

NAGAR PARISHAD CHURHAT

AUDIT REPORT FOR THE FINANCIAL YEAR 2023-24

AUDITORS

RUPA SEKAR & ASSOCIATES
CHARTERED ACCOUNTANTS



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INDEPENDENT AUDITOR'S REPORT

To the Stakeholders of NAGAR PARISHAD CHURHAT

1. Report on the Financial Statements

We have audited the accompanying financial statements of NAGAR PARISHAD CHURHAT ("the ULB"), which comprise the Receipt & Payment Account for the year then ended, and other explanatory information.

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.

We have taken into account the Municipal Accounting Manual, the accounting and auditing standards and matters which are required to be included in the audit report as per the letter issued by Directorate, Urban Administration & Development, M.P., Bhopal in this regard. The CMO has not directed us to perform audit of any other section in his office in addition to the above scope.

We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards requires that we comply



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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 & Payment Account 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, 2024.

5. Basis for Qualified Opinion

The details which form the basis of qualified opinion are reported in the Annexure 1 and Annexure 2 annexed to this report.

6. Emphasis of Matters

We draw attention to the following matters reported in Annexure - 2, annexed to this report.

- Accounts prepared as per the Manual in lieu of accounting standards for local bodies as issued by Institute of Chartered Accountants of India.
- Revenue department's records related to recovery of revenue taxes and other revenue dues has minor differences with accounting records maintained by accounting department.
- Non-maintenance or incomplete registers as prescribed under manual and mentioned at point 3 of annexure 2.
- Non-availability of details related with Tenders.



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- e) Non verification of EPF deducted and deposited, as same has not been made available to us by the ULB.
Our opinion is not modified in respect of these matters.

7. We further report that:

- 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;
- 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.
- The Receipt & Payment Account deal with by this Report are in agreement with the books of account.
- Except for the matter described in the Basis for Qualified Opinion paragraph above, the Receipt & Payment accounts comply with the Municipal Accounting Manual and Accounting Standards applicable to the Urban Local Bodies.
- 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.
- The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- 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'.



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Annexure '1'

Report on Internal Financial Controls over Financial Reporting

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

We have audited the internal financial controls over financial reporting of NAGAR PARISHAD CHURHAT ("the ULB") as of March 31, 2024 in conjunction with our audit of the financial statements of the ULB for the year ended on that date.

2. Management's Responsibility for Internal Financial Controls

The ULB's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the ULB. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to ULB's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required in accordance with the Municipal Corporation Act, 1956 including the Municipal Accounting Manual and accounting principles generally accepted in India applicable to the Urban Local Bodies.

3. Auditors' Responsibility

Our responsibility is to express an opinion on the ULB's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design



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and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

4. Meaning of Internal Financial Controls Over financial Reporting.

A ULB's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A ULB's internal financial control over financial reporting includes those policies and procedures that

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the ULB;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the ULB are being made only in accordance with authorizations of management and officers of the ULB; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the ULB's assets that could have a material effect on the financial statements.

5. Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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6. Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2024:

- The ULB did not have an appropriate internal financial control system over financial reporting since the internal controls adopted by the ULB did not adequately consider risk assessment, which is one of the essential components of internal control, with regard to the potential for fraud when performing risk assessment
- The ULB did not have an appropriate internal control system for tax and user charges collection, tax demand evaluation, which could potentially result in the ULB recognizing revenue without establishing reasonable certainty of ultimate collection.
- The ULB did not have an appropriate internal control system for inventory with regard to receipts, issue for production and physical verification. Further, the internal control system for identification and allocation of overheads to inventory was also not adequate. These could potentially result in material misstatements in the ULB's trade payables, consumption, inventory and expense account balances.
- The ULB did not have an appropriate internal control system for fixed asset with regard to purchase, construction, transfer and physical verification. Further, the internal control system for identification and allocation of overheads to fixed asset was also not adequate. These could potentially result in material misstatements in the ULB's grants, payable to contractors, tax and other statutory dues, fixed assets, capital work in process and accumulated depreciation account balances.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the ULB's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, because of the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the ULB has not maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as of March 31, 2024 based on the criteria established by the ULB.



