

# AUDITOR'S REPORT

## NAGAR PARISHAD CHAKGHAT

FINANCIAL YEAR 2021-22

NPJS AND ASSOCIATES  
CHARTERED ACCOUNTANTS



# INDEX

<u>S.NO.</u>	<u>PARTICULAR</u>	<u>PAGE NO.</u>
1.	Independent Auditor's Report	2-5
2.	Annexure 1	6-9
3.	Annexure 2	10-21
4.	Reporting on Audit Para's	22-24
5.	Annexure C	25-25
6.	Receipt & Payment	26-27
7.	BRS	28-28



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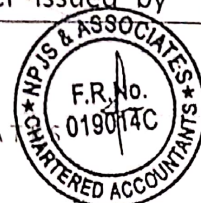
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## INDEPENDENT AUDITOR'S REPORT

to the Stakeholders of NAGAR PARISHAD CHAKGHAT

<b>Report on the Financial Statements</b>	We have audited the accompanying financial statements of NAGAR PARISHAD CHAKGHAT ("the ULB"), which comprise the Receipt & Payment Statement for the year then ended, and other explanatory information.
<b>Management's Responsibility for the Financial Statements</b>	<p>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 &amp; Income and expenditure account, so receipt and payment account shall be considered as final statement on which we express our opinion.</p>
<b>Auditor's Responsibility</b>	<p>Our responsibility is to express an opinion on these financial statements based on our audit.</p> <p>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</p>

मुख्य नगर पालिका अधिकारी  
नगर परिषद चकघाट  
जिला-रोहता (मधेश)





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.





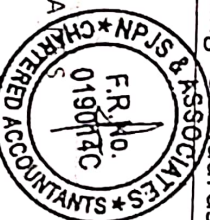


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Basis for Qualified Opinion	The details which form the basis of qualified opinion are reported in the Annexure 1 and Annexure 2 annexed to this report.
Emphasis of Matters	<p>We draw attention to the following matters reported in Annexure - 2, annexed to this report.</p> <ul style="list-style-type: none"><li>• Accounts prepared as per the Manual in lieu of accounting standards for local bodies as issued by Institute of Chartered Accountants of India.</li><li>• Revenue department's records related to recovery of revenue taxes and other revenue dues has minor differences with accounting records maintained by accounting department.</li><li>• Non-maintenance or incomplete registers as prescribed under manual and mentioned at point 3 of annexure 2.</li><li>• Non-availability of details related with Tenders.</li><li>• Non verification of EPF, TDS on GST and TDS-Income Tax deposited, as same has not been made available to us by the ULB.</li></ul>
We further report that:	<p>Our opinion is not modified in respect of these matters.</p> <p>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;</p> <p>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.</p> <p>c) The Receipt &amp; Payment Account deal with by this Report are in agreement with the books of account.</p> <p>d) Except for the matter described in the Basis for Qualified Opinion paragraph above, the Receipt &amp; Payment Account comply with the Municipal Accounting Manual and Accounting Standards</p>





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**Annexure '1'**

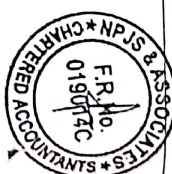
**Report on Internal Fin**

applicable to the Urban Local Bodies.

e) 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.

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 1'.



19  
19/05/2024  
Rajesh Kumar Singh  
Chartered Accountant (MCA)

Report on the Internal Financial Controls of the ULB ("the ULB")	We have conducted the audit of the internal financial controls of the ULB in accordance with the standards prescribed by the Institute of Cost Accountants of India.
Management's Responsibility for Internal Financial Controls	The management is responsible for the design, implementation, and maintenance of internal financial controls that are commensurate with the objectives of the ULB.
Auditors' Responsibility	Our responsibility is to express an opinion on the internal financial controls of the ULB based on the audit conducted by us.
	Our opinion is based on the audit conducted by us and is not a guarantee of the accuracy or completeness of the financial statements of the ULB.





