

To,
The CMO
Chand Nagar Parsihad
Chand Dist Chhindwara

We have audited the Books of accounts and relevant records of **Chand Nagar Parsihad** for the FY 2018-19 as per scope of work provided by Directorate, Urban Administration & Development Department of MP. The scope of work provided to us that required Audit under various heads i.e. **Audit of Revenue, Audit of Book Keeping, Audit of Expenditure, Audit of FDR, Audit of Tenders/Bills & Audit of Grants and Loans with our comments on specific points.**

The Institution follows Cash System of Accounting, The above Institution is in process of preparation of books of accounts accordance with DEABAS which is not yet prepared by ULB for the FY 2018-19 therefore results in not prepared Balance Sheet.

Management's Responsibility for the maintenance of records

The Management of Municipal corporation is responsible to maintained records as per the MP Municipal act 1961, and also required to maintained their accounting policies, procedure and books of accounts & records as per Madhya Pradesh Municipal accounting manual, This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the corporation and for preventing and detecting frauds and other irregularities .

Auditor's Responsibility

Our responsibility is to express an opinion on scope of work annexed herewith based on our audit. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures. An audit also includes assessing the accounting principles used and significant estimates made by management, We have conducted our audit in accordance with the Auditing standards generally accepted in 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 was established and maintained.

Inherent Limitations of Internal Financial Controls

Because of the inherent limitations of internal financial controls, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Further, on the basis of the accounts and records maintained and produced before us and information & explanations given, we are enclosing herewith our Report on observation/ comments/ discrepancies/ inconsistencies in the prescribed formats and notes thereon.

Place: Jabalpur
Date: 30/12/2019

For Rahul & Co.
Chartered Accountants


Anurag K. Rawat
[Partner]
M.No.409328
FRN:008138C



UDIN :- 20409328AAAAAF6936

Receipts	Particulars			
To, Opening Balance				
Balance as per Cash Book	1,98,85,748.23			
Opening Cash Book Difference	15,772.62		1,99,01,520.85	
To, Revenue of Nagar Parishad				
Property Tax	2,74,055.00			
Integrated Tax	2,58,410.00			
Water Tax	8,77,266.00			
Education Cess	67,947.00			
Town Development Cess	67,505.00			
Building/Complex Rent	4,06,531.00			
Other Fees & Misc Taxes	8,23,756.00		27,75,470.00	
To, Grant & assigned Revenue				
Received				
Octroi Compensation	1,18,61,012.00			
State Finance Commission	26,88,000.00			
Basic Amenities	9,18,000.00			
Road Repairing grant	11,30,000.00			
14th Finance Commission	51,90,000.00			
Commercial Tax	33,77,000.00			
Sambal Grant	14,000.00			
Vidhyak Nidhi Grant	1,60,000.00			
Rashtriya Samajik Sahaita	62,604.00			
Stamp Duty	41,140.00			
Mukhmantri Sahi Vikas Yojana	50,00,000.00			
PMAY Grant	20,29,20,000.00			
Other Grants(Heads unknown)	36,32,130.00			
Sansad Nidhi	1,50,000.00			
Miscellaneous Grant	2,50,000.00		23,73,93,886.00	
To, Other Receipts				
Tender & other Fees	99,020.00			
SD/EMD Received	43,686.00			
Bank Interest	11,04,896.31		12,37,582.31	
By, Expenses of Nagar Palika Parishad				
Advertisement & Publicity				6,25,659.00
Computer Related Exp				1,03,320.00
Consultancy Etc				7,11,170.00
Electricity Exp				37,15,878.00
Electrical Items Purchase				15,58,443.00
Health Dept. Items Purchase				4,61,434.00
Other Material Purchase				95,743.00
Legal Fees				50,301.00
Machinery Rent				4,91,333.00
Other Expenses				2,01,462.00
Programme Expenditure				3,87,990.00
Repair & Maintenance				10,66,625.00
Salary & Wages				1,15,82,873.45
Staff Welfare				14,000.00
Stationary & Printing Exps.				2,12,987.00
Telephone Expenses				56,597.00
Anteshti Sahayata				80,000.00
Madhavi Chhatra Yojana				1,55,800.00
Alao Vyavastha				35,520.00
Diesel & Petrol				7,98,284.00
Jalan Expenses				1,12,078.00
Travelling Expenses				1,39,378.00
Bank Charges Exp.				4,442.18
Karmkar Manal Exp				3,14,684.00
Vidhayak Nidhi Aarvik Sahayata Anudan				
Rash				24,000.00
				2,30,00,001.63
By, Infrastructure Expenses				
PWD				1,04,82,220.00
Individual Toilet Construction				26,71,168.00
PMAY				16,87,59,971.00
Water Dept. Works & Material Purchase				33,69,371.00
Furniture				85,750.00
Boometric Machine				9,800.00
Mobile Toilet				6,98,000.00
Cooler				33,500.00
Fire Brigade				5,73,500.00
GST TDS Deduction				19,600.00
TDS Deduction				3,45,541.00
Web Camera				19,700.00
Wheel Chair				1,45,990.00
				18,72,04,111.00



