KHUMBHRAJ NAGAR PARISHAD
AUDIT REPORT F.Y. 2019-20

AUDITOR:
PATIDAR & ASSOCIATES
CHARTERED ACCOUNTANTS

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CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Stakeholders of NAGAR PARISHAD KUMBHRAJ

1. Report on the Financial Statements

We have audited the accompanying financial statements of NAGAR PARISHAD KUMBHRAJ ("the ULB"), which comprise the Receipt & Payment account as at March 31, 2020.

2. Management's Responsibility for the Financial Statements

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

3. Auditor's Responsibility

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

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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., in this regard.

We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

4. Qualified Opinion

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

e) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

f) With respect to the adequacy of the internal financial controls over financial reporting of the ULB and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 1'.

For Patidar & Associates
Chartered Accountants

Date: 30/09/2020
UDIN: **20418806AAAABR1824**

CA Neelesh Patidar
(Partner)
MRN - 418806

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5. **Basis for Qualified Opinion**

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

6. **Emphasis of Matters**

We draw attention to following matters reported in Annexure - 1, 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) Difference in revenue recognized by revenue department and as entered in books of accounts.
c) Non-availability of Fixed asset, Security deposit and other registers as prescribed under manual.
d) 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 ULB.
e) Non production of records related with GST, TDS & EPF/ESIC.

Our opinion is not modified in respect of these matters.

7. **We further report that:**

a) We have sought and, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by Municipal Accounting Manual have been kept by the ULB so far as appears from our examination of those books.
c) Except for the matter described in the Basis for Qualified Opinion paragraph above, the Receipt and Payment Account comply with the Municipal Accounting Manual and Accounting Standards applicable to the Urban Local Bodies.
d) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the ULB.

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Annexure '1'

The Annexure 1 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 main cashier called cashier cash book from which collected amount move into main cash book. A detailed statement containing outstanding demand and tax collected during the year (Vasuli Patrak) was provided to us by the concerned department duly certified by the concerned officer.

3) 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.

4) The entries in Cash book shall be verified.
We have verified the entries in cash book on test check basis and on our verification we found some totalling error in the Cash Book which has been reflecting in Receipt & Payment account.

5) 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 2019-2020 and the revenue recovery against such targets was 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.

6) The auditor shall verify the interest income from FDR's and verify that interest is duly and timely accounted for in cash book.
Records related to FDR were not produced before us for verification and hence we cannot comment on accounting of interest income.

7) The case where, the investments are made on lesser interest rates shall be brought to the notice of the Commissioner/CMO.
Documentary evidence related to FDR is not made available to us for verification and hence we cannot comment upon the same.

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 recognized by the ULB and as 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. In doing so, some discrepancies were found. Details for the same are provided below:

a. ULB has deposited TDS after its applicable due dates. This results into interest payment on delayed deposit.

b. In addition, ULB has not timely filed TDS return during the F.Y. 2019-2020. There is a penal provision for delayed filing of TDS return, amounting to Rs. 200 per day (maximum of TDS amount) under section 234E of the Income Tax Act 1961. TDS return filing details are as follows:

S. No.	F Y	Quarter	Status of Filing
1	2019-2020	1st Quarter	NIL
2	2019-2020	2nd Quarter	NIL
3	2019-2020	3rd Quarter	NIL
4	2019-2020	4th Quarter	30/06/2020

c. EPF has not been deducted and deposited by the Parishad from the Employee's salary to the respective EPF Accounts. This is a major non-compliance with respect to application of PF Act which in turn might result into penalties under respective act.

3) He should also check monthly balance of the cash book and guide the accountant to rectify errors, if any.
The monthly balances of cash book were checked by us and found correct for verified instances; however we noticed overwriting from pencil in all over cash book, which should be avoided.

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.
Grant registers were not produced before us for verification and hence it is difficult to verify any instances relating to overutilization of funds.

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 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 be during the audit Non- compliance of audit para's shall be brought to the notice of Commissioner / CMO).
No such instances were noticed during the test check of entries.

