

Municipal Board Deedwana

Financial Statements and Independent Auditors reports

FY 2014-15

Prepared By:

Audited By : CK Prusty & Associates

अधिसूचना अधिकारी
नगरपालिका, देवदवाना



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नगरपालिका डीडवाना



INDEPENDENT AUDITOR'S REPORT

To,
EO,
Deedwana

We have audited the accompanying financial statements of MUNICIPAL BOARD, DEEDWANA (NAGOUR), which comprise the Balance Sheet as at March 31, 2015, the Income and Expenditure Account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the ULB in accordance with the Rajasthan Municipal Accounts Manual. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the ULB's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ULB's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the Rajasthan Municipal Accounts Manual Subject to the Matters specified from Annexure-1 to Annexure-14:-

- a) in the case of the Balance Sheet, of the state of affairs of the ULB as at March 31, 2015
- b) in the case of the Income and Expenditure Account, of the surplus/ deficit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date. We further report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the ULB so far as appears from our examination of those books;
 - c) the Balance Sheet, Income and Expenditure Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Income and Expenditure Account, and Cash Flow Statement comply with the Rajasthan Municipal Accounts Manual;

For CK Prusty & Associates.
Chartered Accountants
FRN 323220E



(Kailash Sepat)
(Partner)
M.No.428489

Place : Deedwana
Date 17/06/2016

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MATTERS TO BE REPORTED BY THE FINANCIAL STATEMENTS
AUDITOR

<u>S.No.</u>	<u>Additional Matters</u>	<u>Audit Observation</u>
1	Whether all sums due to and received by the Municipality have been brought to account and have been appropriately classified;	Annexure-1
2	Whether all grants sanctioned or received by the Municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the Municipality whether such deductions have been properly accounted;	Annexure-2
3	Whether any Earmarked Funds have been created as per the provision of any statute and, if so, whether such Earmarked Funds have been utilized for the purposes for which they were created;	Annexure-3
4	Whether the Municipality is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;	Annexure-4
5	Whether in case of leasehold property given by the municipality, whether lease rentals are collected regularly by the Municipality and that the lease agreements are renewed after their expiry;	Annexure-5
6	Whether physical verification has been conducted by the Municipality at reasonable intervals in respect of stores; Whether the procedures of physical verification of stores followed by the Municipality are reasonable and adequate if not, state the inadequacies in such procedures; Whether any material discrepancies have been noticed on physical verification of stores as compared to stores	Annexure-6

	records, and if so, whether the same have been properly dealt with in the books of account;	
7	Whether the parties to whom loans or advances have been given by the Municipality are repaying the principal amounts as stipulated and are also regular in payment of the interest and if not, whether reasonable steps have been taken by the Municipality for recovery of the principal and interest;	Annexure-7
8	Whether advances given to municipal employees and interest thereon are being regularly recovered;	Annexure-8
9	Whether there exists an adequate internal control procedure for the purchase of stores, fixed assets and services	Annexure-9
10	Whether there exists an adequate internal control procedure for the contracting of works and projects, periodic inspections and measurements, quality checks and payments there for	Annexure-10
11	Whether the Municipality is regular in depositing statutory dues including tax deducted at source, works contract tax, cess payable to the Government, ESI, PF etc., and if not, the nature and cause of such delay and the amount not deposited;	Annexure-11
12	Whether any personal expenses have been charged to the Municipality's accounts; if so, the details thereof;	Annexure-12
13	Whether the books and registers specified under the Rajasthan Municipal Accounts Manual and other applicable acts and rules have been properly maintained; whether Bank Reconciliation statements have been properly prepared for all the bank accounts of the Municipality;	Annexure-13
14	Whether the year-end and reconciliation procedures have been carried out;	Annexure-14

Annexure-1

All sums due to and received by the Municipality have been brought to account and have been appropriately classified subject to following

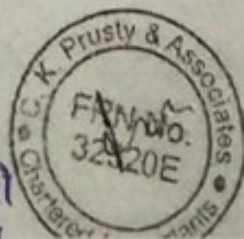
1. There is only Urban Development Tax assessment for the FY 2014-15. No other revenue assessment during the FY 2014-15. Therefore only Urban Development Tax income has been accrued for the FY 2014-15 at end of Financial Year.
2. Grant received for Sewerage of Rs. 435736000/- for Construction of Sewerage is not properly classified. Because the whole amount is not a grant, out of this amount there is Loan from RUIDFCO of Rs.20.95 Crore Approx. and another loan amount from RUIDFCO Rs.6.98 Crore. (As per UC produced by ULB). Thus under the head of grant there is loan from RUIDFCO, it has been suggested that ULB shall corrected such classification in the FY 2015-16. The ULB has also not provided any provision for interest on outstanding Loan amount.
3. Statement of Outstanding liabilities in the Form GEN-28 is not prepared.
4. The PD accounts of PF and Gratuity is not taken in the books of Accounts of the ULB. The Liabilities is also to be taken for such PF and Gratuity payable.
5. In the Financial Statement the Closing Balance of Grant under thirteen finance commission is not matched with closing balance in the Utilisation Certificate of thirteen finance commission.
6. The Expenditure of Rs.985210 out of MLA/MP fund is directly debited to MLA/MP fund the nature of expenditure or classification of expenditure has not been given.

Annexure-2

All grants sanctioned or received by the Municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the Municipality and such deductions have been properly accounted subject to following:

1. In the Financial Statement the Closing Balance of Grant under thirteen finance commission is not matched with closing balance in the Utilisation Certificate of thirteen finance commission.
2. The Expenditure of Rs.985210 out of MLA/MP fund is directly debited to MLA/MP fund the nature of expenditure or classification of expenditure has not been given.
3. The ULB has accounted Grant received and usage their of under the Double entry accounting system but The ULB has not prepared register for the Grant in the format Mentioned FORM: G-1

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4. There is no usage certificate or grants register available with the ULB

- CM Avas Yojna Grant
- Grant for Road Maintenance
- Grant for Saree Kambal Yojna
- Grant SJSRY
- Grant for IDSMT
- MLA Grants
- TFC Grant for Drainage
- Bhamasha Yojana

Annexure- 3

Whether any Earmarked Funds have been created as per the provision of any statute and, if so, whether such Earmarked Funds have been utilized for the purposes for which they were created.

Comment: No earmarked funds have been created by the ULB as per the provision of any statute.

Annexure-4

Whether the Municipality is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;

Comment: The ULB is maintaining the register of Fixed assets but not as per format specified in the Form GEN-30 and GEN-31. There is no physical verification of fixed assets has been carried by the ULB, even once in the whole financial year

It has been suggested to ULB that the ULB should prepared Fixed Assets Register in the Format prescribed and Physical verification of these Fixed Assets should be carried once in the financial year.

Annexure-5

Whether in case of leasehold property given by the municipality, whether lease rentals are collected regularly by the Municipality and that the lease agreements are renewed after their expiry;



Comments: No property of ULB has been given on lease.

Annexure-6

Whether physical verification has been conducted by the Municipality at reasonable intervals in respect of stores; Whether the procedures of physical verification of stores followed by the Municipality are reasonable and adequate if not, state the inadequacies in such procedures;

Whether any material discrepancies have been noticed on physical verification of stores as compared to stores records, and if so, whether the same have been properly dealt with in the books of account;

Comment: The ULB is maintaining the register of Stores. But there is no physical verification of stores has been carried by the ULB, even once in the whole financial year

It has been suggested to ULB that the ULB should prepared Store Register and Documentations in the Format prescribed (ST-1, ST-2 and ST-3) and Physical verification of these Stores should be carried once in the financial year in the presence of the auditor.

Annexure-7

Whether the parties to whom loans or advances have been given by the Municipality are repaying the principal amounts as stipulated and are also regular in payment of the interest and if not, whether reasonable steps have been taken by the Municipality for recovery of the principal and interest;

Comment: No loans and advances have been given to others during the FY 2014-15.

Annexure-8

Whether advances given to municipal employees and interest thereon are being regularly recovered;

Comment: No loans and advances has been given to the employees or others during the FY 2014-15. As per the Management no opening balances on 01/04/2013 of Loans and Advances to employees or others.

Annexure-9

Whether there exists an adequate internal control procedure for the purchase of stores, fixed assets and services

Subject Matters of Internal Controls	INTERNAL CONTROL	AUDITORS COMMENT
Stores	The Head of the Accounts Department shall ensure budget availability with respect to the expenditure incurred at the time of accruing of the expenditure i.e Budget monitoring shall be on accrual basis rather than payment basis.	Yes, The Head of Accounts department ensures the budget availability. But budget monitoring is based on Payment not on accrual basis.
	The Head of the Accounts Department shall ensure that all the purchase bills/invoices were journalized before release of the payments.	No Such procedure is exists
	At the end of the financial year, the Stores-in-charge, the Head of the Accounts Department and the Director Local Fund Audit shall physically verify the stock lying in stores and compare it with the stock as per the book records and in case of any difference, appropriate remedial steps as prescribed by the LB shall be taken.	At the end of every Financial year No Physical verification has been carried out.

