


**NAGAR  
PARISHAD  
NAGRI  
ANNUAL FINANCIAL STATEMENT  
For The Financial Year  
2021-22**

**Balance Sheet, Income & Expenditure Account,  
Receipts & Payments Account,  
Notes to Accounts & Bank Reconciliation Statements**

 <b>SUBHASH SONI &amp; ASSOCIATES</b> Chartered Accountants 207 Smart Trade Centre, 24 Varnuchimang, Freeganj, Ujjain (M.P.) Mobile :9425093987	Mobile No.	9425093987
	Phone	07342530701
	E-mail	Subhash_s3607@yahoo.co.in
	Pan No.	ABFFS0201D
	Firm reg. no.	007303C

## Audit Report

### NAGAR PALIKA PARISHAD, Nagri

We have examined the Books of Accounts maintained in computerized accounting software(tally) and other subsidiary records of Nagar Palika Parishad of Nagri for verifying the subject matters as specified in the scope of work given by Directorate, Urban Administration & Development, M.P., Bhopal Letter bearing reference no/श्री-4(क)/265/2022/7469 Dated 24/04/2022 for the year ended on 31<sup>st</sup> March 2022. With regards to the audit,

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to have obtained reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report the following observations/comments/discrepancies/inconsistencies-


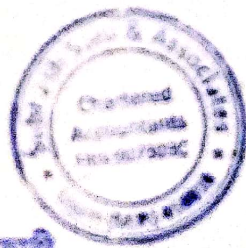
- Our Audit observation are given in Annexure "A"
- Percentage of Revenue Collection increase/decrease in various heads in property tax, Samekit Kar, Shiksha Uplav, Nagar Vikas Uplav and other Tax have been prepared in Annexure "B"
- Audit Report in Prescribed format is attached and marked as Annexure "C"
- Bank Reconciliation Statements are attached and marked as Annexure "D"
- Details regarding revenue collection against the budgeted targets and the growth attained during the year in comparison to previous year is given in Annexure "E"
- Receipts & Payments Account for the year ended on 31-03-2022 attached and marked as Annexure "F"

Subject to above -

- 1) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of the audit.
- 2) In our opinion, proper Books of Account have been kept by corporation so far as appears from our examination of the books.
- 3) In our opinion and to the best of our information and according to the explanations given to us, The said accounts, read with notes thereon, if any, given a true and fair view:
  - a) in the case of Balance Sheet, of the state of affairs of the Corporation at 31<sup>st</sup> March 2022: and
  - b) in the case of the income & Expenditure Account of, the Deficit being excess of Expenditure over income, year ended on 31<sup>st</sup> March 2022.
  - c) in the case of the Receipt & Payment Account of, the Receipts and Payments for the year ended on 31<sup>st</sup> March 2022.


Place: Ujjain

Date: 15/11/2022

  
  
मुहय नगर पालिका अधिकारी  
नगर पालिका नगरी

For Subhash Soni & Associate

Chartered Accountants

  
Subhash Soni (Partner)

M No.075735

UDN 22075735 BDMGTH 6344



## Nagar Palika Parishad, Nagri

### Annexure "A"

#### GENERAL OBSERVATIONS

1. The cash book is maintained manually and with the help of it, the data recorded in computer system. The Totalling and balancing differences of manual cashbook, which are detected during the course of our audit, are rectified at the year end. Details of which are as under :-

#### CASH BOOK DIFFERENCE

Ledger Account

Date	Debit	Credit
01-04-2021	1628105.95	
27-07-2021		300.00
14-09-2021		1.00
30-09-2021	271.50	
30-09-2021	29.50	
03-01-2022	40.00	
31-01-2022		40.00
11-03-2022		900.00
31-03-2022	540.00	
31-03-2022		1627745.95
	1628986.95	1628986.95

2. Opening and closing balance appearing under following heads are subject to reconciliation:

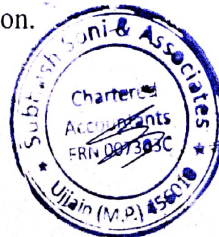
- a) Jalkar –Receivable
- b) Nagriya VikarUpkar –Receivable
- c) Samekitkar- -Receivable
- d) Sampatti Kar –Receivable
- e) Shiksha upkar –Receivable
- f) Swacchtaupkar –Receivable

3. The account of Pradhan Mantri Awas Yojna Punjab National Bank A/c No.( 6310000100016459) schemes was not incorporated in previous year's financial statements.

