

**कार्यालय नगर पालिका परिषद् चौरई
जिला-छिन्दवाड़ा (म.प्र.)**

(कार्यालय दूरभाष एवं फैक्स नं० 07166-222106)
(ई-मेल: cmochorai@mpurban.gov.in)

—:: सी.ए. अंकेक्षण प्रतिवेदन ::—



वित्तीय वर्ष 2018-19

To,
The CMO
Chaurai Nagar Palika Parsihad
Chaurai Dist Chhindwara

We have audited the Books of accounts and relevant records of **Chaurai Nagar Palika 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



UDZN-20409328AAAAAE7432


NAGAR PARISHAD CHAURAI, DISTT:-CHHINDWARA

Receipts & Payment A/c For the Period 1st April 2018 to 31st March 2019		**Payments**		Amount(in Rs.)	Amount(in Rs.)
To, Opening Balance	Amount(in Rs.)	By, Expenses of Nagar Palika Palshad	Amount(in Rs.)	Amount(in Rs.)	Amount(in Rs.)
Balances as per Cash Book					
Main Cash Book	4,16,11,872.00	Advertisement & Publicity	2,01,214.00		
PMAY	1,88,15,475.00	Cleaning Expenses	92,642.00		
IHSDP	68,89,606.00	Diesel Exp	11,06,672.00		
IDSMT	31,07,464.00	Electricity Exp	37,43,704.00		
UIDSSMT	31,85,441.00	Electrical Expenses	14,12,439.00		
Road Development Scheme	24,92,457.00	Phenyl & other Medicinal Chemicals	77,880.00		
BRGF	32,739.00	Jalpradya Karya	18,49,770.00		
		Legal Fees	59,980.00		
		Contingent & Other Expenses	26,03,961.00		
		Parisad Manday	4,93,200.00		
		Programme/Election Expenditure	2,05,354.00		
		News paper	18,746.00		
To, Revenue of Nagar Parishad					
Property tax	3,31,532.00	Repair & Maintenance (Infrastructure Assets)	1,92,759.00		
Samekit kar	4,32,635.00	Salary & Wages	1,49,64,212.00		
Nagariya vikas upkar	1,12,163.00	EPF & Pension	24,19,455.00		
Shiksha upkar	1,60,655.00	Stationary & Printing Exp	77,716.00		
Property Rental Income	3,05,606.00	Telephone Expenses	25,960.00		
Bazar Rent & Nilami	12,42,884.00	New Electricity connection (UIDSSMT)	6,44,700.00		
Water Tax	6,12,301.00	Travelling Expenses	4,190.00		
Other Fees & Misc Taxes	20,24,658.00	Vehicle Related Exp	4,44,748.00		
					30639302.00
To, Grant & Compensation Received		By, Infrastructure Assets Expenses			
Road Repairing Grant	11,51,000.00	Road	10,91,718.00		
Odtroi Compensation	1,52,99,224.00	Water Pipe Line Etc	1,30,89,466.00		
State Finance Commission	43,71,000.00	Other	2,80,000.00		
Basic Amenities	40,00,000.00	Building Construction	21,86,263.00		
National Maternity Grant	1,00,000.00	Drain Construction	35,30,483.00		
14th Finance Commission	62,10,000.00	Machinery	11,98,000.00		
Passenger Tax	10,83,000.00	PMAY Hitgrahi Payment	8,37,20,000.00		
Vidhyak Nidhi Grant	98,300.00				10,50,95,930.00
Other Grants(Heads unknown)	41,24,092.00	BY, Other Payment			
Aanganwadi Bhawan Nirman	62,40,000.00	PMAY BANK Transfer	7,56,00,000.00		
Mudrank Shulk	1,58,000.00	SD/EMD Return	22,77,300.00		
Visisht anudan	1,43,82,000.00	Sansad Nidhi Transfer	11,50,000.00		
PMAY	11,97,50,000.00	Loan and Advances to Employee	5,01,000.00		
					7,95,28,300.00



(Signature)

To, Other Receipts			By, Closing Balance	
PMAY BANK Transfer	7,56,00,000.00		Balance as per Cash Book	
SD/EMD Received	22,62,700.00		Nikay Mad	5,11,48,504.00
Bank Interest	21,56,250.00		PMAY	5,70,33,912.00
PMAY Return	30,000.00		IHSDP	68,89,606.00
Beneficiaries Contribution Private Toilet	5,440.00		IDSMT	31,07,464.00
Audit Recovery	5,000.00		UIDSSMT	25,40,682.00
Karm Kaar Mandal Sulk	1,25,402.00		Road Development Scheme	24,92,457.00
			BRGF	32,739.00
				12,32,45,364.00
** TOTAL **		33,85,08,896.00	** TOTAL **	33,85,08,896.00


