

MUNICIPAL COUNCIL CHHAPIHEDA

AUDIT REPORT- 2019-20



Pramod K. Sharma & Co.
Chartered Accountant



PRAMOD K. SHARMA & CO.

Chartered Accountant

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AUDIT REPORT

We have examined the Receipts & Payments Account of **MUNICIPAL COUNCIL CHHAPIHEDA, DISTRICT RAJGARH (M.P)** for the year ended 31st March 2020, which are in agreement with the books of account maintained by the said Municipal council. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit. In our opinion, proper books of account have been kept by the above said concern so far as appears from our examination of books, subject to the comments given below:

1. These financial statements are the responsibility of the management of the concern. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Our audit includes examining on test basis, evidence supporting the amounts and disclosed in the financial statements. Our audit also assigns the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement.
3. In our opinion and to the best of our information and according to explanations given to us, they said accounts give a true and fair view in respect of Receipt & Payment Account for the year ending as on 31st March 2020.

Date:-

Place:-Bhopal

For PRAMOD K. SHARMA & CO.

CHARTERED ACCOUNTANTS



Pramod K Sharma
(Partner)

Mem. No. : 076883

UDIN:- 20076883AAAAHF2382

Branches : Rudrapur, Jalandhar, Saharanpur, Indore, Gwalior, Shahdol, Delhi, Panchkula and Kullu (H.P.)

MUNICIPAL COUNCIL CHHAPIHEDA

AUDIT OBSERVATIONS

Audit of Revenue

- We have audited the resources of revenue on the sample basis.
- Yes, we checked some Revenue receipts from the counter file of Receipt Book and verified that the money received is also deposited in respective Bank Account.
- CMO gives 2 Working days for the Deposition of Money to the Bank but at the time of auditing we found that there is no delay in the Revenue Receipt and also deposited to the Bank time to time.
- Cash Book has been verified with Receipts and payments vouchers & ROKARIYA receipts cash book.
- No, we have not seemed any Investment on lesser interest rate.

Audit of Expenditures

- We covered the Expenditures on the sample basis during the process of Audit.
- While checking Accountant Cash Book and vouchers provided us, the bills and vouchers are correct according to books. Some irregularities were found during the audit of vouchers are as follow-
 - During the audit of vouchers it was found that Mr. Mukesh Kumar Soni has received the total amount of Rs. 23220/- as travelling allowance by presenting travel payables. We examined the travelling payables

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and found that Mr. Mukesh Kumar Soni is posted as Community Organizer on the basis of monthly salary and he has not mentioned the travelling time on the payables so he is not eligible to receive the daily allowance. The detail of travelling payables is as follow-

Sr. no.	Voucher no. & Date	Paid Amount	Period	Amount paid as daily allowance	Amount realisable because of ineligibility to receive
1.	24/26.04.19	2,460/-	01.11.18 to 30.11.18	980/-	980/-
2	25/26.04.19	2,280/-	03.01.19 to 25.01.19	840/-	840/-
3	26/26.04.19	2,470/-	01.12.18 to 29.12.18	910/-	910/-
4	104/18.06.19	4,970/-	01.02.19 to 30.03.19	1,820/-	1,820/-
5	206/26.08.19	5,320/-	02.05.19 to 29.06.19	1,960/-	1,960/-
6	270/30.10.19	5,720/-	-	1,960/-	1,960/-
Total		23,220/-		8,470/-	8,470/-

- During the audit of construction work files it was found that council has obtained technical sanction from Executive Engineer, PWD, Rajgarh while as per Municipal Council Act and rules, Public works department is not authorized for sanctioning the works within the municipal council limit.
- We verified that Expenditures of Particular schemes were not over Budget and expended according to guidelines, directives, acts and rules issued by Government of India/ State Government.

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- All the Expenses were under financial propriety and the Expenditure was according to the financial and administrative sanction accorded by the competent authority.
- In our view, no such cases occurred in which appropriate sanction has not been taken, hence there is no need to report the instances to CMO.

As per the ULB guideline, if the Fire Brigade going outside of Municipal area, there is some decided amount which has to be paid by the other MC is not taken by the ULB.