Above accounts are incorporated at the yearend by the Nagar Parishad after pointed out by us.

4. Details of head-wise deductions from grants remittance from Directorate Bhopal are not available with the Parishad. Therefore, deductions from grants are debited in consolidate amount without mentioning the nature of deduction.

मुख्य नगर पालिका अधिकारी  
नगर परिषद नगरी



5. For the preparation of the Current year income & expenditure account and Balance sheet, figures for the previous year have been rearranged and regrouped wherever considered necessary.
6. Interest on Hudeco Loan accounts are incorporate at the yearend by the Nagar Parishad after pointed out by us.
7. Following repayment of Security Deposit was made in the current year which was deducted long back 3-4 years from the contractors. There was not Credit balance appearing in the balance sheet under the head deposit payable. Therefore, the same is debited to municipal general fund account.

Sr. No	Name of the Contractor	Date of Payment	Amount ( in Rs.)
1.	Kasturi Construction	06-May-2021	5,93,267.00 /-
2.	Limra Construction & Suppliers Jaora	21-June-2021	2,45,476.00 /-
	<b>Total</b>		<b>8,38,743.00 /-</b>

Place: Ujjain  
Date: 15/11/2022



मुख्य नगर पालिका अधिकारी  
नगर परिषद् नगरी

In terms of audit report attached  
For: Subhash Soni & Associates

Subhash Soni  
Partner  
Chartered Accountants  
Membership No 075735  
UDIN: 22075735B DGG IIA 6344

**Revised Abstract Sheet for reporting on Audit For Financial Year 2021-22**

Name of ULB :

**Nagar Palika Parishad, Nagri**

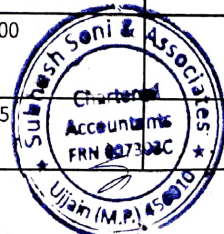
Name Of Auditor

: **Subhash Soni & Associates**

**Annexure-B**

S. No.	Parameters	Description	Observation in Brief	
1	<b>Audit Revenue</b>			
	<b>राजस्व कर वसूली</b>	Receipts in Rs.		
	<b>Year</b>	<b>2020-21</b>	<b>2021-22</b>	<b>% Growth</b>
1	Sampati kar	3,09,440.00	3,28,812.00	0.06
2	Samekit kar	3,92,169.00	2,62,906.00	-0.33
3	Shiksha Upkar	99,527.00	90,685.00	-0.09
4	Nagriya Vikash Upkar	1,82,948.00	1,38,392.00	-0.24
5	Swachhata Upkar	1,04,193.00	80,880.00	-0.22
	<b>योग</b>	<b>10,88,277.00</b>	<b>9,01,675.00</b>	<b>-0.17</b>
<b>गैर राजस्व वसूली</b>				
1	भवन भूमि किराया			
		6,29,242.00	4,26,320.00	-0.32
2	जल उपभोक्ता प्रभार			
3	ठोश अपशिष्ट प्रबंधन उपभोक्ता प्रभार			
4	अन्य कर / शुल्क			
		6,29,242.00	4,26,320.00	-0.32
	<b>कल योग</b>	<b>17,17,519</b>	<b>13,27,995</b>	
	<b>महा योग</b>			

