

**NAGAR PARISHAD CHACHODA
BINAGANJ**

AUDIT REPORT 2019-20

**AUDITOR:
PATIDAR & ASSOCIATES
CHARTERED ACCOUNTANTS**



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INDEPENDENT AUDITOR'S REPORT

To the Stakeholders of NAGAR PARISHAD CHACHODA BINAGANJ

1. Report on the Financial Statements

We have audited the accompanying financial statements of NAGAR PARISHAD CHACHODA BINAGANJ ("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.

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

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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.

5. Basis for Qualified Opinion

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

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6. Emphasis of Matters

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

- a) Accounts prepared as per the Manual in lieu of accounting standards for local bodies as issued by Institute of Chartered Accountants of India.
- b) Difference in revenue recognized by revenue department and as entered in books of accounts.
- c) Non-availability of fixed asset, Security and other registers as prescribed under manual.
- d) 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.
- e) Non compliance with provisions of GST & EPF/ESIC
- f) No reconciliation made between Balance as per Cash book and Balance as per Bank Statement.

Our opinion is not modified in respect of these matters.

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) 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.
- d) 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.
- 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.

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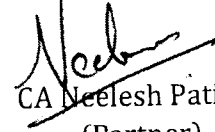
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- f) With respect to the adequacy of the internal financial controls over financial reporting of the ULB and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 1'.

Date: 30/09/2020
UDIN: 20418806AAAABS2796

For Patidar & Associates
Chartered Accountants


CA Neelesh Patidar
(Partner)
MRN - 418806


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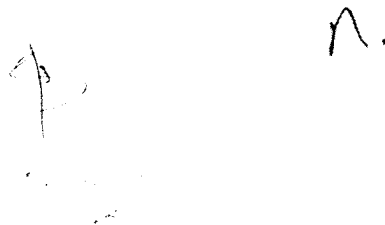


Annexure '1'

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.
- 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 test check conducted by us except the circumstances like public holidays, government or local holidays etc.
- 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 which has been reflecting in Receipt & Payment account.
- 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





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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.

- 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 produced before us and on verification we found that interest is recorded on cash basis i.e. as and when FDR gets matured.
- 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 were made available to us and no instances for low rate FDR were noticed.

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. However no explanation regarding heads reflecting at payment side of Receipt & Payment statement under "Totalling Mistake CBF 100,128" Rs. 23,17,922/- and "Transfer" Rs. 1,45,51,003/- were provided by the ULB.
- 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 is found during our verification of voucher's/note sheets. Details for the same is 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

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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 | 20/07/19 |
| 2 | 2019-2020 | 2 nd Quarter | 14/10/19 |
| 3 | 2019-2020 | 3 rd Quarter | 12/01/2020 |
| 4 | 2019-2020 | 4 th Quarter | 30/06/2020 |

- c. EPF deduction and deposit details were not made available to us. In case EPF is not deposited on time by the Parishad from the Employee's salary to the respective EPF Accounts this 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 found correct for verified instances, however we noticed overwriting from pencil in all over cash book, which should be avoided.
- 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 produced before us for verification and instances for over payment were not noticed.
- 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

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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).

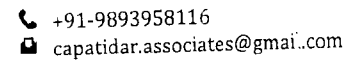
No such instances were noticed during the test check of entries.

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

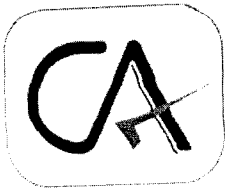
We are unable to verify the details of capitalization of expenditure since there is neither any proof available nor completion of work from respective department. Also no fixed assets register were provided by the ULB hence there is no cross check mechanism existing to ensure the completion of project 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.

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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 is not 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 reconciled with each other.