Audit of Book Keeping

- We couldn't check all the books of accounts which were maintained by the Municipal Council.
- Except Cash book, many registers/records have not been maintained properly. Some observations in respect of records of ULB are as follows -

Accounts Department

Audit observations are as follow -

- Cashbook was found without storekeeper stamp and signature.
- FDR register was not maintained.
- Income and Expenditure ledgers were not maintained.

Store Department

- Since last year's store records were not available so we are unable to comment upon the opening balances of the materials.
- Store keeper's stamp was not affixed on the store registers.
- Fixed Assets Register was not found.



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- Demand letters were not obtained for issuing the materials from store.

Revenue Department

- The collection books (Vasooli Katte) were not submitted back to the store according to the store records.
- As per our observation, the daily revenue collection was deposited timely into the bank.
- We have not been provided all the revenue records so we are unable to comment upon all the revenue sources.

Sanitation Department

- During the audit, the records of usage of materials, chemicals issued from store department, were not found.
- Logbooks were not found for audit.
- Vehicle repairing register and light repairing register were not found.

Since no records found during the audit, so we are unable to express our opinion about sanitation department.

Water Supply Department

- Proper separate records for repairing of motor pumps, hand pumps, pipe lines, were not maintained by the council.

Establishment Department

- Charge list or register was not maintained by the ULB.
- Dispatch Register was not found.

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PWD Department

- Construction Register was not maintained by the ULB.
- Work files were not provided during the audit. Though during the audit of note sheets attached with the vouchers, we found that proper work process was followed by the ULB.

Audit of FDR

- While Auditing, we found that there were some FDRs made by the ULB.
- NO FDRs/TDRs are kept at low rate of interest than the prevailing rate of interest.

Name of Bank	FDR /Account no.	Deposit Date	Deposit amount
Narmada Jhabua Gramin Bank	004089	28.Sept.2018	77,59,000/-

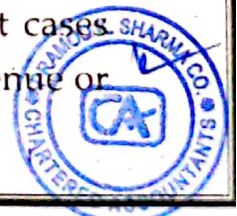
Audit of Tenders

- During the audit we have not been provided any tender file. However, on the basis of examination of note sheets attached to the vouchers, we found some irregularities and have been shown at respective place in this audit report.
- No Bank guarantee has been received.

Audit of Grants & Loans

- We examined all the grants received from the State government and some of their utilization.
- During the Audit, we found that some grants are like mixed nature i.e. Capital & revenue nature therefore in that cases we can't bifurcate how much portion belongs to revenue or

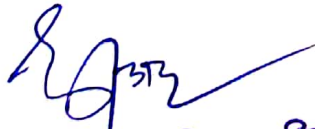
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capital except that all grants have been used for the purpose for which grants have received.

- During the audit of grants it was found that Government has made available amount to the Council for past schemes but the schemes have been completely discontinued by the government. We examined the grant register, bank statements or pass books and we found that schemes balances were available in the bank accounts. At the end of the year 31.03.2020 the amount balances of schemes are as follow-

Sr. no.	Account no.	Bank Name	Name of Scheme	Balance Amount
1.	996010110000734	Bank of India	Samajik Suraksha Pension	767240
2.	31537632887	NJGB	Swarna Jayanti	560742
3.	30315643512	State Bank of India	Sarva Siksha Abhiyan	437599
4.	63036478046	State Bank of India	BRGF	1216559


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For PRAMOD K. SHARMA & CO.
Chartered Accountant



Pramod Kumar Sharma
(Partner)

