

कार्यालय नगर परिषद नईगढ़ी जिला रीवा (म०प्र०)

Email id- cmonahigari@mpurban.gov.in

क्र. / २११..... / न.प./लेखा/आडिट रिपोर्ट/2022  
प्रति

नईगढ़ी, दिनांक 30-03-2022

अपर आयुक्त महोदय  
नगरीय प्रशासन एवं विकास  
भोपाल (म०प्र०)

विषय :- सी.ए. आडिट रिपोर्ट वर्ष 2020-21 का प्रेषण।

सन्दर्भ :- श्रीमान जी का पत्र क्रमांक/आडिट बजट/शाखा-4(क)/5650 भोपाल दिनांक  
23/03/2022 के परिपालन में।

उपरोक्त विषयान्तर्गत सन्दर्भित पत्र के तारतम्य में लेख है कि नगर परिषद  
नईगढ़ी जिला रीवा का वित्त वर्ष 2020-21 का सी.ए. द्वारा आडिट किया गया है, जिसकी  
सी.ए. आडिट रिपोर्ट वित्त वर्ष 2020-21 का संलग्न कर श्रीमान जी की ओर सादर  
सम्प्रेषित है।

संलग्न :- आडिट रिपोर्ट वर्ष 2020-21

(संजय सिंह)  
मुख्य नगर पालिका अधिकारी  
मुख्य नगर पालिका अधिकारी  
नगर परिषद नईगढ़ी  
जिला रीवा (म०प्र०)

पृ. क्र. / ..... / न.प./लेखा/आडिट रिपोर्ट/2022  
प्रतिलिपि :- सादर सूचनार्थ प्रेषित।

नईगढ़ी, दिनांक .....

1 संयुक्त संचालक महोदय नगरीय प्रशासन एवं विकास रीवा संभाग रीवा म.प्र.।

(संजय सिंह)  
मुख्य नगर पालिका अधिकारी  
नगर परिषद नईगढ़ी  
जिला रीवा (म०प्र०)

# AUDIT REPORT

of

**NAGAR PARISHAD, NAIGARHI**

at

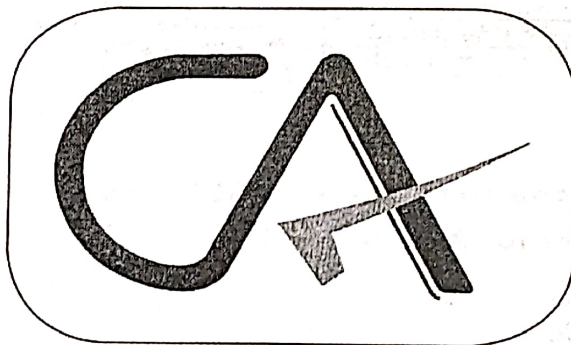
**NAIGARHI, REWA (M.P.)**

**For**

**F Y 2020-21**

**UDIN- 21428171AAABDQ8971**

:: by ::



***AKBN & ASSOCIATES***

*Chartered Accountants*

*JALSA INN MARRIGE GARDEN CAMPUS*

*HEERALAL COLONY, AMAHIYA, REWA*

*Mo. 9827631082, E-aíl- vaibhaviwari.ca@gmail.com*



**AKBN & Associates**  
Chartered Accountants

Jalsa Inn Marriage Garden  
Campus, Heeralal Colony  
Amahiya Rewa (M.P.)  
486001  
Email:-  
[vaibhavtiwari.ca@gmail.com](mailto:vaibhavtiwari.ca@gmail.com)

To,  
Chief Municipal Officer,  
Nagar Parishad, Naigarhi  
Rewa (M.P.)

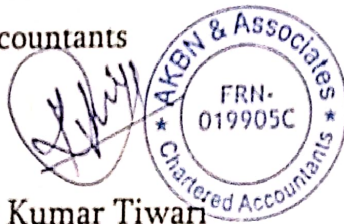
Sub: Audit Report and financial Statements of NAGAR PARISHAD NAIGARHI (Distt. Rewa) for the financial year 2020-21

Dear Sir,

We have conducted the Audit of Nagar Parishad Naigarhi from 12<sup>th</sup> October 2021 to 15<sup>th</sup> October 2021 in the scope of appointment letter issued by your office. Please find enclosed herewith the said audit report and financial Statements for Financial Year 2020-21. We have discussed the irregularities / discrepancies found during the course of our audit with CMO and Accountant.