Statements of all bank accounts maintained by the ULB were provided to us for the purpose of our verification. Total cashbook closing balance stood at Rs. 5,82,35,228/- and closing bank balance at Rs. 6,83,18,328.66. ULB has provided reconciliation difference between the two amounts. Overall summary of balances in bank statement is mentioned in table below:

| Bank Accounts Maintained By Nagar Parishad | | | | |
|---|---------------------|------------------|---------------|---------------|
| S No | Bank Name | Act No. | 01/04/2019 | 31/03/2020 |
| 1 | State Bank Of India | 36923054815 | 32,38,812.41 | 32,38,812.41 |
| 2 | State Bank Of India | 53031407700 | 100,33,110.71 | 100,33,110.71 |
| 3 | State Bank Of India | 36923052499 | 11,37,557.70 | 11,37,557.70 |
| 4 | State Bank Of India | 33714029561 | 37,52,378.00 | 37,52,378.00 |
| 5 | State Bank Of India | 53031407697 | 97,826.90 | 97,826.90 |
| 6 | Bank Of India | *889110100004780 | 53,82,528.60 | 53,82,528.60 |
| 7 | Bank Of India | *889120110000158 | 0.00 | 0.00 |
| 8 | Syndicate Bank | *7752200002252 | 34,07,849.42 | 34,07,849.42 |
| 9 | Syndicate Bank | *7752200002251 | 110,02,393.32 | 110,02,393.32 |
| 10 | Syndicate Bank | 220/13836 | 48,112.00 | 48,112.00 |
| 11 | Jila Sahkari Bank | *680550517077 | 4,84,426.60 | 4,84,426.60 |
| 12 | M B Garmin Bank | 803444222 | 1,250.00 | 1,250.00 |

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|----|--------------------|---|-----------------------|----------------------|
| 13 | Syndicate Bank-FDR | - | 3,64,000.00 | 3,64,000.00 |
| 14 | SBI-FDR | - | 2,93,68,083.00 | 2,93,68,083.00 |
| | Total | | 9,77,29,538.00 | 683,18,328.66 |

- 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 provided to us for verification during visit. We have verified entries from cash book on test check basis and found them correct.

- 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. ULB has provided records related with FDRs and details for same are provided as follows:

| FDR | Balance as on 01/04/2019 | Balance as on 31/03/2020 |
|----------------|--------------------------|--------------------------|
| Syndicate Bank | 3,64,000.00 | 3,64,000.00 |
| SBI | 2,35,50,745.00 | 2,93,68,083.00 |

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

FDR records are maintained properly and they are timely renewed. However interest on FDR is recognised on cash basis i.e. FDR's are matured.

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- 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.

No instances for low rate FD was found during course of our audit.

- 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 made in the cash book as such interest is recorded when FD gets matured.

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.
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.

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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.

Summary of grant amount received during the year were provided which have been produced below:

| | |
|-----------------------------------|----------------|
| Road Repair | 13,72,500.00 |
| 14th Finance | 1,63,71,420.00 |
| Chhungikshati Purti | 2,05,57,626.00 |
| Niryat Kar | 5,48,000.00 |
| State Finance Commission | 34,09,000.00 |
| Yatri Kar | 11,67,000.00 |
| Drinking Water & Development Work | 2,11,07,000.00 |

Details relating to opening, utilisation and closing balances were not provided to us. Hence we cannot comment on yearend balance of the grant amount.

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

No separate records for state and central government grant were prepared. Hence total grant received by the ULB is provided in the above table.

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.

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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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Nagar Parishad Chachoda Binaganj, Distt Guna
Receipt & Payment 2019-20

