

AUDITOR'S REPORT

NAGAR PARISHAD BAGLI

FINANCIAL YEAR 2021-22

NPJS AND ASSOCIATES
CHARTERED ACCOUNTANTS



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INDEPENDENT AUDITOR'S REPORT

To the Stakeholders of NAGAR PARISHAD BAGLI

Report on the Financial Statements	We have audited the accompanying financial statements of NAGAR PARISHAD BAGLI ("the ULB"), which comprise the Receipt & Payment Account for the year then ended, and other explanatory information.
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.
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





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Directorate, Urban Administration & Development, M.P., Bhopal in this regard. The Commissioner/CMO 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 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.

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, 2022.



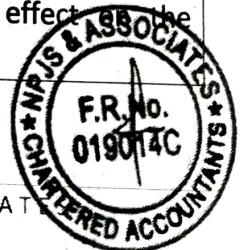


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Basis Qualified Opinion	for	The details which form the basis of qualified opinion are reported in the Annexure 1 and Annexure 2 annexed to this report.
Emphasis Matters	of	<p>We draw attention to the following matters reported in Annexure - 2, annexed to this report.</p> <p>Accounts prepared as per the Manual in lieu of accounting standards for local bodies as issued by Institute of Chartered Accountants of India.</p> <p>Revenue department's records related to recovery of revenue taxes and other revenue dues has minor differences with accounting records maintained by accounting department.</p> <p>Non-maintenance or incomplete registers as prescribed under manual and mentioned at point 3 of annexure 2.</p> <p>Our opinion is not modified in respect of these matters.</p>
We further report that:		<p>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;</p> <p>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.</p> <p>c) The Receipt & Payment Account deal with by this Report are in agreement with the books of account.</p> <p>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.</p> <p>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.</p>





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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.

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'




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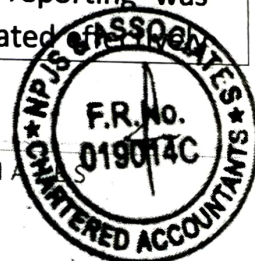
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Annexure '1'

Report on Internal Financial Controls over Financial Reporting

Report on the Internal Financial Controls of the ULB ("the ULB")	We have audited the internal financial controls over financial reporting of NAGAR PARISHAD BAGLI ("the ULB") as of March 31, 2022 in conjunction with our audit of the financial statements of the ULB for the year ended on that date.
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.
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

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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. 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.

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.

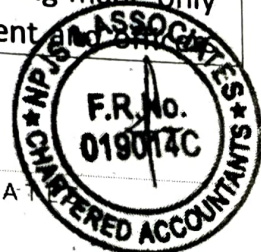
Meaning
Internal
Financial
Controls
Over
financial
Reporting

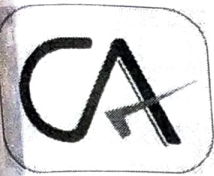
of
Over

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

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the ULB;

b) 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.



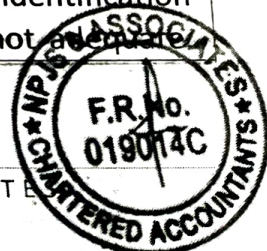


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	of the ULB; and
	c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the ULB's assets that could have a material effect on the financial statements.
Inherent Limitations of Internal 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.
Qualified opinion	<p>According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2022:</p> <p>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</p> <p>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.</p> <p>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.</p>





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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, 2022 based on the criteria established by the ULB. 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, 2022 financial statements of the ULB, and these material weaknesses do not affect our opinion on the financial statements of the ULB.

Date: 25/09/2022

UDIN: 22421786BDXXFH1339

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For NPJS & Associates
Chartered Accountants



वित्तेन्द्रा सिंह
Partner
MRN - 421786



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Annexure '2'

The Annexure referred to in paragraph 5 & 6 of Our Report:

1. Audit of Revenue

The auditor is responsible for audit of revenue from various sources.	Verification of revenue from various sources has been made, and the same has been recognized and entered in the books of account produced before us.
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.	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. Also the ULB collects revenue directly into bank account through online modes like other than over the counter cash. The counter foils or revenue receipts were made available to us for verification. 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.
Percentage of revenue collection increase or decrease in various heads in property tax, samekitkar, shikshaupkar, nagriyavikaspkar, and other tax compared to previous year shall be part of report.	See Annexure C attached to this report.