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.
Utilisation certificates were not made available to us by the ULB and also in absence of fixed asset register and income and expenditure account it was not possible for us to verify the correctness and reliability of figures at which the fixed asset were created/recognized in the books of accounts.
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. Also no fixed assets register were made available to us by the ULB hence there is no cross check mechanism existing to ensure the completion of project except payment of final bill. It is suggested that a proper internal control system should be framed to identify the fixed asset and its recognition in fixed asset register and books of account of the ULB.

9) The auditor shall verify that all the temporary advances have been fully recovered.
Information relating to temporary advances were not provided to us for verification and hence same cannot be commented upon. As per explanation given to us no staff advance / Temporary advance is outstanding at year end.

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3. Audit of Book Keeping

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

As per the information and explanation provided to us by the management of the ULB and on perusal of books of accounts by us, it was noticed by us that the ULB has not maintained all the required books of accounts as prescribed under MP MAM. Fixed Asset Registers, Store Registers, Security Register, and Grant Register were among books which are not provided bu ULB for verification

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

As stated in point no. 1 above, the books of accounts are not maintained as per Accounting Rules applicable to the Urban local Bodies, and hence it was not possible for us to verify the same.

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

Information relating to advances was not provided to us for verification and hence same cannot be commented upon. As per explanation given to us no amount of advance was outstanding at year end.

4) Bank reconciliation statement (BRS) shall be verified from the records of ULB and the bank concerned. If bank reconciliation Statement are prepared the auditor will help in the preparation of BRS

Bank reconciliation statement (BRS) is regularly prepared by ULB. Statements of all bank accounts maintained by the ULB were provided to us for the purpose of our verification. Bank and cash book balance reconcile with each other. Details of closing bank balance as per bank statement has been provided below for your kind reference:

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Bank Accounts Maintained By Nagar Parishad

S NO	NAME	ACCOUNT NO.	01/04/2019	31/03/2020
1	S B I	91640	2,00,13,813.32	67,75,486.28
2	S B I	19330	1,32,94,829.00	18,83,854.54
3	S B I	C-9	10,071.00	10,071.00
4	S B I	25362	1,41,35,602.50	2,66,281.20
5	C C B	2873	47,32,762.00	60,56,846.00
6	C C B	3237	18,858.00	23,117.00
7	C C B	1561	22,88,646.00	39,27,399.00
8	B O I	559	61,214.00	2,72,413.58
9	B O I	4004	9,62,728.00	13,50,414.43
10	Post Office	-	432.00	432.00
11	Garmin Bank	175	3,64,987.00	3,63,629.00
	TOTAL		**5,58,83,942.82**	**2,09,29,942.48**

5) He shall be responsible for verifying the entries in the Grant register. The receipts and payment of grants shall be duly verified from the entries in cash book.
Grant register was not provided to us for verification, so we cannot verify receipt and utilisation of grants with cash book.

6) The auditor shall verify the fixed assets register from other records and discrepancies shall be brought to the notices of Commissioner / CMO.
The fixed asset register were not provided to us. Therefore, we are unable to bring the discrepancies to the notice of Commissioner / CMO.

7) The auditor shall reconcile the account of receipt and payment especially for project funds.
Receipt and payment account related to project funds were not provided by the ULB. Hence, we cannot comment on the same.

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4. Audit of FDR

1) The auditor is responsible for audit of all fixed deposits and term deposits. ULB has not provided records related with FDRs. Hence we cannot comment on maintenance of FDR or Term deposits.

2) It shall be ensured that proper record of FDR's are maintained and renewals are timely done.
Records related to FDR were not made available to us and hence we cannot comment upon the same. It is explained to us that ULB does not maintain any FDR during the year.

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.
As relevant document were not provided to us by ULB for verification, we cannot comment on the same.

4) Interest earned on FDR/TDR shall be verified from entries in the cash book.
It has been observed that no entries related to interest earned on FDR/TDR has been done in the cash book.