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We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2024 financial statements of the ULB, and these material weaknesses do not affect our opinion on the financial statements of the ULB.

UDIN :
24436862BKEFYS1833

Date:17/12/2024

For Rupa Sekar &
Associates
Chartered Accountants



CA Rajesh Patel
MRN - 436862

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Annexure '2'

The Annexure referred to in paragraph 5 & 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 made available to us for verification. It was informed to us that the revenue/tax collector/officer directly deposits the amount collected with main cashier at the cash counter, who in turn deposit this amount directly to the bank account. A register is being maintained by revenue/tax collector/officer from which collected amount move into cashier cash book.

3) Percentage of revenue collection increase or decrease in various heads in property tax, samekitkar, shikshaupkar, nagriyavikasupkar, and other tax compared to previous year shall be part of report.
Details are given in Annexure C attached to this report.

4) Delay beyond 2 working days shall be immediately brought to the notice of CMO.
No such instances were noticed during the test check of entries conducted by us except the circumstances like public holidays, government or local holidays etc.

5) The entries in Cash book shall be verified.

We have verified the entries in cash book on test check basis and no major discrepancy was noticed by us. However due to quantum of transactions and inherent limitation of audit we cannot provide our absolute assurance on the entries of the cash book. It is generally recommended that entries of the cash book should be duly supported by necessary documentary evidences and authorizations.



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- 6) 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 & monthly targets set for the FY 2023-24 & the revenue recovery against such targets were made available to us. Hence, it was not possible for us to report the revenue recovery against the quarterly and monthly targets. Registers related to Property Tax, Water Tax and Shop rent were not made available to us by the ULB and hence we cannot verify and confirm the revenue due and recovery individual wise.

- 7) The auditor shall verify the interest income from FDR's and verify that interest is duly and timely accounted for in cash book.

It was explained to us that there is a FDR of Rs 2,00,00,000.00 (Two Crore) with the ULB but the same is not carried forward in the cash book balances & interest on such FDR is also not booked in the cash book. As per FDR statement balance of FDR as on 31st March 2024 is Rs 29384623.00.

- 8) The case where, the investments are made on lesser interest rates shall be brought to the notice of the CMO.

No such case found during our test check basis.

2. Audit of Expenditure:

- 1) The auditor is responsible for audit of expenditure under all the schemes.

We have verified the expenditure under various heads which was recognized and entered in the books of account produced before us for verification on test check basis.

- 2) He is also responsible for checking the entries in cash book and verifying them relevant vouchers.

We have verified the entries in cash book on test check basis which were supported by relevant vouchers/note sheets. However, considering the bulk quantum of entries and the weak internal control procedures, the discrepancies in the entries of cash book cannot be ruled out.

Verification of taxes paid/payable to government has been made during the course of audit and following observations were made:

ULB has not provided challans or returns for payment of TDS on GST, TDS-Income Tax, EPF etc to the Government. However ULB has explained that same had been



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duly deposited on or before the due date. ULB maintains physical records for deduction related to TDS-IT & TDS-GST which was produced before us for verification.

- 3) He should also check monthly balance of the cash book and guide the accountant to rectify errors, if any.

We have verified monthly balance of cashbook on test check basis and no discrepancies were noticed related to totaling and balancing.

- 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 CMO.

Details relating to deviation of expenditure, if any, of particular scheme is specified at sub point 4 of point 6.

- 5) He shall also verify that the expenditure is accordance with the guideline, directives, acts and rules issue by Government of India/ State Government.

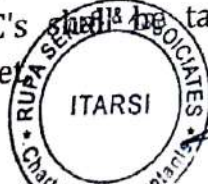
As explained to us, ULB follows the necessary guidelines, directives, acts and rules issued by Government of India and State Government. However, ULB didn't provided such directives with written confirmation and hence it was not possible for us to verify the expenditures in accordance with such guidelines 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.

