

कार्यालय नगर परिषद् चाकघाट जिला-रीवा मध्यप्रदेश

E-mail ID : cmochakghat@mpurban.gov.in

क्रमांक / 96 / ऑडिट बजट / न.प. / जानकारी / 2021

चाकघाट, दिनांक 12.02.2021

प्रति ,

अपर आयुक्त
नगरीय प्रशासन एवं विकास
भोपाल (म.प्र.)

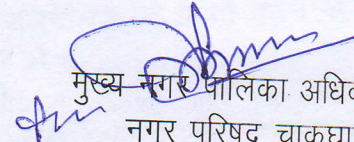
विषय :- नगरीय निकायों की सी.ए. ऑडिट रिपोर्ट वर्ष 2019-20 प्रेषित करने के संबंध में।
संदर्भ :- श्रीमान जी का पत्र क्र./ऑडिट बजट / शाखा-4 (क)/2693 भोपाल दिनांक 09.02.2021

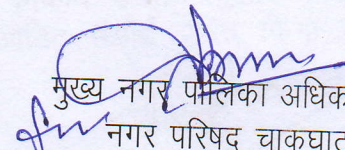
उपरोक्त विषयान्तर्गत लेख है कि निकाय के अर्थवर्ष 2019-20 का अंकेक्षण कार्य निर्देशानुसार सी.ए. द्वारा कराई गई है उक्त रिपोर्ट की प्रति संलग्न आवश्यक कार्यवाही बावत्।

संलग्न :- सी.ए. ऑडिट रिपोर्ट अर्थवर्ष 2019-20

पृ. क्रमांक / 97 / ऑडिट बजट / न.प. / जानकारी / 2020
प्रतिलिपि :-

1. संयुक्त संचालक नगरीय प्रशासन एवं विकास जिला रीवा म.प्र. की ओर सूचनार्थ एवं आवश्यक कार्यवाही बावत्।


मुख्य नगर पालिका अधिकारी
नगर परिषद् चाकघाट
जिला-रीवा (म0प्र0)
चाकघाट, दिनांक 12.02.2021


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नगर परिषद् चाकघाट
जिला-रीवा (म0प्र0)



PATIDAR & ASSOCIATES
CHARTERED ACCOUNTANTS

201-202/2021/22
CHAKGHAT NAGAR PARISHAD

INDEPENDENT

CHAKGHAT NAGAR PARISHAD
AUDIT REPORT F.Y. 2019-20

To the Stakeholders of NAGAR PARISHAD CHAKGHAT

1. Report on the Financial Statements

We have audited the accompanying financial statements of NAGAR PARISHAD CHAKGHAT ("the ULB"), which comprise the Receipt & Payment account as at March 31, 2020.

2. Management's Responsibility for the Financial Statements

The ULB's Management is responsible for the matters with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the ULB in accordance with the provisions of Municipal Corporation Act, 1956 and accounting principles generally accepted in India, including the Municipal Accounting Manual ("the Manual") and Accounting Standards applicable to the Urban Local Bodies. This responsibility also includes maintenance of adequate accounting records in accordance with the Municipal Accounting Manual for safeguarding of the assets of the ULB and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. However, in this case ULB is not in practice of maintaining balance sheet & Income and expenditure account, so receipt and payment account shall be considered as final statement on which we express our opinion.

AUDITOR:
PATIDAR & ASSOCIATES
CHARTERED ACCOUNTANTS

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

30/04/2020
CHAKGHAT NAGAR PARISHAD
CHAKGHAT





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INDEPENDENT AUDITOR'S REPORT

To the Stakeholders of NAGAR PARISHAD CHAKGHAT

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We have audited the accompanying financial statements of NAGAR PARISHAD CHAKGHAT ("the ULB"), which comprise the Receipt & Payment account as at March 31, 2020.

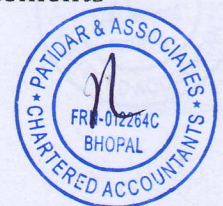
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नगर परिषद चाकघाट
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We have taken into account the Municipal Accounting Manual, the accounting and auditing standards and matters which are required to be included in the audit report as per the letter issued by Directorate, Urban Administration & Development, M.P., in this regard.

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.

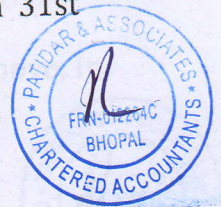
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud 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.

4. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the report attached below, the Receipt and payment 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, 2020.

मुख्य नगर पालिका अधिकारी
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5. Basis for Qualified Opinion

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

6. Emphasis of Matters

We draw attention to following matters reported in Annexure - 1, annexed to this report.

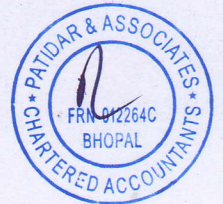
- Accounts prepared as per the Manual in lieu of accounting standards for local bodies as issued by Institute of Chartered Accountants of India.
- Difference in revenue recognized by revenue department and as entered in books of accounts.
- Non-availability of Fixed asset, Security deposit and other registers as prescribed under manual.
- Non-availability of details and non-recognition of entries in books of accounts related to security deposits provided by contractors and other service providers to the ULB.
- Non production of records related with EPF/ESIC.

Our opinion is not modified in respect of these matters.

7. We further report that:

- We have sought and, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by Municipal Accounting Manual have been kept by the ULB so far as appears from our examination of those books.
- Except for the matter described in the Basis for Qualified Opinion paragraph above, the Receipt and Payment Account comply with the Municipal Accounting Manual and Accounting Standards applicable to the Urban Local Bodies.
- The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the ULB.

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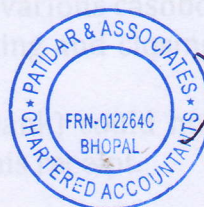
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- e) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the ULB and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 1'.

Date: 30/10/2020

UDIN:20418806AAAACE6577

For Patidar & Associates
Chartered Accountants



CA Neelesh Patidar
(Partner)
MRN - 418806

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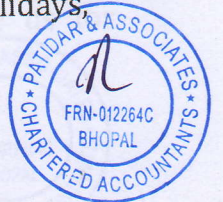
Annexure '1'

The Annexure 1 referred to in paragraph 6 of Our Report:

1. Audit of Revenue

- 1) The auditor is responsible for audit of revenue from various sources.
We have verified the revenue from various sources which was recognized and entered in the books of account produced before us for verification. However receipt of Rs. 2,01,18,181/- in receipt & payment account pertains to transfer entries dated 01/09/2019 from various cashbook to main cash book of the ULB. Balances of various cashbooks other than main cashbook were not considered in opening and closing balances of receipt & payment account.
Receipt of Rs. 56,45,404.07 (Amt Cr Bank) could not be verified as ULB was unable to explain exact source of this receipt.
- 2) He is also responsible to check the revenue receipts from the counter files of receipt book and verify that the money receipt is duly deposited in respective bank account.
The counter foils or revenue receipts were not made available to us for verification. It was informed to us that the revenue/tax collector/officer directly deposits the amount collected with main cashier at the cash counter, who in turn deposit this amount directly to the bank account. A register is being maintained by main cashier called cashier cash book from which collected amount move into main cash book. A detailed statement containing outstanding demand and tax collected during the year (Vasuli Patrak) was provided to us by the concerned department duly certified by the concerned officer.
- 3) Delay beyond 2 working days shall be immediately brought to the notice of commissioner/CMO.
No such instances were noticed during the test check of such entries conducted by us except the circumstances like public holidays, government or local holidays etc.

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- 4) The entries in Cash book shall be verified.
We have verified the entries in cash book on test check basis and on our verification we found some totalling error in the Cash Book.
- 5) The auditor shall specifically mention in the report the revenue recovery against the quarterly and monthly targets any lapses in revenue recovery shall be a part of the report.
No details with respect to quarterly and monthly targets set for the FY 2019-2020 and the revenue recovery against such targets was made available to us. Hence, it was not possible for us to report the revenue recovery against the quarterly and monthly targets and any lapses there to.
ULB has not provided details relating to long outstanding of revenues like property tax, water tax & shop rent. We suggest the ULB to prepare separate records for long dues, amount due till the end of the FY, legal procedures adopted to recover the same and current status of such proceedings. This will help the ULB to fill the lapses in revenue recovery.
- 6) The auditor shall verify the interest income from FDR's and verify that interest is duly and timely accounted for in cash book.
Records related to FDR were not produced before us for verification and hence we cannot comment on accounting of interest income.
- 7) The case where, the investments are made on lesser interest rates shall be brought to the notice of the Commissioner/CMO.
Documentary evidence related to FDR is not made available to us for verification and hence we cannot comment upon the same.
2. **Audit of Expenditure:**
- 1) The auditor is responsible for audit of expenditure under all the schemes.
We have verified the expenditure under various heads recognized by the ULB and as entered in the books of account produced before us for verification.