MUNICIPAL COUNCIL CHHAPIHEDA

RECEIPTS & PAYMENTS ACCOUNT

FOR THE PERIOD FROM 1 APRIL 2019 TO 31 MARCH 2020

RECEIPTS	AMOUNT	PAYMENTS	AMOUNT
Opening Balance		Establishment Expenses	1,23,95,765
Cash in Hand		Salaries, Wages and Bonus Benefits and Allowances(वेतन)	80,87,367
Cash in Bank	1,52,00,941	Wages-Temporary Staff(मजदूरी)	29,24,270
		EPF-Employee(भविष्य निधि)	50,116
Tax Revenue		Contributory-Family Pension	96,788
Property Tax-Building- (सम्पत्ते कर चालू)	3,62,326	Uniform Expenses(वर्दी)	99,911
Receivable Property Tax-Current Year (सम्पत्ति कर बकाया)	1,76,940	Arrears Salary(बकाया)	7,67,180
		Medical Allowance(दवाई भत्ता)	58,088
Samekit Kar-Consolidated (समेकित कर चालू)	75,258	Travelling Allowance	30,045
Receivable Samekit Kar (समेकित कर बकाया)	1,43,770	Remuneration & Fee-Mayor-in-Council	2,82,000
Un-metered Water Supply - (जल कर)	8,32,620		
Receivable Water Tax (जल कर बकाया)	2,39,205	Administrative Expenses	20,93,556
Education Cess (शिक्षा उपकार)	1,22,000	Printing and Stationery(मुद्रकन)	1,12,310
Receivable Education Cess (शिक्षा उपकार बकाया)	51,756	Photo Copy(फोटोकॉपी)	13,150
Urban Development Cess (नगरीय विकास उपकार)	1,29,296	Advertisement and Publicity	
Receivable Urban Development(नगरीय विकास उपकार - बकाया)	51,244	Advertisement Expense(विज्ञापन)	4,11,517
		Events & Cultural Activities Exp.(सांस्कृतिक कार्यक्रम)	2,54,485
Assigned Revenues & Compensation		Professional and Other Fees	
Compensation in lieu of Export Tax	1,25,000	Legal Fees(कानूनी व्य)	66,424
Compensation in lieu of Stamp Duties	1,27,000	Consultancy Fee & Charge(सलाकार शुल्क)	59,000
Compensation in lieu of Octroi (चुंगी)	59,15,982	Audit Fees	
		Audit Fee- Internal for External Agencies(ऑडिट)	1,18,544
Rental Income from Municipal Properties		Communication Expenses	
Rent from Shops (दुकान किराया चालू)	3,01,407	Web,Internet Expense(इंटरनेट)	9,258
Rent from Shops (दुकान किराया बकाया)	3,08,212	DSC (डिजिटल सिग्नचर)	13,288
Market Fees (माकिट)	4,50,000	Web-site	1,01,136
		Own Programme	
Fees & Charges		Election Expense	36,360
User Charges-Pay & Use Toilets	1,05,080	Misc. Expense	5,58,803
User Charge-Fire Extinguishing (फायर वाहन)	1,000	Other	2,43,936
User Charges -Septic Tank Cleanning	6,000	Programmes-Others	95,345
Charges (सेप्टिक टैंक सफाई)	3,540		
Fee- Application (आवेदन शुल्क)	14,352	Operations & Maintenance	24,53,734
Entry Fees	1,85,000	Power & Fuel(पेट्रोल)	12,35,639
Fees for Certificate / Extract (प्रमाण पत्र)	2,825	Electricity supply/Streat Lights(बिजली बिल)	7,30,443
Sale-Ration Card & Other forms (राशन कार्ड)	350	Hire Charges-Machine(मशीन किराया)	1,84,551
Fees - Marriage Registration (विवाह पंजीयन)	60	Vehicle Insurance/Registration (वाहन	44,817
License Fee-Others	2,200	Hire Charges-Vehicle(वाहन किराया)	2,58,284
Mutation Fee (म्यूटेशन फीस)	1,62,959		
Connection Charges-Water Supply (नल कनेक्शन चार्ज)	31,700	Water Supply Department	5,62,427
Other Fees/Charge	1,760	Water Supply Material(जल प्रदाय सामग्री)	3,12,054
		Water Ways - Other	2,50,373
Grants, Contributions & Subsidies			
Grants for Central Govt.		Electricity Department	16,25,493
Grant Gol- PMAY (प्रधानमंत्री आवास योजना)	17,10,000	Electricity Material (विद्युत सामग्री)	15,95,753
Grant Gol- 14th Finance (१४ वित्त आयोग)	42,30,000	Other	29,740
Grant- Gol-Swach bharat Mission	11,77,300		
		Bulk Purchases/Store/Sanitation Department	21,45,551