| | Amount | Payment | Amount |
|-----------------------------------|----------------|------------------------------------|----------------|
| Receipts | 9,77,29,538.00 | | 2,28,14,181.00 |
| Opening Balance | | Salary | 3,14,246.00 |
| | 8,45,510.00 | Pension | 3,35,000.00 |
| Shop Rent | 6,39,810.00 | Councilor Honararium | 3,78,432.00 |
| Bazaar Bethak | 3,53,240.00 | Arrears | 36,500.00 |
| Animal Fee | 21,685.00 | Snacks | 19,97,340.00 |
| Penalty | 38,000.00 | Drainage Construction | 2,53,300.00 |
| Community Hall Rent | 3,74,631.00 | Pond Beautification | 10,66,599.00 |
| Samekit Kar | 3,32,669.00 | Shed Construction | 8,31,401.00 |
| Nagar Vikas Kar | 2,83,998.00 | Handpump Boring | 51,34,599.00 |
| Sampatti Kar | 352.00 | MPEB-Electricity Expenses | 1,80,22,408.00 |
| Labour Card Fee | 40,500.00 | Security Deposit | 66,17,047.00 |
| Conversion Fee | | | |
| Water Supply Disconnection Fee | 95,700.00 | CC Road Construction | 5,89,210.00 |
| | 15,950.00 | Stationary | 2,66,123.00 |
| Water Supply Connection Fee | 8,67,090.00 | Press Release | 2,16,537.00 |
| Jal Kar | 24,175.00 | Vehicle Rent | 3,65,200.00 |
| Building Fee | 1,15,947.00 | Dead Animal Transportation | 63,75,546.00 |
| Siksha Upkar | 6,73,000.00 | Construction Work | 70,531.00 |
| Mudrank Shulk | 4,08,000.00 | Drinking Water Facility | 42,903.00 |
| Security Deposit | 350.00 | Internet | 19,950.00 |
| Ration Card Fee | 17,160.00 | Computer Repair | 12,76,549.00 |
| Tender Fee | 49,42,000.00 | Pesticide Purchase | 3,21,348.00 |
| Shop Auction | 47,77,000.00 | Vehicle Repair | 17,38,842.00 |
| Commercial Tax | 13,72,500.00 | Pipe Line Repair | 9,41,950.00 |
| Road Repair Fee | 1,63,71,420.00 | Diesel | 3,00,056.00 |
| 14th Finance | 2,05,57,626.00 | JCB Rent | 6,86,400.00 |
| Chhungikshati Purti | 5,48,000.00 | HUDCO Loan | 85,600.00 |
| Niryat Kar | 34,09,000.00 | Election Work | 28,71,229.00 |
| State Finance Commission | 11,67,000.00 | Sanitation Goods Purchase | |
| Yatri Kar | | | |
| Drinking Water & Development work | 2,11,07,000.00 | Jal Pradaye | 51,39,538.00 |
| | | Battery | 32,974.00 |
| | | Office Purchases | 4,10,379.00 |
| | | Fire Brigade Repair | 2,22,860.00 |
| | | Tyre Tube | 79,500.00 |
| | | Professional Fee | 2,22,150.00 |
| | | Puffed Rice | 16,79,167.00 |
| | | LED Light Purchase | 25,42,927.00 |
| | | | |
| | | Shop & Community Hall Construction | 55,69,192.00 |
| | | Dustbin Purchase | 1,49,658.00 |

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|-------|-----------------|---------------------------|-----------------|
| | | Income Tax | 16,61,869.00 |
| | | National Festival | 2,45,060.00 |
| | | Tent House Rent | 6,73,008.00 |
| | | Motor Pump Repair | 8,66,600.00 |
| | | DPR | 4,56,000.00 |
| | | Tree guard | 8,73,591.00 |
| | | TDS Online | 1,12,187.00 |
| | | Funeral-Grace | 4,50,090.00 |
| | | GPF | 4,39,948.00 |
| | | Painting Work | 14,56,005.00 |
| | | Electricity Purchase | 26,71,647.00 |
| | | Banner | 1,55,628.00 |
| | | Fair Expenses | 3,38,400.00 |
| | | Photocopy | 55,063.00 |
| | | Pump Purchase | 14,95,000.00 |
| | | Total Mistake CBF 100,128 | 23,17,922.00 |
| | | Transfer | 1,45,51,003.00 |
| | | Furniture | 38,720.00 |
| | | Ceiling Fan | 18,510.00 |
| | | | |
| | | Closing Balance | 5,82,35,228.00 |
| | | | 17,71,28,851.00 |
| Total | 17,71,28,851.00 | Total | |