Thanking you in anticipation

AKBN & Associates  
Chartered Accountants



CA. Vaibhav Kumar Tiwari

Date: - 20/11/21  
Place: - Rewa

# Audit Report of Nagar Parishad Naigarhi

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We have conducted the audit as per Scope of Audit in Terms of Reference Letter no. 2021/820, during our audit programme at Nagar Parishad Naigarhi (Distt. Rewa).

Our observations of audit are presented in following points:-

## 1. Audit of Revenue

1. We have audited all the sources of revenue on test check basis which was recognised and entered in the books of accounts produced before us for verification.

2. We have done audit of Revenue Receipts with their counterfoils, on systematic sample basis and we have observed that money received is duly deposited in respective bank account as depicted in the cash book. We have verified the same with the bank account statement and found the same in order, except some instances of delay deposit.

3. Collection were deposited in bank, same day or next morning of working day if needed, except for bank holiday.



4. All the Entries in cash Book has been Verified.
5. We have verified annual report on target provided and achieved for revenue recovery. We have observed that recovery percentage against current demand is 14.99% and recovery against previous year demand is 3.86%. it is observed that recovery measures taken to meet out the previous year demand is less efficient. Appropriate measures for better recovery procedure are required for outstanding demand.

We have also observed that in case of property tax register of the property tax were made available to us for verification but while recording in the register ULB Dose not maintain the information regarding the unique identification no of property.

List of major tax payers of various taxes are attached as per annexure-1 .

6. We have been explained that there is no FDR lies with the parishad.
7. It has been explained that there is no investment done by the parishad due to scarcity of the fund. Sufficient amount of fund is not available with the parishad so that the investment can be made with the bank.

## 2. Audit of Expenditure

1. We have audited all the expenditure under all schemes which was recognised and entered in the books of accounts produced before us for verification.
2. Cash book and expenditure has been audited and all the vouchers have been verified.
3. We have checked balance of cash book on monthly basis, there were some clerical mistake Found, and has been directed to accountant for their rectification, and same were rectified.
4. We have audited there were no over payment and all those expenditure that are related with their schemes, are properly allocated.
5. We have verified payments of expenditure on systematic sample basis and satisfied that almost payments and transactions were made as per the guidelines and directives issued by regulating authorities.

However we have observed that the parishad has Deducted TDS in Accordance With the Income Tax Act, 1961 but failed to deposit the same in government account and quarterly TDS return was also not filed during the whole financial year.

In case of ESIC- Parishd has deducted the ESIC of the employee's salary but failed to deposit the same in the respective ESIC Account. This is huge

non compliances with respect to the application of PF and ESIC Act. This in turn will involve the huge penalties under respective act.

6. During the audit we have verified financial propriety and found that all the expenditure has been supported by financial and administrative sanctions accorded by competent authority and limited to the administrative and financial limits of the sanctioning authority.
7. We have observed that all the cases of payment were appropriately sanctioned.
8. Scheme wise Financial Statement has been annexed with the report.

### 3. Audit of Book Keeping

1. As per information and explanation provided to us by the management of the paishad and on perusal of books of accounts by us it was noticed that the nagar parishad has not maintained all the required books as prescribed under MP NAM. The book keeping related store were not provided to us for verification. Hence it not possible for us verify and comment upon the same. It is observed that double entry system of books of account is not followed by the parishad hence it is possible for us to prepare balance sheet and Income and Expenditure account of our audit period.
2. We have audited the books of accounts and observed that the same were not maintained as per accounting Rules applicable to urban local bodies.

We have observed that only cash book has been maintained by Nagar Parishad. We have come across the incidence of totalling mistakes and carry forwarding/brought forwarding mistake in cash book. However the same have been made rectified during the course of our audit.