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Grants for State Govt.			Bulk Purchase-Sanitation/Conservancy	19,56,083	
Grant GoMP- Moolbhut Suvidha (मूलभूत सुविधा)	18,93,000		Material(संनिदेशन सामग्री)	1,89,468	
Grant GoMP- State Finance Comm. (राज्य वित्त आयोग)	11,13,000		Other		13,20,257
Grant GoMP- Sadak Marammat (सड़क मरम्मत)	5,51,000		Maintenance Work :-		
Grant GoMP- Sambal Yojna (संबल योजना)	8,80,000		Repair & Maintenance -Work		
Other Grants (अन्य अनुदान)	1,06,85,278		Repair & Maintenance - Moter Pump	1,88,192	
			Repair & Maintenance - Vehicles	60,888	
Deposit Received		22,750	Repair & Maintenance-Concrete Road	1,40,904	
Earnest Money Deposit	22,750		Repair & Maintenance-Cultural Hall	7,710	
			Repair & Maintenance- Public Toilet	27,057	
Income from Investments		5,05,649	Repair & Maintenance-Handpump	57,070	
Interest-Saving Account	5,05,649		Repair & Maintenance-Borewell	2,47,056	
			Repair & Maintenance-Park	1,32,363	
Other Income		1,16,25,874	Repair & Maintenance-Office Building	71,844	
Penalty	3,450		Repair & Maintenance - Other	3,87,173	
Sale of Books	248		Construction Work :-		25,25,046
Tender Form	1,65,250		Building-Public Toilet	48,020	
Cheque Reurn	1,10,93,144		Borewell	34,259	
Other Income	3,63,782		Waterways-Over Head Tank	1,92,054	
			Sewerage and Drainage-Drain-Open	4,09,686	
			Roads & Bridges-Concrete Road	11,03,867	
			Other Construction	7,37,160	
			Fixed Assets		7,13,724
			Furniture & Fixture-Other	9,500	
			Dustbins	3,50,420	
			Motor	1,51,552	
			Vehicles		
			Fogging Machine	43,254	
			Water Tanker	97,510	
			Office & Other Equipments		
			Computer	61,488	
			Interest & Finance Charges		4,713
			Bank Charges	4,713	
			Revenue Grants, Contributions & Subsidies (Other)	1,35,486	54,49,618
			Scheme Expenses		
			Sambal Yojna	17,00,000	
			Payjal Parivahan	20,99,212	
			PM Aawas Yojna (PMAY भुगतान)	14,28,600	
			Indv. Toilet (SBM)	36,320	
			Anughar Sahayata (अनुग्रह सहायता)	50,000	
			Taxes & Duties	14,26,147	14,26,147
			Deposit Return (EMD)	1,05,000	1,05,000
			Other Adjustment	1,05,11,490	1,05,11,490
			Closing Balance		1,61,91,113
			Cash in Hand		
			Cash in Bank	1,61,91,113	
	5,95,23,634	5,95,23,634		5,95,23,634	5,95,23,634

FOR PRAMOD K. SHARMA & CO.
Chartered Accountant

Date :
Place :

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नगर परिषद छपीहड़ा जिला राजगढ़



