AUDITOR'S REPORT

NAGAR PARISHAD CHACHODA BINAGANJ

FINANCIAL YEAR 2021-22

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

NPJS AND ASSOCIATES
CHARTERED ACCOUNTANTS

+91-9179179143
npjs.associates@gmail.com

INDEX

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

+91-9179179143
npjs.associates@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Stakeholders of NAGAR PARISHAD CHACHODA BINAGANJ

Report on the Financial Statements	We have audited the accompanying financial statements of NAGAR PARISHAD CHACHODA BINAGANJ ("the ULB"), which comprise the Receipt & Payment statement for the year then ended, and other explanatory information.
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.
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

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

NPJS & ASSOCIATES F.R.No. 019014C CHARTERED ACCOUNTANTS

+91-9179179143
npjs.associates@gmail.com

	Directorate, Urban Administration & Development, M.P., Bhopal in this regard. The Commissioner/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 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.
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, 2022.

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

NPJS & ASSOCIATES CHARTERED ACCOUNTANTS F.R.No. 019014C

+91-9179179143
npjs.associates@gmail.com

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.
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. Our opinion is not modified in respect of these matters.
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) The Receipt & Payment Account deal with by this Report are in agreement with the books of account. d) Except for the matter described in the Basis for Qualified Opinion paragraph above, the Receipt & Payment Account comply with the Municipal Accounting Manual and Accounting Standards applicable to the Urban Local Bodies. e) The matter described in the Basis for Qualified Opinion paragraph

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

NPJS & ASSOCIATES
F.R.No. 019014C
CHARTERED ACCOUNTANTS

+91-9179179143
npjs.associates@gmail.com

	above, in our opinion, may have an adverse effect on the functioning of the ULB. f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above. 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 I'.

NPJS & ASSOCIATES * CHARTERED ACCOUNTANTS * F.R.No. 019014C

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

+91-9179179143
npjs.associates@gmail.com

Annexure '1'

Report on Internal Financial Controls over Financial Reporting

Report on the Internal Financial Controls of the ULB ("the ULB")	We have audited the internal financial controls over financial reporting of NAGAR PARISHAD CHACHODA BINAGANJ ("the ULB") as of March 31, 2022 in conjunction with our audit of the financial statements of the ULB for the year ended on that date.
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.
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

मुख्य नगरपालिका अधिकारी
नगर परिषद चांचौड़ा-बीनागंज
जिला गुना म.प्र.

NPJS & ASSOCIATES * CHARTERED ACCOUNTANTS * F.R.No. 019014C

+91-9179179143
npjs.associates@gmail.com

	in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the ULB's internal financial controls system over financial reporting.
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 a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the ULB; b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the ULB are being made only in accordance with authorizations of management and officers

मुख्य नगरपालिका अधिकारी
नगर परिषद चौरई-बीनागंज
जिला गुना म.प्र.

NPJS & ASSOCIATES
F.R.No. 019014C

+91-9179179143
npjs.associates@gmail.com

	of the ULB; and c) 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.
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.
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, 2022: a)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 b)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. c)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.

F.R.No. 019014C
NPJS & ASSOCIATES CHARTERED ACCOUNTANTS

नगर परिषद ...
जिला गुना म.प्र.

+91-9179179143
npjs.associates@gmail.com

	These could potentially result in material misstatements in the ULB's trade payables, consumption, inventory and expense account balances. d)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, 2022 based on the criteria established by the ULB. 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, 2022 financial statements of the ULB, and these material weaknesses do not affect our opinion on the financial statements of the ULB.

For NPJS & Associates
Chartered Accountants

NPJS & ASSOCIATES
F.R.No.
019014C
CHARTERED ACCOUNTANTS

Date: 30/09/2022
UDIN: 22421786BEHSTS1464

CA Jitendra Singh
Partner
MRN – 421786

मुख्य नगरपालिका अधिकारी
नगर परिषद चौरई-बीनागंज
जिला गुना म.प्र.

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.	Verification of revenue from various sources has been made, and the same has been recognized and entered in the receipt & payment produced before us.
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.	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. The counter foils or revenue receipts were made available to us for verification. A register is being maintained by revenue/tax collector/officer from which collected amount move into cashier cash book . A detailed statement containing outstanding demand *and tax collected during the year was provided to us* by the concerned department duly certified by the concerned officer.
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.	See Annexure C attached to this report.
4)	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 entries conducted by us except the circumstances like public holidays, government or local holidays etc.