Page 1 of 2

मुख्य नगर पालिका अधिकारी
नगर परिषद चौद

NAGAR PARISHAD CHAND, DISTT:-CHHINDWARA

Receipts & Payment A/c

For the period 1st April 2018 to 31st March 2019

Receipts	Amount (in Rs.)	Payments	Amount (in Rs.)
		To, Other Payment SDIEMO Return	11,670.00
		By, Closing Balance Balance as per Cash Book	5,10,92,676.53
	** TOTAL **		** TOTAL **
	26,13,08,459.16		26,13,08,459.16

For Rahul & Co
Chartered Accountants

[Signature]

CA. Sangeet Rastogi (Partner)
M No 409328



NAGAR PARISHAD CHAND

DATE - 30/12/2019
PLACE - Jabalpur

[Signature]
मुख्य नगरपालिका अधिकारी
नगर परिषद चांद

NAGAR PARISHAD CHAND, DISTT:-CHHINDWARA

Income & Expenditure A/c
For the period 1st April 2018 to 31st March 2019

Amount(in Rs.)	Amount(in Rs.)	Amount(in Rs.)	Amount(in Rs.)
Expenditure	**Income**		
By, Expenses of Nagar Palika Parishad Advertisement & Publicity Computer Related Exp Consultancy Etc Electricity Exp Electrical Items Purchase Health Dept. Items Purchase Other Material Purchase Legal Fees Machinery Rent Other Expenses Programme Expenditure Repair & Maintenance Salary & Wages Staff Welfare Stationary & Printing Exps. Telephone Expenses Anteshhi Sahayata Madhavi Chhatra Yojana Alao Vyavastha Diesel & Petrol Jalcan Expenses Travelling Expenses Income Over Expenditure	To, Revenue of Nagar Parishad Property Tax Integrated Tax Water Tax Education Cess Town Development Cess Building/ Complex Rent Other Fees & Misc Taxes To, Grant & assigned Revenue Received Octroi Compensation State Finance Commission Basic Amenities Road Repairing grant Commercial Tax Sambal Grant Rashtriya Samajik Sahatta Stamp Duty To, Other Receipts Tender & other Fees Bank Interest	625659 103320 711170 3715878 1558443 461434 95743 50301 491333 201462 387990 1066625 11582873.45 14000 212987 56597 80000 155800 35520 798284 112078 139378 ** TOTAL **	2,74,055.00 2,58,410.00 8,77,266.00 67,947.00 67,505.00 4,06,531.00 8,23,756.00 1,18,61,012.00 26,88,000.00 9,18,000.00 11,30,000.00 33,77,000.00 14,000.00 62,604.00 41,140.00 89,030.00 11,04,556.31 ** TOTAL **
		22656875.45	2,40,61,142.31
		1404265.86	2,40,61,142.31