3. We have been explained that no separate advance register has been maintained by the parishad. Hence it is not possible for us verify and comment upon the same.
4. We have found that practice of preparing the bank reconciliation statements (BRS) on timely basis were not followed. Accordingly suggested to prepare BRS on timely basis preferably on monthly basis. We could not prepare the bank reconciliation statement as parishad could not provide all the bank statements as on the 31<sup>th</sup> Mach 2021.
5. We have asked for of grant register, and same could not be produced before us for our verification and explained that photocopies are not provided by the police station in-charge.
6. We have found that Fixed Assets register has not been prepared on timely basis. Accordingly suggested to prepare the same on timely basis with appropriate entries annually.
7. We could not audit and reconcile the accounts of Receipts and Payments of project funds as the same is not produced before us.



8. As per explanation given by the ULB during the course of our audit the ULB is not in the practice of maintaining utilization certificate also in the absence of fixed assets register and income and expenditure account it was not possible for us to verify the correctness and durability of the figure at which the fixed assets were created.

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

#### 4. Audit of FDR:

It has been explained that due to non availability of the sufficient fund Investments have not been done. And no records have been produced before us, so that we can verify whether FDR's are made or not. Therefore we are not able to comment on the same.



## 5. Audit of Tenders/Bids:

1. We have audited that all the tenders/bids were properly invited by the ULB's.
2. We have checked that competitive procedures were followed in case of local bidding and online bidding.
3. We have verified that all the requisite procedures were adequately followed in case of Receipts of tender fee/ Bid Processing Fee/ Performance guarantee.
4. We have not found any bank guarantee.
5. The contract closures has been verified and have been appropriate.

## 6. Audit of Grants and Loans:

1. We have verified that grants issued by central government. And we have observed that, as no separate bank account is opened for the specific grant and there are the chances of diversion of fund to some other purposes. As the investigation in initiated against the employees of the parishad regarding the same issue. Therefore it is highly recommended by us to open a separate bank account for at least high value grants/schemes.
2. We could not verify the grants issued by state government as no sufficient record is available with the parishad.

3. We have not received any record, so that we could verify that adequate procedures were followed in case of loan provided for physical Infrastructure and its utilization.
4. Current position of outstanding loan has not been provided properly by the ULB so we cannot comment upon this.
5. During the course of our audit we have come across the incidence that some of the bank account of the schemes like PMAY, Sanchit Nidhi Etc. Which was not account for in the cash book, and as per information provided to us no separate cash book has been maintained by the ULB for those schemes. We cannot comment if ULB has any more bank account other than the bank account reported in cash book which is presented before us for verification. The management has ensure that all the bank account of ULB should be reported in cash book and monthly balances summary of bank should be enclosed in cash book.

It is highly recommended to implement Double Entry System for Book Keeping/Accounting. It is also recommended to implement Computerised Accounting System for better and smooth working.

Disclaimer



The Audit Report has been prepared on the basis of information furnished and made available to us by Nagar Parishad Naigarhi. We disclaim any responsibility for any misinformation on part of audit.

Date: 26/11/21

Place: Rewa

For

AKBN & Associates  
Chartered Accountants



CA Vaibhav Kumar Tiwari  
(Proprietor)

UDIN- 21428171AAABDQ8971

Name of Unit: Nagar District - Nagpur, Dist. (M.P.)  
 Name of Auditor: NCCM & Associates.

Sr. No.	Particulars	Observation in Brief			Suggestions
		Year 2022-23	Year 2021-22	% of Growth	
<b>1. Result of Income:</b>					
(i)	Summat Kar	1,78,763.00	2,11,250.00	-16.52	Revenue Target should be prepared with reference to income mainly generated by activities like cultivation.
(ii)	Samayik Kar	1,17,260.00	2,36,452.00	-50.36	Asst. Inspr. should be appointed for income by SAC and the regular visit should be made to the field to ensure the collection rate of income was done.
(iii)	Pragya Udan Ushar	26,475.00	55,868.00	-51.25	Revenue Target should be prepared and made to increase result production to increase the collection.
(iv)	Shubra Ushar	850.00		4200.00	Revenue Target should be fixed as per.
	<b>Total Yog</b>	<b>2,55,628.00</b>	<b>5,12,620.00</b>	<b>-48.10</b>	
<b>2. Our District Total</b>					
(i)	Pravast Bhum Ushar	2,02,355.00	4,01,241.00	-49.72	Revenue Target should be prepared and made to increase result production to increase the collection.
(ii)	Jal Ubbhaya prabhar	2,52,750.00	5,06,640.00	-48.51	By SAC and as regular visit should be made to the field to ensure the collection rate of income was done.
(iii)	Ushar Udan Kar Ushar	5,45,520.00	5,20,610.00	4.79	Revenue Target should be fixed as per the sufficient to increase.
	<b>Total Yog</b>	<b>1,00,625.00</b>	<b>1,22,891.00</b>	<b>-17.62</b>	Revenue Target should be prepared and made to increase result production to increase the collection.
	<b>Total Yog</b>	<b>13,58,267.00</b>	<b>17,28,867.00</b>	<b>-21.47</b>	

