5977101000506		218,275
Jila Sehkari Kendriye bank Sanchit Nidhi	672053007211		755,298
Bank Of India	88811010006532		5,722,264
HDFC Bank	50100070390540		5,624,741
			16,876,329
Central Bank of India	3465607991		2,989,045
Canara Bank	5977201000020		880,133
Punjab National Bank	3127000100113852		14,694,429
State Bank Of India	33516895627		13,195,162
State Bank Of India	63023262076		95,914
State Bank Of India	53029552413		439,452
State Bank of India	30300379141		56,742
Jila Sehkari Kendriye bank	672053008135		102,811
Jila Sehkari Kendriye bank	672053009592		2,685,303
Jila Sehkari Kendriye bank	672053033977		364,664
Bank of India A/c	888120110000217		18,657,678
Axis Bank	917010046607966		12,773,994
Bank of India	888110110007770		3,762
Bank of India	888110110007763		599
Bank of India	888110110007764		1,074
	TOTAL(Rs.)		83,817,091

SCHEDULE-B		CLOSING BANK BALANCES	AMOUNT (Rs.)
CASH AT BANK			
State Bank of India (A.B. Road)	53029552424		2,539,318
Madhyanchal Gramin Bank	8025526389		256,100
State Bank of India (Bindal market FDR)	10743884514		314,347
Canara Bank	5977101000506		7,737,279
Jila Sehkari Kendriye bank Sanchit Nidhi	672053007211		867,348
Bank Of India	88811010006532		2,093,283
			13,807,675
Central Bank of India	3465607991		3,188,923
Punjab National Bank	3127000100113852		2,498,843
State Bank Of India	33516895627		112,543
State Bank Of India	63023262076		99,216
State Bank Of India	53029552413		449,995
State Bank Of India	30300379141		58,230
State Bank of India	672053008135		104,695
Jila Sehkari Kendriye bank	672053009592		192,033
Jila Sehkari Kendriye bank	672053033977		371,331
Jila Sehkari Kendriye bank	917010046607966		15,114,436
Axis Bank	888110110007770		3,893
Bank of India	888110110007763		609
Bank of India	888110110007764		1,112
	TOTAL(Rs.)		36,003,534



मुख्य नगर पालिका-आधिकारी
नगर परिषद कोलारस
जिला शिवपुरी (म.प्र.)

NAGAR PARISHAD
KOLARAS, DISTT SHIVPURI (M.P)

NOTES TO THE ACCOUNTS ANNEXED TO AND THE FORMING PART OF THE AUDIT REPORT FOR
THE YEAR ENDED 31.03.2020

ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS
SIGNIFICANT ACCOUNTING POLICIES

a. **BASIS OF ACCOUNTING:**

Financial Statement are prepared on CASH Basis

b. **PROVISION FOR EXPENSES**

assessee has explained to us that provision for all the expenses has been made except those are mentioned Below in the notes on accounts

c. **ACCOUNTING STANDARDS**

The Assessee is advised to follow all the statements on accounting standards issued by the Institute of Chartered Accountants of India

d. **Contingent Liabilities**

Contingent Liabilities are generally not provided for in the Accounts

II. NOTES TO THE ACCOUNTS :

- 1 Test basis method has been adopted in suitable items and accounts.
- 2 Voucher in respect of some petty expenses have not been furnished to us. However it has been explained to us the legitimate needs of the business and the line of trade in which the assessee deals.
- 3 All the bank balances have been taken as per books of accounts and are subject to confirmation/reconciliation.

AS PER OUR REPORT ATTACHED

For: JPAAG AND ASSOCIATES

Chartered Accountants

(CA. SARVESH GAR)

Partner

Membership No.:426968

FRN No : 013380C

Place: Shivpuri

Date 20.11.2020

UDIN 20426968AAAAEH5635

For: Nagar Parishad , Kolaras

मुख्य निर्देशिका अधिकारी
नगर पंचायत कोलारस
जिला शिवपुरी (म.प्र.)

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

Name of ULB: Nagar Parishad, Kolaras

Name of Auditor: M/s JPAG AND ASSOCIATES (Chartered Accountants)

Sr. No.	Parameters	Description	Receipts in Rs.			Observation in Brief	Suggestions
			Year 2018-19	Year 2019-20	% of Growth		
1	Audit of Revenue						
	राजस्व कर वसूली						
(i)	संपत्तिकर		570626	642518	12.60	Collection % is gradually increased as compared to last year, however no targets are provided for comparison. Many people have not been taxed around for equal to or more than 3 to 4 years.	There should be one separate vigilance team for collection and to find out that all the property is being registered and there is timely collection of taxes along with interest. Lok Adalats should be made frequently which will led to higher collection of taxes.
(ii)	समीकित कर		198646	305711	53.90	Collection % is gradually increased as compared to last year, however no targets are provided for comparison. Many people have not been taxed around for equal to or more than	
(iii)	नगरीय विकास उपकर		0	0	0.00	Collection % is gradually increased as compared to last year, however no targets are provided for comparison.	
(iv)	शिक्षा उपकर		13304	57924	335.39	Collection % is gradually increased as compared to last year, however no targets are provided for comparison.	
	कुल योग		782576	1006153	28.57		
	नगर राजस्व वसूली						
(i)	भवन शुल्ग किराया		92360	101371	9.76	Revenue collection process is proper and more effective steps can be adopted.	Rent register should be properly maintained. Camp should be organised frequently which will led to higher collection of rent.