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Annexure '1'

## Report on Internal Financial Controls over Financial Reporting

<b>Report on the Internal Financial Controls of the ULB ("the ULB")</b>	We have audited the internal financial controls over financial reporting of NAGAR PARISHAD CHAKGHAT ("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.
<b>Management's Responsibility for Internal Financial Controls</b>	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.
<b>Auditors' Responsibility</b>	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







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Meaning of Internal Financial Controls Over financial Reporting	<p>in all material respects.</p> <p>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.</p> <p>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.</p>
	<p>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</p> <p>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;</p> <p>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</p>
Inherent Limitations of Internal Financial Controls Over Financial Reporting	Because financial manager or fraud evaluatic future p over fina conditior procedur
Qualified opinion	According on our at as at Mar a) The l syster by thi one o the pc b) The U and u poten establ c) The U invent verifc and a These





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<b>Inherent Limitations of Internal Financial Controls Over Financial Reporting</b>	<p>of the ULB; and</p> <p>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.</p> <p>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.</p>
<b>Qualified opinion</b>	<p>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:</p> <p>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</p> <p>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.</p> <p>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. These could potentially result in material misstatements in the</p>







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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



CA Jitendra Singh

Partner

MRN - 421786

Date: 30/09/2022  
UDIN: 22421786BEGOF8214

## Annexure '2'

The Annexure referred to in

### 1. Audit of Revenue

1)	The auditor responsible for audit revenue from various sources.
2)	He is also responsible to check the revenue receipts from counter files of record book and verify that money receipt is deposited in respect bank account.
3)	Percentage of revenue collection increase in various heads in property, samekikar, shikshaupkar, nagrivavikasupkar, other tax compared previous year share part of report.
4)	Delay beyond 2 weeks shall immediately bring the notice





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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.	Verification of revenue from various sources has been made, and the same has been recognized and entered in the books of account 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. ULB also collect revenue through online methods. 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	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.



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	commissioner/CMO.	
5)	The entries in Cash book shall be verified	We have verified the entries in cash book on test check basis. On verification we found totalling mistakes during the financial year which was shown in receipt and payment statement. 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.	Details and information relating to revenue recovery against the quarterly & monthly targets were not provided to us for verification. Hence we cannot comment on the same.
7)	The auditor shall verify the interest income from FDR's and verify that interest is duly and timely accounted for in cash book.	As explained by the ULB, there were no FDR's during the year. Hence we cannot comment over FDR's and interest income.
8)	The case where, the investments are made on lesser interest rates shall be brought to the notice of the Commissioner/CMO.	As explained by the ULB, there were no FDR's during the year. Hence we cannot comment upon investments made on lesser interest rates.

## 2. Audit of Expenditure:

1)	The auditor is responsible for audit of	Expenditure under various heads which was recognized and entered in the books of account
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	expenditure under schemes.	
2)	He is also responsible for checking the cash book and them relevant vouchers.	
3)	He should also monthly balance cash book and accountant to errors, if any.	
4)	He shall verify expenditure particular scheme limited to the allocated for particular scheme over payment brought to the the Commissioner/CMO.	
5)	He shall also verify the expenditure in accordance with guideline, direct rules and Government State Government	
6)	During the audit propriety shall be checked.	





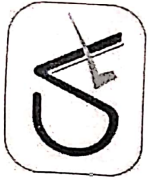
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	expenditure under all the schemes.	produced before us for verification. No major discrepancies were noted except for totalling mistakes as shown in receipt & payment statement.
2)	He is also responsible for checking the entries in cash book and verifying them relevant vouchers.	Vouchers were not provided for verification by the ULB. Hence we could not confirm the entries in cashbook with the respective vouchers.
3)	He should also check monthly balance of the cash book and guide the accountant to rectify errors, if any.	Totalling mistakes were noticed during the verification of cashbook as reflected in receipt and payment statement.
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 guidelines etc.
6)	During the audit financial propriety shall also be checked. All the	We have verified the expenditure on test check basis and it was found that such expenditure were duly supported by financial and administrative sanctions





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	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.	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 creation of Fixed Asset.	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

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F.R.No. 50190/14C



### 3. Audit of Books

1)	The auditor shall be responsible for the books of accounts as well as stores and stores are maintained per Account applicable to local Bodies. Discrepancies brought to the Commission.
2)	He shall verify the books of accounts and stores are maintained per Account applicable to local Bodies. Discrepancies brought to the Commission.
3)	The auditor shall advance recommendation that all the employees recovered the condition of the condition. All the conditions.