NPJS & ASSOCIATES * CHARTERED ACCOUNTANTS * F.R.No. 019014C

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

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.
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.	The details relating to the revenue recovery against the quarterly and monthly targets were not provided to us by the ULB. Hence we could not comment over any lapses in revenue recovery. The wasooli patrak were provided containing revenue due and recovery on annual basis.
7)	The auditor shall verify the interest income from FDR's and verify that interest is duly and timely accounted for in cash book.	We could not verify the interest income from FDR's as the FDR's were not furnished to us for verification by the ULB.
8)	The case where, the investments are made on lesser interest rates shall be brought to the notice of the Commissioner/CMO.	ULB did not provide us FDR for verification and hence we could not verify the lesser interest rates of FDR's a were not furnished to us for verification by the ULB.

2. Audit of Expenditure:

1)	The auditor is responsible for audit of expenditure under all the schemes.	Expenditure under various heads which was recognized and entered in the books of account produced before us for verification.

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

NPJS & ASSOCIATES CHARTERED ACCOUNTANTS F.R.No. 019014C

+91-9179179143
npjs.associates@gmail.com

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. ULB has explained that the statutory & employee related liabilities were duly deposited on or before the due date and return were filed. Non-compliance of tax provision attract statutory penalty.
3)	He should also check monthly balance of the cash book and guide the accountant to rectify errors, if any.	No issue of any difference in test check totalling amount was noticed in course of our verification.
4)	He shall verify that the expenditure for a particular scheme is limited to the funds allocated for that particular scheme any over payment shall be brought to the notice of the Commissioner / CMO.	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

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

F.R. No. 019014C
NPJS & ASSOCIATES * CHARTERED ACCOUNTANTS *

		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. ULB follows the hierarchy of sanctions and approvals depending upon the nature of the transactions and financial limits.
7)	All the cases where appropriate sanctions have not been obtained shall be reported and the compliance of audit observation shall be ensured during the audit. Non- compliance of audit paras shall be brought to the notice of Commissioner / CMO.	No such instances were noticed during the test check of such entries conducted by us.
8)	The auditor shall be responsible for verification of scheme wise/ project wise Utilization Certificate (UC's). UC's shall be tallied with the Receipt & Payment Account and	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.

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

NPJS & ASSOCIATES
F.R.No. 019014C

	creation of Fixed Asset.	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.
5)	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, Security Deposit Registers, Stock Registers, Register of Earnest Money Deposits, Register of Retention Money as prescribed under MP MAM.
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, 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	As per the information and explanation provided to us by the management of the ULB, no advances were given during the year. Hence, it is not possible for us to

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

NPJS & ASSOCIATES
NPJS & ASSOCIATES F.R.No. 019014C *CHARTERED ACCOUNTANTS*

+91-9179179143
npjs.associates@gmail.com

	employees are timely recovered according to the condition of advance. All the case of non-recovery shall be specifically mentioned in audit report.	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.	The bank and cashbook balance are in reconciliation with each other. The balance as per bank statement and cashbook are given below:

Bank Name	A/c No.	AS PER BANK A/c	AS PER CASH BOOK
State Bank Of India	36923054815	54,22,195.41	54,22,195.41
State Bank Of India	53031407700	3,15,43,846.88	3,15,43,846.88
State Bank Of India	33714029561	7,525.00	7,525.00
Syndicate Bank (CANARA)	*7752200002252	43,34,834.06	43,34,834.06
FDR No-1		3,64,000.00	3,64,000.00
FDR No-2		2,93,68,083.23	2,93,68,083.23
	Total	**7,10,40,484.58**	**7,10,40,484.58**

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. A summarised statement of grants maintained by the ULB has been provided to us and same has been provided in the point 6(1) of this report.
6)	The auditor shall verify the fixed assets register	Fixed asset registers were not provided to us for verification. Therefore we are not able to verify the

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

NPJS & ASSOCIATES

NPJS & ASSOCIATES * CHARTERED ACCOUNTANTS * F.R. No. 019014C

	from other records and discrepancies shall be brought to the notices of Commissioner / CMO.	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.	ULB has not provided records related to FDR's. Hence we cannot comment upon fixed deposits and term deposits.
2)	It shall be ensured that proper record of FDR's are maintained and renewals are timely done.	ULB has not provided records related to FDR's. Hence we cannot comment upon whether proper records of FDR's are maintained and renewals are timely done.
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.	ULB has not provided records related to FDR's. Hence we cannot comment upon low rate of interest.
4)	Interest earned on FDR/TDR Shall be verified from entries in the cash book.	ULB has not provided records related to FDR's. Hence we cannot comment upon entries in the cash book.