For Rahul & Co
Chartered Accountants

CA Anurag Rawat (Partner)
V. No. 409328



NAGAR PARISHAD CHAND

DATE :- 30/12/2019
PLACE :- Jaipur

मुख्य अधिकारी
नगर परिषद चांद

Audit Report of Chand Nagar Parishad District Chhindwara for FY 2018-19

Heading	SR. NO.	Points to be Checked.	Remarks
Audit of Revenue	i.	The auditor is responsible for audit of revenue from various sources.	We have verified accounts and maintenance of records of various sources of income i.e Taxes, Fees, Rental income and Assigned Revenues to ULB i.e. Compensation in lieu of Octroi and Passenger Tax etc. Levy and calculation of taxes, fees etc. is not checked by us.
	ii.	He is also responsible to check the revenue receipts from the counter files of receipt books and verify that the money received is duly deposited in the respective bank account.	We have verified revenue receipt on test check basis. During verification we have not come across any case where money received is not duly deposited with Bank except money collected as Property Tax through Receipt No 48/4735 to 4745 amounting Rs 2816 (Refer Annexure-2)
	iii.	Percentage of revenue collection increases decreases in various heads in property tax samekit kar shiksha upkar Nagariya vikas upkar and other tax, compared to previous year shall be part of report.	Details as per Annexure-1.
	iii.	Delay beyond 2 working days shall be immediately brought to the notice of Commissioner/CMO.	We have not found cases where receipts are deposited in bank beyond 2 working days except in the case of bank holiday and strike.
	iv.	The entries in cash book shall be verified.	We have verified various cash book entries and observed that various cutting and corrections are made including use of whitener therein.
	v.	The auditor shall specifically mention in the report, the revenue recovery against the quarterly and monthly targets. Any lapses in the revenue recovery shall be a part of the report.	ULB did not fixed any quarterly and monthly targets. Only Budgeted yearly targets were fixed for revenue recoveries. ULB did not achieve its yearly revenue recovery targets. Variation in achievement of targets is annexed in Annexure-3 forming part of this report. Chand Municipality has still not achieved desired tax recovery efficiency. Rs 7.61 lakh of tax recovery is pending upto 31.03.2019



मुख्य नगरपालिका अधिकारी
चन्द्र नगर परिषद चाँद

Audit of Expenditure			(On the basis of information provided by Revenue Department).
	vi.	The auditor shall verify the interest income from FDR's and verify that interest income is duly and timely accounted for in cash book.	As informed by officials of Chand Municipality they have not invested any fund in FDR.
	vii.	The cases where, the investments are made on lesser interest rates shall be brought to the notice of the commissioner/CMO.	Not Applicable.
	i.	The auditor is responsible for audit of expenditure under all the schemes.	We have test check expenditures under various schemes on the basis of entries in cash book. Findings on expenditures are annexed in Annexure-7
	ii.	He is also responsible for checking the entries in cash book and verifying them from relevant vouchers.	During the verification of voucher from entries in cash book, we have observed that some vouchers are missing details in respect of same is annexed in Annexure-7 forming part of this report.
	iii.	He should also check monthly balances of the cash book and guide the accountant to rectify errors, if any.	We have verified the monthly cash book balances and errors are brought to the notice of accountants.
	iv.	He shall verify that the expenditure for a particular scheme is limited to the funds allocated for that particular scheme any over payment shall brought to the notice of the commissioner/CMO.	ULB has not prepared any Scheme wise Cash book and scheme wise expenditures record except for PMAY.
	v.	He shall also verify that the expenditure is accordance with the guidelines, directives, acts and rules issued by Government of India/ State Government.	Payment was made by the ULB after proper sanction of CMO & President. ULB is required to deduct 2% TDS on GST payment against individual contract exceed Rs 25000 but same is not complied by ULB. Non Deduction of TDS on GST will lead imposition of Penalty.



मुख्य नगरपालिका अधिकारी
नगर परिषद चाँद

Audit Report of Chand Nagar Parishad District Chhindwara for FY 2018-19

			Further ULB has paid significant amount of money as GST to different vendors and contractors without deducting TDS on such amount because of non deduction of GST it is doubtful that whether the amount which belongs to government was ultimately paid to government or not by the vendors.
	vi.	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.	Cases where expenditures are made by ULB without complying with the principle of Financial propriety are annexed in Annexure-7 . Payment made for LED repairing by the ULB. It has paid Rs 1440,1440 & 1920 respectively for one piece of 40,60 and 100 watt led repairing.(Total Expenditure on LED repairing during the year is Rs 210240) The price paid for LED repairing is higher than actual price of New LED light. In this price which ULB has paid for repairing a new led light is available in the market with comparatively higher warranty period.
	vii.	All the cases where appropriate sanctions have not been obtained shall be reported and the compliance of audit observations shall be ensured during the audit. Non compliances of audit paras shall be brought to the notice of commissioner/CMO.	Not Applicable.
	viii	The auditor shall be responsible for verification of scheme wise project wise Utilization Certificates (UCs). UC's shall be tallied with the income & expenditure records and creation of Fixed Asset.	During the course of audit no utilization certificate was made available before us. Moreover ULB has not prepared fixed asset register. ULB has not prepared scheme wise project wise UCs. (Except UC of PMAY)
Audit of Book Keeping	i.	The auditor is responsible for audit of all the books of accounts as well as stores.	As per recommendations of the Eleventh Finance Commission (EFC) and the guidelines issued by the Ministry of Finance, Government of India, the