Chief Accounts Officer

Chief Municipal Officer, Chachoda Binaganj

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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.136.18 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.

| Type of Tax | Rs In Lakh | | | | | | |
|----------------------------------|--------------------------------------|-----------------------------|---------------------------------------|-------------|------------------|----------------------------------|---------------------------|
| | 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 |
| Sampatti Kar | 5.56 | 1.65 | 3.91 | 3 | 1.35 | 1.65 | 5.56 |
| Samekit Kar | 13.78 | 2.32 | 11.46 | 5 | 1.19 | 3.81 | 15.27 |
| Shiksha upkar | 1.88 | 0.94 | 0.94 | 1 | 0.2 | 0.8 | 1.74 |
| Nagariya Vikas Upkar | 5.7 | 2.85 | 2.85 | 1 | 0.17 | 0.83 | 3.68 |
| Jalkar | 40.48 | 1.43 | 39.05 | 15 | 7.62 | 7.38 | 46.43 |
| Bhavan bhumi rent | 3.27 | 2.87 | 0.4 | 7 | 6.7 | 0.3 | 0.7 |
| Other Tax | 70.69 | 8.72 | 61.97 | 1 | 0.17 | 0.83 | 62.8 |
| Total | 141.36 | 20.78 | 120.58 | 33 | 17.4 | 15.6 | 136.18 |
| Total Un-Recovered amount | | | | | | | 136.18 |

Date: 30/09/2020

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For Patidar & Associates
Chartered Accountants


CA Neelesh Patidar
(Partner)
MRN - 418806

Annexure C

| Name of Auditor | | | | | Chachoda(Binaganj) Nagar Parishad, Dist. Guna | | Amount in lakhs |
|-----------------------------|----------------------|--------------|-----------------|-------------|---|--|---|
| Name of Auditor | | | | | Patidar & Associates | | <u>Suggestions</u> |
| S. no. | | Parameters | | Description | | Observation in Brief | |
| 1 | Audit of Revenue | | Receipts in Rs. | | | | |
| Rajaswa Kar Wasooli | | Year 2018-19 | Year 2019-20 | % of Growth | | | |
| 1 | Property Tax | 2.37 | 2.56 | 7.99 | | Collections wrt total dues is around 35.05% 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. |
| 2 | Samekit Kar | 4.83 | 3.94 | -18.50 | | Collections wrt total dues is around 18.69% which is average. Need to improve collection efforts of previous years dues. | ULB should impose strict penalties and legal actions to improve past and current due collections. |
| 3 | Nagriya Vikas Upkar | 0.33 | 1.25 | 279.89 | | Collections wrt total dues is around 45.07% which is average. Need to improve collection efforts of previous years dues. | ULB should impose strict penalties and legal actions to improve past and current due collections. |
| 4 | Shiksha Upkar | 0.29 | 0.12 | -58.48 | | Collections wrt total dues is around 39.58% 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. |
| <u>Gair-Rajaswa Wasooli</u> | | | | | | | |
| 1 | Bhawan Bhoomi Kiraya | 3.99 | 13.97 | 250.32 | | Collections wrt total dues is around 93.18% which is good. Need to improve collection efforts of previous years dues. | ULB should impose strict penalties and legal actions to improve past and current due collections. |
| 2 | Jal Upbhokta Prabhar | 11.63 | 11.22 | -3.49 | | Collections wrt total dues is around 16.31% which is below average. Need to improve collection efforts of previous years dues. | ULB should impose strict penalties and legal actions to improve past and current due collections. |
| 4 | Other Taxes/Fees | 9.69 | 5.11 | -47.26 | | Collections wrt total dues is around 12.40% which is below average. Need to improve collection efforts of previous years dues. | ULB should impose strict penalties and legal actions to improve past and current due collections. |
| Total | | 33.12 | 38.17 | | | | |

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Reporting on Audit Paras for Financial Year 2019-20

Name of ULB:

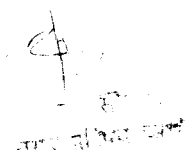
Chachoda Binagani Nagar Parishad

Name of Auditor:

