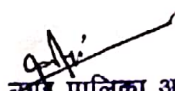


**TARICHARKALA NAGAR
PARISHAD**

AUDIT REPORT 2019-20

**AUDITOR:
PATIDAR & ASSOCIATES
CHARTERED ACCOUNTANTS**


मुख्य नगर पालिका अधिकारी
नगर परिषद तरीचरकलॉ
जिला-निवाड़ी



INDEPENDENT AUDITOR'S REPORT

To the Stakeholders of TARICHARKALA NAGAR PARISHAD

1. Report on the Financial Statements

We have audited the accompanying financial statements of TARICHARKALA NAGAR PARISHAD ("the ULB"), which comprise the Receipt & Payment Account for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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.

3. Auditor's Responsibility

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

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., Bhopal in this regard. The Commissioner has not directed us to perform audit of any other section in his office in addition to the above scope.

We conducted our audit in accordance with the Standards on Auditing Institute of Chartered Accountants of India. Those Standards requires that

मुख्य अवर पालिका अधिकारी
नगर परिषद तरीघरकलौ
जिला-निवाडी





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 & Payment Account annexed to this report give true and fair view of financial transactions affected by ULB and recorded these transactions in cash book for the financial year ending as on 31st March, 2020.

5. Basis for Qualified Opinion

The details which form the basis of qualified opinion are reported in the Annexure 1 and Annexure 2 annexed to this report.

6. Emphasis of Matters

We draw attention to the following matters reported in Annexure - 2, 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.
- Revenue department's records related to recovery of revenue taxes and other revenue dues has minor differences with accounting records maintained by accounting department.
- Non-maintenance or incomplete registers as prescribed under manual and mentioned at point 3 of annexure 2.
- Non verification of EPF, TDS on GST and TDS-Income Tax deposited same has not been made available to us by the ULB.

Our opinion is not modified in respect of these matters.

मुख्य नगर पालिका अधिकारी
नगर परिषद तरीचरकलों
जिला-निवाड़ी





7. We further report that:

- a) We have sought and, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by Municipal Accounting Manual have been kept by the ULB so far as appears from our examination of those books.
- c) The Receipt & Payment Account deal with by this Report are in agreement with the books of account.
- d) Except for the matter described in the Basis for Qualified Opinion paragraph above, the Receipt & Payment Account comply with the Municipal Accounting Manual and Accounting Standards applicable to the Urban Local Bodies.
- e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the ULB.
- f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- g) 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: 09/03/2021

UDIN: 21418806AAAABI9631

मुख्य नगर पालिका अधिकारी
नगर परिषद तरीचरकलों
जिला-निवाड़ी



For Patidar & Associates
Chartered Accountants

CA Neelesh Patidar
(Partner)
MRN - 418806



Annexure '1'

Report on Internal Financial Controls over Financial Reporting

1. Report on the Internal Financial Controls of the ULB ("the ULB")

We have audited the internal financial controls over financial reporting of TARICHARKALA NAGAR PARISHAD ("the ULB") as of March 31, 2020 in conjunction with our audit of the financial statements of the ULB for the year ended on that date.

2. Management's Responsibility for Internal Financial Controls

The ULB's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the ULB. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to ULB's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required in accordance with the Municipal Corporation Act, 1956 including the Municipal Accounting Manual and accounting principles generally accepted in India applicable to the Urban Local Bodies.

3. Auditors' Responsibility

Our responsibility is to express an opinion on the ULB's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

मुख्य नगर पालिका अधिकारी
नगर परिषद तरीचरकलॉ
जिला-निवाडी





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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the ULB's internal financial controls system over financial reporting.

4. Meaning of Internal Financial Controls Over financial Reporting.

A ULB's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A ULB's internal financial control over financial reporting includes those policies and procedures that

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the ULB;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the ULB are being made only in accordance with authorizations of management and officers of the ULB; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the ULB's assets that could have a material effect on the financial statements.

5. Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. Qualified opinion

According to the information and explanations given to us and based on following material weaknesses have been identified as at March 31, 2020:

मुख्य नगर पालिका अधिकारी
नगर परिषद तरीचरकलें
जिला-निवाडी





- a) The ULB did not have an appropriate internal financial control system over financial reporting since the internal controls adopted by the ULB did not adequately consider risk assessment, which is one of the essential components of internal control, with regard to the potential for fraud when performing risk assessment
- b) The ULB did not have an appropriate internal control system for tax and user charges collection, tax demand evaluation, which could potentially result in the ULB recognizing revenue without establishing reasonable certainty of ultimate collection.
- c) The ULB did not have an appropriate internal control system for inventory with regard to receipts, issue for production and physical verification. Further, the internal control system for identification and allocation of overheads to inventory was also not adequate. These could potentially result in material misstatements in the ULB's trade payables, consumption, inventory and expense account balances.
- d) The ULB did not have an appropriate internal control system for fixed asset with regard to purchase, construction, transfer and physical verification. Further, the internal control system for identification and allocation of overheads to fixed asset was also not adequate. These could potentially result in material misstatements in the ULB's grants, payable to contractors, tax and other statutory dues, fixed assets, capital work in process and accumulated depreciation account balances.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the ULB's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, because of the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the ULB has not maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as of March 31, 2020 based on the criteria established by the ULB.

मुख्य नगर पालिका अधिकारी
नगर परिषद तरीवरकलॉ
जिला-निवाडी






PATIDAR & ASSOCIATES
CHARTERED ACCOUNTANTS

☎ +91-9893958116
✉ capatidar.associates@gmail.com

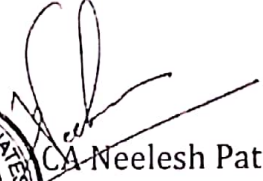
We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 financial statements of the ULB, and these material weaknesses do not affect our opinion on the financial statements of the ULB.

Date: 09/03/2021

For Patidar & Associates
Chartered Accountants


मुख्य नगर पालिका अधिकारी
नगर परिषद तरीचरकलॉ
जिला-निवाडी




CA Neelesh Patidar
Partner
MRN - 418806



Annexure '2'

The Annexure 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 the cashbook does not contains entries relating to revenue receipts such as Sampatti kar, Samekit kar, Jalkar etc. We could not verify the receipts of such revenues.

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. Revenue registers were made available to us for verifying taxes received during the year, however 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 revenue/tax collector/officer from which collected amount move into cashier cash book. A detailed statement containing outstanding demand and tax collected during the year was provided to us by the concerned department duly certified by the concerned officer.

3) Percentage of revenue collection increase or decrease in various heads in property tax, samekitkar, shikshaupkar, nagriyavikasupkar, and other tax compared to previous year shall be part of report.
Details are given in Annexure C attached to this report.

4) Delay beyond 2 working days shall be immediately brought to the notice of commissioner/CMO.
Since the cashbook does not contain revenue related entries we cannot comment upon the delay beyond 2 working days in deposit of such revenue.

5) The entries in Cash book shall be verified.

We have verified the entries in cash book on test check basis and we found that entries relating to revenue were missing from it.

6) The auditor shall specifically mention in the report the revenue recovery against the quarterly and monthly targets any lapses in revenue recovery shall be a part of the report.

No details with respect to quarterly and monthly targets set for the FY 2019-20 and the revenue recovery against such targets were made available to us.

मुख्य नगर पालिका अधिकारी
नगर परिषद तरीयरकलॉ
जिला-निवाड़ी





it was not possible for us to report the revenue recovery against the quarterly & monthly target.

- 7) The auditor shall verify the interest income from FDR's and verify that interest is duly and timely accounted for in cash book.
Details relating to FD's were not provided to us by the ULB. Hence we cannot comment upon interest income.
- 8) The case where, the investments are made on lesser interest rates shall be brought to the notice of the Commissioner/CMO.
Details relating to FD's were not provided to us by the ULB. Hence we cannot comment upon interest rates.