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

Name of ULB: Nagar Parishad, Kolaras

Name of Auditor: M/s JPAG AND ASSOCIATES (Chartered Accountants)

Sr. No.	Parameters	Description			Observation in Brief	Suggestions
(ii)	जल उपभोक्ता प्रभार	830731	334914	-59.68	This amount is recovered properly.	Water consumption charges should be billed on per unit wise consumption.
(iii)	डोस अपशिष्ट प्रबंधन उपभोक्ता प्रभार	0	0	0.00		
(iv)	अन्य कर / शुल्क				Amount collected head wise is not been updated in separate head register on daily basis.	Proper head wise register should be maintained properly and one cumulative register so that amount tallies.
	कुल योग	5704908	27956135	390.04		
	महा योग	6627999	28392420	328.37		
		7410575	29398573	296.71		
2	Audit of Expenditure	* Expenditure are recorded in proper head related to Nagar parishad, Narvar. All expenditure is duly recorded with their supporting and are sanctioned by respective authority.			No one to one correlation was found between grant received and expenditure made so no proper bifurcation can be made for allocation of funds to proper Area. No UCs were provided.	All the Voucher and their supporting should be arranged Month wise.
3	Audit of Book Keeping	* Cashbook is not giving details of daily balance of all bank accounts and cashbook is maintained on single system basis.			Separate books should be prepared for fixed assets & advances to employees.	Accounts must be maintained on accrual basis on double entry system as per Madhya Pradesh Municipal Accounting Manual(MPMAM) internal audit system should be implemented as per work plan.
4	Audit of FDR	* FDR not made for excess amount kept in banks.			It is been observed that usually excess cash is held in banks.	Short term FDR should be made for excess cash held in banks. It will increase revenue income to parishads.
5	Audit of Tenders/Bids	* For amount exceeding Rs. 2 Lacs E-tendering procedure is followed. EMD register is also prepared.			No case of any bank guarantee found. Also parishad is not maintaining tender register properly.	Tender register should be prepared properly.



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

Name of ULB: Nagar Parishad, Kolaras
Name of Auditor: M/s JPAAG AND ASSOCIATES (Chartered Accountants)

Sr. No.	Parameters	Description	Observation in Brief	Suggestions
6	Audit of Grants & Loans	* Grants are received under different schemes.	It is been observed that grants are received under separate heads but utilization of grant is not proper.	Proper grant register should be maintained along with different schemes Accounting of each grant should be done separately & proper utilization certificate should be obtained at proper intervals.
7	Incidences relating to diversion of funds from Capital receipts/Grants/Loans to Revenue Nature Expenditure and from one scheme/project to another	* No Diversion of funds found during the course of audit.	No diversion of funds found during the course of audit.	In case there is any diversion of funds than proper file should be prepared and the same would be verified by higher authorities.
8	Any Other			
	a) Percentage of Revenue Expenditure (Establishment, Salary, Operation & Maintenance) with respect to Revenue Receipts (Tax and non tax) excluding Octroi, Entry Tax, Stamp Duty and other grants etc.	Revenue Exp Revenue Rev. % 29398573 / 44319038 = 66.33%	Revenue expenditure is more than revenue receipts. There is no bifurcation for the expenditure incurred in the year 2018-19 whether the same is expensed from the balancing amount for the year 2017-18.	Proper records should be maintained in regards of bifurcation Head wise files should be prepared so that headwise balancing amount can be identified.



For the Auditor
M/s JPAAG AND ASSOCIATES
Chartered Accountants
Kolaras

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

Name of ULB: Nagar Parishad, Kolaras

Name of Auditor: M/s JPAAG AND ASSOCIATES (Chartered Accountants)

Sr. No.	Parameters	Description	Observation in Brief	Suggestions
	b) Percentage of Capital Expenditure with respect to Total Expenditure	Capital Exp. Total Exp. % 169290014/216462971=78.21%	More than 2/3 of the expenditure is in the nature of capital expenditure. There is no bifurcation for the expenditure incurred in the year 2018-19, whether the same is expensed from the balancing amount for the year 2017-18 or the amount received in the year 2018-19.	Proper records should be maintained in regards of bifurcation. Head wise files should be prepared so that headwise balancing amount can be identified.
9	Whether all the temporary advances have been fully recovered or not.	*Advances are made to Employees, Contractors & Others.	It is been observed that as parishad is using single entry principle of accounting, So preparation of any account to determine its outstanding/advance is not feasible.	Parishad should use double entry system of accounting to prepare ledger accounts.
10	Whether the Bank Reconciliation Statement have been regularly prepared.	*Bank Reconciliation statements are regularly prepared.		



मुख्य नगरपालिका अधिकारी
नगर परिषद कोलारस
जिला चित्तपुर (म.प्र.)



INVOICE

M/S JPAAG & ASSOCIATES

BEHIND ALLAHBAD BANK
NEAR ARYA SAMAJ MANDIR
SHIVPURI - MADHYA PRADESH
PAN : BBFPG9950E

Phone 07492 401985

To:

NAGAR PARISHAD KOLARAS
- MADHYA PRADESH

Invoice No: 98

Invoice Date: 11/11/2020

Sno Particulars

Being Professional Fees for the following:-
1 AUDIT FOR THE YEAR 2019-20

Amount (Rs.)

35000

Add: CGST 9%

Add: SGST 9%

3150

Total

3150

41300

In Words : Rupees Forty-One Thousand, Three Hundred

E & O E

For M/S JPAAG & ASSOCIATES

Authorised Signatory



बिल मध्ये ५१३००/-
को भुगतान दिनांक ११/११/२०
Verified By
नगर परिषद कोलार

Paid 41,300/-

&

Cancelled

(30/11/2020 - 11/11/2020)