- 7) All the cases where appropriate sanctions have not been obtained shall be reported and the compliance of audit observation shall be ensured during the audit. Non-compliance of audit paras shall be brought to the notice of CMO.
No such instances were noticed during the test check of such entries conducted by us.

- 3) The auditor shall be responsible for verification of scheme wise/ project wise Utilization Certificate (UC's). UC's shall be tallied with the Receipt & Payment Account and creation of Fixed Asset.



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Utilization certificates of various schemes for verification of scheme wise project/wise Utilization Certificate (UCS) were not provided to us by the ULB. Hence same cannot be commented upon.

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. There is no cross check mechanism exist to ensure the completion of project except payment of final bill. It is suggested that a proper internal control system should be framed to identify the fixed asset and its recognition in fixed asset register and books of account of the ULB.

During the year ULB has shown creation of only one category of fixed asset i.e. CC road. It is very unlikely that no other capital expenditure was incurred during the year.

- 9) He shall verify that all temporary advances of other than employees have been fully recovered.
Details regarding temporary advances were not provided to us by the ULB and hence we cannot comment on the same.

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, it was noticed by us that the ULB has not maintained Fixed Asset Registers, Stock Register, Register of Settlement of Contractor / Supplier Bills, Register of Advances to Contractors, Loan Registers etc as prescribed under MP MAM.



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- 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 CMO.

As stated in point no. 1 above, as the books stores are not provided for verification, so it was not possible for us to verify whether the same is maintained as per Accounting Rules applicable to the urban local Bodies.

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

As per the information and explanation provided to us by the management of the ULB, no specific condition related to advances are placed. Hence, it is not possible for us to verify the cases of timely recovery of advances, if any.

- 4) Bank reconciliation statement (BRS) shall be verified from the records of ULB and the bank concerned. If bank reconciliation Statement are not prepared the auditor will help in the preparation of BRS's

Bank Reconciliation is provided to us by the ULB which is presented in page no 22 of this report. Some of the bank accounts transactions were not recorded in the cash book & we disclaim our responsibility regarding the transactions occurred from these bank accounts, details of same is given below. Bank Statement wise balances of bank breakup is given below:

Bank Name	Account No	31-03-2024	31-03-2023
SBI	*11391596311	10,37,70,585.78	9,36,90,261.26
PNB	*3232000100021499	47,90,005.27	46,60,174.27
PNB	*3232000100017867	74,52,916.92	72,50,908.92
SBI (FDR)	*34979896771	NIL	20,83,915.50
SBI (PAY JAL YOJANA)	*35636506265	2,93,84,623.00	2,76,85,729.00
HDFC	*128167844	16,48,377.00	15,99,732.00
TOTAL		11,60,13,507.97	10,56,01,344.45

Balance as per cash book as on 31/03/2024		12,55,98,322.00
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- a. Please refer page no 22 of this report for Bank Reconciliation statement.
 - b. Bank account maintained with State Bank of India with account ending-6771 is not considered in the cashbook balances by the ULB and no transactions were carried out during the year in this bank account except bank charges of Rs 649 which was debited by bank same is not considered in the cash book.
 - c. There is separate cash book of PMRY, same is not taken in the receipt & payment account of the ULB.
- 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 registers were not made available to us. Hence verification of the same cannot be done from the entries in cash book. The payments out of grants were verified on test check basis and found to be correct.
- 6) The auditor shall verify the fixed assets register from other records and discrepancies shall be brought to the notices of CMO. Fixed asset registers were not provided to us for verification. Therefore we are not able to verify the same and comment upon whether it is complete and correctly balanced.
- 7) The auditor shall reconcile the account of receipt and payment especially for project funds. ULB does not maintain separate cash books for different schemes and projects and hence we cannot comment on reconciliation with Receipt & Payment.

4. Audit of FDR

- 1) The auditor is responsible for audit of all fixed deposits and term deposits.

It was explained to us that there is one FDR of Rs 2,00,00,000.00 (Two Crore) maintained by the ULB during the year but the same has not been accounts for in the cash book. Interest of same also is not accounted for in the cash books. Details of FDR is given below:

FDR Account No – 35536506265
Amount of FDR – Rs 2,00,00,000.00
Balance as on 31st March 2024 – Rs 2,93,84,623.00



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It is suggested to the ULB to account for FDR & it's interest in the cash book to reflect actual financial position of the ULB.