Patidar & Associates, Chartered Accountants

| <u>S. no.</u> | <u>Parameters</u> | <u>Description</u> | <u>Observation in brief</u> | <u>Suggestions</u> |
|----------------------|---|---|--|--|
| 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 | NA. |
| 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 (Establishment, salary, Operation & Maintenance) with | 496.24% $(1,00,89,767 / 5,00,69,807) \times 100$ | | |

N.



| | | | | |
|----|--|---|---|---|
| | respect to revenue receipts (Tax & Non Tax). | | | |
| | b) Percentage of Capital expenditure wrt Total expenditure | 25.72% $(3,05,81,989 / 11,88,93,623) \times 100$ | | |
| 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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नगर पालिका कार्यालय

| Bank Reconciliation Statement | | | |
|--|------------------------------|---------------|----------------------|
| As on 31-March-2020 | | | |
| State bank of India 36923054815 | | | |
| PARTICULAR | | AMOUNT | AMOUNT |
| Balance as per Book 31/03/2020 | | | 40,83,801.00 |
| Less:- Withdrawn From Bank but not in cashbook | | | |
| | Bank Charges | 2.39 | |
| 18/4/19 | Bank Charges | 59.00 | |
| 23/4/19 | Bank Charges | 91.20 | |
| 05-09-2019 | Bank Charges | 2.36 | |
| | Bank Charges | 0.63 | |
| 13/7/19 | Amt Dr Bank Not in Cash Book | 4,167.00 | |
| 08-11-2019 | Amt Dr Bank Not in Cash Book | 4,839.00 | |
| 09-06-2019 | Amt Dr Bank Not in Cash Book | 5,332.00 | |
| 22/11/19 | Bank Charges | 56.89 | |
| | Amt Dr Bank Not in Cash Book | 57,143.00 | |
| | Bank Charges | 618.00 | |
| | Bank Charges | 4.90 | |
| | | | -72,316.37 |
| Add:- Deposit in bank but not in cash book | | | |
| 13/7/19 | Amt Cr Bank Not in Cash Book | 57.44 | |
| | Amt Cr Bank Not in Cash Book | 28,675.00 | |
| | Amt Cr Bank Not in Cash Book | 2,00,000.00 | |
| 12-09-2019 | Amt Cr Bank Not in Cash Book | 12,801.00 | |
| 12-09-2019 | Amt Cr Bank Not in Cash Book | 5,130.00 | |
| | Amt Cr Bank Not in Cash Book | 16.82 | |
| 01-01-2020 | Amt Cr Bank Not in Cash Book | 10,399.00 | |
| 01-03-2020 | Amt Cr Bank Not in Cash Book | 6,781.00 | |
| 01-03-2020 | Amt Cr Bank Not in Cash Book | 5,320.00 | |
| | Amt Cr Bank Not in Cash Book | 50.00 | |
| | Amt Cr Bank Not in Cash Book | 1.31 | 2,69,231.57 |
| O B Differance 1/04/19 (Cash Book & Bank A/C) | | | -10,41,903.79 |
| Balance as per Bank 31/03/2020 | | | 32,38,812.41 |

| Bank Reconciliation Statement | | | |
|--|----------|---------------|---------------------|
| As on 31-March-2020 | | | |
| State bank of India 33714029561 | | | |
| PARTICULAR | | AMOUNT | AMOUNT |
| Balance as per Book 31/03/2020 | | | 35,13,478.00 |
| Less:- Withdrawn From Bank but not in cashbook | | | |
| Add:- Deposit in bank but not in cash book | | | |
| 19-Jun | INTEREST | 30738 | |
| 19-Sep | INTEREST | 27956 | |
| 19-Dec | INTEREST | 27650 | |
| 20-Mar | INTEREST | 27961 | |
| | | | 1,14,305.00 |
| O B Differance 1/04/19 (Cash Book & Bank A/C) | | | 1,24,595.00 |
| Balance as per Bank 31/03/2020 | | | 37,52,378.00 |