	<p>The Stores-in-charge shall ensure availability of adequate budget allocation before procuring any material, after considering all commitments made against the budget allocation.</p>	<p>The Store-in-charge has no such procedure of budget allocation.</p>
	<p>At the time of issue of any material to the Departments, the Stores-in-charge shall ensure that there is an adequate budget provision in respect of that department.</p>	<p>No Internal Control exists.</p>
	<p>The Head of the Accounts Department shall ensure that all the dues recoverable including advance provided to supplier has been recovered before making the final payment to the supplier. Further, it should be ensured that only net amount has been paid to the supplier, as may be applicable to the materials actually received or accepted.</p>	<p>Yes, Internal Control exists ULB does not make payment to suppliers before materials actually received.</p>
	<p>Before releasing payment to the supplier, the Head of the Accounts Department shall ensure that the material received is recorded in the Stores Ledger. Further, it shall be ensured that the Payment Order provides reference to the Stores Ledger where the entry for receipt of material is recorded. In addition, at the time of payment to Suppliers/contractors and any other creditors it shall be ensured that no amount is due from them, which may be adjusted before payment.</p>	<p>The Head of accounts department verify the store register maintained by the Store-in-charge only. No other steps have been taken for checking of whether Material Physically received or not.</p>

	The Stores-in-charge shall ensure that materials in respect of which bills have been received but have not been forwarded to the Accounts Department are stated separately in the Statement of Closing Stock (Form ST – 3).	No such type of entries found in the Stores register. All bills has been forwarded to Accounts department as and when material received.
	The Head of the Accounts Department shall ensure that the 'Purchase of Materials' account has been reconciled at the period and the balance has become nil on accounting of stock entries for the closing stock(on the basis of Statement of Closing Stock in Form ST –3) and consumption of stores.	No Accounts department follows this procedure.
	Also the Head of Accounts Department shall ensure that the balance in the 'Opening Stock' account has become nil at the period end on accounting of stock entries and consumption based on the closing stocks.	No Accounts department follows this procedure.
Employee Related Transactions	Separate Pay Bills shall be prepared by each DDO and Head of department or other officer of the LB designated by him.	Yes, Separate pay bill has been prepared for each DDO
	Consolidation of Pay Bills of DDO shall be made Department wise and Department bills are consolidated for ascertainment of LB level information.	Yes, Consolidation of Pay Bills of DDO has been made Department wise
	Consolidated pay bill summary shall be checked with previous month for ensuring all DDO and departments bills are included.	Yes, Consolidated pay bill summary has been checked with previous month

	<p>A monthly reconciliation shall be carried out by the Head of the Accounts Department and the Head of Establishment Department or other officer of LB designated by the Head of the department in respect of loans and advances outstanding between the balances in the Ledger Accounts maintained at the Accounts Department and the Register of Employee Advances and Register of Loans to Employees. Further, at the period-end, the Head of the Accounts Department or other offices of LB designated by the Head of the Department shall ensure that accounting entry for recording income in respect of interest accrued on loans provided to employees has been passed.</p>	<p>No Reconciliation statement has been prepared</p>
	<p>Every month, the Head of the Accounts Department or other officer of LB designated by the Head of the Department shall ensure timely remittance of the various deductions made from the employees' salaries in the Pay Bill to the concerned authorities.</p>	<p>Yes, Proper System exists.</p>
	<p>The Head of the Accounts Department or other officer of LB designated by the Head of the Department shall ensure that the total establishment expenditure incurred and recorded in the Functional Expense Subsidiary Ledger reconciles with the balance as per the respective Establishment Expense Ledger Account. The Subsidiary Ledger shall record total establishment expenses incurred, including that paid through Pay Bill.</p>	<p>The ULB has not prepared Functional Expenses Subsidiary Ledger and Reconciliation Statement thereof.</p>

	<p>Every month, the Head of the Accounts Department or other officers of the LB designated by him or other officer of LB designated by the Head of the Department shall verify that Provident Fund and Pension Fund contribution deducted for the employees on deputation have been deposited with the concerned authorities.</p>	<p>Yes, The Head of Accounts Department verify the deducted amount has been deposited timely.</p>
	<p>At every year-end, the Head of the Accounts Department or other officers of the LB designated by him or other officer of LB designated by the Head of the Department shall verify whether interest received or receivable on the provident fund investment is less than the statutory liability for interest payment to employees on their balance in the provident fund reserve account, and if so, ensure that the difference of interest payable is provided for and to that extent amount has been transferred from Main Bank Account to Provident Fund Bank Account.</p>	<p>PD Accounts of provident fund has been maintained. But In the double entry accounting, this account has not been taken.</p>
	<p>The Head of the Accounts Department or other officer of LB designated by the Head of the Department shall ensure that whenever the entries in para 11.7 (b) are passed, the equivalent amount of money in respect of deduction of provident fund contribution is simultaneously transferred from the Main Bank Account to the Provident Fund Bank Account.</p>	<p>Yes, HOD of Accounts verifies this.</p>

<u>Other Revenue Expenditures</u>	The Head of the Accounts Department shall ensure budget availability with respect to the expenditure incurred at the time of accruing of the expenditure.	Yes, Accounts department ensures the budget availability for the expenditure
	The Head of the Accounts Department shall ensure that all the bills/invoices were journalised before release of the payments	No bills/Invoices are journalized before the payment.
	The Head of the Accounts Department shall ensure proper authorisation of Payment Order as per the authorities delegated by the LB.	Yes, Payment orders are by proper authorization.
	The Head of the Accounts Department shall ensure that the relevant supporting documents are annexed to the Payment Order submitted by the Department.	Yes, HOD of accounts check the relevant supporting to the Payment order
	The Head of the Accounts Department shall ensure appropriate classification both in terms of expenditure head and the period in which the expenditure has been accounted with reference to the nature of the bill and the date of the bill, respectively.	There is no system of classification on payment vouchers
	On a quarterly basis, and, also in between, on a random basis, the Head of the Accounts Department shall conduct physical verification of cash in hand held at the various departments and tally it with the departmental records maintained there and thereafter with the Register of Advances (Form GEN-16) maintained at the Accounts Department.	Yes, Accounts department take the Physical Verification of cash time to time.

	<p>At the time of making payment, the Accounts Department shall ensure that reference to the departmental Register of Bills for Payment where the payment bill has been recorded by the department concerned, is provided in the Payment Order. In case of non-referencing, the Accounts Department shall return the Payment Order to the concerned Department for rectification and resubmission. In addition, at the time of payment to Suppliers/contractors and any other creditors it shall be ensured that no amount is due from them, which may be adjusted before payment.</p>	<p>Yes, In the accounts department, this payment control system is exists.</p>
	<p>The Head of the Accounts Department shall ensure that a monthly reconciliation of total expenditure incurred and recorded in the Departmental Expense (Administrative Expenses) Subsidiary Ledger is carried out with the total expenditure recorded in several Administrative Expense Ledger Accounts.</p>	<p>No Reconciliation statement and Subsidiary ledger has been prepared.</p>
Fixed Assets	<p>At the time of award of new contract, the concerned department shall ensure the availability of adequate budget allocation after considering all commitments made against that budget allocation before purchasing any new fixed asset.</p>	<p>Yes at the Time of Award of contract concerned department ensure the budget availability.</p>

	At the time of making payment, the Accounts Department shall ensure that reference to the departmental Register of Bills for Payment where the payment bill has been recorded by the department concerned, is provided in the Payment Order. In case of non-referencing, the Accounts Department shall return the Payment Order to the concerned Department for rectification and resubmission. In addition, at the time of payment to Suppliers/contractors and any other creditors it shall be ensured that no amount is due from them, which may be adjusted before payment.	Yes, In the accounts department, this payment control system is exists.
	The Head of the Accounts Department shall ensure that a monthly reconciliation of total expenditure incurred and recorded in the Departmental Expense (Administrative Expenses) Subsidiary Ledger is carried out with the total expenditure recorded in several Administrative Expense Ledger Accounts.	No Reconciliation statement and Subsidiary ledger has been prepared.
	At the time of award of new contract, the concerned department shall ensure the availability of adequate budget allocation after considering all commitments made against that budget allocation before purchasing any new fixed asset.	Yes at the Time of Award of contract concerned department ensure the budget availability.
Fixed Assets		