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

We have verified the entries in cash book on test check basis which were supported by relevant vouchers/note sheets. In doing so, some discrepancies were found. Details for the same are provided below:

- a. ULB has deposited TDS after its applicable due dates. This results into interest payment on delayed deposit.
- b. In addition, ULB has not timely filed TDS return during the F.Y. 2019-2020. There is a penal provision for delayed filing of TDS return, amounting to Rs. 200 per day (maximum of TDS amount) under section 234E of the Income Tax Act 1961. TDS return filing details are as follows:

S. No.	F Y	Quarter	Status of Filing
1	2019-2020	1 st Quarter	NIL
2	2019-2020	2 nd Quarter	NIL
3	2019-2020	3 rd Quarter	24/06/2020
4	2019-2020	4 th Quarter	NIL

- c. Records & details relating to deduction & payment of EPF/ESIC were not made available to us by the ULB. However it is explained to us that same was deposited on the applicable dates. Non deposit of such statutory dues results into major non-compliance with respect to application of PF Act which in turn might result into penalties under respective act.

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

The monthly balances of cash book were checked by us and except for some instances, we found it correct. However we noticed overwriting from pencil in all over cash book, which should be avoided.

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- 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.
Grant registers were not produced before us for verification and hence it is difficult to verify any instances relating to overutilization of funds.
- 5) He shall also verify that the expenditure is accordance with the guideline, directives, acts and rules issue by Government of India/ State Government. In absence of availability of guidelines, directives, acts and rules issued by Government of India/ State Government, it was not possible for us to verily the expenditures in accordance with such guidelines etc.
- 6) During the audit financial propriety shall also be checked. All the expenditure shall be supported by financial and administrative sanctions accorded by competent authority and shall be limited to the administrative and financial limits of the sanctioning authority.
We have verified the expenditure on test check basis and it was found that such expenditure were duly supported by financial and administrative sanctions accorded by competent authority. However, in absence of information with respect to administrative and financial limits of the sanctioning authority, it was not possible for us to verify whether the expenditure incurred and sanctioned by authority were within their limits or not.
- 7) All the cases where appropriate sanctions have not been obtained shall be reported and the compliance of audit observation shall be ensured be during the audit Non- compliance of audit para's shall be brought to the notice of Commissioner / CMO).
No such instances were noticed during the test check of entries.
- 8) The auditor shall be responsible for verification of scheme wise project wise Utilization Certificate (UCS). UC's shall be tallied with the income & expenditure and creation of Fixed Asset.
Utilisation certificates were not made available to us by the ULB and also in absence of fixed asset register and income and expenditure account it was not possible for us to verify the correctness and reliability of figures at

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which the fixed asset were created/recognized in the books of accounts.

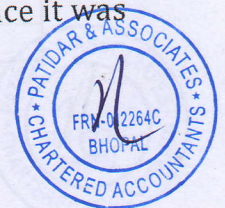
We are unable to verify the details of capitalization of expenditure since there is neither any proof available nor completion of work from respective department. Also no fixed assets register were made available to us by the ULB hence there is no cross check mechanism existing to ensure the completion of project except payment of final bill. It is suggested that a proper internal control system should be framed to identify the fixed asset and its recognition in fixed asset register and books of account of the ULB.

- 9) The auditor shall verify that all the temporary advances have been fully recovered.
Information relating to temporary advances were not provided to us for verification and hence same cannot be commented upon. As per explanation given to us no staff advance / Temporary advance is outstanding at year end.

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 by us, it was noticed by us that the ULB has not maintained all the required books of accounts as prescribed under MP MAM. Fixed Asset Registers, Store Registers, Security Register, and Grant Register were books which are not provided by the ULB for verification.
- 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, the books of accounts are not maintained as per Accounting Rules applicable to the Urban local Bodies, and hence it was not possible for us to verify the same.

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

Information relating to advances was not provided to us for verification and hence same cannot be commented upon. As per explanation given to us no amount of advance was outstanding at year end.