**राज्य नगर पालिका अधिकारी**  
**नगरी**





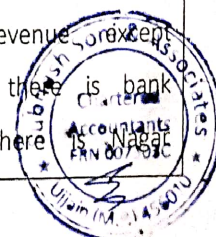
# Nagar Palika Parishad, Nagri

## ANNEXURE- "C"

### (1) AUDIT OF REVENUE

	INDICATORS	OBSERVATIONS	REMARKS
1.	The Auditor is responsible for audit of revenue from various sources.	We have audited all the sources of revenue from various sources,	Audit of revenue is carried on by us with the help of available vouchers and receipt books available with the ULB by applying sample test check basis.
2	The Auditor is Responsible for checking the revenue receipts from the counter files of receipt books & verifies that the money received is duly deposited in respective bank accounts.	We have checked the sources of revenue from various sources, by applying sample test check basis from the counterfoils of the receipt books and they are found to be in agreement with the figures reported in the cash book and ledgers. The same has been deposited in the respective Bank accounts.	There do not exist any delay in depositing revenue except when either there is bank holiday or there is Nagar Parishad holiday.
3	Percentage of Revenue Collection Increase/decrease in various heads in property tax, SamekitKar, ShikshaUpkar, NagriyaVikasUpkar, Jalkar & Other Tax as compared to previous year shall be part of Audit Report.	The details regarding Increase/Decrease in revenue collection in various heads in property tax, Samekitkar, Shiksha upkar, Nagrivikasupkar and other taxes compare to previous year have been reported in Annexure "B" annexed to this report.	Increase / Decrease in revenue collections are given in the annexure "B" .
4	Delay beyond 2 working days shall be immediately brought to the notice of Commissioner/CMO.	During the course of audit, we did not found any delay in depositing revenue receipts in a bank account except when either there is bank holiday or there is Nagar Parishad holiday.	There do not exist any delay in depositing revenue except when either there is bank holiday or there

सुभाष चन्द्र बोस

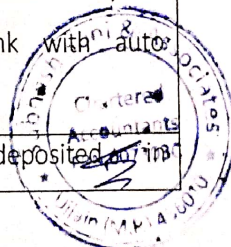


		Parishad holiday.
--	--	-------------------

	INDICATORS	OBSERVATIONS	REMARKS
5	Entries in Cash Book should be verified.	We have verified all the entries reported in the cash book .We found some irregularities/mistakes and the same had been rectified on the spot at the year end.	The cash book is maintained manually and with the help of it, the data recorded in computer system. The Totaling and balancing differences of manual cashbook, which are detected during the course of our audit, are rectified at the year end. Details of which are given In Annexure –A Clause No. 1.
6	Auditor shall specifically mention in report the revenue recovery against the Quarterly & Monthly Targets. Any lapses in revenue recovery shall form part of report.	We have prepared the statement of recovery against the budgeted targets. Complete details of recovery against the budgeted targets have been mentioned in Annexure 'B' annexed to this report.	Fluctuations in Budgeted and Actual figures were found.

	INDICATORS	OBSERVATIONS	REMARKS
7	The Auditor shall verify the interest income from FDR and verify that interest income is duly & timely recorded in Cash Book.	All The receipts of interest in saving bank account are recorded at the year-end on reconciliation of Bank statement.	The Parishad having substantial balance in current/savings account without interest, we suggest that it should be either deposited in fixed deposit accounts or link with auto sweep account.
8	The Cases where	Investments are nil.	Idle fund deposited in

मुख्य नगर पालिका अधिकारी  
नगर परिषद् नगरी



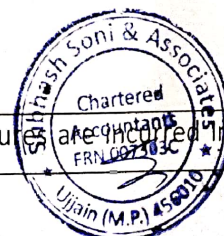
investments are made on lesser interest rates shall be brought to the notice of Commissioner/CMO.		current/savings account should be deposited in a fixed deposit account.
---	--	---

## (2) AUDIT OF EXPENDITURE

	INDICATORS	OBSERVATIONS	REMARKS
1	The auditor is responsible for audit of expenditure under all the schemes.	We have checked various expenditure by applying sample test check basis from the bills, receipts & vouchers available in the record and they are found to be in agreement with the figures reported in the cash book and ledgers. No discrepancies were observed.	Audit of Expenditure is carried on by us by applying sample test check basis.
2	Auditor is responsible for checking the entries in Cash Book & Verifying them from relevant vouchers.	We have verified on random basis by applying sample test check, the entries in the cash book from relevant vouchers and no major discrepancies have been found.	No major discrepancies were found.
3	Auditor shall check balance of the Cash Book & guide the accountant to rectify the errors.	The cash book is maintained manually and with the help of it, the data recorded in computer system.	Totaling mistakes found during the audit have been rectified at the year end.
4	Auditor shall verify that the expenditure of a particular scheme is limited to the funds allocated for that particular scheme any over payment shall be brought to the notice of commissioner/CMO.	While verifying the expenditure incurred in a particular scheme it was observed that funds are utilized for the purpose for which they are received.	During the course of audit, we didn't found any such case where any excess expenditures incurred by the municipality than the amount of grant received.
5	Auditor shall verify that	All the amounts have been expensed	Expenditure are accounted