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		account of the ULB.
9)	He shall verify that all temporary advances of other than employees have been fully recovered.	As explained by the ULB there were no temporary advances during the year. Hence we could not comment upon 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, Loan Registers, Register of Earnest Money Deposits 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 employees are timely recovered according to the condition of advance. All the case of non-	As explained by the ULB there were no advances to employees during the year. Hence we could not comment upon such advances.

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श्री अशोक कुमार  
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	recovery shall be specifically mentioned in audit report.	
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 and annexed with this report.
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 details relating to receipt of grants were provided to us. The same has been listed in Point 6(1) of this report.
6)	The auditor shall verify the fixed assets register from other records and discrepancies shall be brought to the notices of Commissioner / 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) <u>Audit of FDR</u>	
1)	The auditor responsible all fixed deposit term deposits
2)	It shall be proper records are maintained renewals done.
3)	The case work TDR are kept rate of interest in the prevailing be brought to the notice of CMO.
4)	Interest FDR/TDR verified from the cash book

5) <u>Audit of Tenders</u>	
1)	The auditor responsible all tenders invited by
2)	He shall comment on the





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## 4) Audit of FDR

1)	The auditor is responsible for audit of all fixed deposits and term deposits.	As explained to us, there were no FDR's during the year with the ULB.
2)	It shall be ensured that proper record of FDR's are maintained and renewals are timely done.	As explained to us, there were no FDR's during the year with the ULB. Hence we cannot comment upon proper records of FDR's and timely renewals of the same.
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 explained to us, there were no FDR's during the year with the ULB. Hence we cannot comment upon FDR'S / TDR are kept at low rate of interest than the prevailing rate.
4)	Interest earned on FDR/TDR Shall be verified from entries in the cash book.	As explained to us, there were no FDR's during the year with the ULB. Hence we cannot comment upon Interest earned on FDR/TDR and its verification from entries in cash book.

## 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	No tender related documents were provided, so we



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competitive tendering procedures are followed for all bids.	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 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	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.





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be given to ULB	
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

The auditor is responsible for audit of grants given by Central Government and its utilization.

Details of grant receipt are as follows:

S.No.	Grants	Received
1	Sadak Marammat	17.04
2	SFC	26.14
3	Mudrank	6.02
4	Chhunglikshatipurti	125.79
5	Yatrikar	4.55
6	Mulbhut	25.09
7	15th finance	38.63
	<b>Total</b>	<b>243.26</b>

We have noticed difference in grant receipt amount as per UADD records and Accounting records in State Finance Commission as follows:

As per accounting records	As per UADD records	Difference
23.41 Lakhs	26.14 Lakhs	2.73 Lakhs

In absence of grant register we could not comment upon Opening balance, Utilisation during the year and closing balance during the year.

He is responsible for audit of grants received from State Government and its

Verification had been conducted for the total grants received from the State/Central government. Details for






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utilization.	the same are provided in table above																												
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.	<p>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.</p> <p>Details of loan taken and repayment, as provided by the ULB to us, are provided here below:</p> <table><tr><th colspan="2">Hudco loan-20508 -I</th><th colspan="2">Hudco Loan-21046 -II</th></tr><tr><th>PRINCIPAL</th><th>INTERST</th><th>PRINCIPAL</th><th>INTEREST</th></tr><tr><td>49,000.00</td><td>37,388.00</td><td>1,31,400.00</td><td>1,48,806.00</td></tr><tr><td>49,000.00</td><td>33,371.00</td><td>1,31,400.00</td><td>1,31,687.00</td></tr><tr><td>49,000.00</td><td>31,727.00</td><td>1,31,400.00</td><td>1,27,078.00</td></tr><tr><td>49,000.00</td><td>30,084.00</td><td>1,31,400.00</td><td>1,22,538.00</td></tr><tr><td>1,96,000.00</td><td>1,32,570.00</td><td>5,25,600.00</td><td>5,30,109.00</td></tr></table> <p>Above loan was utilised for CM adhosanrachna scheme</p>	Hudco loan-20508 -I		Hudco Loan-21046 -II		PRINCIPAL	INTERST	PRINCIPAL	INTEREST	49,000.00	37,388.00	1,31,400.00	1,48,806.00	49,000.00	33,371.00	1,31,400.00	1,31,687.00	49,000.00	31,727.00	1,31,400.00	1,27,078.00	49,000.00	30,084.00	1,31,400.00	1,22,538.00	1,96,000.00	1,32,570.00	5,25,600.00	5,30,109.00
Hudco loan-20508 -I		Hudco Loan-21046 -II																											
PRINCIPAL	INTERST	PRINCIPAL	INTEREST																										
49,000.00	37,388.00	1,31,400.00	1,48,806.00																										
49,000.00	33,371.00	1,31,400.00	1,31,687.00																										
49,000.00	31,727.00	1,31,400.00	1,27,078.00																										
49,000.00	30,084.00	1,31,400.00	1,22,538.00																										
1,96,000.00	1,32,570.00	5,25,600.00	5,30,109.00																										
The auditor shall specifically point out any diversion of funds from capital receipts/ grants/ bans to revenue expenditure.	<p>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 and non-availability of records possibilities of fund diversion cannot be ruled out completely.</p> <div></div>																												