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 which was recognized and entered in the books of account produced before us for verification except expenses under "Other expenses" amounting to Rs. 5,81,484/- & "Totalling mistake" Rs. 1,63,340/- of receipt & payment. No explanation were provided by the ULB for such payments.
- 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. However, considering the bulk quantum of entries and the weak internal control procedures, the discrepancies in the entries of cash book cannot be ruled out.
- i. ULB have not provided challans or returns for payment of TDS-Income Tax and TDS-GST to the Government. However ULB has explained that same had been duly deposited on or before the due date. Non-compliance of tax provision attract statutory penalty.
- 3) He should also check monthly balance of the cash book and guide the accountant to rectify errors, if any.
We have verified monthly balances of the cashbook on test check basis and issues of totalling mistake were found as provided in receipt & payment under head "Totalling Mistake" of Rs. 1,63,340/-. Other than this no major discrepancies were noted.

मुख्य नगर पालिका अधिकारी
नगर परिषद तरीचरकलॉ
जिला-निवाडी





- 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.

ULB has not provided us the grant registers and details relating to utilisation of grants received during the year. Hence we cannot comment upon whether the expenditure for a particular scheme is limited to the funds allocated for that particular scheme.

- 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 verify 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/ written document 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 during the audit Non-compliance of audit paras shall be brought to the notice of Commissioner / CMO). No such instances were noticed during the test check of such entries conducted by us.

- 8) The auditor shall be responsible for verification of scheme wise/ project wise Utilization Certificate (UCS). UC's shall be tallied with the Receipt & Payment Account and creation of Fixed Asset.

Utilization certificates of various schemes for verification of scheme wise project/ wise Utilization Certificate (UCS) were not provided to us by the ULB. Hence same cannot be commented upon. We are unable to verify the details of capitalization of expenditure since there is neither any proof available nor completion of work in respective department. There is no cross check mechanism exist to

मुख्य नगर पालिका अधिकारी
नगर परिषद तरीचरकलॉ
जिला-निवाडी





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) He shall verify that all temporary advances have been fully recovered.

ULB has explained that Employee Advances were not provided after FY 2013-14, also employee advance register not updated since then. Opening advances were recovered during the year but no official documents of recovery was provided by ULB. Consequently, we cannot comment on whether all temporary advances have been fully recovered or not.

3. Audit of Book Keeping

- 1) The auditor is responsible for audit of the books of accounts as well as stores.

As per the information and explanation provided to us by the management of the ULB and on perusal of books of accounts, it was noticed by us that the ULB has not maintained/updated Grant registers, Specific scheme registers, stock registers, advance registers & fixed asset register as prescribed under MP MAM.

- 2) He shall verify that all the books of accounts and stores are maintained as per Accounting Rules applicable to the Urban local Bodies. Any discrepancies shall be brought to the notices of Commissioner / CMO.

As stated in point no. 1 above, as the books stores are not provided for verification, so it was not possible for us to verify whether the same is maintained as per Accounting Rules applicable to the urban local Bodies.

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

As per the information and explanation provided to us by the management of the ULB, there are no advances during the year. Hence, it is not possible for us to verify the cases of timely recovery of advances, if any.

- 4) Bank reconciliation statement (BRS) shall be verified from the records of ULB and the bank concerned. If bank reconciliation Statement are not prepared the auditor will help in the preparation of BRS's

Bank Reconciliation is prepared by the ULB for the current year. However in the absence of BRS for previous years, consolidated entry in cashbook instead of bank k

मुख्य नगर पालिका अधिकारी
नगर परिषद तरीचरकलॉ
जिला-निवाडी





account wise the BRS remains inaccurate. The details of the same has been annexed with this report as Annexure-BRS.