मुख्य नगरपालिका अधिकारी
नगर परिषद चौद

		Comptroller and Auditor General of India had constituted a Task Force to recommend and accounting formats for ULBs. The Task Force in its report, inter alia, suggested formats for the Books of Accounts. The Urban Administration Development Department (UADD) published Madhya Pradesh Municipal Accounts (MPMAM) in July, 2007 adopting such formats. Chand municipality is required to follow the same formats. we have examined the books of Accounts taking MP MAM as a base.
		Further, During the F.Y. 2018-19 Books of Accounts are maintained by ULB on Single entry system.
ii.	He shall verify that all the books of accounts and stores are maintained as per Accounting Rules applicable to Urban Local Bodies.(ULBs) Any discrepancies shall be brought to the notice of Commissioner/CMO.	Various registers not maintained by ULB is mentioned in Annexure-4 forming part of this report. Store Register was not properly maintained by ULB and overall Book Keeping is not satisfactory.
iii.	The auditor shall verify advance register and see that all the advances are timely recovered according to the conditions of advances. All the cases of non recovery shall be specifically mentioned in audit report.	As informed by the ULB officials no any Advance was sanctioned by the Chand ULB during the Financial Year 2018-19 & no any previous advance recovery is pending.
iv.	Bank reconciliation states shall be verified from the records of ULB and the bank concerned. If bank reconciliation statements are not prepared the auditor will help in the preparation of BRS.	Rules 97-98 of Madhya Pradesh Municipal Accounts Rules 1971 provide that the reconciliation of any difference between the balances of cash book and bank accounts is required to be conducted every month. ULB is not preparing Bank reconciliation statements.
v.	He shall be responsible for verifying the entries in the	Grant register is maintained but details of grant utilization (payment of grant) for particular work for



मुख्य नगरपालिका अधिकारी
नगर परिषद चाँद

		grant register. The receipts and payments of grants shall be duly verified from the entries in the cash book.	which grant is received is not updated in register. There were also various grants grouped under other grants where head (mad) is unidentified. (Annexure-6)
	vi.	The auditor shall verify the fixed asset register from other records and discrepancies shall be brought to the notice of commissioner/CMO.	Fixed Asset register and dead stock register is not maintained at ULB. Details of various register required to be maintained in accordance with prescribed format in MPMAM is annexed in Annexure -05.
	vii.	The auditor shall reconcile the accounts of receipt and payments especially for project funds.	Receipt & payment account is enclosed with the report.
lit of FDR.	i.	The auditor is responsible for audit of all Fixed deposits and term deposits.	As informed by officials of Chand that they have not invest any money in FD in FY 2018-19 and also do not have any brought forward balances of FDs.
	ii.	It shall be ensured that proper records of FDR's are maintained and all renewals are timely done.	Not Applicable.
	iii.	The cases where FDR's/TDR's are kept at low rate of interest than the prevailing rate shall be immediately brought to the notice of commissioner/CMO.	Not Applicable.
	iv.	Interest earned on FDR/TDR shall be verified from entries in the cash book.	Not Applicable.
of ers/Bids.	i.	The auditor is responsible for audit of all tenders/bids invited by the ULB's.	We have verified the online bids invited by ULB on test check basis. Findings on tenders are annexed in Annexure-8.
	ii.	He shall check whether competitive tendering procedures are followed for all bids.	ULB is required to call online tender if amount of particular work exceeds Rs One Lakh. While our verification it has been observed that in