For Rahul & Co
Chartered Accountants

CA Anurag Rawat (Partner)
M No 409328



NAGAR PARISHAD CHAURAI

DATE :- 30/12/2019

PLACE :- Jabalpur


मुख्य नगरपालिका अधिकारी
नगर पालिका परिषद चौखर्ब
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NAGAR PALIKA CHOURAI, DISTT:-CHHINDWARA

Income & Expenditure A/c

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

Expenditure	Amount(in Rs.)	**Income**	Amount(in Rs.)
By, Expenses of Nagar Palika Paishad		To, Revenue of Nagar Parishad	
Advertisement & Publicity	201214.00	Property tax	331532.00
Cleaning Expenses	92642.00	Samekit kar	432635.00
Diesel Exp	1106672.00	Nagariya vikas upkar	112163.00
Electricity Exp	3743704.00	Shiksha upkar	160655.00
Electrical Expenses	1412439.00	Property Rental Income	305606.00
Phenyl & other Medicinal Chemicals	77880.00	Bazar Rent & Nilami	1242884.00
Jalpradya Karya	1849770.00	Water Tax	612301.00
Legal Fees	59980.00	Other Fees & Misc Taxes	2024658.00
Contingent & Other Expenses	2603961.00		5222434.00
Parisad Manday	493200.00		
Programme/Election Expenditure	205354.00	To, Grant & Compensation Received	
News paper	18746.00	Road Repairing Grant	1151000.00
Repair & Maintenance (Infrastructure Assets)		Octroi Compensation	15299224.00
Salary & Wages	192759.00		
EPF & Pension	14964212.00	State Finance Commission	4371000.00
Stationary & Printing Exp	2419455.00	Basic Amenities	4000000.00
Telephone Expenses	77716.00	Passenger Tax	1083000.00
New Electricity connection (UIDSSMT)	25960.00	Other Grants(Heads unknown)	4124092.00
Travelling Expenses	644700.00	Mudrank Shulk	158000.00
Vehicle Related Exp	4190.00		30186316.00
	444748.00		
		To, Other Receipts	
		Bank Interest	2156250.00
		Beneficiaries Contribution Private Toilet	5440.00
		Audit Recovery	5000.00
			** TOTAL **
			21,66,690.00
			3,75,75,440.00
Surplus:			
Income Over Expenditure			

For Rahul & Co

Chartered Accountants

CA Anurag Rawat (Partner)

M No 409328



NAGAR PARISHAD CHAURAI

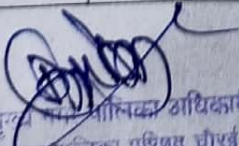
DATE :- 30/12/2019

PLACE :- Jabalpur

(Signature)
मुख्य अधिकारी
जबलपुर नगरपालिका परिषद चौपाल
जिला-छिन्दवाड़ा (म.प्र.)


Audit Report of Chourai Nagar Palika 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.
	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.	Revenue receipts are usually deposited within 2 working days except in case of Bank Holiday and Strike.
	iv.	The entries in cash book shall be verified.	We have verified entries in Cash Book & errors are brought to the notice of Accountant. Difference in Revenue collection as per Accountant cash book and as per revenue section record in annexed in annexure-12.
	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-2 forming part of this report. Chourai Municipality has still not achieved desired tax recovery efficiency, Rs 58.58 lakhs. of tax


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			<p>recovery was pending upto 31.03.2019 (On the basis of information provided by Revenue Department).</p> <p>ULB is maintaining Current Account with various bank and some of these accounts were remains inoperative during the F.Y.2018-19. Such amount can be converted into FDR and interest can be earned there from.</p>
	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.	<p>ULB has not taken the interest income on FDRs on accrual basis,</p> <p>Details of FDs made by ULB is annexed in annexure-3</p>
	vii.	The cases where, the investments are made on lesser interest rates shall be brought to the notice of the commissioner/CMO.	<p>Municipality has not made any enquires from banks to invest their funds.</p> <p>During the course of audit, it has been observed that Chourai municipality has not made any query from the bank regarding deduction of tax on its FDRs. No any TDS certificate is obtained from bank.</p> <p>Detail of inoperative/dormant bank Accounts is also annexed in Annexure -10.</p>
Audit of expenditure	i.	The auditor is responsible for audit of expenditure under all the schemes.	We have test check expenditures under various scheme on the basis of entries in cash books. (Refer annexure 8)
	ii.	He is also responsible for checking the entries in cash book and verifying them from relevant vouchers.	<p>We have verified the entries in the cash book with relevant voucher findings in respect of same are annexed in Annexure-6 and Annexure-7</p> <p>We have also find significant increase in diesel expenditure as compared to previous year expenditure despite no significant increase in vehicle and machinery.</p>
	iii.	He should also check monthly balances of the cash book and guide the	We have check the monthly balances of main cash book & errors are brought to notice of accountant.