	<p>The Head of the Accounts Department shall have a system of conducting physical verification of fixed assets throughout the year so that each fixed asset is verified at least once during the year. Any discrepancies with the Fixed Assets Register should be reconciled.</p>	<p>The HOD of Accounts department has no system of physical verification of fixed assets at least once in the year.</p>
	<p>The Head of the Accounts Department shall ensure that the amount set aside in the Asset Replacement Bank Account consequent to depreciation provision made, is utilized only for the purpose of purchase or acquisition of fixed asset for which depreciation has been provided.</p>	<p>No Such Procedure is exists.</p>
	<p>Before releasing payment to the supplier, the Head of the Accounts Department shall ensure that the fixed assets acquired are recorded in the Register of Immovable Properties. Further, it shall be ensured that the Payment Order provides reference to the Register of Immovable Properties where the entry for receipt of fixed assets is recorded.</p>	<p>Yes, accounts department ensure the entry if fixed assets in the fixed assets register.</p>
	<p>At the time of computing depreciation provision for the period, the Head of the Accounts Department shall ensure that the accumulated depreciation (including current period's depreciation provision) provided on any fixed asset does not exceed its cost of acquisition.</p>	<p>There is no such system exists.</p>

Annexure-10

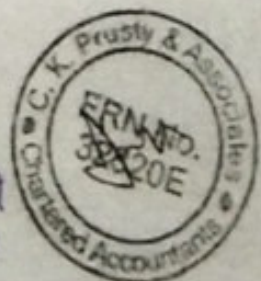
Internal control procedure for the contracting of works and projects, periodic inspections and measurements, quality checks and payments

Subject Matters of Internal Controls	INTERNAL CONTROL	AUDITORS COMMENT
Public Works	The Public Works Department and the Chief of Accounts Department or any other responsible officer as defined by the applicable Acts, shall ensure the availability of adequate budget allocation after considering all commitments made against that budget allocation before undertaking any new work, whether being an Original Work or Repairs and Maintenance Work	The ULB take the approval from board meeting of Members and Public Works department and HOD of accounts department ensure that Whether budget availability for the such public works are sufficient or not.
	A distinction should be maintained between the works of capital nature and revenue nature.	No such classification exists
	A quarterly reconciliation of the balance as per the Deposit Register maintained at the Public Works Department shall be carried out with the Deposit Ledger accounts.	No Reconciliation statement has been prepared by the Public works department or accounts department

	On the completion of an Original Work, reconciliation should be carried out in respect of the amount expended as shown in the records maintained by the Public Works Department and the capital work-in-progress control ledger account maintained by the Accounts Department.	No Reconciliation statement has been prepared.
	On receipt of Summary Statement of Status on Capital Work-in-Progress (Form PW – 1), the Accounts Department shall ensure that total expenditure incurred as stated in the Statement tallies with the cumulative total of several Capital Work-in-Progress Ledger Accounts.	No Such type procedure has been followed.
	The Accounts Department shall ensure that the tax deducted at source and works contract tax deducted from the contractor's bill, etc., is deposited with the Government in accordance with the provisions of the relevant Acts.	Yes, There is proper system for payment of Statutory dues.
	At the end of each month, the Accounts Department shall reconcile the total expenditure as per the Functional Expense (Repairs and Maintenance) Subsidiary Ledger (in form GEN –34) with the total expenditure recorded in the several Repairs and Maintenance Ledger Accounts.	No Functional expenses ledger and Subsidiary ledger prepared.
	Ensure budget availability at the time of approval of the bill.	Yes, Chief of Accounts Department ensure the Budget availability on the Time of payment.

	Ensure that all the dues, including liquidated damages/penalties, are recovered from the contractor before making the final payment in respect of any contract.	Yes, Performance quality team reviews the works done by the Contractors before final payment. Accordingly Accounts department recovered the penalties or damages.
	Ensure that no amount is due from suppliers/contractors, which may be otherwise adjusted before payment.	Yes, Chief of Accounts department ensure that no advances given or no amount is due before payment.
	Ensure that all the bills/invoices of contractors were journalised before release of the payments.	No bills/invoices journalized before payment.
	At period-end, the Head of the Accounts shall review the Work Sheets maintained for ascertaining whether any of the capital work in progress qualifies for capitalisation.	No Such procedure is followed by Accounts department.

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Annexure-11

Whether the Municipality is regular in depositing statutory dues including tax deducted at source, works contract tax, cess payable to the Government, ESI, PF etc., and if not, the nature and cause of such delay and the amount not deposited.

Comment: All the statutory dues including tax deducted at source, works contract tax, cess payable to the Government, ESI, PF etc. deposited timely.

However the following expenditure required to be deduct Income Tax, Sale Tax, etc

S.No.	Head of Expenditure	Amount of Expenses	Deduction required	TDS to be Deducted
1.	Legal Expenses	68651.00	Income Tax	6865.00
2.	Contract Vehicle	370635.00	Income Tax	3706.00
3.	Festival Expenses	83159.00	Income Tax	832.00

Annexure-12

Whether any personal expenses have been charged to the Municipality's accounts; if so, the details thereof;

Comment: No Personal expenses have been charged from ULB's accounts.



Annexure-13

Books and registers specified under the Rajasthan Municipal Accounts Manual and other applicable acts and rules:

S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	Cash Book	The Cash Book has two sides, viz., "Receipt" and "Payment". All collections on behalf of the LBs shall be recorded on the "Receipt" side and all payments shall be recorded on the "Payment" side	GEN-1	Yes, Properly maintained by the ULB.
	Journal Book	A non-cash/bank transaction is first recorded in the Journal Book by dividing into its debit and credit aspects, from which a posting is done in the relevant ledger account. Recording of income in respect of Taxes Bills raised, recording of liability on receipt of supplier's bills are examples of transactions, which shall be first recorded in the Journal Book.	GEN-2	Not Maintained by the ULB based on day to day to transaction. In the Double entry Accounting a non-cash/bank transaction is first recorded in the Journal Book.
	Ledgers	Ledgers shall be the book that shall contain all the accounts as specified in the Chart of Accounts. The Ledger has two columns, viz, "Debit" (Dr.) and "Credit" (Cr.).	GEN-3	Not Maintained by the ULB based on day to day to transaction. In the Double entry Accounting Ledgers are maintained.
	Cash/Bank Receipt Voucher	The Cash Receipt Voucher shall be prepared for receipts in cash and the Bank Receipt Voucher for receipts by cheques, demand drafts, banker's cheques, etc., which need to be deposited in the bank for realisation.	GEN-4A & 4B	Chas receipt voucher and Bank receipt voucher have been prepared.
	Cash/Bank Payment Voucher	Cash/Bank Payment Voucher shall be the document prepared for recording payment entries in the Cash Book/Bank Book	GEN-5A & 5B	Cash/Bank Payment Vouchers have been prepared

S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	Contra Voucher	Contra Voucher shall be a document for depositing into or withdrawing cash from bank or transferring amount from one bank to another	GEN-6	No Contra Voucher has been prepared
	Journal Voucher	Journal Voucher shall be the document prepared for recording entries in the Journal Book	GEN-7	No Physical Journal Voucher prepared
	Receipt	For receipt of cash or any amount received in the form of cheques/draft, a Receipt, duly signed and dated shall be issued in Form GEN-8	GEN-8	Yes ULB has been issued a receipt for any cash or Bank receipt.
	Receipt Register	All cheques/drafts received shall be recorded in a Receipt Register, maintained in Form GEN-9	GEN-9	No Such register maintained
	Statement on Status of Cheques Received	The details should be intimated to the Accounts Department by the Collection Office/ Centre who have actually deposited the cheques and co-ordinating with the bank, through a Statement on Status of Cheques Received, prepared in Form GEN-10. Based on the Statement on Status of Cheques Received the Accounts Department shall reverse the entry passed	GEN-10	No Such register maintained
	Collection Register	The Collection register to be maintained in Form GEN-11 will show account head-wise details of the daily collections. This collection register shall be maintained in triplicate where in one copy can be sent to the concerned departments along with one copy of the Bill/Challan collected, if any, one can be sent to the Accounts and other one will be retained as book copy.	GEN-11	Collection register is not maintained

S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	Summary of Daily Collection	Based on the details from the collection register, the collection offices shall prepare a Summary of Daily Collection in Form GEN-12.	GEN-12	Summary of Daily Collection in Form GEN-12 is not prepared
	Register of Bills for Payment	The concerned department shall verify the bills/claims received. On satisfactory verification, the bills/claims shall be entered into the Register of Bills for Payment, maintained in Form GEN-13.	GEN-13	There is no register for this, only files for particular payee is maintained.
	Payment Order	On approval of the payment by the concerned authorities at the respective departments, the department shall forward the bills for preparing a payment order by the concerned Department in Form GEN-14	GEN-14	Yes
	Cheque Issue Register	On verification of the Cash/Bank Payment Voucher, a cheque shall be prepared. An entry of the cheque prepared shall be made in the Cheque Issue Register, maintained in Form GEN-15. At period end, the Accounts Department shall review the Cheque Issue Register	GEN-15	Yes,
	Register of Advance	The details of the advances given shall be recorded in the Register of Advance maintained in Form GEN-16	GEN-16	No register of advance
	Register of Permanent Advance	The details of the expenditure incurred against the advance shall be recorded in a Register of Permanent Advance maintained at the various departments in Form GEN-17.	GEN-17	No register of permanent advance.