मुख्य नगर पालिका अधिकारी
नगर परिषद चाँद

			order to avoid Online tender procedure which is considered as more transparent than other tender procedure, ULB has bifurcated the items to be purchased into small tenders to defeat online tender procedure and allotted work on Offline basis. (Repairing of LED lights etc)
	iii.	He shall verify the receipts of tender fee/bid processing fee/ performance guarantee both during the construction and maintenance period.	We have verified tender fee bid processing fee/performance guarantee on the basis of receipts provided before us.
	iv.	The bank guarantees, if received in lieu of bid processing fee/ performance guarantee shall be verified from the issuing banks.	No any bank guarantees in lieu of bid processing fee/ performance guarantees was received by the ULB.
	v.	The conditions of BG's 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.	Not Applicable.
	vi.	The cases of extension of BG's shall be brought to the notice of Commissioner/CMO. Proper guidance to extend the BG's shall also be given to ULB's.	Not Applicable.
Audit of Grants and Loans.	i.	The auditor is responsible for the audit of grants given by central government and its utilization.	<p>Grant register is maintained but details of grant utilization (payment of grant) for particular work for which grant is received is not updated in register.</p> <p>There were also various grants grouped under other grants where head (mad) is unidentified.</p> <p>During FY 2018-19 Chand municipal Council has received grant of Rs 52.00 Lakh under 14th Finance Commission from Central Government during FY 2018-19. Utilization certificate for the same is submitted.</p>



मुख्य निरीक्षक अर्थ-नगरी
मगर परिषद चाँद

		pending to be issued.
ii.	He is responsible for audit of grants received from state government and its utilization.	<p>During the F.Y.2018-19 ULB has not issued any utilization certificate (Except UC of PMAY).</p> <p>ULB has not prepared Utilisation Certificate for Grant Received under Mukhya Mantri Adhoshanrachna Vikas Scheme.</p>
iii.	He shall perform audit of loans provided for physical infrastructure and its utilization. During the 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 informed by the ULB officials no any loan was taken by Chand Municipality During F.Y.18-19.</p> <p>And No any previous loan is outstanding on ULB.</p>
iv.	The auditor shall specifically point out any diversion of funds from capital receipts/grants/loans to revenue expenditure.	<p>ULB has not prepared any utilization certificate, grant register was not properly updated, from where diversion of funds can be ascertained,</p> <p>Further during our prima facie verification of records we have not come across any specific case of diversion of Fund.</p> <p>We are unable to give our opinion in case of Grants where Head (Mad) is unidentified because no any information rests with ULB that whether such grants are of capital or revenue nature. List of Grant where Head Mad is unidentified is annexed in annexure-6.</p>



मुख्य नगर पालिका अधिकारी
नगर परिषद चौद

Audit Report of Chand Nagar Parishad District Chhindwara for FY 2018-19

Abstract Sheet for reporting on Audit for financial year 2018-19

Sr. No.	Parameters	Description	Observation in Brief	Suggestion
1.	Audit of Revenue	Whether money received is duly deposited in the respective bank account.	Money collected as Property Tax through Receipt No 48/4735 to 4745 amounting Rs 2816 was not deposited in respective Bank Account.	1. ULB is required to deposit the daily receipt in bank within two working days. It is required to maintain proper internal check on daily receipt to ensure that money collected are duly deposited in the bank and also to avoid Errors and Frauds.
2.	Audit of Expenditure	Financial propriety while expending public money was not observed.	Payment made for LED repairing by the ULB. It has paid Rs 1440,1440 & 1920 respectively for one piece of 40,60 and 100 watt led repairing.(Total Expenditure on LED repairing during the year is Rs 210240) The price paid for LED repairing is higher than actual price of New LED light. In this price which it has paid for repairing Led, a new led is available in the market with comparatively higher warranty period.	While expending public money, ULB is required to observe financial propriety of expenditures.
3.	Audit of Book Keeping	1. Various register are not maintained by ULB	1. Various register not maintained by ULB is annexed in annexure 4	1. ULB is required to update its property register and Stock register in order to establish proper internal control and to avoid any misappropriation and Fraud. In the absence of proper recording it is difficult identify any misappropriation