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		accountant to rectify errors, if any.	
	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.	<p>During our prima facie inspection of expenditures under various schemes we have not come across any case of overpayment.</p> <p>General observations is as per annexure-13.</p>
	v.	He shall also verify that the expenditure is accordance with the guidelines, directives, acts and rules issued by Government of India/ State Government.	<p>Payment was made by the ULB after proper sanction of CMO.</p> <p>ULB is required to deduct 2% TDS on GST if payment against individual contract exceed Rs 250000 but same is not complied by ULB.</p> <p>Non Deduction of TDS on GST will lead to imposition of Penalty.</p> <p>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.</p>
	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.	<p>We have test check the expenditure under various scheme.</p> <p>During our verification we have not come across any case where financial & administrative sanction have not obtained.</p>
	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	Not Applicable.


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		of commissioner/CMO.	
	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.	ULB has not prepared the UC in respect of UIDSSMT, IDSMT & Individual toilet scheme hence we are unable to give our opinion on the same. Further ULB has not maintained any records/register regarding creation of Fixed Asset.
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 Comptroller and Auditor General of India (C&AG) had constituted a Task Force to recommend budget and accounting formats for ULBs. The Task Force in its report, inter alia, suggested formats for maintaining Books of Accounts. The Urban Administration and Development Department (UADD) published the Madhya Pradesh Municipal Accounts Manual (MPMAM) in July, 2007 adopting such formats Chaurai municipality is required to follow such 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 basis.
	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 annexed in Annexure-4 forming part of this report.
	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	During our verification we have observed that in some cases ULB is not recovering advances on timely basis. Further advances which are pending for recovery as on 31-3-2019 is annexed in annexure-9


 प्रमुख लेखाधिकारी
 नगर पालिका परिषद चौराय
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Audit Report of Chourai Nagar Palika Parishad District Chhindwara for FY 2018-19


		mentioned in audit report.	
	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. The ULB has not prepared any bank reconciliation statement during the F.Y.2018-19.
	v.	He shall be responsible for verifying the entries in the grant register. The receipts and payments of grants shall be duly verified from the entries in the cash book.	We have verified the entries of receipt of Grant from cash book but details of grant utilization (payment out of grant) for particular work for which grant is received is not updated in grant register. Grant Letter/statement issued by Directorate is not held in ULB, therefore we are unable to verify that whether the grant received & recorded in Grant register are related to that particular head.
	vi.	The auditor shall verify the fixed asset register form other records and discrepancies shall be brought to the notice of commissioner/CMO.	Fixed Asset register and dead stock register is not properly updated at ULB. Details of various register required to be maintained in accordance with prescribed format in MPMAM is as per annexure -05.
	vii.	The auditor shall reconcile the accounts of receipt and payments especially for project funds.	Receipt & payment Account is enclosed with report.
Audit of FDR.	i.	The auditor is responsible for audit of all Fixed deposits and term deposits.	As per Annexure-3
	ii.	It shall be ensured that proper records of FDR's are maintained and all renewals are timely done.	During the audit, it was observed that FDR's were not update regarding information mentioned below:- Rate of interest (In some cases) Rate of interest when fixed deposit renewed. Maturity amount of Fixed Deposit not specifically mentioned in register. Interest income on renewal and accrued interest