- 5) He shall be responsible for verifying the entries in the Grant register. The receipts and payment of grants shall be duly verified from the entries in cash book. Grant registers were not made available to us and hence we cannot verify the entries in cashbook related to grants.
- 6) The auditor shall verify the fixed assets register from other records and discrepancies shall be brought to the notices of Commissioner / CMO. Fixed asset registers were not provided to us for verification. Therefore we are not able to verify the same and comment upon whether it is complete and correctly balanced.
- 7) The auditor shall reconcile the account of receipt and payment especially for project funds. Separate cash book were not made available to us for verification. So cannot comment on that.

4. Audit of FDR

- 1) The auditor is responsible for audit of all fixed deposits and term deposits. Details related to FD's were not made available to us by the ULB hence we were unable to verify the same.
- 2) It shall be ensured that proper record of FDR's are maintained and renewals are timely done. Details related to FD's were not made available to us by the ULB hence we cannot comment upon maintenance and renewals of FD's.
- 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. Details related to FD's were not made available to us by the ULB hence we cannot comment on low rate of interest.
- 4) Interest earned on FDR/TDR Shall be verified from entries in the cash book. Details related to FD's were not made available to us by the ULB hence we were unable to verify the entries in the cashbook.

मुख्य नगर पालिका अधिकारी
नगर परिषद तरीयरकलॉ
जिला-निवाडी





5. Audit of Tenders / Bids

- 1) The auditor is responsible for audit of all tenders / bids invited by the ULB.
Tender related documents were provided to us on test check basis. On verification of produced documents we can conclude that procedure of tendering was followed by the ULB.
- 2) He shall check whether competitive tendering procedures are followed for all bids.
Tender related documents were provided to us on sampling basis, and except few minor irregularities we found them complete and appropriate. Competitive tendering procedures were followed for all bids.
- 3) He shall verify the receipts of tender fee / bid processing fee / performance guarantee both during the construction and maintenance period.
Tender related documents were provided on test check basis, and we have verified the receipts of tender fee / bid processing fee / performance guarantee etc. No major irregularities were found during our verification in the produced documents.
- 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 ICMO.
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.

मुख्य नगर पोलिका अधिकारी
नगर परिषद तरीचरकलों
जिला-निवाडी





ULB has not provided us grant receipt and utilisation details. However UADD records shows receipts of grants as follows:

S.No.	Grants	UADD records	Receipts & Payments	Short receipts
		Received	Received	
1	Sadak Marammat	5,15,000.00	3,52,000.00	1,63,000.00
2	Mulbhoot	14,58,000.00	9,39,000.00	5,19,000.00
3	State Finance	23,08,000.00	6,33,000.00	16,75,000.00
4	Mudrank Shulk	90,000.00	-	90,000.00
5	Chhungi kshatipurti	74,71,876.00	38,67,260.00	36,04,616.00
6	Yatrikar	85,000.00	-	85,000.00
7	14th Finance	66,05,000.00	19,00,000.00	47,05,000.00
	Total	1,85,32,876.00	76,91,260.00	1,08,41,616.00

We found Consolidated entry in R&P for other grants which may include entries of grant heads having short receipts as per above table.

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

Verification had been conducted for the total grants received from the State/Central government as provided in the table above.

- 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 relating to payment of loan were not provided to us by the ULB. However we found payments were made to HUDCO as per receipt & payment account.

Also there was no document or information provided to verify whether the asset created out of the loan has generated the desired revenue or not. We cannot comment on the possible reasons for non-generation of revenue.

- 4) The auditor shall specifically point out any diversion of funds from capital receipts/ grants/ bans 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.