S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	Deposit Register	Deposits received/paid/deducted shall be recorded by the ULB	GEN-18	Yes, ULB has Deposit Register
	Summary Statement of Deposits Adjusted	Deposit adjusted shall be recorded properly in this Form	GEN-19	Not maintained
	Demand Register	Bills raised by the LB for the revenue collection is recorded in the Form GEN-20	GEN-20	No demand register maintained in the prescribed format.
	Bill for Municipal Dues	Municipal Dues bill shall be recorded in GEN-21	GEN-21	Yes
	Summary Statement of Bills Raised	Summary Statement of Bills Raised shall be prepared in form GEN-22	GEN-22	No Summary Statement of Bills Raised has been prepared.
	Register of Notice Fee, Warrant Fee, Other Fees	Register of Notice Fee, Warrant Fee, Other Fees shall be prepared in Form-23	GEN-23	Register of Notice Fee, Warrant Fee, Other Fees has not been prepared
	Summary Statement of Notice Fee, Warrant Fee, Other Fees	Summary Statement of Notice Fee, Warrant Fee, Other Fees shall be prepared in the form GEN-24	GEN-24	Summary Statement of Notice Fee, Warrant Fee, Other Fees has not been prepared
	Register of Refunds, Remissions and Write-offs	Register of Refunds, Remissions and Write-offs shall be prepared in the form GEN-25	GEN-25	Register of Refunds, Remissions and Write-offs has not been prepared
	Summary Statement of Refunds and Remissions	Summary Statement of Refunds and Remissions shall be prepared in the form GEN-26	GEN-26	No Summary Statement of Refunds and Remissions has been prepared
	Summary Statement of Write-Offs	Summary Statement of Write-Offs shall be prepared in the form GEN-27	GEN-27	No Summary Statement of Write-Offs has been prepared

S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	Deposit Register	Deposits received/paid/deducted shall be recorded by the ULB	GEN-18	Yes, ULB has Deposit Register
	Summary Statement of Deposits Adjusted	Deposit adjusted shall be recorded properly in this Form	GEN-19	Not maintained
	Demand Register	Bills raised by the LB for the revenue collection is recorded in the Form GEN-20	GEN-20	No demand register maintained in the prescribed format.
	Bill for Municipal Dues	Municipal Dues bill shall be recorded in GEN-21	GEN-21	Yes
	Summary Statement of Bills Raised	Summary Statement of Bills Raised shall be prepared in form GEN-22	GEN-22	No Summary Statement of Bills Raised has been prepared.
	Register of Notice Fee, Warrant Fee, Other Fees	Register of Notice Fee, Warrant Fee, Other Fees shall be prepared in Form-23	GEN-23	Register of Notice Fee, Warrant Fee, Other Fees has not been prepared
	Summary Statement of Notice Fee, Warrant Fee, Other Fees	Summary Statement of Notice Fee, Warrant Fee, Other Fees shall be prepared in the form GEN-24	GEN-24	Summary Statement of Notice Fee, Warrant Fee, Other Fees has not been prepared
	Register of Refunds, Remissions and Write-offs	Register of Refunds, Remissions and Write-offs shall be prepared in the form GEN-25	GEN-25	Register of Refunds, Remissions and Write-offs has not been prepared
	Summary Statement of Refunds and Remissions	Summary Statement of Refunds and Remissions shall be prepared in the form GEN-26	GEN-26	No Summary Statement of Refunds and Remissions has been prepared
	Summary Statement of Write-Offs	Summary Statement of Write-Offs shall be prepared in the form GEN-27	GEN-27	No Summary Statement of Write-Offs has been prepared

S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	Statement of Outstanding Liability for Expenses	For this, at the end of the accounting period, each of the departments shall collate the details of the accrued expenditure from the bills received during or after the accounting period but pertaining to the accounting period and remaining unpaid at the end of the accounting period. The said information shall be collated in Form GEN-28 by 30 th April of the next financial year where the accounting period is a financial year	GEN-28	Quarterly Statement of Outstanding Liability for Expenses in the form GEN-28 has not been prepared
	Documents Control Register/Stock Account of Receipt/Cheque Book	Documents Control Register/Stock Account of Receipt/Cheque Book shall be prepared in the Form GEN-29	GEN-29	Not prepared
	Register of Immovable Property	A record shall be maintained for the immovable fixed assets in the relevant Register of Immovable Property in Form GEN-30	GEN-30	Yes, Register of Immovable Property has been maintained.
	Register of Movable Property	A record shall be maintained for the moveable fixed assets in the Register of Moveable Property in Form GEN-31.	GEN-31	Yes, Register of Movable Property has been maintained.
	Register of Land	A record shall be maintained for the land in the Register of land in Form GEN-31.	GEN-32	Yes, but Register of land has been maintained in the format prescribed.

S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	Function-wise Income Subsidiary Ledger	The Accounts Department shall maintain separate Subsidiary Ledger for each of the Major revenues in Form GEN - 33. The Subsidiary Ledgers would provide function-wise break-up of above-mentioned income earned/received by the LBs on a daily basis. Separate folios shall be maintained for each function within the Subsidiary Ledger for recording incomes in respect of each function	GEN-33	No Function-wise Income Subsidiary Ledger has been maintained by the ULB.
	Function-wise Expense Subsidiary Ledger	The Accounts Department shall maintain separate Subsidiary Ledger for each of the Major expense head in Form GEN - 34. The Subsidiary Ledgers would provide function-wise break-up of above-mentioned expenses incurred by the LBs on a daily basis.	GEN-34	No Function-wise Expenses Subsidiary Ledger has been maintained by the ULB.
	Asset Replacement Register	Asset Replacement Register in Form GEN-35 shall be maintained asset class-wise to record the money set aside and shall be updated for deposits made to Asset Replacement Bank Account in respect of annual depreciation provision made during the accounting year	GEN-35	No Asset Replacement Register has been maintained.
	Register of Public Lighting System	Register of Public Lighting System shall be maintained in the Form GEN-36	GEN-36	Not maintained
RECORDS AND DOCUMENT RELATED TO RENTALS, FEES & OTHER INCOMES				

S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	STATEMENT OF DEMAND RAISED ON ASSESSMENT	The respective departments shall intimate the Accounts Department of the advance adjusted against the subsequent bills raised through the Summary Statement of Bills Raised (Form OTH - 1)	OTH-1	Not maintained
	SUMMARY STATEMENT OF YEAR-WISE HEAD- WISE COLLECTION OF OTHER INCOMES	A Summary Statement of Year-wise/ Head-wise Collection of various other incomes in Form OTH-2 shall be prepared on a monthly basis by the respective departments and sent to the Accounts Department to record the details of collection.	OTH-2	Not maintained
	SUMMARY STATEMENT OF REFUNDS	A Summary Statement of Refunds and Remissions in Form OTH - 3 shall be prepared by the respective departments on monthly basis. Refunds / Remissions pertaining to prior period shall be identified separately from the current period	OTH-3	Not maintained
	SUMMARY STATEMENT OF WRITE OFFS	The details of the write off has to be entered in the 'Statement of Write off' by the respective departments in Form OTH - 4. This form has to be prepared on a monthly basis and forwarded to the Accounts Department	OTH-4	Not maintained

RECORDS AND DOCUMENT RELATED TO PUBLIC WORKS

	SUMMARY STATEMENT OF STATUS OF CAPITAL WORK-IN- PROGRESS/DEPOSIT WORKS	At period-end, the departments incurring expenditure on capital projects shall submit a Summary Statement of Status on Capital Work-in-Progress in Form PW - 1 detailing total expenditure incurred till date on each of the capital projects	PW-1	Yes, maintained
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S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	WORK SHEET	The details of the Deposit works contract (including names of the departments who have entrusted the deposit works) shall be recorded in the Deposit Works Register (in form PW - 3).	PW-2	Yes, maintained
	DEPOSIT WORKS REGISTER	The Accounts Department shall maintain a Deposit Works Register in Form PW-3 with separate registers for each kind of the Deposit works. (For example, Civil, Electrical, etc).	PW-3	Yes, maintained

RECORDS AND DOCUMENT RELATED TO STORES

	MATERIAL RECEIPT NOTE	As per the terms of the agreement with the Supplier, the materials shall be delivered to the LB. The Stores shall prepare a Material Receipt Note in Form ST-1	ST-1	Yes Store in-charge prepare a Material Receipt Note in Form ST-1
	STORES LEDGER	From the Material Receipt Note, the Stores shall record the receipt of materials in the Stores Ledger maintained in Form ST-2 If the materials supplied are found to be defective or not in accordance with the terms specified in the agreement, the Stores shall return it back to the supplier concerned and make an entry for return of material in the Issue Column of the relevant folio in the Stores Ledger (Form ST - 2).	ST-2	Store Ledger is maintained.