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नगर पालिका परिषद चौराई
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			income were not updated. Further one FDR of Rs 2 crore held with Yes Bank was converted into saving bank account.
	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.	Municipality has not made any enquires from banks to invest their funds. Since municipality has made investment on its own wish therefore we are unable to report cases where same are kept at lower rate than prevailing market rate. Further ULB has not made any enquiry from the bank regarding its Tax deduction in respect of interest earned on FDR.
	iv.	Interest earned on FDR/TDR shall be verified from entries in the cash book.	Interests accrued on FDR are not entered in the cash book only entries were made when the FDRs matured during the year.
Audit of tenders/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 in respect of same is annexed in annexure-8
	ii.	He shall check whether competitive tendering procedures are followed for all bids.	Refer Annexure-8
	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 record provided before us.
	iv.	The bank guarantees, if received in lieu of bid processing fee/ performance guarantee shall be verified from the issuing banks.	As informed to us, One bank guarantees in lieu of performance guarantees was received by the ULB. The ULB has not verified the BG from issuing Bank detail is as per Annexure-11.
	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.	ULB is required to verify the genuineness of BG from issuing Bank.


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

Audit of Grants and Loans.	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.	The abovementioned BG was expired and ULB had not taken any serious steps to extent the time period of BG. As the work is not yet complete the ULB is required to approach the contractor to extent the time period of BG.
	i.	The auditor is responsible for the audit of grants given by central government and its utilization.	During the F.Y.2018-19 ULB has not issued any utilization certificate except UC of PM Awas Yojana. Chourai municipal Council has received grant of Rs 0.62 crore under 14th Finance Commission from Central Government during FY 2018-19. Utilization certificate for the same is still pending to be issued. Grant statement/summary issued by Directorate is not held in ULB, therefore we are unable to verify that whether the grant received & recorded in Grant register are related to that particular head.
	ii.	He is responsible for audit of grants received from state government and its utilization.	The ULB has received various grants from state government and we have checked its utilization through Cash books maintained by the ULB. ULB is required to prepare Utilization Certificate (UCs) in respect of some specific grants but during our verification we have observed that ULB has not prepared UCs in respect of utilization of these grants.
	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.	As informed by the ULB officials no any loan was taken by Chourai Municipality During F.Y.18-19 and also no any previous outstanding loan rests with ULB.
	iv.	The auditor shall specifically point out any diversion of funds from capital receipts/grants/loans to	ULB has not prepared any utilization certificate, grant register was not properly updated, from where diversion of funds can be ascertained,

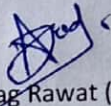
मुख्य नगर पालिका अधिकारी
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	revenue expenditure.	Further during our prima facie verification of records we have not come across any specific case of diversion of Fund. We are unable to give our opinion in case of Grants where Head (Mad) is unidentified because no any information rests with ULB that whether such grants are of capital or revenue nature.(During the FY-2018-19 Grant of Rs 41 lakh was received by ULB were head is unidentified)
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For Rahul & Co
Chartered Accountants

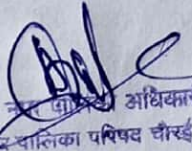

CA Anurag Rawat (Partner)
M No 409328



NAGAR PARISHAD CHAURAI

DATE :- 30/12/2019

PLACE :- Jabalpur


मुख्य नगर पालिका अधिकारी
नगर पालिका परिषद चौखंड
जिला-छिन्दवाड़ा (म.प्र.)

Audit Report of Chourai Nagar Palika 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	Efforts to collect revenue are not efficient.	Chaurai Municipality has still not achieved desired tax recovery efficiency, Rs 58.58 lakhs. of tax recovery was pending upto 31.03.2019	1. ULB is required to enhance its attempt to recover previous dues.
2.	Audit of Expenditure	1. Payments are made to vendors without deducting TDS on GST.	ULB is required to deduct 2% TDS on GST if payment against individual contract exceed Rs 250000 but same is not complied by ULB. Non Deduction of TDS on GST will lead to imposition of Penalty. 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. No penalty has been deducted on delayed work despite of contractor's default.	1. ULB is required to strictly observe the provisions of law while making expenditures.
3.	Audit of Book Keeping	1. Advances are not recovered on timely basis.	During our verification we have observed that in some cases ULB is not recovering advances on timely basis. Advance of Rs Two lakh is pending for recovery till Audit Date.	1. ULB is required to timely recover all the advances given to employees.