- 2) It shall be ensured that proper record of FDR's are maintained and renewals are timely done.
It was explained to us that timely maintenance & renewals were done by the ULB, no documentary evidences produced before us for our verification.
- 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.
No such case is reported.
- 4) Interest earned on FDR/TDR Shall be verified from entries in the cash book.
FDR interest was not recognized in the cash book by the ULB. Refer point no 1.

5. **Audit of Tenders / Bids**

- 1) The auditor is responsible for audit of all tenders / bids invited by the ULB.
No tender related documents were provided, so we can comment on procedures of tenders / bids.

Bid were invited online where the tender amount exceeding Rs. One Lakh and for value less than one lakh, manual bids were asked.
- 2) He shall check whether competitive tendering procedures are followed for all bids.
No tender related documents were provided, so we can comment on whether competitive tendering procedures were followed for all bids or not.
- 3) He shall verify the receipts of tender fee / bid processing fee / performance guarantee both during the construction and maintenance period.
No tender related documents were provided, so we cannot verify the receipts of tender fee / bid processing fee / performance guarantee both during the construction and maintenance period.
- 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.



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- 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 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. Audit of Grants and Loans

- 1) The auditor is responsible for audit of grants given by Central Government and its utilization. Verification had been conducted for the grants received from the Central/state government. Grant registers were not provided by the ULB.
- 2) He is responsible for audit of grants received from State Government and its utilization. Grant register is not maintained by the ULB. Therefore, we cannot verify the grants received from state government with the grant register & ensuring it's 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.

As per information provided by the ULB and according to our verification, ULB has accorded loan from HUDCO. The loan repayment has been timely made at each quarterly/annually (as applicable) rest. However, there was no document or information provided to verify whether the asset created out of the loan has generated the desired revenue or not. We cannot comment on the possible reasons for non-generation of revenue.



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- 4) The auditor shall specifically point out any diversion of funds from capital receipts/ grants/ bans 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.



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Other Audit Observations

1. There is difference of Rs. 18,74,109.29/- pertaining to F.Y. 2021-22 opening balances which was also reported in last year audit report but no corrective action has been taken by the ULB.
2. There is difference of Rs. 87,72,833.89/- pertaining to F.Y. 2023-24 in the opening balances of the cash book. Same needs to be rectified with proper reconciliation.
3. Difference & totaling error pertaining to FY 2020-21, 2021-22 reported in the last year report of Rs 13582.01 & 7270.02 respectively has not been corrected by the ULB. Same is carried forward in the Bank Reconciliation Statement by ULB.
4. ULB has received Rs 7717000.00 from unidentified sources, from where these payments has been received is not known to the ULB. As per explanation given to us by the ULB & in the absence of clarification of receipt same has been taken on receipt side of receipt & payment account by the ULB.

5. Non recovery of taxes

Urban Local Bodies (ULB) earns revenue from their own resources through taxes, rent, fees, issue of licenses etc. In test check of Nagar Parishad as of 31 March 2024 a sum of Rs 59.25 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.

Non Recovery of dues

Type of Tax	Due amount recoverable on 01/04/2023	Received From Previous Dues	Un-Recovered Due for More than a Year	Current Due	Current Received	Un-Recovered due of Current Year	Total Recovered	Total un-recovered amount
Sampatti Kar	842134	164858	677276	464072	202222	261850	367080	939126
Samakrit Kar	1626307	132863	1493444	235020	49980	185040	182843	1678484
Shiksha Upkar	127903	39569	88334	115211	48129	67082	87698	155416
SagariyaVikas Upkar	411786	73248	338538	229959	93071	136888	166319	475426
Talkar	684876	82724	602152	624600	270484	354116	353208	956268
Shavan Bhumi rent	20178	8148	12030	893960	806235	87725	814383	99755
Other Tax	767158	104519	662639	1202052	244124	957928	348643	1620567
Total	4480342	605929	3874413	3764874	1714245	2050629	2320174	5925042
Total Un-Recovered amount								59.25