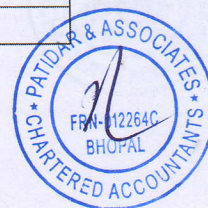
- 4) Bank reconciliation statement (BRS) shall be verified from the records of ULB and the bank concerned. If bank reconciliation Statement are prepared the auditor will help in the preparation of BRS

Bank reconciliation statement (BRS) is regularly prepared by ULB. Statements of all bank accounts maintained by the ULB were provided to us for the purpose of our verification. Bank and cash book balance reconcile with each other. Details of closing bank balance as per bank statement have been provided below for your kind reference.

Total cashbook closing balance stood at Rs. 2,67,90,387.80 and closing bank balance at Rs. 2,83,32,144.91. ULB has provided reconciliation difference between the two amounts. Overall summary of balances in bank statement is mentioned in table below:

Bank Account Balances-			
S NO	NAME	ACCOUNT NO.	31/03/2020
1	SBI	11279720098	55,92,494.93
2	SBI	11279747248	1,51,829.74
3	SBI	30434993218	2,48,840.00
4	SBI	3674532847	76,59,074.40
5	SBI	11279747237	16,92,178.45
6	SBI	11279747259	1,26,629.19
7	UNION BANK OF INDIA	390202010560883	84,710.02
8	UNION BANK OF INDIA	390202010009340	63,17,541.00
9	UNION BANK OF INDIA	390202010565980	2,48,270.71
10	UNION BANK OF INDIA	390202010562866	1,44,254.00
11	UNION BANK OF INDIA	39202010571423	1,522.00
12	UNION BANK OF INDIA	3902010570708	8,977.50

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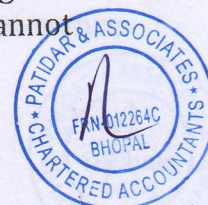
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13	UNION BANK OF INDIA	390202010569687	2,63,313.00
14	UNION BANK OF INDIA	39020201050604	4,086.00
15	UNION BANK OF INDIA	39020201050332	1,62,453.96
16	UNION BANK OF INDIA	3902010035096	2,31,031.26
17	UNION BANK OF INDIA	39020201008763	3,99,942.00
18	UNION BANK OF INDIA	390202010000211	24,12,376.75
19	UNION BANK OF INDIA	39020201054903	23,64,893.00
20	C B I REWA	1887804801	11,621.00
21	M B G B	8081638439	5,169.00
22	M B G B	8061641623	1,00,361.00
23	M B G B	8081639329	1,00,576.00
TOTAL			2,83,32,144.91

- 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 register was not provided to us for verification, so we cannot verify receipt and utilisation of grants with cash book.
- 6) The auditor shall verify the fixed assets register from other records and discrepancies shall be brought to the notices of Commissioner / CMO.
The fixed asset register were not provided to us. Therefore, we are unable to bring the discrepancies to the notice of Commissioner / CMO.
- 7) The auditor shall reconcile the account of receipt and payment especially for project funds.
Receipt and payment account related to project funds were not provided by the ULB. Hence, we cannot comment on the same.
4. **Audit of FDR**
- 1) The auditor is responsible for audit of all fixed deposits and term deposits. It is explained to us that ULB does not maintain any FDR during the year & consequently records were not provided to us. Hence we cannot comment on maintenance of FDR or Term deposits.

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- 2) It shall be ensured that proper record of FDR's are maintained and renewals are timely done.

It is explained to us that ULB does not maintain any FDR during the year & consequently records were not provided to us. Hence we cannot comment on timely renewals of FDR.

- 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 relevant document were not provided to us by ULB for verification, we cannot comment on the same.

- 4) Interest earned on FDR/TDR shall be verified from entries in the cash book.

It has been observed that no entries related to interest earned on FDR/TDR has been done in the cash book.

5. Audit of Tenders / Bids

- 1) The auditor is responsible for audit of all tenders / bids invited by the ULB.

Documents of tender/ bid has been provided for the purpose of verification and found to be consistent and according to generally accepted rules for the same.

- 2) He shall check whether competitive tendering procedures are followed for all bids.

Proper tendering procedures have been followed by the ULB. E tendering has been done for any procurement / allotments of Rs. 1,00,000/- or more. For value less than 1,00,000/- procurement / allotments are done based on quotations.

- 3) He shall verify the receipts of tender fee / bid processing fee / performance guarantee both during the construction and maintenance period.

GRANT RECEIVED (CHHINDI) 24.05.2012
YATRI KARI ANULAN

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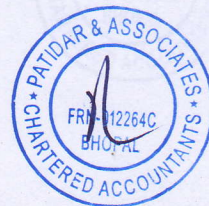
Tender Fees / bid processing fees were recorded in cash book in the month in which it is received. No security registers were provided to verify receipt / release of performance guarantee.