मुख्य निरीक्षक अधिकारी
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4.	Audit of FDR	Various Information regarding FDR are not updated by ULB.	During the audit, it was observed that FDR's were not update regarding information mentioned below:- Rate of interest (In some cases) Rate of interest when fixed deposit renewed. Maturity amount of Fixed Deposit not specifically mentioned in register. Interest income on renewal and accrued interest income were not updated.	ULB is required to properly maintain records regarding Fund invested and FDs matured during the year.
5.	Audit of Tenders/Bids	1) Cases of non extension of BG's.	One bank guarantee in lieu of performance guarantee was received by the ULB. 1) Central India Engineering Nagpur (Amounting Rs 35,66,000 HDFC Bank Gayatri ~Nagar Nagpur The abovementioned BG was expired.	ULB is required to instruct the contractor to extent the BG.
6.	Audit of Grants & Loans	Non preparation of Utilization Certificate (UCs) in respect of some specific grants.	The ULB has received various grants from state government and we have checked its utilization through Cash books maintained by the ULB. ULB is required to prepare Utilization Certificate (UCs) in respect of some specific grants but during our verification we have observed that ULB has not prepared UCs in respect of utilization of these grants.	ULB should prepare Utilization Certificates (UCs) so that authenticity in respect of grant Utilization can be established.
7.	Incidences relating to diversion of funds from Capital receipts/Grants/Loans to Revenue Nature Expenditure and from	Grant register was not updated, and also no separate records were prepared from where diversion of	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 should be maintained so that bifurcation of capital and

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

	one scheme/project to another	funds can be ascertained.	During the FY-2018-19 Grant of Rs 41 lakh was received by ULB were head is unidentified.	expenditure and also specific expenditure from grant fund can be ascertained.
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 =587.69%	Revenue Expenditure with respect to Revenue Receipts is too high	ULB should need to increase own revenue income sources.
	b) Percentage of Capital Expenditure with respect to Total Expenditure	Percentage of Capital Expenditure with respect to Total Expenditure= = 41.10% (Payment out of PMAY not considered for both calculation of Capital expenditure & Total Expenditure)	ULB is much depends upon Grant and compensation received from government.	ULB should need to increase own revenue income sources.
9	Whether all the temporary advances have been fully recovered or not	NO	During our verification we have observed that in some cases ULB is not recovering advances on timely basis. Advance of Rs Two lakh is pending for recovery till Audit Date.	ULB is required to timely recover all the advances given to employees.
10	Whether the bank reconciliation statement have been regularly prepared	Yes		ULB has not prepared bank reconciliation statement.

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

Annexure-1

Audit Of Revenue					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	454905	338342	(25.62)	Property tax recovery is showing decrising trend	ULB should take steps to recover its previous dues
2	Samekit kar	657740	407362	(38.07)		
3	Nagariya vikas upkar	170604	117304	(31.24)		
4	Shiksha upkar	232984	160170	(31.25)		
	Total	1516233	1023178	(32.52)		
	Non Revenue Taxes					
1	Building/Complex rent	596138	426180	(28.51)		
2	Water Charges	805040	612740	(23.89)		
3	Other Misc Taxes	4154355	3267542	(21.35)		
	Total	1401178	1038920	(25.85)		
	Grant Total	2917411	2062098	(29.32)		

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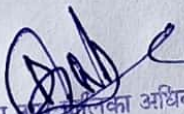
Annexure-2

Details of achievement 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	4,00,967	1,13,168	(287799)	28.22
2	Samekit kar	4,50,210	67,920	(382290)	15.09
3	Nagariya vikas upkar	1,43,781	38,364	(105417)	26.68
4	Shiksha upkar	1,67,949	37,520	(130429)	22.34
5	Water tax	10,81,920	1,76,280	(905640)	16.29
Total		22,44,827	4,33,252	-18,11,575	19.30

Taxes Arrears (Bakaya)

S.No	Type of Tax	Budgeted Yearly Target	Actual Recoveries (Including Arrears)	Excess/(Short)	Achivment s in %
1	Property Tax	8,17,558	2,25,174	-5,92,384	27.54
2	Samekit kar	15,35,660	3,39,425	-11,96,235	22.10
3	Nagariya vikas upkar	2,84,295	78,940	-2,05,355	27.77
4	Shiksha upkar	5,04,549	1,22,650	-3,81,899	24.31
5	Water tax	21,06,800	4,36,460	-16,70,340	20.72
Total		52,48,862	12,02,649	-40,46,213	22.91

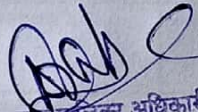

 मुख्य पालिका अधिकारी
 नगर पालिका परिषद चौरई
 जिला-छिन्दवाड़ा (म.प्र.)