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Rupa Sekar & Associates
CHARTERED ACCOUNTANTS

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Patelrajesh2006@gmail.com

Reporting on Audit Paras for Financial Year 2023-24

me of ULB:
me of Auditor:

NAGAR PARISHAD CHURHAT

RUPA SEKAR & ASSOCIATES, Chartered Accountants

Parameters	Description	Observation in brief	Suggestions
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 utilization 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.
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
Audit of 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	NA.
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.
Audit of Grants & Bids	Verification of Grant received from Government and its utilization	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.



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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	
a) Percentage of revenue expenditure (Establishment, salary, Operation & Maintenance) with respect to revenue receipts (Tax & Non Tax).	131.03% $(3,27,10,850.00 / 4,28,62,581.00) \times 100$		
b) Percentage of Capital expenditure wrt Total expenditure.	4.32% $(19,53,046 / 4,51,82,499.00) \times 100$		
Whether all the temporary advances have been fully recovered or not.		Cases of outstanding advances have been outlined in point no. 3 (3) of report attached.	ULB should impose strict action to collect such amount or make necessary adjustment after prior approval of relevant authority.
Whether bank reconciliation statements is being regularly prepared		BRS prepared by the ULB	NA



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नगर परिषद बुरहट
जिला-सीधी (म.प्र.)

Name of ULB
Name of Auditor

Nagar Parishad Churhat
Rupa Sekar & Associates; Chartered Accountants

Annexure C

Amount in Rs

S.no.	Parameters	Description		% of growth	Observation in brief	Suggestions
	Audit of Revenue	Receipt in (Rs.)				
	Rajaswa Kar wasooll	2022-23	2023-24			
1	Sampatti Kar	559995.00	301448.00	-46.17	Collections w.r.t. last collection decreased by 46.17%. Poor performance compared to last year but still there is scope to put efforts on the recovery of previous year dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
2	Samekit Kar	329796.00	167570.00	-49.19	Collections w.r.t. last collection decreased by 49.19%. Poor performance compared to last year but still there is scope to put efforts on the recovery of previous year dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
3	Nagriya Vikas Upkar	237804.00	131122.00	-44.86	Collections w.r.t. last collection decreased by 44.86%. Poor performance compared to last year but still there is scope to put efforts on the recovery of previous year dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
4	Shiksha upkar	112381.00	104573.00	-6.95	Collections w.r.t. last collection decreased by 6.95%. Poor performance compared to last year but still there is scope to put efforts on the recovery of previous year dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
	Total	1239976.00	704713.00			
	Gair-Rajaswa wasooli					
5	Bhawan Bhoomi Kiraya	283398.00	473459.00	67.07	Collections w.r.t. last collection increased by 67.07% which is good. But still there is scope to put efforts on the recovery of previous year dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
6	Jal Upbhokta Prabhar	535235.00	396967.00	-25.83	Collections w.r.t. last collection decreased by 25.83%. Poor performance compared to last year but still there is scope to put efforts on the recovery of previous year dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
	Total	818633.00	870426.00			
	Grand Total	2058609.00	1575139.00			