| Bank Reconciliation Statement | | | |
|--|---------------------------------|--------------|-----------------|
| As on 31-March-2020 | | | |
| State bank of India 53031407697 | | | |
| PARTICULAR | | AMOUNT | AMOUNT |
| Balance as per Book 31/03/2020 | | | 1,91,55,587.00 |
| Less:- Withdrawn From Bank but not in cashbook | | | |
| 05-04-2019 | | 9,50,000.00 | |
| 05-04-2019 | | 1,00,000.00 | |
| 21/5/19 | | 50,00,000.00 | |
| 25/6/19 | | 40,00,047.20 | |
| 15/4/19 | | 88.50 | |
| 16/4/19 | | 3,80,000.00 | |
| 16/4/19 | | 3,60,000.00 | |
| 16/4/19 | | 2,00,000.00 | |
| 16/4/19 | | 6,00,000.00 | |
| 25/4/19 | | 25,000.00 | |
| | | | -1,16,15,135.70 |
| Add:- Deposit in bank but not in cash book | | | |
| 25/6/2019 | INTEREST | 71,330.00 | |
| 25/9/19 | INTEREST | 28,270.00 | |
| 25/11/19 | Amount cr Bunt not in Cash Book | 15,821.00 | |
| 25/11/19 | Amount cr Bunt not in Cash Book | 15,617.00 | |
| 25/11/19 | Amount cr Bunt not in Cash Book | 8,591.00 | |
| 25/12/2019 | Amount cr Bunt not in Cash Book | 15,410.00 | |
| 25/03/2020 | Amount cr Bunt not in Cash Book | 496.00 | |
| 28/3/2020 | Amount cr Bunt not in Cash Book | 801.00 | |
| 25/4/19 | Amt cr Bank Not in Cash Book | 30,000.00 | |
| 05-04-2019 | Amt cr Bank Not in Cash Book | 30,000.00 | |
| 05-04-2019 | Amt cr Bank Not in Cash Book | 20,000.00 | 2,36,336.00 |
| O B Differance 1/04/19 (Cash Book & Bank A/C) | | | -76,78,960.40 |
| Balance as per Bank 31/03/2020 | | | 97,826.90 |

| Bank Reconciliation Statement | | | |
|--|--------------|--------|--------------|
| As on 31-March-2020 | | | |
| State bank of India 36923052499 | | | |
| PARTICULAR | | AMOUNT | AMOUNT |
| Balance as per Book 31/03/2020 | | | 10,95,416.00 |
| Less:- Withdrawn From Bank but not in cashbook | | | |
| 03-12-2020 | Bank Charges | 649.00 | |
| | | | -649.00 |
| Add:- Deposit in bank but not in cash book | | | |
| O B Differance 1/04/19 (Cash Book & Bank A/C) | | | 42,790.70 |
| Balance as per Bank 31/03/2020 | | | 11,37,557.70 |

| Bank Reconciliation Statement | | | |
|--|------------------------------|--------------|----------------|
| As on 31-March-2020 | | | |
| State bank of India 53031407700 | | | |
| PARTICULAR | | AMOUNT | AMOUNT |
| Balance as per Book 31/03/2020 | | | 1,02,71,029.00 |
| Less:- Withdrawn From Bank but not in cashbook | | | |
| | manth of march-2019 | 61,26,115.00 | |
| | Amt Cr Cash Book Not In Bank | 100.00 | |
| 23/10/19 | Amt Cr Cash Book Not In Bank | 4,98,000.00 | |

| | | | |
|--|-------------------------------|----------------|----------------|
| | | | -66,24,215.00 |
| Add:- Deposit in bank but not in cash book | | | |
| | amt cr bank entery fy 2020-21 | 1,15,62,465.00 | |
| 25/3/20 | INTEREST | 61,894.00 | |
| | Bank Charges | 7.00 | |
| 28/6/19 | Bank Charges | 115.00 | |
| 28/6/19 | Bank Charges | 118.00 | |
| 28/6/19 | Amt dr Bank Not in Cash Book | 6,00,000.00 | |
| | | | 1,22,24,599.00 |
| | | | -58,38,302.29 |
| O B Differance 1/04/19 (Cash Book & Bank A/C) | | | 1,00,33,110.71 |
| Balance as per Bank 31/03/2020 | | | |