मुख्य नगर पालिका अधिकारी

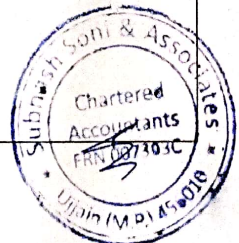
प्रति निवेदन



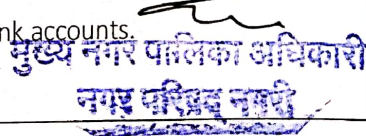
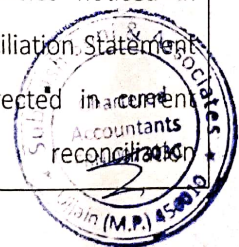


	expenditure is accordance with the guidelines directives act and rules issued by government of India.	in accordance with the guidelines, conditions, directives act and rules issued by government of state or central as the case may be and no contraventions were found or noticed during the course of audit.	accordance with the guidelines issued by the government.
6	During the audit financial property shall also be checked. All the expenditure should be supported by financial administrative sanctions.	By applying random sample test check procedures we found that the expenditures incurred are supported by the relevant vouchers and the same are properly sanctioned by the concerned authority.	We have also checked the financial property of expenditure incurred and didn't come across any unnecessary expenses during the course of audit.
7	All the cases where appropriate sanction has not been obtained shall be reported and the compliance of Audit observation shall be ensured during the Audit.	During the course of audit by applying sample test check basis, we did not come across any such expenditure which had been incurred without obtaining permission from the relevant sanctioning authority.	No Discrepancies found.
8	Auditor shall be responsible for verification of scheme project wise Utilization Certificates (UC'S) & shall be tallied with Income& Expenditure records and creation of Fixed Assets.	ULB has not issued Utilization Certificates for the year under consideration.	From the verification of past utilization certificates and discussion with the management we found that they are preparing utilization certificates properly and on timely basis as and when they are being asked from the higher authority/sanctioning authority.

  
**मुख्य नगर पालिका अधिकारी**  
**नगर परिषद् नगरी**



(3) AUDIT OF BOOK KEEPING

	INDICATORS	OBSERVATIONS	REMARKS
1	Auditor is responsible for audit of all the books of accounts as well as stores.	The Parishad is maintaining cashier cash book, Accountant cash book Manually and at the year end the same has been Computerized in tally accounting software.	
2	Auditor shall verify that all the books of accounts and stores are maintained as per Accounting Rules applicable to ULB, any discrepancies observed should be brought into notice.	The Municipality maintained Books of Accounts on single entry accounting system by employing cash system of accounting . The same has been computerized at the yearend for the purpose of posting of Ledger Accounts and preparing Bank Reconciliation statement. The Receipt and Payment Statement has been prepared on the basis of computerized data.	The discrepancies observed during the course of audit are mentioned infra in Annexure A i.e. notes to account attached to the report.
3	The auditor shall verify advance register and see that all the advances are timely recovered according to the conditions of advances. All the cases of non-recovery shall be specifically mentioned in the audit report.	During the course of audit it is informed to us that Nagar Parishad has no practice of providing any loan/advances to any Employee or supplier so there is no Question of maintaining any Advances or loan register.	As regards to non recovery, Not applicable as no advances has been given by the Nagar Parishad.
4	Bank Reconciliation Statement shall be verified from the records of ULB & the bank concerned.	Municipality has prepared bank reconciliation statements for all bank accounts. 	Certain discrepancies noticed in the Bank Reconciliation Statement have been corrected in current year. Bank 



		statements are attached and marked as "Annexure D"
5	Auditor shall be responsible for verifying the entries in the grant register. The Receipt & payments of grants shall be duly verified from the entries in the Cash Book.	Cross check of the receipts of the grants from Directorate, Bhopal is not verified by us as yearly grant received and deduction therefrom is not available. Therefore, Deduction made from grant is not recorded.
6	The Auditor shall verify the fixed assets register from the records & the discrepancies shall be brought to the notice of CMO.	During the course of audit we observed that the Fixed Asset register is not maintained by the Nagar Parishad.
7	The auditor shall reconcile the accounts of receipt and payments especially for project funds.	No such payment is received
		Grant recorded in the books of account is not reconciled.
		Fixed Assets of the ULB should be marked and its recording in Register must be done. And there should be system of providing depreciation on all depreciable Fixed assets by the municipality.

