

Municipal Board Deedwana

Financial Statements and Independent Auditors reports

FY 2016-17

Prepared By:

Audited By : CK Prusty & Associates

महानगरपालिका
देदवाना

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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, 2017, the Income and Expenditure Account and CashFlow 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, 2017
- 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

ERN 323220E

(Kailash Sepat)
(Partner)

M.No.428489

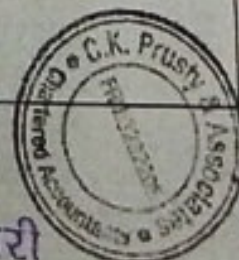
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Place : Deedwana

Date 25/02/2018

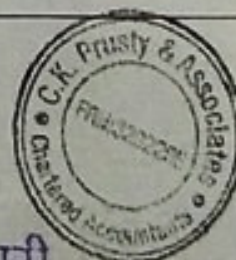
MATTERS TO BE REPORTED BY THE FINANCIAL STATEMENTS
AUDITOR

<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; Major issue identified in the accounting system and any discrepancies identified.	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	Annexure-6



	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;	
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

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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. Interest of RS. 151890.00 on PD accounts 2669 due on 31 Mar. 2018 and received in PD accounts 2574 in Cash Book but such amount received in PD accounts 2669 in books of accounts.
2. Bank Payment voucher (in the double entry accounting) not containing the cheque no. in the narration.
3. There is neither Urban Development Tax assessment for the FY 2016-17. Nor other revenue assessment during the FY 2016-17. Therefore no tax or revenue income has been accrued for the FY 2016-17 at end of Financial Year.
4. There is opening balances of RS. 25.00 as a closing balance under the head *Difference of Bank accounts in the Balance sheet*. The reason of *Difference of Bank accounts* account is the *totaling error in the manual cash book*. It has been advised to Accounts Department to make such correction or reversal entries in the Cash Book in the current date, So, Suspense account can arrived at Nil.
5. Statement of Outstanding liabilities in the Form GEN-28 is not prepared.

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 Utilization Certificate of thirteen finance commission.
2. 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
3. The amount of RS. 49344000.00 received and credited in Grant of State Finance Commission as per Utilization Certificate but In Books of Accounts of RS. 49343000 received in Grant of State Finance Commission a/c.
4. There is no usage certificate or grants register available with the ULB
-Grant for SareeKambalYojna

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- Grant Nulm
- Grant for IDSMT
- MLA Grants
- Clean India Mission

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: 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

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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 2016-17.

Annexure-8

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

Comment: No loans and advances have been given to the employees or others during the FY 2016-17.

Annexure-9

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

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Subject Matters of Internal Controls	INTERNAL CONTROL	AUDITORS COMMENT
Stores	<p>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.</p>	<p>Yes, The Head of Accounts department ensures the budget availability. But budget monitoring is based on Payment not on accrual basis.</p>
	<p>The Head of the Accounts Department shall ensure that all the purchase bills/invoices were journalized before release of the payments.</p>	<p>No Such procedure is exists</p>
	<p>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.</p>	<p>At the end of every Financial year No Physical verification has been carried out.</p>
	<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>

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	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.	No Internal Control exists.
	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.	Yes, Internal Control exists ULB does not make payment to suppliers before materials actually received.
	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.	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.
	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

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	<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.</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>



**Other
Revenue
Expenditures**

	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 journalized before release of the payments	No bills/Invoices are journalized before the payment.
	The Head of the Accounts Department shall ensure proper authorization 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.

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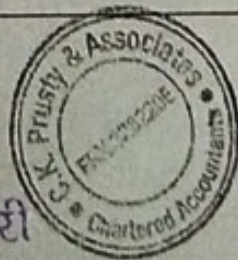
	<p>At the time of making payment, the Accounts Department shall ensure that reference to the departmental Register of Bills for Payment where the payment bill has been recorded by the department concerned, is provided in the Payment Order. In case of non-referencing, the Accounts Department shall return 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>



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	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.	The HOD of Accounts department has no system of physical verification of fixed assets at least once in the year.
	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.	No Such Procedure is exists.
	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.	Yes, accounts department ensure the entry if fixed assets in the fixed assets register.
	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.	There is no such system exists.

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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

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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 statement has been prepared. Reconciliation has been
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.



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.	Advertisement Expenses	285629.00	Income Tax	5712.58

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.

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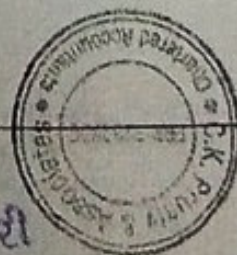
Annexure-13

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	Cash receipt voucher and Bank receipt voucher have been prepared.
	Cash/Bank Payment Voucher	Cash/Bank Payment Vouchers shall be the document prepared for recording payment entries in the Cash	GEN-5A & 5B	Cash/Bank Payment Vouchers have been prepared



S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
		Book/Bank Book		
	Contra Voucher	Contra Vouchers 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	GEN-11	Collection register is not maintained



S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
		retained as book copy.		
	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
	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.