  
 Sr. Asst. Signature of Auditor  
 NCCM & Associates  
 Chartered Accountants  
 Regd. Office: The State Bank Building  
 Nagpur - 465 001

REVISED ABSTRACT SHEET FOR REPORTING ON AUDIT PARAS FOR FINANCIAL YEAR 2020-21

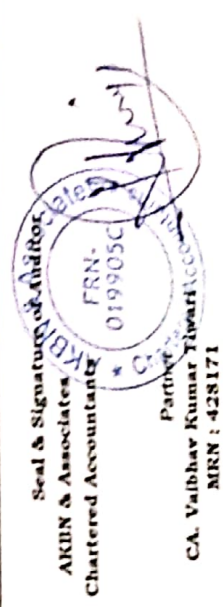
Name of ULB: Nagar Parishad Naigachi, Rewa (M.P.)

Name of Auditor: AKBN & Associates.

Sr.No. Parameters	Description	Observation in Brief	Suggestions
1 Audit of Expenditure	<p>8. As per the explanation given by the ULB during the course of our audit the ULB is not in the practice of maintaining utilization certificate. In the absence of fixed assets register and income and expenditure account it was not possible for us to verify the correctness and reliability of figure at which the fixed assets were recognize in the books of accounts.</p>	<p>8. As per the explanation given by the ULB during the course of our audit the ULB is not in the practice of maintaining utilization certificate. In the absence of fixed assets register and income and expenditure account it was not possible for us to verify the correctness and reliability of figure at which the fixed assets were recognize in the books of accounts.</p>	<p>Practice of utilization certificate should be implemented with ULB</p>
2 Audit of Book Keeping	<p>1. Overall Book Keeping found satisfactory Accounts are maintained in Single Entry System manually. 2. Advance Register should be maintained properly. 3. Receipt &amp; Payment A/C prepared on monthly basis.</p>	<p>We have found the practice of preparing the bank reconciliation statement (BRS) were not followed. Accordingly suggested to prepare BRS on timely basis preferably on monthly basis. We have found that Fixed Assets register has not been prepared on timely basis. Accordingly suggested to prepare the same on timely basis with appropriated entries annually.</p>	<p>Computer Based Accounting System is highly recommended.</p>
3 Audit of FDR	<p>We have done audit of all fixed deposits and term deposits.</p>	<p>Interest recorded in Cash Book only in Maturity of FDRs. It has been in practice of Nagar Parishad that to cover all the branches of banks FDR's and TDR's were invested in proper manner. Entries of interest earned in FDR/TDR has been verified.</p>	<p>Interest should be entered on earned basis</p>



4	Audit of Tenders/ Bids	Regarding tender document and procedur.	No trail is available to verify the tender amount deposited by bidder and no such record maintained at ULB level. It has been explained by ULB to us that the entire tender process is online therefore we need not to maintain the same.	All documents should be maintained by ULB.
5	Audit of Grants & Loans	1. We have verified that grants issued by central government were properly utilized	. We have verified that adequate procedures were followed in case of loan provided for physical infrastructure and its utilization.	Utilization Report should be prepared and monitored on regular basis.
6	Incidence relating to Diversion of funds from Capital/ Receipts/ Grants/ Loans to Revenue Nature Expenditure and from one scheme / project to another	There is no trail or tracing system of utilization of fund.	Seperated cash book and bank account should be maintained.	Proper monitoring required.
7	Any Other			
a)	Percentage of Revenue Expenditure (Establishment, Salary, Operation & Maintenance) with respect to Revenue Receipt (Tax and non Tax)excluding Octroi, Entry Tax , Stamp Duty and other grants etc.	Total Revenue Expenditure is Rs. 21343148/- Total Revenue Receipt is Rs.2090430/- Revenue Expenditure is 1020.99% of Revenue Receipts.	Revenue recovery is not good.	More recovery required, expenses should monitored carefully.
b)	Percentage of Capital Expenditure with respect to Total Expenditure	6.38%	Percentage of completion not mentioned any where.	Capital Exp should recognized on completion basis.