NPJS & ASSOCIATES F.R.No. 019014C CHARTERED ACCOUNTANTS

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

+91-9179179143
npjs.associates@gmail.com

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.
5)	The conditions of BG shall also be verified; any BG with any such condition which is against the interests of	No such bank guarantees were produced before us for verification. Therefore, it is not possible for us to comment on the conditions of BG.

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

NPJS & ASSOCIATES * CHARTERED ACCOUNTANTS * F.R.No. 019014C

+91-9179179143
npjs.associates@gmail.com

	the ULB shall be verified and brought to the notice of Commissioner /CMO.	
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. Details of grant receipt as per accounting records are as follows:

S.No.	Grants	Received
1	15 VITT	77,75,000.00
2	ROAD MAINTENANCE	34,91,000.00
3	RAJYA VITT AYOG	53,00,785.00
4	MUDRANK SHULK RECEIPT	13,46,296.00
5	YATRI KAR ANUDAN	11,31,000.00
6	MULBHUT SHUVIDHA	51,35,000.00
7	NIRYAT KAR	5,73,000.00
8	GRANT RECEIVED (CHHUNGI)	2,59,51,844.00
9	ADHOSARCHNA	1,49,88,960.00
10	BUS STAND SHOP	27,56,000.00

Details relating to opening balance, utilisation were

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

NPJS & ASSOCIATES CHARTERED ACCOUNTANTS F.R.No. 019014C

+91-9179179143
npjs.associates@gmail.com

		not provided by the ULB. Hence, we cannot comment over closing balance at year end.
2)	He is responsible for audit of grants received from State Government and its utilization.	Verification had been conducted for the total grants received from the State/Central government. Details for the same are provided in table above
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. Repayment details were not provided as ULB has explained that the same has been adjusted from grant amount of Chhungikshatipurti. 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.
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.

NPJS & ASSOCIATES
F.R.No.
019014C
CHARTERED ACCOUNTANTS

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

Other Audit Observations

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 2022 a sum of Rs 220.45 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.

NPJS & ASSOCIATES
CHARTERED ACCOUNTANTS
F.R. No. 019014C

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

+91-9179179143
npjs.associates@gmail.com

Non Recovery of dues

(Amount in Lakhs)

SL No	Type of Tax	Due amount recoverable on 01/04/2021	Received From Previous Dues	Un-Recovered Due for More than a Year	Current Due	Current Received	Total Recovery	Un-Recovered due of Current Year	Total un-recovered amount
1	Sampatti Kar	54.66	2.21	52.45	54.24	1.26	3.47	52.98	105.43
2	Samekit Kar	16.60	1.87	14.74	6.50	1.13	3.00	5.37	20.10
3	Nagar Vikas Upkar	6.64	0.99	5.65	1.10	0.42	1.41	0.68	6.33
4	Siksha Upkar	2.24	0.73	1.50	0.55	0.19	0.93	0.36	1.86
5	Shop Rent	0.00	0.00	0.00	15.00	0.70	0.70	14.30	14.30
6	Water Tax	53.60	1.64	51.96	20.00	4.21	5.85	15.79	67.76
7	Other Tax	0.00	0.00	0.00	12.00	7.32	7.32	4.68	4.68
	Total	**133.74**	**7.44**	**126.30**	**109.39**	**15.24**	**22.68**	**94.15**	**220.45**
	Total Un-Recovered amount								**220.45**

For NPJS & Associates
Chartered Accountants

NPJS & ASSOCIATES
F.R.No.
019014C
CHARTERED ACCOUNTANTS

CA Jitendra Singh
Partner
MRN – 421786

Date: 30/09/2022

मुख्य नगरपालिका अधिकारी
नगर परिषद चांचौड़ा-बीनागंज
जिला गुना म.प्र.

npjs.associates@gmail.com

Reporting on Audit Paras for Financial Year 2021-22

NAGAR PARISHAD CHACHODA BINAGANJ

Auditor: NPJS & 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. Statutory & Employee related dues should be correctly deducted and deposited on time. Scheme/project wise utilisation certificate should be prepared.
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	Verify fixed deposits	Observations	Proper records of

मुख्य नगरपालिका अधिकारी
नगर परिषद चाचौड़ा-बीनागंज
जिला गुना म.प्र.