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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

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नगरपालिका डीडाळा



S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
RECORDS AND DOCUMENT RELATED TO RENTALS, FEES & OTHER INCOMES				
	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	PW-1	Yes, maintained

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S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
		in Form PW – 1 detailing total expenditure incurred till date on each of the capital projects		
	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
	STATEMENT OF CLOSING STOCK AS ON 31/03/2017	At the end of every accounting period, the Stores shall send a Statement of Closing Stock in Form ST - 3. The balances in various accounts of the item-wise Stores Ledger shall be extracted and valued as per First In First Out (FIFO) Method	ST-3	No Statement of closing stock has been prepared in the form ST-3 by Store in-charge.

RECORDS AND DOCUMENT RELATED TO EMPLOYEES RELATED TRANSACTIONS

	CONSOLIDATED PAY BILL SUMMARY ROLL OF THE PERMANENT/TEMP ORARY ESTABLISHMENT FOR THE MONTH OF	Salary pay bill shall be prepared in the Form ES-1	ES-1	Yes, salary pay bill has been prepared properly
	REGISTER OF EMPLOYEE LOANS/ ADVANCES	On payment of loans and advances by the LB, the Register of Employee Loans / Advances (Form ES-2) shall be updated by the Accounts Department. These registers shall be maintained department-wise.	ES-2	As per Management representation letter and transaction audit no loan and advances given to employees. Therefore No requirement of ES-2
	REGISTER OF INTEREST ON LOANS TO EMPLOYEES FOR THE YEAR	Register of Interest on Loans to Employees maintained in Form ES-3 for recovery of loans and interest respectively	ES-3	Since ES-2 is not required, simultaneously ES-3 is not required.
	UNPAID SALARY REGISTER FOR THE YEAR	If the salary remains unpaid to the employees, it shall be recorded in the Unpaid Salary Register maintained in Form ES-4. The register shall have the details for unclaimed salary as well as subsequent payment	ES-4	No unpaid salary for the during the FY 2016-17



S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
		of salary		
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

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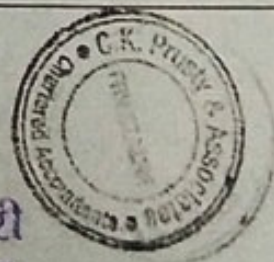
Annexure : 14

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 <u>and written off, if considered necessary</u></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 <u>accrued</u> 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>	<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.</p> 

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 recognized 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		

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S.No.	PERIOD END PROCEDURES	AUDITORS COMMENTS
Daily Procedures	<p>a. <u>Balancing of Cash Book:</u> The Cash Book shall be totalled and balanced daily. The posting of the day's transactions shall be made in the respective Ledger Accounts by the end of the day</p> <p>b. <u>Physical verification of cash balance:</u> Cash available with the Accounts Department shall be physically verified by the Cashier. The values and denominations of the cash physically verified shall be noted in the Cash Book itself</p> <p>c. <u>Deposit of collections (both cash and cheque) in the Bank:</u> The cash and cheque collection shall be remitted to the Accounts Department or deposited with the Bank (Main Bank or Designated Banks) in the manner and in accordance with the procedure provided for in Chapter 4- General Accounting Procedures. Care has to be taken that the money is remitted or deposited either on the same day or by the next working day</p> <p>d. <u>Checking of ledger accounts with the books of original entries, i.e., Cash Book and Journal Book:</u> The daily postings of the entries in the Ledger Accounts from the Cash Book and the Journal Book shall be checked and certified by the Head of the Accounts Department or other designated officer</p>	<p>The cash book is totaled and balanced daily basis. But no posting of day's transaction in to ledgers on daily basis</p> <p>Yes, cash available with accounts department is physically verified on daily basis.</p> <p>The cash, cheque and demand draft collected in a day is deposited in the bank with in same day or on next working days. Since Statement of cheque received in the form GEN-10 is not maintained therefore it is difficult to remittance position of the cheque.</p> <p>No Ledgers and Journal Books have been prepared on the daily basis.</p>



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	<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>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>The ULB has not maintaining the collection register on daily basis. Only challan book is maintained by the ULB.</p> <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>
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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 and 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.

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.

- 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 utilized during the period shall be transferred to the respective

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.

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.

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

	Grant Income Account	Account
	<p>d. <u>Recognition of grant income for revenue expenditure incurred in respect of grant receivable as reimbursement.</u> The revenue expenditure incurred during the period towards specific projects/schemes under a grant receivable, as a reimbursement shall be recognized as income at the end of each quarter</p> <p>e. <u>Accrual of interest on borrowings:</u> Interest charges on loans received, which is not due shall be accrued,</p> <p>f. <u>Recording of provision for bills remaining unpaid in respect of Special Fund expenditure</u></p> <p>g. <u>Accrual of interest on investments.</u> Interest accrued but not due on investments made shall be accrued</p> <p>h. <u>Accrual of interest on loans advanced to employees.</u> The amount of interest accrued in respect of loans provided to employees shall be determined and accrued</p> <p>i. <u>Reconciliation of Capital Work in Progress:</u> 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.</p> <p>j. <u>Passing of adjustment entries:</u> At the period-end, the Accounts Department shall verify whether proper distinction</p>	<p>Yes this procedure has been followed.</p> <p>No loan has been shown in the Balance sheet of the ULB.</p> <p>No Provision is made for special fund expenditure.</p> <p>No Quarterly interest has been accrued on the FDR.</p> <p>No Loan and advances given to employees</p> <p>No Reconciliation statement is prepared.</p> <p>Yes.</p>