मुख्य नगरपालिका अधिकारी
नगर परिषद चाँद

Audit Report of Chand Nagar Parishad District Chhindwara for FY 2018-19

4.	Audit of FDR	Not applicable.	Not applicable	and errors.
5.	Audit of Tenders/Bids	1) Competitive tendering procedure was not followed in some cases.	ULB is required to call online tender if amount of particular work exceeds Rs One Lakh, it has been observed that in order to avoid Online tender procedure which is considered as more transparent than other tender procedure, ULB has bifurcated the items to be purchase into small tenders to defeat online tender procedure and allotted work on Offline tender basis	ULB is required to follow the instruction given by the Directorate and should avoid circumventing the rules made.
6.	Audit of Grants & Loans	Detail of grant utilization (payment from grant) for particular work for which grant is received is not updated in register.	Grant register is maintained but details of grant utilization (payment out of grant) for particular work for which grant is received is not updated in register.	ULB is required to update the grant register.
7.	Incidences relating to diversion of funds from Capital receipts/Grants/Loans to Revenue Nature Expenditure and from one scheme/project to another	Grant register was not updated in respect of expenditure	Grant register was not updated in respect of expenditures. On our primary verification of consolidated Cash Book we have not come across any specific case of diversion of fund.	Proper Book Keeping for Project wise Scheme wise Income and Expenditure is required to be maintained.
8	Any Other			
	a) Percentage of Revenue Expenditure (Establishment, Salary, Operation & Maintenance) with respect to Revenue Receipts (Tax and non tax) excluding Octroi, Entry Tax, Stamp Duty and other grants etc.	Percentage of Revenue Expenditure with respect to Revenue Receipts =807.99 %	Revenue Expenditure with respect to Revenue Receipts is too high	ULB need to increase own revenue income sources.
	b) Percentage of	Percentage of Capital	ULB is much depends	ULB required to increase



मुख्य नगर पालिका अधिकारी
नगर परिषद चाँद

Audit Report of Chand Nagar Parishad District Chhindwara for FY 2018-19

	Capital Expenditure with respect to Total Expenditure	Expenditure with respect to Total Expenditure = 44.50%	upon Grant and compensation received from government.	own revenue income sources.
9	Whether all the temporary advances have been fully recovered or not	NA	NA	No any advances made during the year
10	Whether the bank reconciliation statement have been regularly prepared	No		ULB should prepare bank reconciliation statement monthly.



मुख्य नगरपालिका अधिकारी
नगर परिषद बाँद

Percentage of revenue collection increases decreases in various heads in property tax

Annexure-1

Audit Of Revenue					Annexure-1	Overview in brief	Suggetion s
Sr.NO	Parameter	description					
	Revenue Income	Receipts in Rs					
		Year 2017-18	Year 2018-19	% of Growth			
1	Property tax	386650	274055	(29.12)	Revenue Recovery of ULB is decline as compare to previous year	ULB should take steps to recover its previous dues	
2	Samekit kar	259592	258410	(0.46)			
3	Nagariya vikas upkar	133328	67505	(49.37)			
4	Shiksha upkar	129241	67947	(47.43)			
	Total	908811	667917	(26.51)			
	Non Revenue Taxes						
1	Building/Complex rent						
2	Water Charges	788880	877266	11.20			
3	Other Misc Taxes	1156590	823756	(28.78)			
	Total	1945470	1701022	(12.56)			
	Grant Total	2854281	2368939	(17.00)			



मुख्य नगर पालिका अधिकारी
नगर परिषद चाँद

Annexure-2**Cases where Daily revenue collection not deposited in Bank**

S.No	Book & Receipt NO	Amount	Comment
1	48/4735 to 4745	7816	Money collected for Property Tax etc was not deposited in Bank, Same was deposited after audit finding. As per officials of ULB the revenue receipts was not deposited due to error of ommission. Such type of mistake is not tolerable and requires special consideration, this type of mistake depicts insufficiency of mangement in establishing proper internal control system. Although the amount is immaterial but it is a serious issue and requires special consideration on the part of mangement.



मुख्य नगर पालिका अधीक्षक
नगर परिषद चाँद

Annexure-3

Details of achivment of the revenue recovery against the Yearly Budgeted targets

Taxes Current Year

S.No	Type of Tax	Budgeted Yearly Target	Actual Recoveries (Including Arrears)	Excess/(Short)	Achivment s in %
1	Property Tax	3,20,692	2,07,765	(112927)	64.79
2	Samekit kar	2,43,708	1,41,530	(102178)	58.07
3	Nagariya vikas upkar	1,08,469	45,434	(63035)	41.89
4	Shiksha upkar	1,08,469	45,984	(62485)	42.39
5	Water tax	6,52,800	4,68,060	(184740)	71.70
	Total	14,34,138	9,08,773	-5,25,365	63.37

Taxes Arrears (Bakaya)