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NAGAR PARISHAD CHURHAT DISTRICT - SIDHI
B R S AS ON 31 MARCH 2024

Particulars	AMOUNT
Balance as per cash book as on 31/03/2024	12,55,98,322.00
Less:	
Opening Balance Difference as on 01/04/2020 between cash book and bank book	(18,74,109.29)
Opening Balance Difference as on 01/04/2023 between cash book and bank book	(87,72,833.89)
Totalling Mistake FY 2020-2021	13,582.01
Totalling Mistake FY 2021-2022	(7,270.02)
Less: Amount debited in the bank book but not accounted for in the Cash Book	
Bank Charges FY 2023-24	(1,371.84)
Add: Amount Credited in the bank book but accounted for in the Cash Book	
Interest Recived Bank Not Cr In Cash Book (21-22) *3232000100017867	2,04,906.00
Interest Recived Bank Not Cr In Cash Book (22-23) *3232000100017867	1,96,209.00
Interest Recived Bank Not Cr In Cash Book (23-24) *3232000100017867	2,02,008.00
Interest Recived Bank Not Cr In Cash Book (21-22) *3232000100021499	1,36,532.00
Interest Recived Bank Not Cr In Cash Book (22-23) *3232000100021499	1,26,182.00
Interest Recived Bank Not Cr In Cash Book (23-24) *3232000100021499	1,29,831.00
Advance Amt Creditted 28/03/2024 cbf 268	50,000.00
CBF 69 dated 6/7/23 - Totalling Error	11,521.00
Balance as per bank book as on 31/03/2024	11,60,13,507.97

Bank Name	Account No	31-03-2024	31-03-2024
SBI	*11391596311	10,37,70,585.78	9,36,90,261.26
PNB	*3232000100021499	47,90,005.27	46,60,174.27
PNB	*3232000100017867	74,52,916.92	72,50,908.92
SBI (FDR)	*34979896771	NIL	20,83,915.50
SBI (FDR - PAY JAL YOJANA)	*35636506265	2,93,84,623.00	2,76,85,729.00
HDFC	*128167844	16,48,377.00	15,99,732.00
TOTAL		11,60,13,507.97	10,56,01,344.45
Balance as per cash book as on 31/03/2024			12,55,98,322.00

C.M.O
NAGAR PARIHAD CHURAHAT

ACCOUNT OFFICER
NAGAR PARIHAD CHURAHAT



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जिला-सीधी (म.प्र.)

NAGAR PARISAD CHURHAT; DISTRICT - SIDHI
RECEIPT & PAYMENT ACCOUNTS
FOR THE FINANCIAL YEAR 2023-24

RECEIPT	AMOUNT	PAYMENT	AMOUNT
OPENING BALANCE (As per Cash Book)	11,52,56,061.00		
ASSIGNED COMPENSATION CHUNGI CHATTIPURTI	3,02,82,402.00	ADMINISTRATIVE EXPENSES	
		SALARY & OTHER ALLOWANCES	2,34,83,145.00
		PPF/EPF/GPF	22,83,980.00
		LEGAL & PROFESSIONAL FEES	2,38,401.00
TAX REVENUE		SANITARY	1,78,430.00
PROPERTY TAX	3,01,448.00	REFRESHMENT EXPENSES	17,934.00
SAMEKIT KAR	1,67,570.00	NEWSPAPER & PERIODICALS	50,640.00
SHIKSHA UPKAR	1,04,573.00	FUEL EXPENSES (P O I L)	12,93,545.00
VIKAS KAR	1,31,122.00	TELEPHONE & INTERNET CHARGES	1,239.00
JALKAR	3,96,967.00	ELECTRICITY CHARGES	44,59,538.00
		COMPUTER & PRINTER MAINTENANCE	1,28,211.00
FEES & CHARGES		OTHER EXPENSES	69,850.00
NAL CONNECTION CHARGES	2,03,570.00	JEEP RENT	7,94,036.00
BAZAR VASULI	1,37,983.00	T D S / GST TDS	4,70,750.00
DOHS APSHIST	1,05,182.00	REPAIR & MAINTENANCE	2,54,810.00
TANKER RENT	88,254.00	FLEX BANNER/ADVERTISEMENT EXP	2,12,093.00
SHOP RENT	1,45,976.00	TENT EXPENSES	4,98,515.00
BHAVAN KI SAHMATI	1,89,500.00	CLEANING MATERIAL PURCHASE	15,86,098.00
TENDER FEES	40,324.00	J C B RENT	8,46,005.00
MASK FINE	7,160.00	MANDI EXPENSES	48,246.00
MISCELLANEOUS INCOME	19,810.00	PHOTOCOPY EXPENSES	98,650.00
RATION CARD	766.00	ELECTRICAL MATERIALS	5,09,000.00
APPLICATION FEES	-	KOPARA MURM GITTI	3,13,059.00
SHULABH SAUCHALAYA	14,801.00	PUTAI EXPENSES	2,00,193.00
BUS/TAXI STAND	3,73,442.00	MEDICAL EXPENSES	84,509.00
		VEHICLE MAINTENANCE	4,49,018.00
		NAALI REPAIR & MAINTENANCE	9,97,402.00
		AUDIT FEES	35,000.00
ROAD MAINTENANCE	14,84,708.00	HAND PUMP EXPENSES	5,65,134.00
RAJYA VITT AYOG	15,24,128.00	BHAVAN REPAIR & MAINTENANCE EXPENSES	8,46,689.00
15TH FINANCE COMMISSION	63,38,908.00	ALAEV KE LIYE LAKDI	1,55,173.00
MUDRANK SHULK RECEIPT	6,78,416.00	UNIFORM	84,162.00
VISHES NIDHI	25,00,000.00	SWAKCH BHART MISSION	50,000.00
MULBHUT SHUVIDHA	24,70,750.00	ELECTION EXPENSES	96,500.00
		VIKASH YATERA	1,24,055.00
PMAY YOJANA	1,00,000.00	INSURANCE VEHICLE	52,614.00
		STREET LIGHT REPAIR	5,20,472.00
AMOUNT CREDITTED (Unidentified)	77,17,000.00	DEATH RELIEF FUND	3,00,000.00
		WELDING CUTTING	1,35,427.00
		PAY JAL KA BHUGTAN	1,79,586.00
		P M POSHAN AHAR	1,50,472.00
		FIXED ASSETS	
		TABLE CHAIR	19,208.00
		NALI NIRMAN KA BHUGTAN	7,67,325.00
		NIRMAN KARYAA KA BHUGTAN	5,74,545.00
		C C ROAD PCC ROAD NIRMAN	5,57,668.00
		BATTERY	34,300.00
		LOAN REPAYMENTS	
		HUDCO LOAN REPAYMENT (Principal)	97,796.00
		HUDCO LOAN REPAYMENT (Interest)	99,186.00