NPJS & ASSOCIATES

NPJS & ASSOCIATES * CHARTERED ACCOUNTANTS * F.R.No. 019014C

+91-9179179143
npjs.associates@gmail.com

	FDR/TDR	and term deposits and their maintenance	were listed in brief in point no. 4 of annexure 2 of audit report attached	FDR should be maintained by the ULB.
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 expenditure (Establishme	5,39,05,627 ÷ 25,31,536 = 2129.36%		

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

NPJS & ASSOCIATES * CHARTERED ACCOUNTANTS * F.R.No. 019014C

+91-9179179143
npjs.associates@gmail.com

	nt, salary, Operation& Maintenance) with respect to revenue receipts (Tax & Non Tax).			
	b) Percentage of Capital expenditure wrt Total expenditure.	1,65,91,192 ÷ 5,64,37,163 = 29.40%		
9	Whether all the temporary advances have been fully recovered or not.		As explained by the ULB there were no temporary advance with the ULB.	NA.
10	Whether bank reconciliation statements is being regularly prepared		BRS was not required to be prepared by the ULB	NA

NPJS & ASSOCIATES F.R.No. 019014C CHARTERED ACCOUNTANTS

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

Name of ULB Nagar Parishad Chachoda Binaganj
Name of Auditor NPJS & Associates

Annexure C
Amt in lakhs

S.no.	Parameters	Description		% of growth	Observation in brief					Suggestions
	Audit of Revenue	Receipt in (Rs.)								
	Rajaswa Kar wasooli	2020-21	2021-22							
1	Sampatti Kar	3.13	3.47	10.89	Collection % w.r.t. total dues is	3.19%	which is	Not upto the mark	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	4.91	3.00	-38.92	Collection % w.r.t. total dues is	12.98%	which is	Not upto the mark	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
3	Nagar Vikas Upkar	0.73	1.41	93.59	Collection % w.r.t. total dues is	18.26%	which is	Not upto the mark	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
4	Siksha Upkar	0.73	0.93	26.80	Collection % w.r.t. total dues is	33.21%	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	**9.50**	**8.81**							
	Gair-Rajaswa wasooli									
5	Shop Rent	3.14	0.70	-77.61	Collection % w.r.t. total dues is	4.69%	which is	Not upto the mark	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
6	Water Tax	22.21	5.85	-73.68	Collection % w.r.t. total dues is	7.94%	which is	Not upto the mark	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
7	Other Tax	0.00	7.32	NA	Collection % w.r.t. total dues is	60.98%	which is	Average	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
	Total	**25.35**	**13.87**							
	Grand Total	**34.85**	**22.68**							

नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

NPJS & ASSOCIATES * CHARTERED ACCOUNTANTS * F.R. No. 019014C

Annexure D

Revised abstract sheet for reporting on audit paras

2021-22

Income & Expenditure Information

S.no.	Division	District	ULB name	ULB type
1	2	3	4	5
1	Gwalior	Guna	Chachoda Binaganj	Parishad

Revenue receipts						
Property Tax	Other tax revenue	Fees & user charges	Revenue from municipal property	Assigned revenue	Revenue grants, Contribution & Subsidies	Other Income
6	7	8	9	10	11	12
3,67,605.00	12,69,957.00	2,98,124.00	4,15,051.00	2,90,02,140.00	-	36,613.00

Capital receipts				Total Receipts
Capital receipts	Central Finance Commission receipts	State Finance Commission receipts	Other Grants	
13	14	15	16	17
-	77,75,000.00	53,00,785.00	2,70,31,657.00	7,14,96,932.00

Revenue Expenditure							Total Expenditure
Establishment Expenditure	Administrative Expenditure	Operation & Maintenance	Interest & Finance Charges	Other Expenses	Loan repayment (Principle)	Other Capital Expenditure	
18	19	20	21	22	23	24	25
2,57,14,298.00	16,96,434.00	2,64,94,895.00	-	49,862.00	-	1,65,91,192.00	7,05,46,681.00