S.No	Type of Tax	Budgeted Yearly Target	Actual Recoveries (Including Arrears)	Excess/(Short)	Achivment s in %
1	Property Tax	2,98,564	66,290	-2,32,274	22.20
2	Samekit kar	1,91,200	1,16,880	-74,320	61.13
4	Nagariya vikas upkar	97,883	22,071	-79,899	21.64
5	Shiksha upkar	1,01,970	21,963	-80,007	21.54
6	Water tax	1,82,734	4,09,206	2,26,472	223.94
	Total	8,72,351	6,36,410	-2,35,941	72.95



मुख्य नगर पालिका अधिकारी
नगर परिषद चौद

Annexure-4

S.no	Register	Whether Maintained	Remark
1	Stock Register	Maintained	Accounting rules 1999 of the MP Municipal corporation Act 1961 provides that the CMO shall constitute a committee to verify the stocks held by the municipality & Committee shall conduct stock verification at least twice in a year. While the course of audit we have observed that no such committee was constituted and no any physical verification of stock was done by the ULB.
2	Cheque Received Register	Not Maintained	
3	Cheque Dishonored Register	Not Maintained	
4	Cheque Issued Register	Maintained	
5	Register of security deposits	Not Maintained	
6	Register of Earnest Money Deposits	not updated	
7	Register of retention money	Not Maintained	



मुख्य नगर पालिका अधिकारी
नगर परिषद चण्डी

Annexure-5
Status of Maintenance of various Fixes Assets Register at Chand Municipality

S.No	Type of Register	Remark
1	Building Register	As per format provided in MP MAM, Ulbs are required to prepare building register which contains details of survey No, location, area, details of use of building etc including details of improvement if any, during the course of verification of records it has been found the register is maintained but not updated.
2	Roads & Street Register	As per format provided in MP MAM, Ulbs are required to prepare ward wise, area wise list of roads, streets, lanes & footpaths including details of improvement if any, during the course of verification of records it has been found that no such list and details are prepared by ULB
3	Drain Register	As per format provided in MP MAM, Ulbs are required to maintain register which will contain details about all drains including underground drains & the same will be maintain on continuous basis & not for any specific year. while examining the records it has been observed that no such registers are maintain.
4	Public lighting system register	As per format provided in MP MAM, Ulbs are required to maintain register which will contain details about all Public lighting system & the same will be maintain on continuous basis & not for any specific year, while examining the records it has been observed that no such registers are maintain.
5	Vehicle Register	updated
6	Office Equipment Register	Not updated
7	Furniture & Fixture Register	Not updated
8	Computer & Peripheral Register	Not updated



मुख्य नगर पालिका अधिकारी
 नगर परिषद चाँद

Annexure-6

Cases where Head (Mad) of Grant is unidentified			
S.No	Date	Observation	Amount
1	03/09/2018	It is not confirm that whether the grant is of capital or revenue nature.	600000
2	03/09/2018	It is not confirm that whether the grant is of capital or revenue nature.	415000
3	04/10/2018	It is not confirm that whether the grant is of capital or revenue nature.	139200
4	11/12/2018	It is not confirm that whether the grant is of capital or revenue nature.	400000
5	11/01/2019	It is not confirm that whether the grant is of capital or revenue nature.	21930
6	12/02/2019	It is not confirm that whether the grant is of capital or revenue nature.	900000
7	23/02/2019	It is not confirm that whether the grant is of capital or revenue nature.	100000
8	25/03/2019	It is not confirm that whether the grant is of capital or revenue nature.	1056000
Total			3632130.0



मुख्य नगरपालिका अधिकारी
नगर परिषद चाँद

Annexure-7

Irregularities observed during voucher verification

Details of vouchers not found during audit

S.No	voucher no	Date	Amount	Purpose
1	408	23/10/2018	65934	No any information and supporting document available with ULB regarding payment
2	125	01/06/2018	46445	No any information and supporting document available with ULB regarding payment
3	120	29/05/2018	6497	supporting document not available with ULB regarding payment
4	128	-	33360	Payment made for Mandey but voucher not held in file
5	141	-	130186	Payment made for salary and wages to employees but Voucher not held in file
6	138	07/06/2018	88416	Payment made for salary and wages to employees but Voucher not held in file