S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
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RECORDS AND DOCUMENT RELATED TO GRANTS

GRANT REGISTER

G-1 Not maintained

RECORDS AND DOCUMENT RELATED TO BORROWINGS

**REGISTER OF
LOANS**

The amount borrowed as per the terms of sanction shall be entered in the Register of Loans in Form BR-1 maintained by the Accounts Department of the LB

BR-1 Not maintained

**REGISTER OF
DEBENTURES**

In case, sanction has been obtained for issuing debentures, the particulars of the debenture holder shall be recorded in the Register of Debentures in Form BR-2.

BR-2 Not requirement

**REGISTER OF
SINKING FUNDS**

Register of Sinking fund shall be prepared in the form BR-3

BR-3 Not required

RECORDS AND DOCUMENT RELATED TO SPECIAL FUNDS

**SPECIAL FUNDS
REGISTER**

Special fund received or created shall be maintained in the register of from SF-1

SF-1 Not maintained

RECORDS AND DOCUMENT RELATED TO INVESTMENT

**INVESTMENT
LEDGER /
REGISTER**

Investment ledgers and register shall be prepared in form IN-1

IN-1 Not maintained

**CALCULATION
SHEET FOR
PROVISION FOR
DIMINUTION IN
VALUE OF
INVESTMENTS
FOR THE PERIOD
ENDING**

CALCULATION SHEET FOR PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS FOR THE PERIOD ENDING shall be prepared in the form IN-2

IN-2 Only FDR is investment, therefore no requirement

RECORDS AND DOCUMENT RELATED TO LOAN AND ADVANCES

**REGISTER OF
LOANS TO OTHERS**

The loans to Others shall be entered in the 'Loans to Others register' in Form LA -1 and on a monthly basis

LA-1 Not required

S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
RECORDS AND DOCUMENT RELATED TO BUDGET				
	Budget	Budget shall reflect the principles and programmes of the LB. Budget must also enable LB in measuring and promoting accountability in respect of service delivery.	BUD-1 to BUD-12	Yes, Budget has been prepared in the specified formats



Annexure : 14

Year/Period end and reconciliation procedures

S.No.	YEAR END PROCUDURES	AUDITORS COMMENTS
Assigned Revenue	<p>At the period end, it shall be ensured that all the Receivables of Assigned revenues are reviewed and written off, if considered necessary</p> <p>Further, the accounts department shall also ensure that the necessary reversal entries are made for assigned revenues received in the current accounting period, which were accrued in the previous period</p>	No Receivables of Assigned revenues are reviewed at the end of the financial years.
Public Works	<p>The details of the Deposit works contract (including names of the departments who have entrusted the deposit works) shall be recorded in the Deposit Works Register (in form PW – 3).</p> <p>At period-end, the departments incurring expenditure on Deposit Works shall submit a Summary Statement of Status on Deposit Works Expenditure maintained category wise as Civil, Electrical and Others in Form PW – 1 (similar to Capital work in progress) detailing total amount of works incurred till date on each of the Deposit Works. The details of total expenditure incurred on each of the Deposit Works can be collated from the Work Sheet (similar to Capital work in progress) in Form PW – 2</p>	The Public works department and chief of accounts department prepared the summary statement as per own requirement but this procedure is not conformity with the Rajasthan Municipal accounts Manuals.

Investment	At period-end, interest shall be accrued on investments made from the date of last receipt of interest till the end of the accounting period. The accrual of interest shall include both interests due for receipt and interests not due for receipt.	No accrual of interest on the FDR for the period from the date of interest received to end of financial years.
Fixed Assets	<u>Recording of liability for fixed assets purchased for which payment has not been made.</u> At period end, the concerned departments shall ensure that for bills in respect of all the fixed assets received before the last date of the accounting period are processed	Since it is recorded in the form GEN-28, but ULB is not preparing the form GEN-28, Therefore this year end procedure is not followed by accounts departments.
Lease of Land	<u>Accrual of ground rentals:</u> The Revenue Department shall identify the total ground rentals due for the period under reporting and compare the same with the ground rental income recognised till date in the books and account for differences if any.	No accrual of ground rental at the end of the financial years. And No reconciliation statement or comparative statement has been prepared.

GENERAL PERIOD-END PROCEDURES

Investment	At period-end, interest shall be accrued on investments made from the date of last receipt of interest till the end of the accounting period. The accrual of interest shall include both interests due for receipt and interests not due for receipt.	No accrual of interest on the FDR for the period from the date of interest received to end of financial years.
Fixed Assets	<u>Recording of liability for fixed assets purchased for which payment has not been made.</u> At period end, the concerned departments shall ensure that for bills in respect of all the fixed assets received before the last date of the accounting period are processed	Since it is recorded in the form GEN-28, but ULB is not preparing the form GEN-28, Therefore this year end procedure is not followed by accounts departments.
Lease of Land	<u>Accrual of ground rentals:</u> The Revenue Department shall identify the total ground rentals due for the period under reporting and compare the same with the ground rental income recognised till date in the books and account for differences if any.	No accrual of ground rental at the end of the financial years. And No reconciliation statement or comparative statement has been prepared.

GENERAL PERIOD-END PROCEDURES

<p>e. <u>Verification of number of receipts issued as reported by the collection office with the Collection Register:</u> On receipt of Challan for Remittance of Money from the Collection Office, the Head of the Department supervising the functioning of the Collection Office shall verify the duplicate copies of the receipts issued with the entries made in the Collection Register</p>	<p>The ULB has not maintaining the collection register on daily basis. Only challan book is maintained by the ULB.</p>
<p>f. <u>Updation of Subsidiary Ledger:</u> The Accounts Department shall update the following Subsidiary Registers at the end of each day:</p> <ol style="list-style-type: none"> Functions wise Income Subsidiary Ledger in respect of all major heads of Income during the day; Functions wise Expense Subsidiary Ledger in respect of all major heads of Expenses during the day 	<p>Functions wise Income Subsidiary Ledger in respect of all major heads of Income during the day and Functions wise Expense Subsidiary Ledger in respect of all major heads of Expenses during the day is not maintained by the ULB</p>

**Monthly
Procedures**

- | | |
|---|---|
| <p>a. <u>Bank Reconciliation:</u> Bank Reconciliation shall be carried out for each of the Banks either on a monthly basis or for such shorter time interval as the LB may decide. The procedure for bank reconciliation has been provided in Chapter 24 - Reconciliation Procedures.</p> | <p>Yes the ULB has been prepared the Bank reconciliation statement on the monthly basis.</p> |
| <p>b. <u>Recording of expenditure incurred against permanent advance:</u> At the end of each month, the Head of the Department, to whom permanent advance has been disbursed, shall prepare and submit a payment order for expenses incurred against the permanent advance</p> | <p>The register of permanent advance is not maintained by the ULB.</p> |
| <p>c. <u>Payment of provident fund dues and pension contribution in respect of employees on deputation.</u> The Accounts Department shall ensure that the provident fund deducted from the salaries of the employees on deputation and the pension contribution payable for their benefit have been paid on time to the Government.</p> | <p>The accounts department timely remitted the amount deducted from salary of PF, Gratuity, Pension etc on monthly basis.</p> |
| <p>d. <u>Reconciliation of Function wise Income/Expense Subsidiary Ledgers with respective ledger accounts:</u> Subsidiary ledgers of all Function wise Income and Expense shall be reconciled.</p> | <p>No reconciliation statement has been prepared.</p> |
| <p>e. <u>Closing of ledger accounts:</u> The ledger accounts shall be totalled and balanced at the end of each month or such shorter period as the LB may decide</p> | <p>No ledger accounts maintained on daily basis, therefore no question of closing of ledger at end of month</p> |

**Quarterly
Procedures**

a. Reconciliation of deposits, advances, receivables and income: The deposits received from contractor/supplier or any other deposit; advances provided to contractor/supplier or to the departments or employees of the LB; receivables in respect of various sources of income and money received from various sources of income shall be reconciled at the end of each quarter. The procedure for reconciliation has been described in Chapter 24- Reconciliation Procedures.

No reconciliation statement of deposits like EMD, SD etc has been prepared.

No reconciliation statement of advances has been prepared.