5. Audit of Tenders / Bids

1) The auditor is responsible for audit of all tenders / bids invited by the ULB.
Documents of tender/ bid has been provided for the purpose of verification and found to be consistent and according to generally accepted rules for the same.

2) He shall check whether competitive tendering procedures are followed for all bids.
Proper tendering procedures have been followed by the ULB. E tendering has been done for any procurement / allotments of Rs. 1,00,000/- or more. For value less than 1,00,000/- procurement / allotments are done based on quotations.

3) He shall verify the receipts of tender fee / bid processing fee / performance guarantee both during the construction and maintenance period.
Tender Fees / bid processing fees were recorded in cash book in the month in which it is received. No security registers were provided to verify receipt / release of performance guarantee.

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 / CMO.
No such bank guarantees were produced before us for verification. Therefore, it is not possible for us to comment on the conditions of BG.

6) The cases of extension of BG shall be brought to the notice of Commissioner / CMO. Proper guidance to extend the 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. <u>Audit of Grants and Loans</u>

1) The auditor is responsible for audit of grants given by Central Government and its utilization.
As mentioned in Point No. 3 Grant Register were not provided by the ULB and also no details regarding opening or closing balances of the grant heads provided to us. Hence we cannot comment on the utilisation of grant and balance at the end of the year. However grant amount received during the year were provided which have been produced below:

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VANIJYA KAR	43,08,000.00
ROAD MAINTENANCE	12,35,000.00
RAJYA VITT AYOG	30,73,000.00
14TH FINANCE COMMISSION	60,87,000.00
GRANT RECIEVED (CHHUNGI SHATIPURTI)	185,33,656.00
NIRYAT KAR	5,15,000.00
MUDRANK SHULK RECEIPT	4,93,000.00
YATRI KAR ANUDAN	6,22,000.00

2) He is responsible for audit of grants received from State Government and its utilization.
Grant register were not made available by the ULB. Therefore we cannot verify the Grants received from state government with the grant register and ensuring its proper utilization.

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

4) The auditor shall specifically point out any diversion of funds from capital receipts/ grants/ banks to revenue expenditure.
As per the information made available to us, and as per our verification, instances of diversion of funds from one grant account to another have not been noticed. However, due to inherent limitation of internal controls over financial reporting possibilities of fund diversion cannot be ruled out completely.

NAGAR PARISHAD KUMBHRAJ DISTT. GUNA

RECEIPT & PAYMENT ACCOUNTS FOR THE FINANCIAL YEAR 2019-20

RECEIPT	AMOUNT	PAYMENT	AMOUNT
OPENING BALANCE (As Per Last Report)	5,58,83,942.82	PARSHAD MAANDEY	2,91,700.00
VANIJYA KAR	43,08,000.00	SALARY & OTHER ALLOWANCES	1,66,73,602.18
ROAD MAINTENANCE	12,35,000.00	STATIONERY	17,875.00
RAJYA VITT AYOG	30,73,000.00	T D S	18,47,099.00
14TH FINANCE COMMISSION	60,87,000.00	PROFFESIONAL FEE	1,31,400.00
GRANT RECIEVED (CHHUNGI)	1,85,33,656.00	BANK CHARGES	4,654.29
NIRYAT KAR	5,15,000.00	G P F / EPF	11,16,672.00
MUDRANK SHULK RECEIPT	4,93,000.00	M P STHAPNA, 26 JAN. ANNUAL FUNCTION	1,39,205.00
YATRI KAR ANUDAN	6,22,000.00	BOUNDARY WALL NIRMAN	15,88,333.00
		PAINTING WORK	1,58,700.00
BANK INTEREST	3,56,942.00	OFFICE- WATER EXPENSES	4,900.00
AMT CR BANK	1,07,76,333.00	SECURITY DEPOSIT RETURN	57,39,957.00
MUKHYAMANTRI ADHOSANRACHNA	75,00,000.00	CMO OFFICE CHAMBER WORK	91,630.00
SHOP NILAMI	82,48,000.00	N P S	2,74,558.00
SAMBAL YOJNA	4,00,000.00	D P R (P M AWAS)	3,83,180.00
PROPERTY TAX	13,02,883.00	J C B RENT	7,88,948.00
SAMEKIT KAR	2,59,448.00	TENDER ONLINE UPLOAD/ OPEN FEE	38,000.00
VIKAS KAR	7,50,884.00	YATRA PER VYAY	13,280.00
SIKSHA UP KAR	86,425.00	PERSONAL TOILET (VYAKTIGAT SOCHALAY)	14,62,949.00
JALKAR	6,63,184.00	VEHICLE RENT	1,03,460.00
NAL CONNECTION CHARGES	4,54,892.00	NEWS PAPER & PERIODICALS	21,154.00
RATION CARD	350.00	FUEL EXPENSES (P O I L)	10,46,644.00
MAGAL BHAWAN RENT	6,300.00	NIRMAN KARYA KA BHUGTAN	1,41,59,990.00
BAZAR VASULI	1,57,497.00	SADAK NIRMAN &	95,700.00