- 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 be given to ULB. No such bank guarantees were produced before us for verification. Therefore, it is not possible for us to comment on the conditions/extensions of BG.
- 7) The contract closure shall also be verified by the auditor. No contract closure documents were made available to us for verification.

6. Audit of Grants and Loans

- 1) The auditor is responsible for audit of grants given by Central Government and its utilization. As mentioned in Point No. 3 Grant Register were not provided by the ULB and also no details regarding opening or closing balances of the grant heads provided to us. Hence we cannot comment on the utilisation of grant and balance at the end of the year. However grant amount received during the year were provided which have been produced below:

GRANT RECIVED (CHHUGI)	84,05,789.00
YATRI KAR ANUDAN	2,59,000.00



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MUDRAN SHULK RECEIPT	2,06,000.00
RAJYA VITT AYOG	16,20,000.00
ROAD MAINTENANCE	5,22,000.00
MULBHUT SHUVIDHA	11,84,000.00
14TH FINANCE COMMISSION	26,87,000.00

- 2) He is responsible for audit of grants received from State Government and its utilization.

Grant register were not made available by the ULB. Therefore we cannot verify the Grants received from state government with the grant register and ensuring its proper utilization.

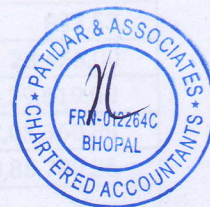
- 3) He shall perform audit of loans provided for physical infrastructure and its utilization. During his audit the auditor shall specifically comment on the revenue mechanism i.e. whether the asset created out of the loan has generated the desired revenue or not. He shall also comment on the possible reasons for non-generation of revenue.

Details regarding loan were not provided by the ULB and hence we cannot comment on the revenue mechanism i.e. whether the asset created out of the loan has generated the desired revenue or not.

- 4) The auditor shall specifically point out any diversion of funds from capital receipts/ grants/ banks to revenue expenditure.

As per the information made available to us, and as per our verification, instances of diversion of funds from one grant account to another have not been noticed. However, due to inherent limitation of internal controls over financial reporting possibilities of fund diversion cannot be ruled out completely.

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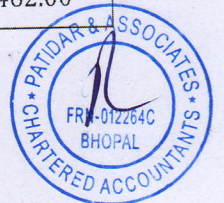


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NAGAR PARISAD CHAKGHAT DIST. REWA			
RECEIPT & PAYMENT ACCOUNTS FOR THE FINANCIAL YEAR 2019-20			
RECEIPT	AMOUNT	PAYMENT	AMOUNT
OPENING BALANCE (CASH BOOK)	1,20,76,587.10	SALARY & OTHER ALLOWANCES	1,20,37,889.00
WATER TAX - CURRENT	2,20,650.00	YATRA BHATTA	1,06,088.00
WATER TAX BAKAYA	1,60,787.00	JCB RENT	5,56,819.00
PROPERTY TAX - CURRENT	1,44,024.00	SECURITY DEPOSIT RETURN	20,072.00
PROPERTY TAX - BAKAYA	1,72,478.00	ELECTRICITY CHARGES	13,85,341.00
SAMEKIT KAR - CURRENT	81,960.00	NALI NIRMAN KA BHUGTAN	4,51,993.00
SAMETIK KAR - BAKAYA	1,42,866.00	SADAK NIRMAN & MARAMMAT	24,81,057.59
SHOP RENT - CURRENT	1,72,830.00	NIRMAN KARYA KA BHUGTAN	1,11,220.00
SHOP RENT BAKAYA	89,300.00	KOPARA (DUST) PURCHASE	4,21,536.58
AAVEDAN SHULK	1,771.00	POSTAGE, STAMP	500.00
DAINIK BAZAR VASULI	5,75,671.00	NEWS PAPER & PERIODICALS	6,682.00
TAP CONNECTION CHARGES	46,402.00	STATIONARY	91,005.00
RTI	696.00	G S T	3,29,830.00
WATER TANK RENT	7,130.00	MELA (NAGPANCHMI)	82,761.00
BUILDING PERMISSION CHARGES	17,599.00	ADVOCATE FEES	1,700.00
MISCELLANEOUS INCOME	6,493.00	COMPUTER EXP	33,707.00
TENDER FEES	17,000.00	PHOTOGRAPHY CHARGES	5,450.00
RATION CARD	6.00	VIVEDH VAYE	1,40,831.00
MANGAL BHAWAN RENT	840.00	NIRVACHAN	99,706.24
NAMANTRAN CHARGES	420.00	PIPE PURCHASE & FITTING WORK CHARGES	22,35,888.00
SHIKSHA UPKAR - CURRENT	232.00	ELECT. MATERIAL	4,71,124.00
NAGAR VIKAS SHULK	159.00	CLEANING MATERIAL PURCHASE	19,85,258.00
		TENT EXPENSES	44,400.00
GRANT		FLEX	1,48,906.00
GRANT RECIVED (CHHUNGI)	84,05,789.00	BANK CHARGES	837.53
YATRI KAR ANUDAN	2,59,000.00	INSURANCE TRACTOR	23,455.00
MUDRANK SHULK RECEIPT	2,06,000.00	REPAIR & MAINTENANCE	4,29,619.00
RAJYA VITT AYO	16,20,000.00	FUEL EXPENSES (P O I L)	2,05,360.89
ROAD MAINTENANCE	5,22,000.00	SWACHTA MISSION	8,85,780.36
MULBHOOT SHUVIDHA	11,84,000.00	JAL AVERDHAN YOJANA NIRMAN KA BHUGTAN	8,19,462.00