No reconciliation statement of various sources of income has been prepared.

b. Provision for period-end expenses: At the end of an accounting period (quarter), all the departments of the LB shall prepare a Statement of Outstanding Liability for Expenses in Form GEN - 28.

Since the ULB has not preparing the Statement of outstanding liabilities for expenses in the form specified GEN-28.

Therefore no provision is made at end of quarter for the any expenditure as mentioned in list.

i. Provision for expenses incurred on original work/ operations or maintenance

ii. Provision for materials purchased

iii. Provision for revenue expenditures

iv. Provision for interest accrued but not due on the money borrowed

v. Provision for fixed assets purchased

vi. Provision for Depreciation on Fixed assets

c. Transfer of revenue grant received in advance for specific purpose to grant income. The balance in the Revenue Grant Account received in advance, to the extent utilised during the period shall be transferred to the respective

Yes, The balance in the Revenue Grant Account received in advance, to the extent utilised during the period has been transferred to the respective Grant Income

Grant Income Account

d. Recognition of grant income for revenue expenditure incurred in respect of grant receivable as reimbursement.

The revenue expenditure incurred during the period towards specific projects/schemes under a grant receivable, as a reimbursement shall be recognised as income at the end of each quarter

Account

Yes this procedure has been followed.

e. Accrual of interest on borrowings:

Interest charges on loans received, which is not due shall be accrued,

No loan has been shown in the Balance sheet of the ULB.

f. Recording of provision for bills remaining unpaid in respect of Special Fund expenditure

No Provision is made for special fund expenditure.

g. Accrual of interest on investments.

Interest accrued but not due on investments made shall be accrued

No Quarterly interest has been accrued on the FDR.

h. Accrual of interest on loans advanced to employees. The amount of interest accrued in respect of loans provided to employees shall be determined and accrued

No Loan and advances given to employees

i. Reconciliation of Capital Work in Progress: Expenditure incurred on cumulative total of several Capital Work-in-Progress Ledger Accounts should be reconciled at the end of each quarter with the Summary Statement of Status on Capital Work-in-Progress received from the department.

No Reconciliation statement is prepared.

j. Passing of adjustment entries: At the period-end, the Accounts Department shall verify whether proper distinction

Yes.

has been maintained between revenue and capital transactions and between the transactions having effect in two accounting periods

k. Closing of ledger accounts: The ledger accounts shall be totalled and balanced at the end of each quarter or such shorter period as the LB may decide for preparation of Financial Statements.

No Ledgers has been prepared by the ULB.

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नगरपालिका, डीडवाना



e. <u>Provision for unrealised revenue:</u> A provision shall be made for the demands raised during the accounting period but remaining outstanding.	No provision has been made for the unrealized or doubtful revenue receivables
f. <u>Accounting of prepaid expenses.</u> At the year-end, all the expenses shall be scrutinised to identify those expenses whose benefit is likely to accrue in the next year	No such expenditure is occurred by the ULB.
g. <u>Contribution of difference in interest to the provident fund.</u> The difference between the interest earned on Provident Fund investment and interest payable on Provident Fund contribution to the employees shall be contributed by the LB and an amount equivalent to the difference shall be transferred from the Main Bank Account to the Provident Fund Bank Account.	Yes, ULB has maintained the Provident fund account but in the double entry accounting no Balance of PF and Gratuity has been considered.
h. <u>Confirmation from Government/Quasi-government and Government owned agencies.</u> At the end of each accounting year, the Accounts Department shall prepare and forward a balance confirmation statement to Government and Quasi-government and various government owned agencies in the format as prescribed in Chapter 24- Reconciliation Procedures	No such steps have been taken by the accounts department of ULB. No Accounts confirmation of government agencies has been taken at year end.
i. <u>Closing of ledger accounts.</u> In addition to closing of ledger accounts at the end of each quarter, the ledger accounts shall be balanced and totalled at the end of each accounting year	No ledger has been prepared. In the double entry accounting ledger has been closed at the end of year.

DRAFT BALANCE SHEET OF OFFICE OF MUNICIPAL BOARD , DEEDWANA

As on 31st March 2015

PARTICULARS	Schedule	31st March 2015 (Amount in Rs.)	31st March 2014 (Amount in Rs.)
LIABILITIES			
RESERVE & SURPLUS			
Municipal (General) Fund	1	97,089,795.27	95,316,420.77
Reserve & Surplus	2	48,478,528.00	34,361,813.00
Total Reserve & Surplus (A)		145,568,323.27	129,678,233.77
GRANT/ CONTRIBUTION FOR SPECIFIC PURPOSE (B)	3	551,554,766.93	453,472,031.13
LOANS			
Secured Loans		-	-
Unsecured Loans		-	-
Total Loans (C)		-	-
CURRENT LIABILITIES & PROVISIONS			
Sundry Deposits	4	156,076,736.00	96,507,434.00
Sundry Creditors			
Sundry Creditors	5	265,832.00	586,253.00
Statutory Liabilities	6	2,065,062.00	2,268,625.00
Other Liabilities			
Provisions			
Provisions	7	206,682.00	106,267.00
Total Current Liabilities and Provisions (D)		158,614,312.00	99,468,579.00
TOTAL LIABILITIES (A+B+C+D)		855,737,402.20	682,618,843.90
ASSETS			
FIXED ASSETS			
Gross Block	8	165,066,884.00	119,454,689.00
Depreciation Fund	9		

Net Block		22,267,123.65	9,807,422.15
Capital Work In Process		142,799,760.35	109,647,266.85
Total Fixed Assets (A)	10	590,198,228.00	421,126,332.00
INVESTMENTS		732,997,988.35	530,773,598.85
General Fund Investments			
Total Investments (B)	11	12,804,595.66	17,885,538.66
CURRENT ASSETS, LOAN & ADVANCES		12,804,595.66	17,885,538.66
Inventories			
Sundry Debtors/ Receivables			
Cash & Bank Balances	12	105,667,865.19	130,507,358.39
Sundry Debtors/Receivables	13	4,266,953.00	3,452,348.00
Total Current Assets, Loans & Advances(C)		109934818.2	133959706.4
TOTAL ASSETS(A+B+C)		855,737,402.20	682,618,843.90

As per audit report even date

For C.K. Prusty & Associates
Chartered Accountants

Kailash Sepat
M. No. 428489

Signature of
EO/ Commissioner

Signature of
CAO/ Sr. AO

Date:- 17/06/2016
Place:-Deedwana

Draft Income and Expenditure Statement of Office of Municipal Board , Deedwana

For the Year Ending 31st March 2015

PARTICULARS	Schedule	2014-15 (Amount in Rs.)	2013-14 (Amount in Rs.)
INCOME			
Income From Taxes	14	1,129,261.00	820,146.00
Assigned Compensations	15	31,943,000.00	29,038,000.00
Rental Income from Municipal Properties	16	3,092,062.00	6,904,650.00
Fees and User Charges	17	4,728,917.00	21,770,206.00
Revenue Grants, Contributions and Subsidies	18	7,736,346.00	4,948,895.00
Income from Corporation Assets and Investment	19	3,148,264.00	5,155,057.00
Miscellaneous Income	20	559,176.00	461,071.00
Total Income		52,337,026.00	69,098,025.00
EXPENDITURE			
Establishment Expenses	21	26,621,389.00	30,694,176.00
General Administrative Expenses	22	2,172,427.00	1,991,040.00
Public Works	23	9,310,134.00	8,706,762.00
Depreciation During the Year		12,459,701.50	7,309,613.80
Total Expenditure		50,563,651.50	48,701,591.80
Surplus\ Deficit before adjustment of prior period items and Depreciation		1,773,374.50	20,396,433.20
Less; Prior Period Items		1,773,374.50	20,396,433.20
NET SURPLUS\ DEFICIT			
As per audit report even date			

For C.K. Prusty & Associates
Chartered Accountants

Kailash Sepat
M. No. 428489

Signature of
EO/ Commissioner

Signature of
CAO/ Sr. AO

Date:- 17/06/2016
Place:-Deedwana

अधिशायी अधिकारी
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Draft Statement of Cash Flow
Office of Municipal Board , Deedwana
As on 31st March 2015