मुख्य नगरपालिका अधिकारी
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

Auditor: NPJS & Associates
FRN: 019014C
MRN: 421786

NPJS & ASSOCIATES
F.R.No. 019014C
CHARTERED ACCOUNTANTS

ULB CHACHODA BINAGANJ
RECEIPT AND PAYMENT STATEMENT 2021-22

OPENING BALANCE	7,01,32,650.58		
GRANTS		**ESTABLISHMENT EXPENSES**	
15TH FINANCE	77,75,000.00	SALARY & OTHER ALLOWANCES	2,56,74,298.00
ROAD MAINTENANCE	34,91,000.00	DEATH RELIEF	40,000.00
STATE FINANCE	53,00,785.00		
MUDRANK SHULK RECEIPT	13,46,296.00	**ADMINISTRATIVE EXPENSES**	
YATRI KAR ANUDAN	11,31,000.00	GST	3,68,240.00
MULBHUT SHUVIDHA	51,35,000.00	TDS	4,69,050.00
NIRYAT KAR	5,73,000.00	PROFFESIONAL FEE	2,93,180.00
CHHUNGIKSHATIPURTI	2,59,51,844.00	TENDER EXP	49,106.00
ADHOSARCHNA	1,49,88,960.00	ADVERTISEMENT EXP	1,62,210.00
BUS STAND SHOP	27,56,000.00	STATIONERY	2,07,414.00
INTEREST	6,60,697.00	NEWS PAPER & PERIODICALS	41,059.00
		TELEPHONE & INTERNET CHARGES	8,560.00
		PHOTOGRAPHY CHARGES	38,440.00
FEES & REGISTRATION		D S C PURCHAE	15,450.00
LABOUR REGISTRATION FEE	6,585.00	AUDIT FEE	40,600.00
WATER CONNECTION CHARGES	89,060.00	BANK CHARGE (NEFT)	3,125.00
APPLICATION FEE	5,000.00		
NAMANTRAN FEE	43,500.00	**OPERATION & MAINTENANCE**	
RATION CARD	120.00	FUEL EXPENSES	50,78,154.00
ANIMAL REGISTRATION	1,15,609.00	MPEB BILL	77,97,846.00
APPLICATION FEE	2,450.00	MATERIAL PURCHASE	30,87,742.00
TENDER FEE	35,800.00	J C B RENT	10,18,475.00
FINE CHARGE	1,43,130.00	SADAK NIRMAN & MARAMMAT	6,93,353.00
DEATH CERTIFICATE CHARGE	1,056.00	CLEANING MATERIAL PURCHASE	39,37,877.00
		JAL PRADAY MOTOR	10,72,476.00
TAXES		ELECTRICAL MATERIAL PURCHASE	12,95,656.00
SAMEKIT KAR	3,06,283.00	KOPARA (DUST) PURCHASE	3,66,000.00
JALKAR	5,78,882.00	COMPUTER & PHOT COPY REPAIR	45,822.00
DAINIK BAZAR VASULI	1,50,680.00	JAL SANCHALA KE LIY DD	1,00,000.00
SAMPATTI KAR	3,67,605.00	ALAV KA BHUGTAN	14,580.00
SIKSHA UPKAR	92,096.00	PROGRAMME EXPENSES	2,79,948.00
NAGRIY VIKS UP KAR	1,42,016.00	KALAI (CHUNA)	31,800.00
		PLANT NURSERY WORK	1,08,518.00
RENTAL		REPAIR & MAINTENANCE	2,79,579.00
COMMUNITY HALL RENT	66,900.00	TENT , LIGHT ,CHAIR EXP	7,13,964.00
REGULARISATION FEE	14,506.00	REPAIR & MAINTENANCE (ELE)	3,67,964.00
SHOP RENT	3,33,645.00	REPAIR & MAINTENANCE (VEC)	1,40,641.00
		FECAL MAINTENANCE	64,500.00
OTHER RECEIPTS			
MISCELLANEOUS INCOME	36,613.00		
SECURITY DEPOSIT	1,24,500.00	**CAPITAL EXPENDITURE**	
STAMP RETURNED	14,06,087.00	ALMIRAH PURCHASE	48,180.00
		HAWKERS ZONE CONSTRUCTION	20,74,078.00
		NIRMAN KARYA KA BHUGTAN	69,71,693.00
		DAMAR ROAD	44,41,396.00
		SHOP CONSTRUCTION	26,44,549.00
		TUEBWELL DRILLING	4,11,296.00
		OTHER PAYMENTS	
		HUDCO LOAN REPAYMENT	49,862.00
		SECURITY DEPOSIT FUND TRASFER	3,11,103.00
		STAMP (LAND)	14,06,087.00
		CLOSING BALANCE AT BANK	7,10,40,484.58
TOTAL	14,33,04,355.58	TOTAL	14,33,04,355.58

मुख्य नगरपालिका अधिकारी
CHIEF MUNICIPAL OFFICER
NAGAR PARISHAD CHACHODA BINAGANJ
नगर परिषद चाँचौड़ा-बीनागंज
जिला गुना म.प्र.

ACCOUNTS OFFICER
NAGAR PARISHAD CHACHODA BINAGANJ
न.प. चाँचौड़ा-बीनागज
जिला गुना म.प्र.

NPJS & ASSOCIATES * CHARTERED ACCOUNTANTS * F.R. No. 019014C