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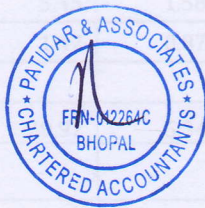


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14TH FINANCE COMMISSION	26,87,000.00	HUDCO LOAN REPAYMENT	8,67,137.00
SECURITY DEPOSIT	16,600.00	TENDER ONLINE FEES	75,100.00
AMT CR BANK	56,45,404.07	ADVERTISMENT EXPENSES	44,296.00
CBF Pag no138 Date 1/9/19 New Bank A/c	2,01,18,181.00	GST FILLING FEE	1,70,360.18
		GENERATOR RENT	52,500.00
		VEHICLE RENT	1,15,680.00
		MUNADI EXP	12,600.00
		T D S	5,90,373.00
		E P F FEE	10,050.00
		ALMIRAH & BOX	52,992.00
		WATER HARVESTING	39,160.00
		OFFICE EQUIPMENT	60,510.00
		ALAV KA BHUGTAN	54,450.00
		ADVANCE	50,000.00
		CLOSING BALANCE (CASH BOOK)	2,67,90,387.80
TOTAL	5,45,99,875.17	TOTAL	5,45,99,875.17

ACCOUNTS OFFICER



CMO, NAGAR PARISHAD CHAKGHAT

Date: 30/10/20

मुख्य नगर पंचायत अधिकारी
नगर पंचायत चक्रघाट
जिला रीवा (म.प्र.)

For Patidar & Associates
Chartered Accountants



Neelesh Patidar
Partner
MRN - 418806



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Other Observations
Non recovery of taxes

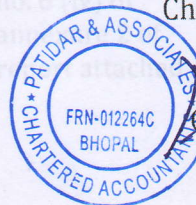
Urban Local Bodies (ULB) earn revenue from their own resources through taxes, rent, fees, issue of licenses etc. In test checked Nagar Parishad as of 31 March 2020 a sum of Rs. 32.81 lakhs (as shown in **Table Below**) plus Interest & Penalties were outstanding against the taxpayers, although the ULBs 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.

Rs In Lakh							
Type of Tax	Due amount recoverable on 01/04/2019	Received From Previous Dues	Un-Recovered Due for More than a Year	Current Due	Current Received	Un-Recovered due of Current Year	Total un-recovered amount
SampattiKar	8.85	1.56	7.29	4.17	1.4	2.77	10.06
SamekitKar	11.92	1.33	10.59	2.84	0.83	2.01	12.6
Shikshaupkar	0.33	0	0.33	0.1	0.0024	0.0976	0.4276
NagariyaVikasUpkar	2	0	2	0.17	0.0024	0.1676	2.1676
Jalkar	5.45	1.58	3.87	4.8	2.74	2.06	5.93
Bhaven bhumi rent	1.42	0.87	0.55	2.46	1.38	1.08	1.63
Total	29.97	5.34	24.63	14.54	6.3548	8.1852	32.8152
Total Un-Recovered amount							32.81

Date: 30/10/2020

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नगर पारिषद राकसद
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For Patidar & Associates
Chartered Accountants