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Delay beyond 2 working days shall be immediately brought to the notice of commissioner/CMO.

No such instances were noticed during the test check of entries conducted by us except the circumstances, like public holidays, government or local holidays etc.

The entries in Cash book shall be verified

~~We have verified the entries in cash book on test check basis~~ and no major discrepancy was noticed by us. However due to quantum of transactions and inherent limitation of audit we cannot provide our absolute assurance on the entries of the cash book. It is generally recommended that entries of the cash book should be duly supported by necessary documentary evidences and authorizations.

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.

During our verification of revenue registers we observed outstanding from past several years, below mentioned are few cases.

In case of Water Tax-

Important details such as outstanding balance, since when dues are pending, interest charged on pending dues, legal action initiated against such pending dues were missing from registers.

Few pendency's of taxes from long time has been listed below:

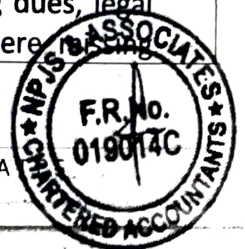
S.no.	Consumer Name	Amount due
21	Shakuntala devi	600.00
25	Babulal	4,800.00
40	Kailashh narayan	1,800.00
41	Bharat Narayan	2,900.00
45	Madan lal	3,650.00
Total		13,750.00

In case of property tax

Important details such as outstanding balance, since when dues are pending, interest charged on pending dues, legal action initiated against such pending dues were

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from registers.

Few pendency's of taxes from long time has been listed below:

Ward No.	Consumer Name	Sampati Kar	Sameklit Kar	Education Cess	Urban Development Cess	Old O/s
1	Dilip	879.00	120.00	293.00	293.00	
2	Shenaz	162.00	120.00	571.00	-	900.00
3	Umesh	693.00	120.00	214.00	214.00	1,461.00
4	Shareef	356.00	120.00	119.00	119.00	
	Total	2,090.00	480.00	1,197.00	626.00	2,361.00

The auditor shall verify the interest income from FDR's and verify that interest is duly and timely accounted for in cash book.

~~We have verified the interest income from FDR's and noticed~~ that interest income is recognised in books of accounts on maturity of the FDR.

The case where, the investments are made on lesser interest rates shall be brought to the notice of the Commissioner/CMO.

All FDR's have been verified as provided to us & were in the possession of ULB. Detail of the same is provided in sub point 3 of point 4.

2. Audit of Expenditure:

- | | | |
|----|--|---|
| 1) | The auditor is responsible for audit of expenditure under all the schemes. | Expenditure under various heads which was recognized and entered in the books of account produced before us for verification except the amount entered under the head Miscellaneous in the receipt and payment statement. |
|----|--|---|





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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.
3)	He should also check monthly balance of the cash book and guide the accountant to rectify errors, if any.	No issue of any difference in test check totalling amount was noticed in course of our verification.
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.	Details relating to deviation of expenditure, if any, of particular scheme is specified at sub point 4 of point 6.
5)	He shall also verify that the expenditure is accordance with the guideline, directives, acts and rules issue by Government of India/ State Government.	As explained to us, ULB follows the necessary guidelines, directives, acts and rules issued by Government of India and State Government. However, ULB didn't provided such directives with written confirmation and hence 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	We have verified the expenditure' on test check basis and it was found that such expenditure were duly supported by financial and administrative





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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.

accorded by competent authority. ULB follows the hierarchy of sanctions and approvals depending upon the nature of the transactions and financial limits.

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.

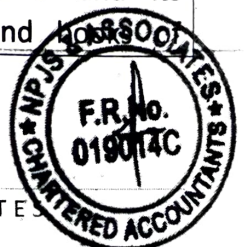
No such instances were noticed during the test check of such entries conducted by us.

8) The auditor shall be responsible for verification of scheme wise/ project wise Utilization Certificate (UC's). 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 provided to us by the ULB.