MUNICIPAL COUNCIL CHHAPIHEDA

INCOME & EXPENDITURE ACCOUNT

FOR THE PERIOD FROM 1 APRIL 2019 TO 31 MARCH 2020

EXPENDITURE		AMOUNT	INCOME		AMOUNT
Establishment Expenses		1,23,95,765	Opening Balance		1,52,00,941
Salaries, Wages and Bonus Benefits and Allowances(वेतन)	80,87,367		Cash in Hand		
Wages-Temporary Staff(मजदूरी)	29,24,270		Cash in Bank	1,52,00,941	
EPF-Employee(भविष्य निधि)	50,116				
Contributory-Family Pension	96,788		Tax Revenue		21,84,415
Uniform Expenses(बेदा)	99,911		Property Tax-Building- (सम्पत्ति कर चालू)	3,62,326	
Arrears Salary(बकाया)	7,67,180		Receivable Property Tax-Current Year (सम्पत्ति कर बकाया)	1,76,940	
Medical Allowance(दवाई भत्ता)	58,088		Samekit Kar-Consolidated (समेकित कर चालू)	75,258	
Travelling Allowance	30,045		Receivable Samekit Kar (समेकित कर बकाया)	1,43,770	
Remuneration & Fee-Mayor-in-Council	2,82,000		Un-metered Water Supply - (जल कर)	8,32,620	
			Receivable Water Tax (जल कर बकाया)	2,39,205	
Administrative Expenses		20,93,556	Education Cess (शिक्षा उपकार)	1,22,000	
Printing and Stationery(मुद्रकन)	1,12,310		Receivable Education Cess (शिक्षा उपकार बकाया)	51,756	
Photo Copy(फोटोकॉपी)	13,150		Urban Development Cess (नगरीय विकास उपकार)	1,29,296	
Advertisement and Publicity			Receivable Urban Development(नगरीय विकास उपकार - बकाया)	51,244	
Advertisement Expense(विज्ञापन)	4,11,517				
Events & Cultural Activities Exp.(सांस्कृतिक कार्यक्रम)	2,54,485		Assigned Revenues & Compensation		61,67,982
Professional and Other Fees			Compensation in lieu of Export Tax	1,25,000	
Legal Fees(कानूनी व्य)	66,424		Compensation in lieu of Stamp Duties	1,27,000	
Consultancy Fee & Charge(सलाकार शुल्क)	59,000		Compensation in lieu of Octroi (चुंगी)	59,15,982	
Audit Fees					
Audit Fee- Internal for External Agencies(ऑडिट)	1,18,544		Rental Income from Municipal Properties		10,59,619
Communication Expenses			Rent from Shops (दुकान किराया चालू)	3,01,407	
Web,Internet Expense(इंटरनेट)	9,258		Rent from Shops (दुकान किराया बकाया)	3,08,212	
DSC (डिजिटल सिग्नचर)	13,288		Market Fees (माफिट)	4,50,000	
Web-site	1,01,136				
Own Programme			Fees & Charges		5,16,826
Election Expense	36,360		User Charges-Pay & Use Toilets	1,05,080	
Misc. Expense	5,58,803		User Charge-Fire Extinguishing (फायर वाहन)	1,000	
Other	2,43,936		User Charges -Septic Tank Cleanning Charges (सेप्टिक टैंक सफाई)	6,000	
Programmes-Others	95,345		Charges (सेप्टिक टैंक सफाई)	3,540	
			Fee- Application (आवेदन शुल्क)	14,352	
Operations & Maintenance		24,53,734	Entry Fees	1,85,000	
Power & Fuel(पेट्रोल)	12,35,639		Fees for Certificate / Extract (प्रमाण पत्र)	2,825	
Electricity supply/Streat Lights(बिजली बिल)	7,30,443		Sale-Ration Card & Other forms (राशन कार्ड)	350	
Hire Charges-Machine(मशीन किराया)	1,84,551		Fees - Marriage Registration (विवाह पंजीयन)	60	
Vehicle Insurance/Registration (वाहन)	44,817		License Fee-Others	2,200	
Hire Charges-Vehicle(वाहन किराया)	2,58,284		Mutation Fee (म्युटेशन फीस)	1,62,959	
			Connection Charges-Water Supply (नल कनेक्शन चार्ज)	31,700	
Water Supply Department		5,62,427	Other Fees/Charge	1,760	
Water Supply Material(जल प्रदाय सामग्री)	3,12,054				
Water Ways - Other	2,50,373		Grants, Contributions & Subsidies	11,11,979	11,11,979
Electricity Department		16,25,493	Income from Investments		5,05,619
Electricity Material (विद्युत सामग्री)	15,95,753				
Other	29,740				
Bulk Purchases/Store/Sanitation		71,45,551			

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नगर परिषद छापीहडा जिला राजगढ़