मुख्य नगरी पालिका अधिकारी
नगर परिषद तरीयरकलॉ
जिला-निवाड़ी





Nagar Parishad Taricharkala Distt. Niwari
Receipts and Payment
For the year from 1st April 2019 to 31st March 2020

Receipts	Amount	Payment	Amount
Opening Balances	10149208.4		
Shop Auction Amount	2,50,000.00	Councillor Honorarium	1,22,06,998.00
Nikaye Raashi	1,62,500.00	Wages	1,54,788.00
Other Income	8,09,738.00	GPF	1,46,574.00
Rajya Vitt Ayog	6,33,000.00	Construction Material	1,19,404.00
14 Vitt Ayog	19,00,000.00	Photocopy work	5,210.00
Moolbhoot	9,39,000.00	Publicity	99,000.00
Chungikshatipurti	38,67,260.00	Tent Arrangement	1,40,376.00
Mukhya Mantri Adhosaranchana Yojana	2,40,00,000.00	Vehicle Rent	1,27,330.00
Other Grant	71,75,571.00	Voting Work	1,74,071.00
Miscellaneous Income	4,200.00	Repair Work	19,26,017.00
Interest	6,98,067.00	JCB, Tractor Expenses	1,94,900.00
Sambal Yojana	2,00,000.00	Income Tax	12,32,406.00
Sadak Marmmat	3,52,000.00	Advertisement Expenses	17,300.00
		Phenyl Purchase	2,80,440.00
		Diesel Purchase	4,91,073.00
		IT Deduction	90,212.00
		Road repair	7,67,464.00
		Drain Construction Material	7,83,998.00
		Plastic Dustbin	2,79,300.00
		Others expenses	5,81,484.00
		Stationery Purchase	1,08,202.00
		Furniture Purchase	35,298.00
		Printer Work	2,020.00
		Computer repair	8,087.00
		Computer Laser Work	60,420.00
		Sanitation Material Purchase	1,01,800.00
		Pesticide Supply	4,17,378.00
		Under Mukhya Mantri Yojna	15,57,017.00
		Sanitation Work	6,35,220.00
		Water Cooler	1,65,040.00
		Written Work	1,28,840.00
		Motor Purchase	31,314.00
		Street Light Payment	12,46,847.00
		Forged Purchase	19,320.00
		Electric Material Purchase	4,34,581.00
		Grace Amount	2,00,000.00

मुख्य नगर पालिका अधिकारी
नगर परिषद तरीचरकली
जिला-निवाडी





PATIDAR & ASSOCIATES
CHARTERED ACCOUNTANTS

+91-9893958116
capatidar.associates@gmail.com

		Shop Auction	2,000.00
		LED Purchase	14,21,995.00
		Beneficiary Amount	23,933.00
		Royalty	8,41,320.00
		Release Publication	6,000.00
		Garbage Out Expenses	1,96,720.00
		Website development	48,853.00
		Public Drinking Water	24,000.00
		Newspaper	12,995.00
		Iron Forged Purchase	1,07,304.00
		Pipe line Repair	35,020.00
		Tree Planting	6,84,000.00
		Atrium Construction	1,87,520.00
		Water Works	6,34,007.00
		Copper Wire	47,880.00
		Refreshment	3,000.00
		Bleaching Powder	1,36,926.00
		Uniform Purchase	9,000.00
		White Phenyl Purchase	1,93,207.00
		Welding Work	5,602.00
		Flower Purchase	19,450.00
		GPF	1,35,432.00
		Electricity Connection	11,07,555.00
		HUDCO	15,10,627.00
		Dustbin purchase expenses	11,24,040.00
		Totalling Mistake	1,63,340.16
		Closing Balance	1,74,89,089.24
Total	5,11,40,544.40	Total	5,11,40,544.40

Chief Accounts Officer

मुख्य नगर पालिका अधिकारी
नगर परिषद तरीचरकलों
जिला-निवाडी



Chief Municipal Officer,
Tarischarkala Nagar Parishad,
Distt. Niwari



Non recovery of taxes

Urban Local Bodies (ULB) earns revenue from their own resources through taxes, rent, fees, issue of licenses etc. In test check of Nagar Parishad as of 31 March 2020 a sum of Rs 37.84 Lakhs (as shown in Table Below) plus Interest & Penalties were outstanding against the taxpayers, although the ULBs had powers under section 165 of Madhya Pradesh Municipalities Act, 1961 to approach a Magistrate to seek orders for recovery by distress and sale of any movable property of attachment and sale of immovable property belonging to defaulters, however they had not invoked these power to recover the outstanding taxes. Failure to invoke its powers resulted in non-recovery of outstanding taxes and resource crunch, leading to hindrance in development works.