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. There is no cross check mechanism exist 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


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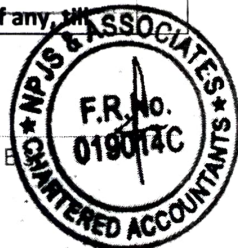
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		account of the ULB.
9)	He shall verify that all temporary advances of other than employees have been fully recovered.	As per the ULB, there is no policy of temporary advances to person other than employees.

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 Fixed Asset Registers, Security Deposit Registers, Stock Registers, Register of Earnest Money Deposits, 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 Stores book 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 to employees are timely recovered according to the condition of advance.	As per the information and explanation provided to us by the management of the ULB, advances to two employees were given which were adjusted from their monthly salary amount.

Name of Person	Amount	Details of Advance given	Adjustment, If any, etc.
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	All the case of non-recovery shall be specifically mentioned in audit report.	<table><tr><td>Shri arjun khare ji</td><td>80,000.00</td><td>For personal needs</td><td>year end 45000</td></tr><tr><td>Shri santosh vishwakarma ji</td><td>20,000.00</td><td>For personal needs</td><td>7500</td></tr><tr><td>Total</td><td>1,00,000.00</td><td></td><td>52,500.00</td></tr></table>	Shri arjun khare ji	80,000.00	For personal needs	year end 45000	Shri santosh vishwakarma ji	20,000.00	For personal needs	7500	Total	1,00,000.00		52,500.00													
Shri arjun khare ji	80,000.00	For personal needs	year end 45000																								
Shri santosh vishwakarma ji	20,000.00	For personal needs	7500																								
Total	1,00,000.00		52,500.00																								
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	<p>Since there is no difference in the balances at year, BRS was not required to be prepared. The balance at year end are as follows:</p> <table><tr><th>S.N o.</th><th>Bank Name</th><th>Bank Account No.</th><th>Balance as per Cash book as on 31/03/2022</th><th>Balance as per Pass book/Bank statement as on 31/03/2022</th></tr><tr><td>1</td><td>SBI</td><td>4953</td><td>25,99,359.72</td><td>25,99,359.72</td></tr><tr><td>2</td><td>Canara Bank</td><td>5227</td><td>24,39,873.97</td><td>24,39,873.97</td></tr><tr><td>3</td><td>SBI</td><td>0120</td><td>44,614.71</td><td>44,614.71</td></tr><tr><td>4</td><td>SBI</td><td>3718</td><td>4,69,317.12</td><td>4,69,317.12</td></tr></table>	S.N o.	Bank Name	Bank Account No.	Balance as per Cash book as on 31/03/2022	Balance as per Pass book/Bank statement as on 31/03/2022	1	SBI	4953	25,99,359.72	25,99,359.72	2	Canara Bank	5227	24,39,873.97	24,39,873.97	3	SBI	0120	44,614.71	44,614.71	4	SBI	3718	4,69,317.12	4,69,317.12
S.N o.	Bank Name	Bank Account No.	Balance as per Cash book as on 31/03/2022	Balance as per Pass book/Bank statement as on 31/03/2022																							
1	SBI	4953	25,99,359.72	25,99,359.72																							
2	Canara Bank	5227	24,39,873.97	24,39,873.97																							
3	SBI	0120	44,614.71	44,614.71																							
4	SBI	3718	4,69,317.12	4,69,317.12																							
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 made available to us. The receipt & payments out of grants were verified on test check basis and found to be correct. A summarised statement of grants maintained by the ULB has been provided to us and same has been provided in the point 6(1) of this report.																									
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	ULB does not maintain separate cash books for different schemes and projects and hence we cannot																									





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receipt and payment especially for project funds.

comment on reconciliation with Receipt & Payment.

4) Audit of FDR

1) The auditor is responsible for audit of all fixed deposits and term deposits.