BANK BALANCE SHEET

1st April-2019 to 31 Mar-2020

S.No	Scheme Cash Book	Name Of Bank	Account No	Bank Balance		Cash Book Balance	
				Opening Balance	Closing Balance	Opening Balance	Closing Balance
1	Municipal Fund	Bank Of India	996010100007864	4,84,814.04	4,17,434.64	4,84,814.04	4,17,446.44
2	Municipal Fund	Bank Of India	996020110000142	71,870.84	26,863.10	1,363.84	26,863.10
3	Reserve Fund	Jila Sehkari Kendriya Bank	677012029964	1,45,728.00	2,61,315.00	1,45,728.00	2,61,315.00
4	Municipal Fund	Jila Sehkari Kendriya Bank	677012029942	26,229.00	-	26,229.00	-
5	Grants Book	State Bank Of India	53034622511	98,45,078.72	78,82,395.80	95,39,380.72	78,82,395.80
6	PMAY	Narmada Gramin Bank	32720110000122	23,26,034.60	20,37,366.16	23,26,034.60	20,37,366.16
7	Swath Bharat	Narmada Gramin Bank	32720110000158	2,56,296.30	25,87,470.99	2,56,296.30	25,87,470.99
8	Municipal Fund	Narmada Gramin Bank	3271010000630	3,02,369.82	11,512.70	2,90,819.82	11,512.70
9	CM Infra	Bank Of India	996010110010155	2,415.00	2,499.00	2,000.00	2,499.00
10		ICICI Bank	76601001412	-	24,95,223.00		24,95,223.00
11		Narmada Gramin Bank	32710200003309	69,371.00	69,371.00	-	69,371.00
12	12th Finance Commission	State Bank Of India	63007666816	2,22,194.00	2,29,461.00	2,22,194.00	2,29,461.00
13	Sarv Shiksha Abhiyan	State Bank Of India	31537631185	1,64,917.00	1,70,389.00	1,64,917.00	1,70,389.00
	Opening Difference					17,41,163.68	-
				1,39,17,318.32	1,61,91,301.39	1,52,00,941.00	1,61,91,313.19
OTHER CASH BOOK							
14	Karmkar Maddal	Bank Of India	9960101100004682	64,254.00	66,491.00		
15	Cm Infra	Allahabad Bank	50431527047	1,66,45,273.00	1,39,84,986.00	-	-
16	Pay jal Awardhan	Bank Of India	996020110000157	4,846.00	8,68,518.96	-	(1,46,480.00)
17	B.R.G.F	State Bank Of India	63036478046	11,79,301.00	12,16,559.00	-	-
18	Sarv Shiksha Abhiyan	State Bank Of India	30315643512	4,24,009.00	4,37,599.00	-	-
19	Pension	Bank Of India	996010110000734	8,18,216.00	8,46,394.00	-	-
20	SJSRY	Narmada Gramin Bank	3271010002887	5,41,177.00	5,60,742.00	-	-
				1,96,77,076.00	1,79,81,289.96	-	-
TOTAL BALANCE				3,35,94,394.32	3,41,72,591.35	3,04,01,882.00	3,22,36,146.38

REVISED ABSTRACT SHEET FOR REPORT ON AUDIT PARAS FOR FINANCIAL YEAR 2019-20

NAME OF ULB :- CHHAPIHEDA
NAME OF AUDITOR :- PRAMOD K. SHARMA & Co.

Sr No	PARAMETERS	DESCRIPTION			OBSERVATION IN BRIEF	SUGGESTION
1	Audit of Revenue	Receipts in Rs.				
		2018-19	2019-20	% of Growth		
A. REVENUE COLLECTION						
a.	Property Tax	4,43,168	5,39,266.00	21.68%	Tax collection has increased	Council Should keep on working for increasing the collection of revenue. Council Should take strict action for removing this poorness in collection of revenue. Council Should keep on working towards increase the collection of revenue to maintain a high growth rate in the up coming years. Council Should keep on working towards increase the collection of revenue to maintain a high growth rate in the up coming years.
b.	Consolidated Tax	4,44,258	2,19,028.00	-50.70%	Tax collection has decreased poorly	
c.	Devlopment Tax	1,42,583	1,80,540.00	26.62%	Tax collection has increased	
d.	Education Cess	1,42,583	1,73,756.00	21.86%	Tax collection has increased	
TOTAL (A)		11,72,592	11,12,590			