#### (4) AUDIT OF FDR


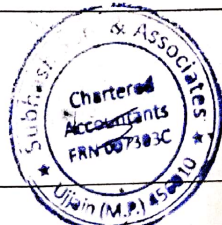
	INDICATORS	OBSERVATIONS	REMARKS
1	The auditor is responsible for audit of all FDR & TDR.	FDR Interest Accounted at the year end.	FDR Interest is accounted for at the year in accordance with the bank interest certificate obtained from bank.
2	Auditor shall ensure that proper records of FDR are maintained and all renewals are timely done.	Yes	
3	Cases where FDR & TDR are kept at low rate of interest than the prevailing rate shall be immediately	No	

मुख्य नगर पालिका अधिकारी  
नगर परिषद नगरी



	brought to the notice of Commissioner/CMO.		
4	Interest earned on FDR shall be verified from entries in the Cash Book.	Yes	

**(5) AUDIT OF TENDER/BIDS**

	INDICATORS	OBSERVATIONS	REMARKS
1	The auditor is responsible for audit of all tenders/bids invited by ULB.	We have audited the tenders/ bids invited by the ULB during the F.Y.2021-22 on sample test check basis, and no contraventions or exceptions were noticed during the course of audit	No Discrepancies found.
2	Auditor shall check whether competitive tendering procedures are followed for all bids.	By applying Random Sample Test Check basis, We found that competitive tendering procedures are followed by the municipality except in the cases where only one bidder was involved in the bidding process.	No Discrepancies were found.
3	Auditor shall verify that receipts of tender fee/bid processing fee/performance guarantee both during the construction and maintenance period.	We have verified the Receipts of tender fee/bid processing fee/Performance guarantee on sample test check basis.	Separate register should be maintained mentioning the details of tender fees/bid processing fees/Performance guarantee received from the tender.
4	The bank guarantee, if received in lieu of bid processing fee/	No such bank guarantee has been accepted  <b>मुख्य नगर पालिका अधिकारी</b> <b>नगर परिषद् नारी</b>	Nil 

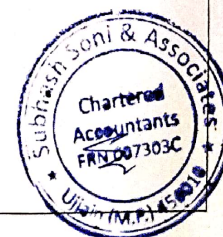


	performance guarantee shall be verified from the issuing bank.		
5	The Conditions of BG's shall also be verified and any BG with any such condition which is against the interest of the ULB shall be verified and brought to the notice of Commissioner/CMO.	No such bank guarantee has been accepted	Nil
6	The cases of extension of BG shall be brought to the notice of Commissioner/CMO proper guidance to extend the BG shall also be given to ULB.	No such bank guarantee has been accepted	Nil

**(6) AUDIT OF GRANTS & LOANS**

	INDICATORS	OBSERVATIONS	REMARKS
1	Auditor is responsible for audit of Grants given by CG and its utilization.	We have audited various grants received from the Central government during the year covered under the audit by applying random sample test check procedures.	Grant received and utilization register is maintained manually by the Parishad.
2	Auditor is responsible for audit of Grants received from State Government and its Utilization.	We have audited various grants received from the state government during the year covered under the audit by applying sample test check procedures.	No Discrepancies were observed.

मुख्य नगर पालिका अधिकारी  
नगर परिषद् नगरी



3	The auditor shall perform audit of loans provided for physical infrastructure and its utilization. During this audit the auditor shall specifically comment on the revenue mechanism i.e; whether the asset created out of the loan has generated desired revenue or not. He shall also comment on the possible reasons for non-generation of the revenue.	During the course of audit, we found that no such asset has been created which generates revenue to the municipality hence the question of generating desired revenue does not arise.	No such instances were observed.
4	The auditor shall specifically point out any diversion of funds from capital receipts/grant/loans to revenue expenditure and from one scheme/project to another.	On sample test checking of the records we didn't find any diversion of fund from capital Receipts/Grants/Loan to revenue expenditure.	No such instances observed

Place: Ujjain  
Date: 15/11/2022

In terms of audit report attached  
For Subhash Soni & Associates



*Subhash Soni*

Subhash Soni (Partner)  
Chartered Accountants  
Membership No. 075735

UDIN

मुख्य नगर पालिका अधिकारी  
नगर पालिका नगरी