Annexure-3

Details of FDRs Held By ULB during Financial year 2018-19							
S.No	FDR No	Bank	Deposit Date	Amount	Balance as on 1-4-2018	Balance as on 31-3-2019	Remark
1	09374010000001 4/1	Yes Bank	04/12/2017	20000000	21294554.57	22656983	converted to saving bank account no 093794600000404
2	4097	Jila Shakari Kendriya Bank Chindwara	16/12/2006	102316	16/12/2012	159796	Fixed Deposit receipts were not made available before us for verification
3	3076987235	CBI	02/08/2010	83337	22/07/2014	113347	Fixed Deposit receipts were not made available before us for verification

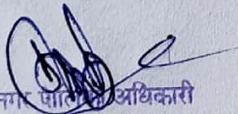
Note:- ULB has not taken any steps for renewal of FD no 2 & 3 as mentioned above and interest accrued on these FDs are not recorded in cash book since long.


मुख्य नगर पालिका अधिकारी
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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 advances to employees	Maintained	
6	Register of security deposits	Not Maintained	
7	Register of Earnest Money Deposits	Not Maintained	
8	Register of retention money	Not Maintained	
9	Investment Register	Not Maintained	As per MP MAM investment register will contain details concerning investment of fund in specific securities & details of investment matured during the year.


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Status of Maintenance of various Fixed Assets Register at Chourai 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 that no such list /register and details are prepared by ULB.
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	Not Maintained


 मुख्याधिकारी
 नगरपालिका परिषद चौराई
 जिला-सिन्धुखोला (म.प्र.)



Annexure-6

**Payments made by municipal corporation which are against provision of Municipality
Accounting Rules 1971**

S.No	Voucher No	Date	Amount	Remark
1	23	16-Apr	1500	Payment for independence day advertisement
2	24	16-Apr	1500	Payment for independence day advertisement
3	25	16-Apr	1500	Payment for independence day advertisement
4	26	16-Apr	1500	Payment for independence day advertisement
5	27	16-Apr	1500	Payment for independence day advertisement
6	28	16-Apr	1500	Payment for independence day advertisement
7	29	16-Apr	1500	Payment for independence day advertisement
8	30	16-Apr	1500	Payment for independence day advertisement
9	31	16-Apr	1500	Payment for independence day advertisement
10	32	16-Apr	1500	Payment for independence day advertisement
11	33	16-Apr	1500	Payment for independence day advertisement
12	34	16-Apr	1500	Payment for independence day advertisement
13	35	16-Apr	1500	Payment for independence day advertisement

[Signature]
मुख्य नगरपालिका अधिकारी
नगर पालिका परिषद चौखई
जिला-सिन्धुवाडा (म.प्र.)



Annexure-7

Irregularities observed during vouchers verification				
s.No	Voucher	Date	Amount	Remark
1	35	16/04/2018	1500	Payment made to Madhya khabar chhindwara but voucher not held in file.
2	85	08/05/2018	1500	Refund of SD to krishi sewa agency CHW but voucher not held in file.
3	86	08/05/2018	1500	Refund of sd to Naveen Traders but voucher not held in file.
4	87	08/05/2018	1500	Refund of sd to shri Ram kishan sewa but voucher not held in file.
5	77	08/05/2018	15000	Advance to employee not verified by President
6	212	00-07-18	96020	Service received on year 2014 payment made on year 2018
7	213	20/07/2018	140480	Service received on year 2014 payment made on year 2018
8	214	20/07/2018	6724	Vat Deducted from the invoice of supplier but not deposited with concerned government department


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Annexure-8

Inconsistency regarding Expenditures and tender under various scheme	
Work	UIDSSMT (Part-2) Intake Well, Raw water pipeline etc
Work order date	1155 dt 25/01/16
Contractor	Central India Engg Nagpur (Prop- Dilip Rathi)
Contract Amount	713.19 Lacs
<p>Comment- The work under the scheme is executed to provide potable water for the city, From the point of view of public interest scheme is very vital and requires special consideration for timely completion of the work.</p> <p>On our examination of the respective contract file we have noted that the time period allotted to contractor for the completion of work is 12 month from the work order date but the same work is not completed upto the date of Audit. Delay of more than 2 years in completion of work.</p> <p>Further according to Terms and conditions of the agreement the contractor is required to submit 5% Amount of the contract to the municipality as Performance guarantee in the form of Bank Guarantee or TDR. The performance guarantee is required to be valid for additional period of 5 years after the completion of work but same is expired and no any step is taken by the ULB to extend the validity of BG submitted by the contractor.</p> <p>Agreement between the contractor and Municipality was executed in the Stamp of Rs 1000 instead of .25% of contract amount maximum upto 25000.</p> <p>ULB is required to deduct 2% Gst from the bill of the contractor and deposit the same with th GST Department but the same is not complied with by the ULB which is the case of voilation of Gst Law it may lead to implication of penalty.</p>	
Work	Repairing of 60 HP 9 stage turbine pump
Work order date	865 dt 11-2-2014
Contractor	Deep Pump Industries
Amount	140480
<p>Comment- Repairing work in respect of which tender was opened in year-2013, Estimation and work order was made on 2014 and Invoice was received on 10-2-2014 and probably the services too was received on 2014 but payment for the above work was made on 20-7-2018.</p> <p>Due to significant lag of time between service received and payment made, we are not in position to give opinion on such payments.</p>	