We have verified fixed deposits maintained by the ULB and provided to us for verification, the detail regarding the same is tabled below:-

S.N O.	BANK NAME	FDR NO.	PRINCIPLE , AMOUNT	ROI	MATURITY DATE
1	Canara bank	3000058- 4	25,00,000.00	5.20%	23/06/2022
2	Canara bank	3000058- 5	25,00,000.00	5.20%	23/06/2022
3	Canara bank	3000058- 6	23,02,303.00	5.20%	23/06/2022
4	BOB	00042	13,52,205.00	4.30%	09/09/2022
5	SBI	6358-1	5,00,000.00	5.30%	09/04/2024
			91,54,508.00		

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

Proper records of FDRs are maintained.

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.

Investments are made by the ULB at competitive rate. However we were not provided with any documents which substantiate the ULB's effort to look for the alternative investment options.





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4) Interest earned on FDR/TDR Shall be verified from entries in the cash book.

Interests on FDRs' are booked on receipt basis, as on the maturity and realization of invested amount is recorded in the cash book.

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.

Bid were invited online where the tender amount exceeding Rs. One Lakh and for value less than one lakh, manual bids were asked.

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

No such bank guarantees were produced before us for verification.



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	guarantee shall be verified from the issuing banks	
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.
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

6) <u>Audit of Grants and Loans</u>	
1) The auditor is responsible for audit of grants given by Central Government and its utilization.	Verification had been conducted for the grants received from the Central/state government. Details of grant receipt and utilised as per accounting records are as follows:

S.No.	Grants	Opening Balance	Received	Utilized
1	Mulbhoot suvidha	3,017.00	24,22,000.00	24,25,827.00



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2	Yatrikar	1,021.00	2,30,000.00	2,31,021.00
3	State finance Commission	17,468.00	20,03,704.00	20,21,172.00
4	Sadak marammat	11,44,567.00	16,49,000.00	7,02,633.00
5	15th Finance commission	25,59,797.00	47,80,000.00	73,36,779.00
6	CM adhosanrachna II phase	49,40,531.00	-	12,96,713.00
7	CM adhosanrachna III phase	-	15,00,000.00	-
8	Special grants	47,03,885.00	-	18,75,000.00
9	Swacch bharat mission	4,00,000.00	21,31,000.00	25,31,000.00
10	Sansad nidhi	-	6,04,000.00	76,000.00
11	Bus stand grant	5,39,083.00	-	5,39,083.00
12	Jal parivahan	-	7,36,000.00	7,36,000.00
13	Janbhagidari	-	10,00,000.00	-
14	SDRF	-	52,13,000.00	-
	Total	1,43,09,369.00	2,22,68,704.00	1,97,71,228.00

- 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. Details for the same are provided in 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 As per information provided by the ULB Loan accorded by ULB from HUDCO for CM adhosanrachna scheme. However the amount gets adjusted with grant-chhungikshatipurti and the balance grant received by the ULB. Hence there is no information maintained by the ULB of such loan.



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non-generation revenue.	of	
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.

Other Audit Observations

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 Bagli as of 31 March 2022 a sum of Rs 8.31 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.
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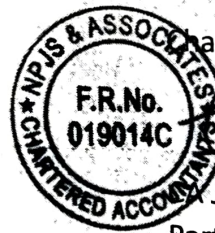
Non Recovery of dues

(Amount in Lakhs)

Sl. No	Type of Tax	Due amount recoverable on 01/04/2021	Received From Previous Dues	Un-Recovered Due for More than a Year	Current Due	Current Received	Total Recovery	Un-Recovered due of Current Year	Total un-recovered amount
1	Sampatti Kar	1.02	0.31	0.72	2.10	1.98	2.29	0.11	0.83
2	Samekit Kar	3.16	0.92	2.24	2.75	2.05	2.97	0.69	2.94
3	Nagar Vikas Upkar	0.16	0.06	0.09	0.39	0.36	0.43	0.03	0.12
4	Siksha Upkar	0.24	0.10	0.14	0.69	0.65	0.75	0.04	0.18
5	Bhawan Bhoomi Kiraya	0.39	0.37	0.02	1.17	0.93	1.29	0.25	0.27
6	Water Tax	4.81	2.66	2.15	5.29	3.47	6.13	1.82	3.97
	Total	9.78	4.41	5.36	12.39	9.45	13.86	2.94	8.31
Total Un-Recovered amount									8.31

Date: 25/09/2022

मुख्य नगर पालिका अधिकारी
नगर परिषद, बागली



For NPJS & Associates
Chartered Accountants

Jitendra Singh
Partner

MRN - 421786



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Reporting on Audit Paras for Financial Year 2021-22

NAGAR PARISHAD BAGLI

Auditor: **NPJS & Associates, Chartered Accountants**

S. no.	Parameters	Description	Observation in brief	Suggestions
2	Audit Expenditure of	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 FDR/TDR of	Verify fixed deposits and term deposits and their maintenance	Observations were listed in brief in point no. 4 of annexure 2 of audit report	NA.