B. NON REVENUE COLLECTION						
a.	Rent of Land & Buliding	4,39,026.00	6,09,619.00	38.86%	Rent collection has increased.	Council Should keep on working towards increase the collection of revenue to maintain a high growth rate in the up coming years. Council Should keep on working towards collection of revenue to maintain a high growth rate in the up coming year. Council should effort to increase amount of collection.
b.	Water Tax	7,01,204	10,71,825.00	52.85%	Collection of Water Tax Revenue has increased.	
c.	Solid Wastage Management	-	-	0.00%		
d.	Other Fees & Taxes	0.00	1,760.00		Other collections have increased.	
TOTAL (B)		11,40,230	16,83,204			

GRANT TOTAL (A) + (B) 23,12,822.00 27,95,794.00



मुख्य नगर पालिका अधिकारी
नगर परिषद छापीहेडा जिला राजगढ़

Sr No.	PARAMETERS	DESCRIPTION	OBSERVATION IN BRIEF	SUGGESTION
2	Audit of Expenditure	01. Expenditures were made with the competent authority 02. Vouchers found during the audit were maintained properly.	01. Some bills were found with a few irregularities which were suggested for rectification and for paying attention in future in regard of bills and vouchers.	01. Council should properly maintain the bills and vouchers with all regards.
3	Audit of Book Keeping	We checked the books of accounts which maintained and made available for us during the audit by the Municipal Council.	01. Grant Register was prepared but some irregularities were found in respect of book keeping. 02. All departments had some issues in regards of book keeping { For more details Refer Observation sheet }	Council should maintain proper books of accounts for all departments
4	Audit of FDRs	While Auditing, we found there 01 FDR in the ULB.	While Auditing, we found there were 01 FDR in the ULB. { For more details Refer Observation sheet }	Proper Register should be maintained & Interest on FDRs should be recorded in cashbook timely if FDR is made.
5	Audit of Tenders / Bids	01. We examined Tenders/bids documents on the basis of note sheets attached with the vouchers which were made available for us during the audit. 02. Tenders which were found during the audit have followed	01. As per our observations, ULB has followed proper tendering process.	Proper Files/Records should be maintained for Tenders & Bids.



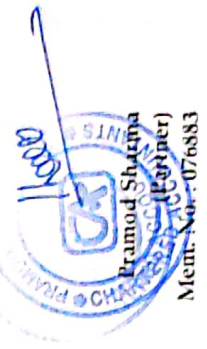
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6	Audit of Grants & Loans	Refer the "Audit of Grants & Loans" head of audit observation sheet	During Audit we found that some grants are like mixed nature i.e. Capital & revenue nature therefore in that cases we can't bifurcate how much portion belongs to revenue or capital. Except that all grants have been used for the purposes for which grants have been received. [For more details Refer Observation sheet]	Grants Register must be Prepared as per ULB approved format.
7	Incidences relating to diversion of fund from Capital receipts/ grants / Loans to Revenue Nature Expenditure and from one scheme / Project to another	No Such diversion of fund We didn't found any incidences relating to diversion of funds from Capital receipts\ Grants\ Loans to Revenue Nature Expenditure and from one scheme to another scheme.	No Such Observation Found	There Should be proper bifurcation of capital and revenue nature receipts and expenditure.
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.	526.29%	No Such Major Observation found	The Total Expenses is very High in the comparison of Income, so council should make more efforts to meet out the Expenditure form its Revenue Receipts.
b.	Percentage of Capital Expenditure with respect to total Expenditure	26.47%	No Such Major Observation found	The capital expenditures are slightly low in comparison of Total expenditures, Council should make policies to increase the percentage of capital expenditures so that council can have more valuable assets.

Date :

Place : Bhopal

For Pramod K. Sharma & co.
Chartered Accountant



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