Cases where principle of Financial propriety is not followed

Purpose	Date	Amount	Observation
Speed Breaker purchase	18/07/2018	185205	Speed Breaker purchased by ULB, Cost of Such speed breaker are higher than concrete and bitumen and life is comparatively lower.
Tent Kiraya	18/06/2018	45000	ULB has launched Revenue recovery campaign to increase its revenue collection for this purpose they have incurred expenses related to Tent and sounds in all wards but the expense incurred in this relation is high as compare to overall collection in that particular period. While expending public money ULB is require to ensure that expenditure shall not exceed the benefits.
DPR	21/08/2018	684320	Payment made to ABR architecture & associate Pvt Ltd for the preparation of DPR under PMAY without deducting TDS under section 194j of the Income Tax Act.
LED Repairing	20/08/2018	99360	Payment made for LED repairing by the ULB. It has paid Rs 1440, 1440 & 1920 respectively for one piece of 40, 60 and 100 watt led repairing. The price paid for LED repairing is higher than actual price of New LED light. In this price which ULB has paid for repairing a new led light is available in the market with comparatively higher warranty period.
LED Repairing	20/08/2018	53280	-----do-----'

other observation/irregularity in expenditure

Date	Head	Amount	Observation
-	Diesel and petrol	798000	Expenses incurred for petrol and diesel by the ULB during the current year is about 40 to 50% higher than previous year and Log book related to vehicle running is not properly maintained.
5-4-18 & 30-7-18	TDS	365141	ULB has deposited TDS with tax department but no any documents regarding same was made available before us regarding such payments due to which we are unable to give our opinion on the same.



मुख्य नगर पालिका अधिकारी
नगर परिषद चाँद

Audit of Tenders /Bills

1	WORK NAME	Mukya Manti Adhoshanrachna Vikas
	Date of Work order	27/09/2018
	Probable Amount	265.49 Lakh
	Contractor	M/s Raisingh & Co Balaghat
	<p>Comment:- As per the terms of Tender (Tender Document:- Special Condition to Contract) Contractor is required to complete the work under scheme within 9 months from the date of work order. In case of failure to do so the contractor is liable to penalty of 0.5% of contract amount per week subject to maximum amount of 10% as liquidated damage which is required to deduct from the bills by the ULB.</p> <p>While verifying the respective file it has been observed that work was not completed within the given time period and no such deduction was made by the ULB leads to over expenditure and direct benefit transfer to contractor.</p> <p>ULB is required to comply the above provision in order to timely completion of work which is ultimately in the interest of society.</p> <p>Further As per the terms of contract, contractor is required to establish material testing lab on the site but on our verification of respective file it has been observed that same was not established by the contractor and no any stringent action taken by ULB against the contractor.</p> <p>Non compliance of the above provision creates doubt in respect of the quality of material used in the work.</p>	
2	WORK NAME	Individual Toilet
		Mukya Manti Sahri Swacchta Mission
	Probable Amount	139.67 Lakh
	Contractor	Vas Social society Jabalpur
	<p>Comment:- As per the terms of Tender (B- Technical Proposal) participants are required to submit experience financial & physical in format G-2 and Annual turnover in format G-3. The Annual Turnover from construction should be certified by the Chartered Accountant & such annual turnover should not be less than 40% of the probable amount of the contract during the last 3 financial year. While verifying the document submitted by the contractor no such certificate is found and ignoring the Further during the inspection of respective file it has been observed that work was not performed by the contractor as per standard quality and many instances of sub standard performance of work was observed by the CMO & Sub Engineer in their surprise checking.</p> <p>The ULB vide letter No 3036/PWD /N.P./2016/Chand had communicate the matter to the contractor but no any document regarding upgradation of work quality by the contractor was held in file.</p>	



मुख्य नगर पालिका अधिकारी
नगर परिषद चाँद

General Observation

- 1 While verifying Tender files we have observed that contractors have not submitted their Provident Fund Registration. ULB is required to obtain their provident fund registration
- 2 Documents Regarding Labour Act Registration is not available on Records
- 3 Photographs of work completed are also not available in file.
- 4 ULB is required to obtain genuineness of documents submitted by bidders otherwise there is possibility of allotment of tender on the basis of bogus documents.
- 5 Grant Register not maintained.
- 6 BRS not prepared by the ULB.
- 7 Authentic bills were not found held in records for making payments. Payments were made against Delivery challans, Estimates, Rough bills, etc.



मुख्य नगर सलिका अधिकारी
नगर परिषद चाँद