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			attached	
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	NA
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&	2,73,99,142/29,95,501*100 914.68%		



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	Maintenance) with respect to revenue receipts (Tax & Non Tax).			
	b) Percentage of Capital expenditure wrt Total expenditure.	83,73,455/3,57,72,597*100 23.41%		
9	Whether all the temporary advances have been fully recovered or not.		Cases of outstanding advances have been outlined in point no. 3 (3) of report attached.	NA.
10	Whether bank reconciliation statements is being regularly prepared		BRS not required to be prepared by the ULB	NA


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Name of ULB
Name of Auditor

Nagar Parishad Bagli
NPJS & Associates

Annexure C
Amt in lakhs

S.no.	Parameters	Description		% of growth	Observation in brief					Suggestions
	Audit of Revenue	Receipt in (Rs.)								
	Rajaswa Kar wasooli	2020-21	2021-22							
1	Sampatti Kar	2.59	2.29	-11.61	Collection % w.r.t. total dues is	73.38%	which is	Good	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	3.25	2.97	-8.61	Collection % w.r.t. total dues is	50.26%	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.
3	Nagar Vikas Upkar	0.41	0.43	4.47	Collection % w.r.t. total dues is	77.74%	which is	Good	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
4	Siksha Upkar	0.82	0.75	-8.58	Collection % w.r.t. total dues is	80.80%	which is	Good	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
	Total	7.07	6.44							
	Gair-Rajaswa wasooli									
5	Bhawan Bhoomi Kiraya	0.93	1.29	38.90	Collection % w.r.t. total dues is	82.94%	which is	Good	Need to improve collection efforts of previous years dues.	ULB should impose strict penalties and legal actions to improve past Due collections.
6	Water Tax	8.95	6.13	-31.50	Collection % w.r.t. total dues is	60.68%	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.
	Total	9.88	7.82							
	Grand Total	16.95	13.86							

Remark: Previous amount recovered as per wasooll patrak and PY audit report is in variance. ULB was unable to explain such difference in amount.

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नगर परिषद, बागली



Nagar Parishad Bagli Distt. Dewas
Receipt & Payment statement
For the F.Y. 2021-22