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		MARAMMAT	
HAAT REGISTRATION	72,364.00	KOPARA (DUST) PURCHASE	4,20,883.00
SHOP RENT - CURRENT	4,15,900.00	KACHRA VAHAN REPAIR AND MAINTENANCE	2,07,618.00
SHOP RENT	18,67,230.00	JAL AVARDHAN YOJANA (PIPE)	69,23,692.00
PARMANIKARAN	38,242.00	BOUNDRY WALL KA NIRMAN	51,725.00
RATION CARD	71,488.00	CLEANING MATERIAL PURCHASE	38,08,003.00
GROUND SHULK	51,365.00	JAL PRADY MOTOR	28,68,468.00
TANKER RENT	34,351.00	COMPUTER & PHOT COPY REPAIR	19,158.00
NAMANTARAN SHULK	2,94,194.00	SWACCHTA MISSION	1,17,877.00
LATE FEE	30,935.00	NALI NIRMAAN KA BHUGTAN	19,06,710.00
ANIMAL REGISTRATION	3,38,091.00	TELEPHONE & INTERNET CHARGES	1,500.00
BHAVAN KI SAHMATI	25,160.00	PHOTOGRAPHY CHARGES	55,160.00
TENDER FEE	2,18,778.00	ELECTRICITY CHARGES	85,03,410.00
AVDEN SHULK	660.00	OTHER EXPENSES	33,262.00
PRAKASH KAR	1,140.00	D S C PURCHASE	13,200.00
MISCELLANEOUS INCOME	6,766.00	ELECT MATERIAL PURCHASE	16,50,250.00
SAFAI KAR	6,024.00	ADVERTISEMENT EXPENSES	3,02,441.00
TOTALLING MISTAKE-CASHBOOK	3,57,580.00	REPAIR & MAINTENANCE	7,98,035.00
		TENT , LIGHT ,CHAIR EXP	88,259.00
		AUDIT FEES	41,300.00
		ELECTION EXP. ,CC TV RENT	84,849.00
		BATTERY /TYRE	48,418.00
		MUKHYAMANTRI ADHOSANRACHNA	28,18,255.00
		DUSHHERA RAVAN DAHAN EXP	3,96,977.00
		P C C SADAK NIRMAN	2,57,02,810.00
		SAMUDAYIK BHAVAN (VIDHAYAK NIDHI SE)	2,28,230.00
		MAIN ROAD PER GRILL WORK	3,80,622.00
BRS ADJUSTMENT ENTRY ON	65,26,995.68	KAFN DHAFN (DEATH RELIF	18,05,000.00

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24/10/2019 & 2812/2019		)	
		UNIFORM KARMCHARI KI	23,500.00
		HUDCO LOAN REPAYMENT	40,52,519.00
		FIXED ASSETS	-
		KACHRA HATH GADI	1,65,152.00
		TRACTOR-2	7,91,888.00
		TATA ACE 2 NO	5,68,203.00
		TABLE/ CHAIRS PURCHASE	70,092.00
		CLOSING BALANCE AT BANK	2,09,29,944.03
TOTAL	13,20,71,000.50	**TOTAL**	13,20,71,000.50