## Other Audit Observations

मुख्य नगर पालिका अधिकारी  
नगर परिषद चाकरघाट  
जिला-रीवा (म०२०)



20 | Page



# NPJS & ASSOCIATES

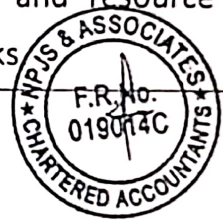
CHARTERED ACCOUNTANTS

+91-9179179143

npjs.associates@gmail.com

## 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 Chakghat as of 31 March 2022 a sum of Rs 15.84 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



मुख्य नगर पालिका अधिकारी  
नगर परिषद चकघाट  
जिला-बीकानेर (राजस्थान)





# NPJS & ASSOCIATES

CHARTERED ACCOUNTANTS

+91-9179179143  
npjs.associates@gmail.com

(Amount in Lakhs)

Non Recovery of dues									
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 Recovered	Un-Recovered due of Current Year	Total un recovered amount
1	Sampatti Kar	5.21	1.07	4.14	3.12	1.06	2.13	2.06	6.2
2	Samkit Kar	4.87	1.74	3.13	2.56	0.77	2.51	1.78	4.5
3	Nagar Vikas Upkar	0.23	0.02	0.21	0.20	0.07	0.09	0.13	0.3
4	Siksha Upkar	0.23	0.02	0.21	0.20	0.07	0.08	0.13	0.3
5	Shop Rent	0.94	0.57	0.37	8.47	9.30	9.88	-0.83	-0.4
6	Water Tax	4.11	1.42	2.69	4.03	2.22	3.64	1.81	4.5
	Total	15.59	4.83	10.76	18.58	13.50	18.33	5.08	15.8
Total Un-Recovered amount									15.8

Date: 30/09/2022

प्रमाणित किया जाता है  
यह सही और सही है  
CA विवेन्द्रा सिंह  
(महोदय)



For NPJS & Associates  
Chartered Accountants  
CA Viveendra Singh  
Partner  
MRN - 421786





# NPJS & ASSOCIATES

CHARTERED ACCOUNTANTS

+91-9179179143  
npjs.associates@gmail.com

## Reporting on Audit Paras for Financial Year 2021-22

NAGAR PARISHAD CHAKGHAT

Auditor: NPJS & Associates, Chartered Accountants

<u>S. Parameters no.</u>	<u>Description</u>	<u>Observation in brief</u>	<u>Suggestions</u>
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	Relevant records were not provided for verification. Hence we could not provide any suggestion over the same.
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	NA.

*For and on behalf of*  
*NPJS & Associates*  
*Chartered Accountants*



Name of ULB  
Name of Auditor

Nagar Parishad Chakghat  
NPJS & Associates

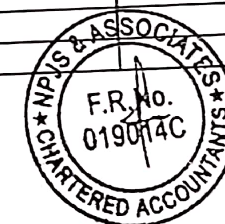
Annexure C  
Amt in lakhs

Name of Auditor		NPJS & Associates		% of growth	Observation in brief				Suggestions	
S.no.	Parameters	Description								
	Audit of Revenue	Receipt in (Rs.)								
	Rajaswa Kar wasooli	2020-21	2021-22							
1	Sampatti Kar	2.06	2.13	3.39	Collection % w.r.t. total dues is	25.57%	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	1.72	2.51	46.08	Collection % w.r.t. total dues is	33.82%	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	Nagar Vikas Upkar	0.00	0.09	NA	Collection % w.r.t. total dues is	20.58%	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	0.00	0.08	NA	Collection % w.r.t. total dues is	19.48%	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.
Total		3.78	4.81							
Gair-Rajaswa wasooli										
5	Shop Rent	2.27	9.88	335.11	Collection % w.r.t. total dues is	104.94%	which is	Very good	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	5.26	3.64	-30.78	Collection % w.r.t. total dues is	44.72%	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		7.53	13.52							
Grand Total		11.31	18.33							