Particulars	2014-15	Amount in Rs. 2013-14
a. Cash flows from operating activities		
Gross surplus/ (deficit) over expenditure	1,773,374.50	20,396,433.20
Adjustments for		
Add:		
Depreciation	12,459,701.50	7,309,613.80
Less:		
Investment income	3,148,264.00	5,155,057.00
Adjusted income over expenditure before effecting changes in current assets and current liabilities and extra ordinary items.	11,084,812.00	22,550,990.00
Changes in current assets and current liabilities		
(Increase) / decrease in other current assets	(814,605.00)	(729,240.00)
(Decrease)/ increase in Sundry Creditors	(320,421.00)	383,526.00
(Decrease)/ increase in Provisions	100,415.00	(227,084.00)
(Decrease)/ increase in Deposits received	59,569,302.00	95,038,943.00
(Decrease)/ increase in other current liabilities	(203,563.00)	207,405.00
Net cash generated from/ (used in) operating activities (a)	69,415,940.00	117,224,540.00
b. Cash flows from investing activities		
(Purchase) of fixed assets & CWIP	(214,684,091.00)	(497,366,540.00)
(Increase) / Decrease in General funds investments	5,080,943.00	(78,738.00)
Add:		
Interest income received	3,148,264.00	5,155,057.00
Net cash generated from/ (used in) investing activities (b)	(206,454,884.00)	(492,290,221.00)

C. Cash flows from financing activities

Add:

Grants received for specific purpose	112,199,450.80	410,648,073.00
Net cash generated from (used in) financing activities(c)	112,199,450.80	410,648,073.00
Net increase/ (decrease) in cash and cash equivalents (a + b + c)	(24,839,493.20)	35,582,392.00
Cash and cash equivalents at beginning of period	130,507,358.39	94,924,966.39
Cash and cash equivalents at end of period	105,667,865.19	130,507,358.39
Change in Cash and Cash Equivalents	(24,839,493.20)	35,582,392.00

As per audit report even date

For C.K. Prusty & Associates
Chartered Accountants

Kailash Sepat
M. No. 428489

Signature of
EO/ Commissioner

Signature of
CAO/ Sr. AO

Date:- 17/06/2016
Place:-Deedwana

**Draft Schedule forming part of Financial Statements of
Office of Municipal Board , Deedwana
As on 31st March 2015**

	2014-15 (Amount in Rs.)	2013-14 (Amount in Rs.)
Schedule - 1		
MUNICIPAL (GENERAL) FUND		
Opening balance	95,316,420.77	74,919,987.57
Add :- Addition during the year	-	-
Less:- Deduction during the year	-	20,396,433.20
Add: Excess of Income over Expenditure	1,773,374.50	
Total	<u>97,089,795.27</u>	<u>95,316,420.77</u>

Schedule - 2		
RESERVE & SURPLUS		
Capital Contribution		
Opening balance	34,361,813.00	
Add :- Addition during the Year	14,116,715.00	34,361,813.00
Less :- Withdrawal during the Year	-	-
Total	<u>48,478,528.00</u>	<u>34,361,813.00</u>

Schedule - 3		
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE		
Special Grant for 13th Financial Commission	22,885,457.38	23,781,876.38
Special Grant for Bhamashah Yojana	225,000.00	
Special Grant for CM Saree Kambal Yojana	1,123,290.00	1,123,290.00
Special Grant for CM BPL Awas Yojana	2,425,000.00	3,000,000.00
Special Grant for Swarna Jayanti Sahari Rojgar Sch.	1,819,042.71	1,749,248.71
Special Grant For Sewerage (RUIDFCO)	435,736,000.00	356,618,000.00
Special Grant From MLA	541,938.00	800,000.00
Special Grant Infrastructure Development Scheme (IDSMT)		47,877,046.04

Special Grant for Repair & Maintainance of Road	53,495,132.84	
Special Grant from S.F.C.	9,290,000.00	9,290,000.00
Total	<u>24,013,906.00</u>	<u>9,232,570.00</u>
	<u>551,554,766.93</u>	<u>453,472,031.13</u>

Schedule - 4
SUNDRY DEPOSITS

Amanat Payable		
Security Deposit	2,663,046.00	1,317,018.00
Sewerage Security for Testing and Commission	12,016,521.00	8,209,741.00
Total	<u>141,397,169.00</u>	<u>86,980,675.00</u>
	<u>156,076,736.00</u>	<u>96,507,434.00</u>

Schedule - 5
SUNDARY CREDITORS

Creditors For supplies	133,332.00	586,253.00
Advance From Suppliers	132,500.00	
Total	<u>265,832.00</u>	<u>586,253.00</u>

Schedule - 6
STATUTORY LIABILITIES

Income Tax (TDS) Payable		
Commercial Tax Payable		
Parshad Allowance	61,150.00	36,500.00
Uniform Allowance Payable		106,200.00
Salary Payable	2,003,912.00	2,125,925.00
Labour Cess Payable		
Other Deductions		
Total	<u>2,065,062.00</u>	<u>2,268,625.00</u>

Schedule- 7

PROVISIONS
Provision For Expenses

Total	206,682.00	106,267.00
	<u>206,682.00</u>	<u>106,267.00</u>

Schedule - 8
GROSS BLOCK

Immovable Assets

Land	29,027,234.00	29,027,234.00
Boundary Wall	1,761,781.00	533,629.00
Drainage	13,565,019.00	8,896,335.00
Building	1,565,407.00	1,565,407.00

Residential Building

Infrastructure Assets

Roads & Bridge	113,660,117.00	73,958,780.00
Public Lighting	1,223,224.00	1,223,224.00
Samudayik Bhawan	715,884.00	715,884.00
Other Infrastructure Assets	188,409.00	188,409.00

Moveable Assets

Furniture & Fixture	309,504.00	295,482.00
Generators	639,123.00	639,123.00
Office Equipment	43,559.00	43,559.00
Sky Lift	1,593,000.00	1,593,000.00
Vehicles	774,623.00	774,623.00

Furniture & Fixture

Total	<u>165,066,884.00</u>	<u>119,454,689.00</u>
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Schedule - 9
DEPRECIATION FUND
Opening Balance

Add:- Depreciation provided during the year	9,807,422.15	2,497,808.35
Total	<u>12,459,701.50</u>	<u>7,309,613.80</u>
	<u>22,267,123.65</u>	<u>9,807,422.15</u>

Schedule - 10
CAPITAL WORK IN PROGRESS

Carcass Plant
Cattle House
Sewerage Treatment Plant & Sewerage

	<u>590,198,228.00</u>	<u>421,126,332.00</u>
Total	<u>590,198,228.00</u>	<u>421,126,332.00</u>

Schedule - 11
GENERAL FUND INVESTMENT

P.D Account-2574

9,304,595.66 14,385,538.66

P.D Account -2669

3,500,000.00 3,500,000.00

R.U.D.F. Equity Contribution

R.U.I.S. Equity Contribution

Equity Contribution Of JCTSL

Total

12,804,595.66 17,885,538.66

Schedule - 12
CASH & BANK BALANCES

Cash in Hand

FDR

58,174.00 58,174.00

Balances in Saving & Current a/cs (SJSRY)

SSBJ -706

1,819,042.71 1,607,695.71

PNB

141,553.00

Balances in Saving & Current a/cs (IDSMT)

UCO-4331

FDR with UCO bank

64,017.00

61,531.00

Balances in Saving & Current a/cs (Thirteenth Finance Commission)
SBBJ-7476

53,431,115.84

47,815,515.04

Balances in Saving & Current a/cs
SBBJ-3706

21,571,753.38

3,394,876.38

SBI-5899

11,165,321.26

17,743,471.26

UCO-5606

13,863,373.00

32,442,591.00

UCO-5719

2,423,888.00

25,467,030.00

Total

1,271,180.00

1,774,921.00

105,667,865.19

130,507,358.39

Schedule - 13

Sundry Debtors/Receivables

Urban Development Tax

Building Loan

Total

4,266,953.00

3,452,348.00

4,266,953.00

3,452,348.00

Schedule - 14

INCOME FROM TAXES

Urban Development Tax

Total

1,129,261.00

820,146.00

1,129,261.00

820,146.00

Schedule - 15

ASSIGNED COMPENSATION

Octroi Compensations

Entertainment tax compensation

Total

31,943,000.00

29,038,000.00

31,943,000.00

29,038,000.00



अधिकाारी अधिकारी
नगरपालिका डीडीना

Schedule - 16**RENTAL INCOME FROM MUNICIPAL PROPERTIES**

Rent From Lease of Lands

1,244,032.00 5,939,010.00

Income from Rent and Teh Bazari

1,848,030.00 965,640.00

Total

3,092,062.00 6,904,650.00

Schedule - 17**FEES AND USER CHARGES**

NOC

209,472.00 212,497.00

Copy Fees

9,186.00 13,634.00

Tender Fees

116,400.00 97,510.00

Fees for Certificate and Extract

122,039.00 129,631.00

Construction Fees

444,852.00 384,025.00

Regularisation Fees

1,337,882.00 5,663,728.00

Advertisement Fees

268,231.00 822,455.00

Consultancy Fees

361,836.00 2,145,731.00

Development Fees

1,618,061.00 8,775,225.00

Land Conversion Fees

- 1,005,211.00

Property Transfer Charges

132,074.00 815,334.00

License Fees

10,400.00 24,100.00

Road Damage Charges

64,236.00 508,786.00

Commercial fees

- 1,148,879.00

Other Fees

34,248.00 23,460.00

Total

4,728,917.00 21,770,206.00

Schedule - 18
REVENUE GRANT, CONTRIBUTION, SUBSIDIES
 State Finance Commission Grant