CA Neelesh Patidar
Partner
MRN - 418806

Reporting on Audit Paras for Financial Year 2019-20

Name of ULB:

Chakghat Nagar Parishad

Name of Auditor:

Patidar & Associates, Chartered Accountants

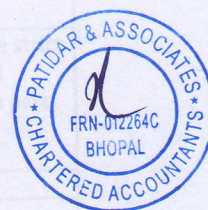
S. no	Parameters	Description	Observation in brief	Suggestions
2	Audit of Expenditure:	Verification of Expenditures are as per guidelines, directives, and rules under all schemes and entries of expenditures in cash book, Diversion of Funds, financial propriety of expenditures, scheme project wise utilisation certificate.	Observations were listed in brief in point no. 2 of annexure 2 of audit report attached	Vouchers should be adequately supported with proper documents. TDS should be correctly deducted and deposited on time.
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	FDR Renewal details should be kept appropriately.
5	Audit of Tenders and Bids	Verify Tenders/Bids invited by ULB and competitive tendering procedures followed	Observations were listed in brief in point no. 5 of annexure 2 of audit report attached	Procedure for Tenders opening and Performance review should be carefully monitored.
6	Audit of Grants & Loans	Verification of Grant received from Government and its utilisation	Observations were listed in brief in point no. 6 of annexure 2 of audit report attached	Grant register should be updated and balanced regularly with its Utilization Certificate.
7	Verify whether any diversion of funds from capital receipt /grants /Loans to revenue expenditure and from one scheme /project to another.		Observations related to diversion of funds has been pointed out in point no. 6 (iv) of annexure 2 of report attached	
8	a) Percentage of revenue expenditur	1041.66% (1,93,67,876.20/18,59,314) x 100		

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	e (Establishment, salary, Operation & Maintenance) with respect to revenue receipts (Tax & Non Tax).				
	b) Percentage of Capital expenditure wrt Total expenditure.	23.63%			
		$(65,74,149.17/2,78,09,487.37) \times 100$			
9	Whether all the temporary advances have been fully recovered or not.			Cases of outstanding advances have been outlined in point no. 2 (9) of report attached.	ULB should impose strict action to collect such amount or make necessary adjustment after prior approval of relevant authority.
10	Whether bank reconciliation statements is being regularly prepared			BRS prepared by the ULB	NA.

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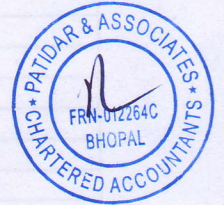
Name of ULB
Name of Auditor

Nagar Parishad Chakghat DIST. REWA
Patidar & Associates

Annexure C
Amount in Lakhs

S.no	Parameters	Description		% of growth	Observation in brief	Suggestions
	Audit of Revenue	Receipt in (Rs.)				
	Rajaswa Kar waso	2018-2019	2019-2020			
1	Sampatti Kar	3.33	2.96	-11.11	Collections w.r.t. Total dues is around 22.73% 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.
2	Samekit Kar	3.59	2.16	-39.83	Collections w.r.t. Total dues is around 14.63% 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	Nagriya Vikas Upk	0.00	0.00	NA	Collections w.r.t. Total dues is around 0.11% which is poor. Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
4	Shiksha upkar	0.00	0.00	71.43	Collections w.r.t. Total dues is around 0.55% which is poor. Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
	Total	6.92	5.12			
	Gair-Rajaswa wasooli					
5	Bhawan Bhoomi Kiraya	2.43	2.25	-7.41	Collections w.r.t. Total dues is around 57.98% which is average. Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
6	Jal Upbhokta Prabh	3.93	4.32	9.92	Collections w.r.t. Total dues is around 42.14% 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	6.36	6.57			
	Grand Total	13.28	11.69			

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Bank Reconciliation Statement