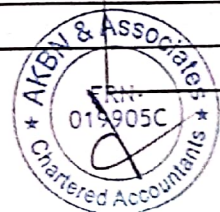

  
 Seal & Signature of Auditor  
 AKBN & Associates  
 Chartered Accountants  
 FRN-019905C  
 Partner  
 CA. Vaibhav Kumar Thapar  
 MRN : 428171

# कार्यालय नगर परिषद जिला-रीवा(म0प्र0)

प्राप्ति भुगतान खाता

01.04.2020 से 31.03.2021 तक

आयगत मद	राशि	व्ययगत मद	राशि
प्रारंभिक शेष			
नगद		वेतन	5456785
बैंक शेष	5106755.51	भाविष्य निधि	46684
कर से प्राप्तिया		यात्रा भत्ता	54991
		वाहन किराया	125700
		वैद्री व्यय	10077
		वेनर पोस्टर सम्बन्धित व्यय	52500
समेकित कर	107960	एन0पी0एस0	210564
कचरा संग्रह	147970	दैनिक मस्टर मानदेय	5087013
सम्पत्तिकर	118068	नगर उदय योजना	22540
शिक्षा कर	883	मुरुम	230446
विकासकर	32918	स्वागत समारोह	64640
जलकर	250750	निर्माण	139705
बाजार अमानत	194180	मरम्मत	102077
बाजार वसूली	175180	डीजल	459519
अमानत mela	65000	ट्यूब वेल खनन	1453501
भवन निर्माण स्वीकृति	105	दैनिक समाचार पत्र	11555
आवेदन/ प्रमाण पत्र शुल्क	26358	स्टेशनरी सामग्री/फोटो कॉपी	141506
सूचना अधिकार	2014	सफाई सामग्री/ व्यवस्था	900736
अमानत राशि		डी.एस.सी	8198
नगर उदय योजना	50000	न्यायालयीय व्यय	30000
टेंडर फार्म	26000	दुकान निर्माण	1102115
टेंकर किराया	6000	वृक्षारोपण	15845
नल कनेक्शन शुल्क	30360	कचडा गाडी किराया कमिश्नर नगर निगम	99997
विविध आय	545533	अलमारी	15476
दुकान किराया	293815	विविध ब्यय	209932
Revanu tax	840	विद्युत सामग्री	453551
NOC	8996	BUDGET	31000
भवन किराया	7500	कोरोना महामारी सामग्री	179876
अनुदान		कम्प्यूटर मरम्मत	22373
चुंगीकर	10873891	जल प्रदाय सामग्री/मरम्मत	1494002
यात्रीकर	177105	विद्युत बिल भुगतान	3373779
मुद्रांक शुल्क	30000	ट्रैक्टर ड्राली मरम्मत	78955
(मूलभूत सुविधा)	2480000	हुडको ऋण ब्याज	268502
राज्य वित्त	2445347	HUMAS PIPE	19110
सडक मरम्मत	1028320	जी0एस0टी0	79226
15वां वित्त आयोग	11062000	आयकर कन्सलटेन्सी फीस	45100
		आयकर टी डी एस	182108
वाणिज्यिक अधिभार	99000	कन्सलटेन्सी फीस	42000
		निविदा प्रकाशन	23950
बैंक ब्याज	152449	प्रिंटर	28700
बैंक हस्तांतरण राशि	701733.24	नेट बैंक	45294
भुगतान वापसी	45174	पोषण आहार कीट	19138