Non Recovery of dues

(Amount in Lakhs)

Sl. No	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
1	Sampatti Kar	2.25	0.00	2.25	0.21	0.00	0.21	2.46
2	Samekit Kar	28.18	0.68	27.50	2.63	0.06	2.58	30.08
3	Shiksha upkar	0.57	0.00	0.57	0.08	0.00	0.08	0.65
4	Jal Upbhogta prabhar	8.73	4.08	4.65	0.01	0.00	0.01	4.65
	Total	39.73	4.76	34.97	2.93	0.06	2.87	37.84
Total Un-Recovered amount								37.84

For Patidar & Associates

Chartered Accountants

Date: 09/03/2021

मुख्य नगर पालिका अधिकारी
नगर परिषद तरीचरकलॉ
जिला-निवाडी




CA Neelesh Patidar
Partner
MRN - 418806

Annexure C

Name of ULB Taricharkala Nagar Parishad
Name of Auditor Patidar & Associates

Name of ULB Taricharkala Nagar Parishad		Name of Auditor Patidar & Associates		Observation in brief			Suggestions	
S.no.	Parameters	Description		% of growth				
		Receipt in (Rs.)						
Audit of Revenue		2018-19	2019-20					
	Rajaswa Kar wasool							
1	Sampatti Kar	0.00	0.00	0.00	Collection % w.r.t. total dues is 0.07%	Not upto the mark which is	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
2	Same'it Kar	0.74	0.73	-1.01	Collection % w.r.t. total dues is 2.38%	Not upto the mark which is	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
3	Shiksha upkar	0.00	0.00	0.00	Collection % w.r.t. total dues is 0.29%	Not upto the mark which is	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
4	Jal Upphokta Prabhar	0.33	4.08	1137.70	Collection % w.r.t. total dues is 46.74%	Below Average which is	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
Total		1.07	4.82					





मुख्य नगर पालिका अधिकारी
नगर परिषद तरीवरकलों
जिला-निवाडी

Reporting on Audit Paras for Financial Year 2019-20

Name of ULB: **Taricharkala 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.
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	FD records should be updated periodically on each renewal & maturity.
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 expenditure	1142.59% $(2,42,74,338/21,24,505) \times 100$		In absence of entries related to revenue in cashbook, the % shown

मुख्य नगर पालिका अधिकारी
 नगर परिषद तरीचरकलॉ
 जिला-निवाड़ी



	e (Establishment, salary, Operation & Maintenance) with respect to revenue receipts (Tax & Non Tax).			here is very less.
	b) Percentage of Capital expenditure wrt Total expenditure.	20.47% $(62,46,811/3,05,21,149) \times 100$		
9	Whether all the temporary advances have been fully recovered or not.		Details 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	In absence of bank wise balance in cashbook separate BRS could not be prepared.

मुख्य नगर पालिका अधिकारी
नगर परिषद तरीचरकलॉ
जिला-निवाड़ी




Nagar Parishad Taricharkala

Details of bank accounts maintained by the ULB

S.No.	Bank Name	Bank Account No.	Closing Balance as per Pass book as on 31/03/2020	Remarks
1	HDFC Bank	50100226690458		Account No. 3354127751 closed on 17/10/2017 and amount transfer to another account RS 1,88,699/-
2	Central Bank of India	3354127751	1,88,699.00	
3	State Bank of india	00000011023801389	1,92,50,594.76	
4	State Bank of india	36294753315	3,27,88,562.00	Balance as explained by the ULB. Statement not made available to us
5	State Bank of india	31109448417	19,033.00	
6	State Bank of india	33446496223	3,14,029.00	
7	State Bank of india	32099177760	1,29,796.00	
8	State Bank of india	33023088769	15,78,065.40	
9	Madhyanchal Gramin Bank	8045643918	31,98,047.60	
10	Madhyanchal Gramin Bank	8045612617	1,05,829.00	Sanchit nidhi-Same balance for last many years no updated balance was provided (bal. as on 23/03/2017)
11	Madhyanchal Gramin Bank	8045610788	2,96,300.00	
12	Jila Sahakari Kendriya Bank	673619043708	76,054.50	
	TOTAL		5,79,45,010.26	