Receipts		Amount	Payment	Amount
Opening balance		1,25,61,098.32	Establishment Expenses	
Revenue			Administrative Deptt.	
Samekit kar	Previous	91,934.00	Karyalay sthapna	25,43,346.00
	Current	2,05,080.00	Asthai sthapna	5,52,255.00
Jalkar	Previous	2,65,646.00	Revenue Deptt.	
	Current	3,47,390.00	Rajsav vetan Sthapna	18,41,319.00
Sampatti kar	Nal connection	10,160.00	Arrears	4,59,878.00
	Previous	30,541.00	Pension	5,21,308.00
Vikas upkar	Current	1,98,390.00	Bhavisay nidhi	2,77,000.00
	Previous		Prakash Vyavstha Deptt.	
Siksha upkar	Current	6,466.00	Asthai sthapna	1,49,120.00
	Previous	36,365.00	Jalprday Deptt	
Bajar fee	Current	9,892.00	Sthapna sthai	7,03,005.00
		65,074.00	Asthai sthapna	12,95,441.00
Avedan shulk		1,15,120.00	Swachhta Deptt.	
Vadh shulk		6,704.00	Sthapna	17,44,824.00
Dukan kiraya	Previous	12,450.00	Asthai sthapna	18,73,417.00
	Current	36,648.00	Vehicle hiring charges	
Bank kiraya		29,440.00	Asthai sthapna	8,06,109.00
A.B.PASS		61,480.00	PWD	
	Avedan shulk	9,114.00	Sthapna	5,09,340.00
	Anugya shulk	44,375.00	Labour Exp	13,27,927.00
	Vikas shulk	3,24,376.00	Administrative Expenses	
	Malma shulk	10,250.00	Administrative Deptt	
	Water harvesting	52,000.00	Stationry, Furniture,	
	Jal kar	10,250.00	Computer, Flex	2,16,436.00
		1,93,000.00	Professional tax	27,946.00
Ration card fees		1,331.00	Fees	1,98,149.00
Bank Interest		2,17,775.20	Advertisement	1,66,777.00
NOC		250.00	Programme Expenses	1,56,370.00
Water tanker rent		4,000.00	Swachh bhara mission	1,01,332.00
Water tanker rent-Fair		9,500.00	Vehicle rent	1,82,800.00
Fire Extinguisher fee		2,000.00	Operation & Maintenance	
Sale of Tender		1,10,000.00	Fire Deptt.	
Shop premium		4,78,500.00	Anugrah sahayta rashi	50,000.00
Grants			Prakash Vyavstha Deptt.	
Rajya vitt aayog		20,03,704.00	Vidhut samagri kray	4,77,190.00
15 vitt		47,80,000.00	Vidhut samagri maramat	2,47,554.00
Sadak maramat		16,49,000.00	Jalprday Deptt	
Mulbhut suvidha		24,22,000.00	Jalprday tanki kray ya	
Nala nirman Anudan		52,13,000.00	maramat	75,200.00
Karmakar mandal		70,000.00	Jalprday samagri	
Vishes nidhi jan bhagidari		10,00,000.00	Vidhut deyak	
CM Adhosanrachna		8,00,000.00		

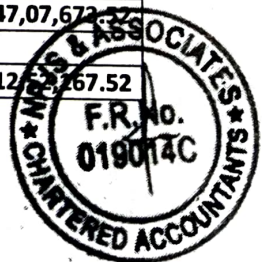

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Vidhayak nidhi		6,04,000.00	New pipe line	1,28,786.00
Jal parivahan Anudan		7,36,000.00	Motor maramat	10,07,828.00
Swachh bhara mission		21,31,000.00	Generator maramat	31,661.00
Chhatipurti Anudan	Yatri kar	2,30,000.00	pipe line maramat	2,15,450.00
	Chungi	1,32,30,672.00	Tanker repair	32,175.00
	Mudrank	6,38,907.00	Jal Parivahan	27,18,446.00
Other Receipts			Jal Praday anya vay JCB	1,94,408.00
Audit		6,435.00	Swachhta Deptt.	
Other		22,153.00	Sarvajanik toilet maramat	11,750.00
SD		1,30,977.00	Swachhta anya vay	1,78,672.00
Covid-19		27,720.00	Covid-19 vay	6,50,768.00
			Swachhta samagri	6,52,394.00
			Ground trenching work	1,98,921.00
			Vehicle hiring charges	
			Diesel oil	13,47,332.00
			Vahan maramat	1,99,947.00
			PWD	
			Karyalay maramat	1,70,482.00
			Capital Expenditure	
			Fire Deptt.	
			Fire vahan kray	25,48,500.00
			Swachhta Deptt.	
			Mela tanker kray	4,81,795.00
			kachra gharo ka nirman	1,09,082.00
			kachra gadi kray	19,24,499.00
			PWD	
			sadak nirman	7,16,225.00
			CM Adhosanrachna	13,56,683.00
			Bus stand	6,11,237.00
			DPR	2,16,850.00
			Vidhut pole Vistar nirman	2,61,822.00
			bhawan nirman	1,46,762.00
			Other Exp	
			Vidhayak nidhi	76,000.00
			Election expenses	1,15,555.00
			Miscellaneous	3,70,712.00
			SD	2,09,630.00
			Closing Balance	1,47,07,672.52
Total		5,12,52,167.52	Total	5,12,52,167.52

CMO
NAGAR PARISHAD BAGLI

ACCOUNTS OFFICER
NAGAR PARISHAD BAGLI
नगर परिषद, बगली



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