NPJS & ASSOCIATES

F.R. No. 210/HAC

मुख्य नगर पंचायत अधिकारी  
नगर परिषद चकघाट  
जिला-राज (10380)





**NAGAR PARISAD CHAKGHAT DISTRICT - REWA**  
**RECEIPT & PAYMENT ACCOUNTS FOR THE FINANCIAL YEAR 2021-22**

RECEIPT	AMOUNT	PAYMENT	AMOUNT
<b>OPENING BALANCE</b>	2,53,61,671.10	<b>ESTABLISHMENT EXPENDITURE</b>	
(As per Cash Book)		Salary & Other Allowances	1,04,77,428.88
		EPF	5,04,141.00
		Traveling Allowance	1,29,241.00
<b>TAX REVENUE</b>		<b>ADMINISTRATIVE EXPENDITURE</b>	
Sampatti Kar Bakaya	1,47,750.00	News Paper	14,668.00
Sampatti Kar Chalu	1,34,994.00	Vigyapti Prakashan	1,72,683.00
Samekit Kar Bakaya	1,95,116.00	Tender Exp	69,836.00
Samekit Kar Chalu	95,442.00	Bank Charegss	1,318.20
Shiksha upkar	6,701.00	T D S/ GST	2,40,541.00
Nagar Vikar upkar/Development Cess	6,571.00	Audit Fees	40,600.00
Nal Connection Fees	13,361.00	Legal & Professional Fees	2,63,789.00
Nal Connection SD	1,500.00	Stationary	61,528.00
Bazar Shulk	9,04,976.00	Refreshment	1,33,029.00
Jalkar Bakaya	2,20,961.00	National Festival Exp	55,235.00
Jalkar Chalu	2,34,032.00		
		<b>OPERATION &amp; MAINTENANCE</b>	
<b>OTHER INCOME</b>		Fule (P O I L)	2,88,522.00
Nirman Upkar Receive	510.00	Video & Photography Exp	3,640.00
Other Application Fee	461.00	Electricity Charges	65,35,756.98
Anapatti Pramanpatr/NOC	180.00	Computer & Maintenance	53,424.00
Exhibition/ Pradarshni Fee	5,000.00	Amanat Rashi ka Payment	7,64,976.00
Marriage Certificate Fee	330.00	Cleaning material Purchase	3,50,065.00
Nilami rashi	1,38,333.00	Parivahan Kiraya	2,34,806.00
Others Income	2,05,521.00	R&M -Civic Amenities	2,89,892.00
Water Tanker	1,120.00	R&M -Vehicle	91,083.00
Praman Patr /Certificate Income	10,834.00	R&M -Computer & Peripherial	1,18,227.00
Mask Challan	3,850.00	R&M -Electricals	2,03,713.00
Penalty /Fine	2,600.00	Swachta Mission Exp	35,71,839.60
Suchna RTI Fee	214.00	Jal Pradey Maintenance	1,82,836.00
Tander sales	25,149.00	Covid 19 Exp	1,43,375.00
Polythin Chalan	1,100.00	<b>CAPITAL EXPENDITURE</b>	
		Hudco loan-20508 -I	3,28,570.00
		Hudco loan-21046 -II	10,55,709.00
		C C Road PCC Road Nirman	11,37,430.76
<b>RENTAL INCOME</b>		Nirman Karyaa Ka Bhugtan	12,61,715.00
Water Tanker	3,86,300.00	Nali Nirman Ka Bhugtan	12,72,789.00
Dukan Kiraya Chalu	2,22,050.00		
Dukan Kiraya Bakaya	600.00		
<b>GRANT RECEIPTS</b>			
ChungChatiputi	1,25,78,495.00		
Mulhoot Anudan	25,09,000.00		
15 Vit Anudan	38,63,000.00		
Reversal of Payment	39,104.00		