Note: Cashbook does not contains closing balance bank account wise. Hence it is not possible to prepare BRS bank account wise. Also this will be the reason for difference in BRS at year end. We can consider the difference as previous year difference




 मुख्य नगर पालिका अधिकारी
 नगर पंचिद तरीचकला
 जिला-निवाडी

Nagar Parishad Taricharkala Distt. Niwari

BRS for all bank accounts

Opening diff		
Bank	1,50,39,086.92	
Cashbook	1,01,49,208.40	48,89,878.52

Closing balance as per cashbook		1,74,89,084.24
Add: Receipts as per bank not found in cashbook		40,10,704.00
30/11/19 OTHERS	9,000.00	
13/3/20 OTHERS	6,04,570.00	
17/3/20 OTHERS	1,92,000.00	
17/3/20 OTHERS	32,000.00	
19/3/20 OTHERS	5,000.00	
20/3/20 OTHERS	29,58,000.00	
25/3/20 INT.	1,32,717.00	
31/3/20 OTHERS	1,000.00	
0788 A/c Int	2,742.00	
0788 A/c Int	2,547.00	
0788 A/c Int	2,569.00	
0788 A/c Int	2,479.00	
8769 A/c Int	13,061.00	
8769 A/c Int	11,884.00	
8769 A/c Int	11,627.00	
8769 A/c Int	11,860.00	
2507 A/c Int	162.00	
2507 A/c Int	164.00	
2507 A/c Int	156.00	
2507 A/c Int	151.00	
7760 A/c Int	1,098.00	
7760 A/c Int	1,050.00	
7760 A/c Int	955.00	
7760 A/c Int	1,135.00	
6223 A/c Int	2,605.00	
6223 A/c Int	2,419.00	
6223 A/c Int	2,313.00	
6223 A/c Int	2,499.00	
3708 A/c Int	1,469.00	
3708 A/c Int	1,472.00	
Less: Payment as per bank not found in cashbook		
30/7/19 NEFT SHIVA BUILDERS	45,416.00	(20,31,215.00)
14/8/19 APRAJIT CONSTRUCTION DATIYA	9,32,574.00	
20/8/19 BORE KHANAN	4,18,442.00	
20/8/19 TRANSFER	9,403.00	
29/8/19 SWACHHTA MISSION SAFAI	49,920.00	
29/8/19 SWACHHTA MISSION SAFAI	48,440.00	
16/9/19 PREM NARAYAN VISHWAKARMA	1,07,304.00	