ACCOUNTS OFFICER

CMO, NAGAR PARISHAD KUMBHRAJ

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Other Observations
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 Parishad as of 31 March 2020 a sum of Rs.107.09 lakhs (as shown in **Table Below)** plus Interest & Penalties were outstanding against the taxpayers, although the ULBs had powers under section 165 of Madhya Pradesh Municipalities Act, 1961 to approach a Magistrate to seek orders for recovery by distress and sale of any movable property of attachment and sale of immovable property belonging to defaulters, however they had not invoked these power to recover the outstanding taxes. Failure to invoke its powers resulted in non-recovery of outstanding taxes and resource crunch, leading to hindrance in development works.

Rs In Lakh

Type of Tax	Due amount recoverable on 01/04/2019	Received From Previous Dues	Un-Recovered Due for More than a Year	Current Due	Current Received	Un-Recovered due of Current Year	Total un-recovered amount
Sampatti Kar	18.08	11.46	6.62	4.39	1.93	2.46	9.08
Samekit Kar	5.47	2.72	2.75	2.92	0.37	2.55	5.3
Shiksha upkar	0.34	0.28	0.06	0.1	0.06	0.04	0.1
Nagariya Vikas Upkar	0	0	0	12.27	8.46	3.81	3.81
Jalkar	49.88	11.68	38.2	12.51	2.44	10.07	48.27
Bhavan bhumi rent	41.24	8.29	32.95	10.91	3.33	7.58	40.53
Others	0.93	0.06	0.87	0	0	0	0.87
Total	**115.01**	**34.43**	**80.58**	**43.1**	**16.59**	**26.51**	**107.09**
Total Un-Recovered amount							**107.09**

For Patidar & Associates
Chartered Accountants

Date: 30/09/2020

CA Neelesh Patidar
Partner
MRN - 418806

Name of ULB Nagar Parishad Kumbhraj
Name of Auditor Patidar & Associates

Annexure C
Amount in Lakhs

S.no.	Parameters	Description		% of growth	Observation in brief	Suggestions
	Audit of Revenue	**Receipt in (Rs.)**				
	Rajaswa Kar wasooli	**2018-19**	**2019-20**			
1	Sampatti Kar	3.36	13.39	298.51	Collections w.r.t. total dues is around 59.59% which is below average. Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
2	Samekit Kar	2.86	3.09	8.04	Collections w.r.t. total dues is around 36.83% which is below average. Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
3	Nagriya Vikas Upkar	0.32	8.46	2543.75	Collections w.r.t. total dues is around 68.95% which is below average. Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
4	Shiksha upkar	0.08	0.34	325.00	Collections w.r.t. total dues is around 77.27% which is below average. Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
	Total	**6.62**	**25.28**			
	Gair-Rajaswa wasooli					
5	Bhawan Bhoomi Kiraya	3.58	11.62	224.58	Collections w.r.t. total dues is around 22.28% which is below average. Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
6	Jal Upbhokta Prabhar	11.02	14.12	28.13	Collections w.r.t. total dues is around 22.63% which is below average. Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
	Total	**14.60**	**25.74**			
	Grand Total	**21.22**	**51.02**			

Reporting on Audit Paras for Financial Year 2019-20

Name of ULB: **Khumbhraj Nagar Parishad**
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	ULB should maintain FD register.
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 expenditur	151.89% (3,29,64,879 / 2,17,02,493) x		

9 ✓ 91

	e (Establishment, salary, Operation & Maintenance) with respect to revenue receipts (Tax & Non Tax).	100		
	b) Percentage of Capital expenditure wrt Total expenditure.	58.62% (6,51,45,372 / 11,11,41,056) x 100		
9	Whether all the temporary advances have been fully recovered or not.		Cases of outstanding advances have been outlined in point no. 2 (9) of report attached.	ULB should impose strict action to collect such amount or make necessary adjustment after prior approval of relevant authority.
10	Whether bank reconciliation statements is being regularly prepared		BRS prepared by the ULB	