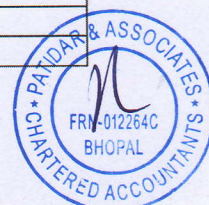
As on 31-March-2020

Main Cash Book

Nagar Parishad Chakghat Dist. Rewa

Balance as Per Cash Book 31/03/2020				2,67,90,387.80
Add:-Amount Dr in Cash Book Not in Bank				
	PARTICULAR		AMOUNT	
	Tds Katoti	CBF-170	52,888.00	
		CBF-164	29,410.00	
	Brajesh Singh (392056-361995)	CBF-167	30,061.00	
		CBF-152	14,266.69	
		CBF-158	13,492.00	
	Amt not dr bank	cbf-198	5,44,800.00	
	Totalling mistake	cbf-183	3,300.00	
	Totalling mistake	cbf-187	9,439.00	
	Totalling mistake	cbf-197	4,945.00	
	Totalling mistake	cbf-215	1,605.00	
	Totalling mistake	cbf-272	46,999.34	
	Totalling mistake	cbf-273	80.00	
	Totalling mistake		2,30,444.12	
13/03/2020	Totalling mistake	CBF-46	11,850.00	
Add:-Amount Cr in Bank Book Not in Cash Book				
	PARTICULAR		AMOUNT	
	o bal	ubi-211	255.00	
09-12-2019		ubi-211	4,744.00	
		cbf 172	200.00	
	Interest	ubi-8763	3,330.00	
10-03-2019	Interest	ubi-423	154.00	
		ubi-883	705.00	
		ubi-211	9,043.00	
		ubi-980	2,067.00	
17/12/19	amt cr bank 3425 c me 3415	ubi-211	10.00	
01-03-2020	Interest	ubi-8763	3,249.00	
01-03-2020	Interest	ubi-5980	2,017.00	
01-03-2020	Interest	ubi-883	688.00	
	Interest	ubi-340	58,469.00	
	Interest	UBI-866	1,201.00	
	Interest	UBI-708	75.50	
01-05-2020	Interest	UBI-708	73.00	
	Interest	UBI-2192	2,192.00	
	Interest	UBI-604	34.00	
01-03-2020	Interest	UBI-604	33.00	
	Interest	MBGB-329	865.00	
31/12/2019	Interest		872.00	
28/03/2020	Interest		842.00	
31/03/2020	AMT CR	UBI-423	1,000.00	
04-06-2019	AMT CR	SBI-847	21,286.00	
06-01-2019	AMT CR	SBI-847	2,400.00	
17/9/19	AMT CR	SBI-847	8,00,000.00	
26/9/19	AMT CR	SBI-847	13,00,000.00	
26/9/19	AMT CR	SBI-847	50,000.00	
26/9/19	AMT CR	SBI-847	62,00,000.00	
25/9/2019	Interest	SBI-7259	1,027.00	
25/12/2019	Interest	SBI-7259	932.00	

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25/3/2020	Interest	SBI-7259	1,112.00	
25/9/2019	Interest	SBI-7248	1,214.00	
25/12/2019	Interest	SBI-7248	1,118.00	
25/3/2020	Interest	SBI-7248	1,298.00	
25/9/2019	Interest	SBI- 7237	12,618.00	
25/12/2019	Interest	SBI- 7237	12,468.00	
25/3/2020	Interest	SBI- 7237	12,705.00	
	Interest	UBI-903	44,408.00	
10-03-2019	Interest	UBI-903	10,925.00	
22/11/2019		UBI-903	10,49,000.00	
01-05-2020	Interest	UBI-903	14,397.00	1,06,22,606.65
Less:- Withdrawn From Bank but not in cashbook				
PARTICULAR			AMOUNT	
15/9/2019	Bank Charges	UBI- 5096	-15.39	
15/12/2019	Bank Charges	UBI- 5096	-15.39	
15/03/2020	Bank Charges	UBI- 5096	-15.39	
		UBI-423	-17,848.00	
		UBI-423	-7,421.00	
17/9/19		SBI-847	-45,00,000.00	
26/9/19		SBI-847	-34,50,000.00	
28/11/19		SBI-847	-5,50,000.00	
03-01-2020		SBI-847	-5,00,000.00	
14/01/2020		sbi-98	-36,472.00	
01-09-2020	bank charges	ubi-211	-30.79	
15/03/2020	bank charges	ubi-980	-15.39	
16/12/2019	bank charges	sbi-98	-128.00	
		cbf-203	-2,677.00	
20/11/19	dashrat prasad	sbi-98	-2,385.00	
	Differance	cbf-164	-5,809.90	
	bank charges	ubi-980	-15.39	
	o bal	cbf-181	-0.90	
27/12/2019	total mistake	cbf271	-8,000.00	-90,80,849.54
Balance as per Bank 31/03/2020				2,83,32,144.91

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नगर परिषद् वाकवाट
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AUDITOR:
PATIDAR & ASSOCIATES
CHARTERED ACCOUNTANTS