Thirteen Finance Commission Grant	-	21,337.00
Total	<u>7,736,346.00</u>	<u>4,927,558.00</u>
	<u>7,736,346.00</u>	<u>4,948,895.00</u>

Schedule - 19
INCOME FROM CORP. ASSET/INVESTMENT

Interest on Balances with Bank

Interest on FDR & PD Account	2,858,372.00	3,771,022.00
Sale of Land	-	11,427.00
Sale of Obseletes	228,032.00	964,966.00
Sale of Manure	-	3,042.00
Total	<u>61,860.00</u>	<u>404,600.00</u>
	<u>3,148,264.00</u>	<u>5,155,057.00</u>

Schedule - 20
MISCELLANEOUS INCOME

Jansabbhagita

Other Misc Income	246,730.00	219,829.00
Cleaning of Gutters	312,446.00	241,242.00
Penalties		
Material Deduction		
Penalties under Different Act & Rules		
Total	<u>559,176.00</u>	<u>461,071.00</u>

Schedule - 21
ESTABLISHMENT EXP.

Parshad Allowance

Salary and Other Payment	530,846.00	522,546.00
Travelling Reimbursement	24,202,767.00	23,738,731.00
	56,968.00	64,207.00

Uniform Allowance		
Leave Encashment		106,200.00
Gratuity	1,218,928.00	2,255,406.00
Total	<u>611,880.00</u>	<u>4,007,086.00</u>
	<u>26,621,389.00</u>	<u>30,694,176.00</u>

Schedule - 22

GENERAL ADMINISTRATION EXP.

Advertisement Expenses

Legal Expenses 431,921.00 620,489.00

Insurance 72,741.00 150,215.00

Professional Fees 15,420.00

Audit Fees 74,960.00 58,800.00

Printing & Stationery 44,541.00 44,541.00

Telephone Expenses 100,251.00 114,660.00

Office Expenses 37,283.00 42,002.00

Power & Fuel 36,475.00 143,512.00

Contract Vehicles 442,060.00 531,017.00

Repair & Maintainance (Vehicles) 469,914.00 69,387.00

Bank Charges 75,499.00 116,782.00

Computer Operator 5,200.00 10,154.00

Electricity & Water 128,100.00 49,600.00

Total 238,062.00 39,881.00

Total 2,172,427.00 1,991,040.00

Schedule - 23
PUBLIC WORKS
Medicine & Phenyl
Janganna

Repair & Maintainance (Public Amenities)	-	280,000.00
Other Contingencies	2,011,204.00	1,909,112.00
Repair & Maintainance (Lighting)	66,252.00	85,242.00
Other Construction Work	2,765,484.00	1,949,037.00
Festival & Programme Expenses	-	514,285.00
Garbage Clearance	198,708.00	157,803.00
Total	4,268,486.00	3,811,283.00
	9,310,134.00	8,706,762.00

For C.K. Prusty & Associates
Chartered Accountants

Kailash Sepat
M. No. 428489

Date:- 17/06/2016
Place:-Deedwana

Signature of
EO/ Commissioner

Signature of
CAO/ Sr. AO

BASIS OF ACCOUNTING AND ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements are prepared on a going concern and under historical cost basis under accrual basis of accounting. The method of accounting is the double entry system.

2. Recognition of Revenue

i. *Revenue*

- a. Property and Other Taxes are recognised in the period in which they become due and demands are ascertainable
- b. Revenues in respect of Profession Tax on Organisations /entities are accrued in the year to which it pertains and when demands are raised.
- c. Advertisement taxes are accrued based on Demand or the contract.
- d. Revenue in respect of Trade License Fees is accrued in the year to which it pertains and when Demands are raised.
- e. Assigned revenues like Entertainment Tax, Duty / Surcharge on transfer of Immovable properties are accounted during the year only upon actual receipt. However, at year-end, they are accrued if sanction order (or proceedings) is passed and the amount is ascertained.
- f. Other Incomes, which are of an uncertain nature or for which the amount is not ascertainable or where demand is not raised in regular course of operations, is recognised on actual receipt.

ii. *Provision against receivables*

- a. Prudential norms are applied based on type of income and age of receivable. Based on the principle on provisioning, incomes that have been accrued and are doubtful of recovery are provided for.

3. Recognition of Expenditure

- a. Expenses on Salaries, bonus and other allowances are recognised as and when they are due for payment
- b. All revenue expenditures are treated as expenditures in the period in which they are incurred.
- c. In case of works, expenditures are accrued as soon as the work has been measured and becomes due for payment.
- d. Provision for expenses are made at the year-end for all bills received upto a cut off date.
- e. Post-Retirement benefits are booked on Payment basis i.e when they are due for payment.

4. Fixed Assets

i. Recognition

- a. All Fixed Assets are carried at cost less accumulated depreciation. The cost of fixed assets include cost incurred/money spent in acquiring or installing or constructing the fixed asset, interest on borrowings directly attributable to acquisition or construction of qualifying fixed assets up to the date of commissioning of the assets and other incidental and indirect expenses incurred up to that date.
- b. All assets costing less than Rs.5,000/- would be expensed / charged to Income & Expenditure Account in the year of purchase.
- c. Any Fixed Asset, which has been acquired free of cost or in respect of which no payment has been made, is recorded at nominal value of Re. 1/-

ii. Depreciation

Depreciation is provided on Straight line method as per rates specified in Income Tax Act, 1961 as suggested in Rajasthan Municipal Accounting Manual.

iii. Revaluation of Fixed Assets:

- a. Revaluation of fixed assets is undertaken either at the time of issue of municipal bonds or when commercial development / lease of properties is made.
- b. Increase in net book value arising on revaluation is credited to 'Revaluation Reserve Account'. Decrease in net book value is charged to Income and Expenditure account.
- c. Revaluation reserve is amortised by equivalent amount of depreciation charged on the revalued portion of the cost of the fixed assets.

5. Borrowing cost

Borrowing cost is recognised as revenue expenditure on accrual basis excepting the case of fixed assets.

6. Inventories

Inventories are valued as follows:

- a. Raw materials are valued at Cost based on first in first out method
- b. Finished goods are valued at lower of the cost or market value.

7. Grants

- a. General Grants, which are of revenue nature, are recognised as income on actual receipt
- b. Grants, which are re-imbursement of specific revenue expenditure is recognised as income in the accounting period in which the corresponding revenue expenditure is charged to the Income and Expenditure Account.

- c. Grant received towards capital expenditure is treated as a liability till such time the fixed asset is constructed or acquired. On construction/acquisition of fixed asset, the grant corresponding to the value of the asset so constructed/acquired is treated as a capital receipt and transferred to capital contribution.

8. Employee benefits

- a. Separate Funds are formed for meeting the provident and other retirement benefits including Gratuity.
b. Contribution towards Provident and other retirement benefit funds are recognised as and when it is due.

9. Investments

- a. All investments are initially recognised at Cost. The cost of investment shall include cost incurred in acquiring the investment and other incidental expenses incurred for its acquisition.
b. Long-term investments are carried at their cost. However in the event of any permanent diminution in their value as on the date of balance sheet, these are provided for.
c. Short-term investments are carried at their cost or market value (if quoted) whichever is lower.

10. Opening Balances as at 31st March 2013

- a. **Municipal Fund**
The opening balance of Municipal has been arrived after deducting the total assets of the Municipal Board from the total Liabilities
b. **Earmarked Funds/Special Funds**
The Balance of Earmarked Funds is the total assets available against such earmarked funds.
c. **Deposits Received**
The amount of Deposits Received has been arrived at from the Register of Deposits maintained by the Accounts Officer of the Municipal Board.
d. **Other Liabilities/Provisions**
Other liabilities/Provisions has been ascertained by performing Subsequent Event Testing i.e the liabilities paid like salary paid, electricity bills paid etc
e. **Fixed Assets**
The amount of Fixed Assets have been ascertained as per Guidelines specified in the Rajasthan Municipal Accounting Manual.

There may exist possibilities that certain assets and liabilities are identified after preparation of draft Opening Balance Sheet as well as after preparation of the first Balance Sheet subsequent to Opening Balance Sheet. In such case, the value of assets or liabilities identified will be directly incorporated in the Opening Balance Sheet (where first Balance Sheet subsequent to the Opening Balance Sheet is not prepared) or through the account "Adjustments to Opening Balance Sheet" in the Balance Sheet for the period concerned.