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F.R. No. 01901AC  
F.R. No. 01901AC  
F.R. No. 01901AC





Yatri Kar Anudan	4,55,000.00		
Mudern Shulk	6,02,000.00		
Sanchhalay Receiving	87,87,381.00		
Rajya Vikas Anudan	23,41,000.00		
Sadak Marmat	17,04,000.00		
Quarantine Centre (Covid 19)	1,34,300.00		
Bank Interest Income	2,79,039.00		
OTHER RECEIPTS			
Amanat Rasbi	85,200.00		
Total Mistek			
(*6,10,24,22,25,32,57,69,71,80,96,10 8,121,127,135,136,137138,153,)	5,69,571.72		
CLOSING BALANCE	(As per Cash Book - Annexure B)	3,22,21,910.40	6,22,74,317.82

CMO  
Nagar Parishad Chakghat

**Accounts Officer**  
**Nagar Parishad Chakghat**



**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	Rewa	Rewa	CHARGHAT NAGAR PARISHAD	NAGAR 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
2,82,744.00	36,78,660.00		6,08,950.00		-	3,95,202.00

Capital receipts				Total Receipts
Capital receipts	Central Finance Commission receipts	State Finance Commission receipts	Other Grants	
13	14	15	16	17
	38,63,000.00	23,41,000.00	2,70,88,319.00	3,62,57,875.00

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
1,11,10,810.88	10,53,227.20	1,28,32,155.58	6,62,679.00	-	7,21,600.00	36,71,934.76	3,00,52,407.42

मुख्य नगर पंचायत अधिकारी  
नगर पंचायत चण्डीगढ़  
जिला-रीवा (मध्य प्रदेश)

Auditor:  
FRN:  
MRN:

NPS & Associates  
019014C  
421786



**Nagar Parishad Chakdhat**  
**Summary of Bank Reconciliation as on 31.03.2022**

बैंक के प्रस्ताव प्रतिक्रिया करें						1,22,21,910.40
बैंक प्रस्ताव के सभी प्रस्तावों में प्रस्ताव की जाँच						69,69,336.01
बैंक प्रस्ताव की तिथि	बैंक का नाम	बैंक प्रस्ताव प्रकार	बैंक के प्रस्ताव विवरण	बैंक प्रस्ताव की तिथि	बैंक प्रस्ताव का प्रकार	रकम
वर्ष						1,998.00
बैंक प्रस्ताव में प्रस्तावों की जाँच करीब बैंक प्रस्ताव में जाँच की गई है						
05-06-2021	um	*390202010565980	Interest			1,913.00
02-07-2021	um	*390202010565980	Interest			1,964.00
02-10-2021	um	*390202010565980	Interest			1,928.00
04-01-2022	um	*390202010565980	Interest			1,893.00
वर्ष						
बैंक प्रस्ताव में जाँच करीब बैंक प्रस्ताव में जाँच की गई है						
बैंक प्रस्ताव में जाँच करीब बैंक प्रस्ताव में जाँच की गई है						9,69,571.00
बैंक प्रस्ताव में जाँच करीब बैंक प्रस्ताव में जाँच की गई है						1,19,276.78
बैंक के प्रस्ताव प्रतिक्रिया करें						2,45,96,426.61

**Bank Accounts Maintained By Nagar Parishad**

S.NO	NAME	ACCOUNT NO	31-03-2021	31-03-2022
1	S.B.I	11279720098	89,77,975.56	1,48,57,015.58
2	UNION BANK OF INDIA	*390202010560883	87,341.02	89,968.02
3	UNION BANK OF INDIA	*3902020105609340	65,19,801.00	67,15,909.00
4	UNION BANK OF INDIA	*390202010565980	2,55,962.01	2,63,660.01
5	UNION BANK OF INDIA	*390202010562866	1,48,394.00	1,48,394.00
6	UNION BANK OF INDIA	*3902010570708	9,534.50	9,810.00
7	UNION BANK OF INDIA	*39020201054903	24,38,327.00	25,11,670.00
	TOTAL		1,84,37,335.09	2,45,96,426.61
	AS PER CASH BOOK		2,53,61,671.10	3,22,21,910.40