| Bank Reconciliation Statement | | |
|--|-------------|--------------|
| As on 31-March-2020 | | |
| Bank of India 889120110000158 | | |
| PARTICULAR | AMOUNT | AMOUNT |
| Balance as per Book 31/03/2020 | | 9,60,715.00 |
| Less:- Withdrawn From Bank but not in cashbook | | |
| Loan Repayment | 5,54,940.00 | |
| (FY 2019-2020) | | -5,54,940.00 |
| | | |
| Add:- Deposit in bank but not in cash book | | -4,05,775.00 |
| O B Differance 1/04/19 (Cash Book & Bank A/C) | | - |
| Balance as per Bank 31/03/2020 | | |

| Bank Reconciliation Statement | | |
|--|-----------|--------------|
| As on 31-March-2020 | | |
| Bank of India 889110100004780 | | |
| PARTICULAR | AMOUNT | AMOUNT |
| Balance as per Book 31/03/2020 | | 29,51,518.00 |
| Less:- Withdrawn From Bank but not in cashbook | | |
| 12-03-2019 | 177.00 | -177.00 |
| | | |
| Add:- Deposit in bank but not in cash book | | |
| 02-01-2020 INTEREST | 43,946.00 | |
| 11-03-2019 INTEREST | 47,005.00 | |
| 08-03-2019 INTEREST | 52,820.00 | |
| 05-03-2019 INTEREST | 49,986.00 | 1,93,757.00 |
| | | 22,37,430.60 |
| O B Differance 1/04/19 (Cash Book & Bank A/C) | | 53,82,528.60 |
| Balance as per Bank 31/03/2020 | | |

| Bank Reconciliation Statement | | |
|--|---------------|---------------------|
| As on 31-March-2020 | | |
| Canara Bank 7752200002252 | | |
| PARTICULAR | AMOUNT | AMOUNT |
| Balance as per Book 31/03/2020 | | 32,22,083.00 |
| Less:- Withdrawn From Bank but not in cashbook | | |
| 15/4/19 | 118.00 | |
| 17/3/20 | 118.00 | |
| | | -236.00 |
| Add:- Deposit in bank but not in cash book | | |
| 01-01-2020 INTEREST | 27,169.64 | |
| 10-01-2019 INTEREST | 28,781.41 | |
| 30/6/19 INTEREST | 28,827.61 | |
| 18/7/19 | 99.00 | 84,877.66 |
| O B Differance 1/04/19 (Cash Book & Bank A/C) | | 1,01,124.76 |
| Balance as per Bank 31/03/2020 | | 34,07,849.42 |

| Bank Reconciliation Statement | | |
|--|---------------|-----------------------|
| As on 31-March-2020 | | |
| Canara Bank 7752200002251 | | |
| PARTICULAR | AMOUNT | AMOUNT |
| Balance as per Book 31/03/2020 | | 1,10,21,349.00 |
| Less:- Withdrawn From Bank but not in cashbook | | |
| 04-03-2019 | 3,40,000.00 | |
| 04-03-2019 | 2,10,000.00 | |
| 17/3/19 | 118.00 | |
| 15/4/19 | 118 | |
| 17/3/20 | 118 | |
| | | -5,50,354.00 |
| Add:- Deposit in bank but not in cash book | | |
| 01-01-2020 INTEREST | 80,439.53 | |
| 10-01-2019 INTEREST | 89,267.83 | |
| 30/6/19 INTEREST | 90,850.09 | |
| | | 2,60,557.45 |
| O B Differance 1/04/19 (Cash Book & Bank A/C) | | 2,70,840.87 |
| Balance as per Bank 31/03/2020 | | 1,10,02,393.32 |

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नगर परिषद काशी