		DEATH RASHI ADVANCE (SAHU JD)	50,000.00
		SECURITY DEPOSIT RETURN	1,19,890.00
		CLOSING BALANCE	
		(As per Cash Book - Annexure B)	12,55,98,322.00
TOTAL	17,07,80,821.00	TOTAL	17,07,80,821.00

Chief Municipal Officer
Nagar Parishad Churhat

Date: 17-12-2024

Chief Accounts Officer
Nagar Parishad Churhat



For: Rupa Sekar & Associates
Chartered Accountants
FRN No 005512C

CA Rajesh Patel (Partner)
Membership No - 436862

UDIN - 24436862BKEFYS1833

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Revised Abstract Sheet for Reporting on Audit Paras 2023-24 Income & Expenditure Information

District	ULB NAME	ULB Type
3	4	5
SIDHI	CHURHAT	MUNICIPALITY

REVENUE RECEIPTS						CAPITAL RECEIPTS			
Other Tax Revenue	Fee & USER Charges	Revenue From Municipal Property	Assigned Revenue	Revenue Grants Contribution & Subsidies	AMOUNT CREDITED (Unidentified)	Capital Receipts	Central Finance Commission Receipts	State Finance Commission Receipts	Other Grants
7	8	9	10	11	12	13	14	15	16
8,00,232	11,80,792	1,45,976	3,02,82,402	56,49,166	77,17,000	14,84,708	63,38,908	15,24,128	1,00,000

REVENUE EXPENDITURE							OTHER CAPITAL EXPENDITURE	TOTAL EXPENDITURE
TOTAL RECEIPTS	ESTABLISHMENT EXPENSES	ADMINISTRATIVE EXPENSES	OPERATIONS & MAINTENANCE CHARGES	INTEREST & FINANCE CHARGES	LOAN REPAYMENT (PRINCIPAL)	OTHER DEPOSIT		
TOTAL RECEIPTS	18	19	20	21	22	23	24	25
17	18	19	20	21	22	23	24	25



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