		अंकेक्षण शुल्क	74200
अन्य अनुदान	1000000	कूलर क्रय	10300
आवक जर्माना शुल्क	19750	टीवी किराया	15000
आवक वापसी	36469	टेट किराया	107180
		अमानत राशि वापस	110000
		लैपटॉप खरीद	41203
		बैंक शेष	14551775
योग	37348424	योग	37348424

as per our report of even date annexed

for : AKBN & ASSOCIATES

Chartered Accountant



Dr. Vaibhav Kumar Tiwari

President/Authorised Person

NAGAR PARISHAD NAIGARHI

Membership No.428171

Date :

Place : Rewa

NAGAR PARISHAD NAIGARHI

Annexure -1

List of outstanding debtors of verious taxes

S.NO.	NAME	SAMEKIT KAR	SAMPATTI KAR	UPKAR	EDUCATION TAX	CLEANING TAX	TOTAL
1	JAGDEESH PRASAD GUPTA	0	68600	5941	274	1230	76045
2	JAGDEESH PRASAD GUPTA	0	28872	2015	120	1230	32237
3	SHIVRATAN GUPTA	600	19400	1110	76	1230	22416
4	RAMESHCHANDRA SHARMA	2640	14960	3164	68	1230	22062
5	PITAMBER PRASAD PATEL	0	69950	3710	280	0	73940
6	RAMNARAYAN PATEL	1560	15168	408	62	1230	18428
7	SHIVMANGAL PATEL	240	12220	2702	50	1230	16442
8	RAJMANI PATEL	720	7272	1890	40	1230	11152
9	PRAANNATH PATEL	0	14400	1344	56	1230	17030
10	PRAANNATH PATEL	1800	39600	3696	158	1230	46484
11	SHANKAR PRASAD	600	19262	1484	78	1230	22654
12	MEVALAL GUPTA	240	8085	2695	116	1230	12366
13	HAR PRASAD GUPTA	360	19657	5160	178	1230	26585
14	JAGDAMBA PRASAD GUPTA	0	12989	3576	102	1230	17897
15	UPENDRA KUMAR	0	9690	895	50	1230	11865
16	JAGDEESH PRASAD	2080	11550	2156	46	1230	17062
17	HEERALAL GUPTA	0	7720	1161	38	1230	10149
18	KUNJBIHARI SONI	600	8008	1442	30	1230	11310
19	BARAMDEEN PATEL	1440	8050	1498	32	1230	12250
20	JANKI PATEL	240	23527	1582	94	1230	26673
21	RAMDAYAL SHARMA	0	42366	3043	184	1230	46823
22	RAMAVTAR PATEL	240	11225	2100	44	1230	14839
23	KAUSHAL PATEL	1200	11792	2634	52	1230	16908
24	RAMSIYA PATEL	1080	8500	798	34	1230	11642
25	BUDDHI PATEL	480	7500	1400	30	1230	10640
26	BASUDHA KUSHWAHA	2880	9175	1688	36	1230	15009
27	JAYRAM KUSHWAHA	1080	7075	1316	28	1230	10729
28	KAILASH PATEL	240	8970	260	38	1230	10738
29	RAMBILASH PATEL	1560	8250	1540	32	1230	12612
30	AATMARAM	240	8500	1582	34	1230	11586
31	MANIRAJ SINGH	2760	7128	756	16	1230	11890
	<b>TOTAL</b>	<b>24880</b>	<b>549461</b>	<b>64746</b>	<b>2476</b>	<b>36900</b>	<b>678463</b>



**Nagar Parishad Naigarhi**  
**Management Letter**

For the Period 01/04/2020 to 31/03/2021

To,

The Chief Municipal Officer  
Naigarhi  
Rewa (M.P.)

Dear Sir,

We have recently completed our audit of Nagar Parishad Naigarhi. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require 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 amount and 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.

An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

As we have conducted our audit on the basis of photocopies of the records which in duly verified by the police station in-charge of police station Naigarhi. We believe that



the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance in accordance with the accounting principles generally accepted in India.

We would be pleased to provide any clarification that you may require regarding this report.

Yours faithfully

For  
AKBN & Associates  
Chartered Accountant



CA Vaibhav Kumar Tiwari  
(Partner)