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Annexure-9

List of Advances Pending for recovery				
S.NO	Date of Advance	Name of Employee	Amount of Advance taken	Advance pending for recovery till date of Audit
1	26/04/2017	Ganesh Pawar	10000	7000
2	16/05/2018	Vishnu dayal Yadav	40000	5000
3	11/12/2018	Vishnu dayal Yadav	30000	30000
4	26/02/2018	Nilesh Chaudhary	10000	3500
5	18/05/2018	Ganesh Pawar	10000	10000
6	18/05/2018	Aakash Pawar	10000	4000
7	13/06/2018	Nazeeb Khan	50000	50000
8	13/06/2018	Dilip Sharma	30000	30000
9	31/08/2018	Mohan Kushwaha	10000	10000
10	05/09/2018	Meena Pawar	10000	40000
11	06/03/2019	Anil Pawar	20000	20000
Total Advance Pending				209500

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Annexure-10

Details of Inoperative Bank Accounts

Sno.	Name Of Bank	Bank account no. New	Account type	Status of bank(operative/inop erative)	Scheme
1	Co Operative bank	653024041001'	Current	Inoperative	Nagar Panchayat Nidhi
2	State Bank of India	11273260046	Current	Inoperative	UIDSSMT
3	Jila shakari Bank	653024041056'	Current	Inoperative	Nagar Panchayat Nidhi
4	Central Bank of India	1920308896	Current	Inoperative	
5	INDIRA GANDHI PENSION	11273261288	Saving	Inoperative	Government Scheme
6	SARV SIKSHA		Saving	Inoperative	Government Scheme
7	SAMUDAIYAK SURAKSHA PENSION		Saving	Inoperative	Government Scheme
8	samajik suraksha pension	32047350294		Inoperative	Government Scheme
9	Pay Jal Parivahan	60035		Inoperative	

Annexure-11

Details of cases where BG is not verified with issuing Bank

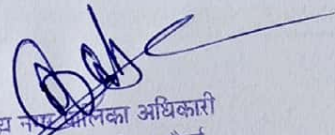
Sr No	Party	BG Amount	Issuing Bank
1	Central India Engineering Nagpur	3566000	HDFC Bank, Nagpur

मुख्य नगर पालिका अधिकारी
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जिला-छिन्दवाड़ा(म.प्र.)



Details of differences between revenue recovery figure between Revenue Section and accountant cash book


Taxes Current Year		FY 2018-19			FY 2017-18		
S.No	Type of Tax	Recovery as per Accountants Cash book	Recovery as per Revenue Department	Differnce	Recovery as per Accountants Cash book	Recovery as per Revenue Department	Differnce
1	Property Tax	3,31,532	3,38,342	-6,810	4,71,931	4,54,905	17,026
2	Samekit kar	4,32,635	4,07,362	25,273	6,47,749	6,57,740	-9,991
3	Nagariya vikas upkar	1,12,163	1,17,304	-5,141	1,69,100	1,70,604	-1,504
4	Shiksha upkar	1,60,655	1,60,170	485	2,34,867	2,32,984	1,883
5	Water tax	6,12,301	6,12,740	-439	8,08,912	8,05,040	3,872
Total		16,49,286	16,35,918	13,368	23,32,559	23,21,273	11,286


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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.
4	ULB Did not deposited statutory dues deducted from contractors bills to the respective government department


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 जिला-सिन्धुगढा (म.प्र.)



-:: कार्यालय नगर पालिका परिषद चौरई ::-

जिला-छिन्दवाड़ा (म.प्र.)