मुख्य नगर पालिका अधिकारी
नगर परिषद तरीचरकलॉ
जिला-निवाडी



6/9/19 TOILET CONSTRUCTION	1,08,000.00	
6/9/19 TOILET CONSTRUCTION	1,01,880.00	
19/9/19 TRANSFER	176.00	
29/10/19 SWACHHTA PARYAVEKSHAK	800.00	
29/10/19 SWACHHTA PARYAVEKSHAK	3,700.00	
29/10/19 RAJASV UO NIRIKSHAK	23,000.00	
29/10/19 SAHA VARG-3	2,000.00	
29/10/19 RAJASV UO NIRIKSHAK	2,000.00	
30/11/19 SHRAWAN KUMAR	8,968.00	
30/11/19 KAILASH SONI	800.00	
30/11/19 SURESH KUMAR SAHU	12,600.00	
30/11/19 VINOD KUMAR SAHU	2,000.00	
30/11/19 RAMKISHORE SHARMA	23,000.00	
30/11/19 HARIMOHAN NAPIT	2,000.00	
30/11/19 ASHARAM AHIRWAR	3,700.00	
30/11/19 RADHARANI AHIRWAR	800.00	
3/12/19 SHRAVAN KUMAR	4,484.00	
3/12/19 KAILASH SONI	400.00	
3/12/19 SURESH KUMAR	6,300.00	
3/12/19 VINOD KUMAR	1,000.00	
3/12/19 RAMKISHORE	11,500.00	
3/12/19 RAMKISHORE	1,850.00	
3/12/19 RADHARANI	400.00	
3/12/19 VANDANA	1,400.00	
3/12/19 RAMKISHORE	1,000.00	
3/12/19 VANDANA	1,400.00	
2/1/20 SHRAVAN KUMAR	4,484.00	
2/1/20 KAILASH SONI	400.00	
2/1/20 SURESH KUMAR	6,300.00	
2/1/20 VINOD KUMAR	1,000.00	
2/1/20 RAMKISHORE	11,500.00	
2/1/20 RADHARANI	400.00	
2/1/20 ASHARAM	1,850.00	
2/1/20 HARIMOHAN	1,000.00	
4/2/20 SHRAVAN KUMAR	4,484.00	
4/2/20 KAILASH SONI	400.00	
4/2/20 SURESH KUMAR	6,300.00	
4/2/20 VINOD KUMAR SHARMA	1,000.00	
4/2/20 RAMKISHORE	11,500.00	
4/2/20 HARIMOHAN	1,000.00	
4/2/20 ASHARAM	1,850.00	
4/2/20 RADHARANI	400.00	
3/3/20 SHRAWAN KUMAR	4,484.00	
3/3/20 KAILASH SONI	400.00	
3/3/20 SURESH KUMAR	6,300.00	
3/3/20 VINOD KUMAR	1,000.00	
3/3/20 KISHORE SHARMA	11,500.00	
3/3/20 HARIMOHAN NAPIT	1,000.00	
3/3/20 ASHARAM AHIRWAR	1,850.00	

मुख्य नगर पालिका अधिकारी
नगर परिषद तरीचरकलॉ
जिला-निवाडी



3/3/20 RADHARANI AHIRWAR	400.00	
8769 A/c Payment	2,933.00	
8769 A/c Payment	3,440.00	
8769 A/c Payment	5,085.00	
8769 A/c Payment	144.00	
8769 A/c Payment	360.00	
8769 A/c Payment	1,676.00	
8769 A/c Payment	118.00	
3708 A/c payment		
		3,86,581.36
Add: Payments found in cashbook not in bank	10.00	
25/04/2019	2.36	
08/05/2019	2,580.00	
03/06/2019	1,51,000.00	
02/08/2019	2,933.00	
30/08/2019	3,440.00	
31/08/2019	59,460.00	
25/10/2019	59,460.00	
28/11/2019	26,924.00	
03/12/2019	26,924.00	
01/01/2020	26,924.00	
03/02/2020	26,924.00	
03/03/2020		
Less: Receipt as per cashbook not in bank		
		2,47,45,033.12
Balance as per bank		2,48,61,920.26
Closing balance as per bank statement:		1,16,887.14
Difference due to either missing bank statement or consolidated balance in cashbook:		

Notes:

1. HDFC 0458 A/c Not Available
2. CBI 27751 A/c was closed on 17/10/17 with Closing bal of Rs.17,54,126/- but the same was transferred to some of the bank a/c in 19-20 with Rs. 18,86,99/-
3. SBI 3315 A/c Pradhan Matri Awas Yojna- Bank Statement available but separate cash book for verifying transaction not available
4. Madhyanchal GB 2617- Bank Statement not Available



मुख्य नगर पालिका अधिकारी
नगर परिषद तरीचरकलों
जिला-निवाड़ी