(cmochorai@mpurban.gov.in.) (फोन एवं फैक्स नम्बर-07166-222106)

कमांक/ **602** /लेखा शा./न.पा./2020
प्रति,

चौरई, दिनांक **13** /01/2020

संयुक्त संचालक महोदय, (वित्त)
संचालनालय नगरीय प्रशासन एवं विकास विभाग
शिवाजी नगर भोपाल

विषय :- नगरीय निकायों की वित्त वर्ष 2018-19 के लेखों की संपरीक्षा चार्टर्ड अकाउंटेंट से कराये जाने उपरांत आडिट रिपोर्ट प्रस्तुत करने बाबत।


सन्दर्भ :- कार्यालय संयुक्त संचालक, नगरीय प्रशासन एवं विकास जबलपुर, संभाग जबलपुर का पत्र कमांक/4842/संपरीक्षा/वित्त/2018-19/2019 जबलपुर दिनांक 26/12/2019 एवं पत्र कं./120/जबलपुर दिनांक 09/01/2020।

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महोदय,

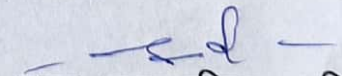
उपरोक्त विषयान्तर्गत एवं संदर्भित पत्र के परिपालन में नगरपालिका परिषद चौरई की वित्त वर्ष 2018-19 के लेखाओं की संपरीक्षा चार्टर्ड अकाउंटेंट से करायी जाकर दिनांक 11/01/2020 को प्राप्त संपरीक्षा प्रतिवेदन (आडिट रिपोर्ट) संलग्न कर श्रीमान की ओर सादर सम्प्रेषित हैं।

संलग्न :- आडिट रिपोर्ट वर्ष 2018-19


मुख्य नगरपालिका अधिकारी
नगर पालिका परिषद चौरई
जिला-छिन्दवाड़ा (म.प्र.)

पृष्ठांक./ /लेखा शा./न.पा./2020 चौरई, दिनांक /01/2020
प्रतिलिपि :-

1. संयुक्त संचालक महोदय, नगरीय प्रशासन एवं विकास जबलपुर की ओर सादर सूचनार्थ प्रेषित।


मुख्य नगरपालिका अधिकारी
नगर पालिका परिषद चौरई
जिला-छिन्दवाड़ा (म.प्र.)

-:: कार्यालय नगर पालिका परिषद चौरई ::-

जिला-छिन्दवाड़ा (म.प्र.)

(cmochorai@mpurban.gov.in.) (फोन एवं फैक्स नम्बर-07166-222106)

कमांक / /लेखा शा./न.पा./2020 चौरई, दिनांक /01/2020
प्रति,

संयुक्त संचालक महोदय, (वित्त)
संचालनालय नगरीय प्रशासन एवं विकास विभाग
शिवाजी नगर भोपाल

विषय :- नगरीय निकायों की वित्त वर्ष 2018-19 के लेखों की संपरीक्षा चार्टर्ड अकाउंटेंट से कराये जाने उपरांत आडिट रिपोर्ट प्रस्तुत करने बाबत।

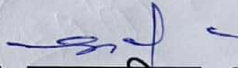
सन्दर्भ :- कार्यालय संयुक्त संचालक, नगरीय प्रशासन एवं विकास जबलपुर, संभाग जबलपुर का पत्र कमांक/4842/संपरीक्षा/वित्त/2018-19/2019 जबलपुर दिनांक 26/12/2019 एवं पत्र कं./120/जबलपुर दिनांक 09/01/2020।

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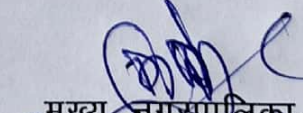
उपरोक्त विषयान्तर्गत एवं संदर्भित पत्र के परिपालन में नगरपालिका परिषद चौरई की वित्त वर्ष 2018-19 के लेखाओं की संपरीक्षा चार्टर्ड अकाउंटेंट से करायी जाकर दिनांक 11/01/2020 को प्राप्त संपरीक्षा प्रतिवेदन (आडिट रिपोर्ट) संलग्न कर श्रीमान की ओर सादर सम्प्रेषित हैं।

संलग्न :- आडिट रिपोर्ट वर्ष 2018-19


मुख्य नगरपालिका अधिकारी
नगर पालिका परिषद चौरई
जिला-छिन्दवाड़ा (म.प्र.)

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प्रतिलिपि :-

1. ✓ संयुक्त संचालक महोदय, नगरीय प्रशासन एवं विकास जबलपुर की ओर सादर सूचनार्थ प्रेषित।


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