	<p>has been maintained between revenue and capital transactions and between the transactions having effect in two accounting periods</p> <p>k. <u>Closing of ledger accounts</u>: The ledger accounts shall be totaled and balanced at the end of each quarter or such shorter period as the LB may decide for preparation of Financial Statements.</p>	<p>No Ledgers has been prepared by the ULB.</p>
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नगरपालिका बीडवाना

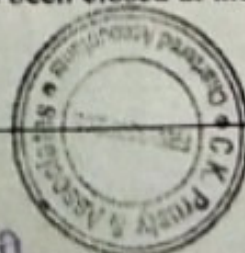
Annual Procedures	<p>a. <u>Physical verification of stores:</u> The physical verification of stores and consumables shall be carried out at least once in a year on the last day of the accounting year and at such time intervals as the LB may decide. The verification shall be carried out by the Stores-in-charge in presence of the personnel of the Audit Department</p> <p>b. <u>Physical verification of fixed assets:</u> A Committee consisting of Municipal Commissioner, Head of the Accounts Department, Head of the Public Works Department and such other representatives as the LB's Statutory Authority resolves, shall be formed. The Committee shall ensure the existence of 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</p> <p>c. <u>Transfer of funds from special funds:</u> The balance in the Special Fund shall be transferred to the Special Fund (Utilized) on construction or purchase or acquisition of fixed asset at the time of capitalization of the relevant expenditures into fixed asset</p> <p>d. <u>Confirmation of all categories of advances.</u> At the end of the year, the Accounts Department shall obtain a confirmation from all the persons to whom the advances have been provided</p>	<p>No Physical verification of stores on the last day of financial year..</p> <p>No Physical verification of fixed assets has been out during the financial year.</p> <p>Yes, this procedure has been followed.</p> <p>No advance has been given.</p>
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<p>e. <u>Provision for unrealized revenue</u>: A provision shall be made for the demands raised during the accounting period but remaining outstanding.</p> <p>f. <u>Accounting of prepaid expenses</u>. At the year-end, all the expenses shall be scrutinized to identify those expenses whose benefit is likely to accrue in the next year</p> <p>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.</p> <p>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</p> <p>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</p>	<p>No provision has been made for the unrealized or doubtful revenue receivables</p> <p>No such expenditure is occurred by the ULB.</p> <p>Yes, ULB has maintained the Provident fund account but in the double entry accounting no Balance of PF and Gratuity has been considered.</p> <p>No such steps have been taken by the accounts department of ULB. No Accounts confirmation of government agencies has been taken at year end.</p> <p>No ledger has been prepared. In the double entry accounting ledger has been closed at the end of year.</p>
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अधिकांश अधिकारी
नगरपालिका, डीडोवा



BALANCE SHEET OF OFFICE OF MUNICIPAL BOARD , DEEDWANA

As on 31st March 2017

PARTICULARS	Schedule	31st March 2017	31st March 2016
		(Amount in Rs.)	(Amount in Rs.)
LIABILITIES			
RESERVE & SURPLUS			
Municipal (General) Fund	1	72,907,177.52	92,580,436.69
Earmarked Funds	2	31,089,940.00	28,807,651.00
Reserve & Surplus	3	566,532,652.60	70,804,930.00
Total Reserve & Surplus (A)		670,529,770.12	192,193,017.69
GRANT/ CONTRIBUTION FOR SPECIFIC PURPOSE (B)			
	4	248,005,626.42	662,999,084.22
CURRENT LIABILITIES & PROVISIONS			
Sundry Deposits	5	143,297,587.00	162,389,336.00
Sundry Credits	6	1,100,602.56	306,062.00
Statutory Liabilities	7	2,454,746.00	2,390,253.00
Provisions	8	49,404.00	314,510.00
Total Current Liabilities and Provisions (D)		146,902,339.56	165,400,161.00
TOTAL LIABILITIES (A+B+C+D)		1,065,437,736.10	1,020,592,262.91

Notes to Accounts and Accounting Policies

As per audit report even date

For CK Prusty & Associates

Chartered Accountants

Kailash Sen

M. No. 428489

Date: 25/02/2018

Place- Deedwana

Signature of
EO/ Commissioner

Signature of
CAO/ Sr. AO

ASSETS			
FIXED ASSETS			
Gross Block	9	221,232,346.00	187,546,624.00
Depreciation Fund	10	161,553,363.68	37,796,697.25
Net Block		59,678,982.32	149,749,926.75
Capital Work In Process	11	710,753,987.00	666,717,677.00
Total Fixed Assets (A)		770,432,969.32	816,467,603.75
INVESTMENTS			
General Fund Investments	12	42,406,990.66	18,277,600.66
Specific Fund Investments	13	31,089,940.00	28,807,651.00
Total Investments (B)		73,496,930.66	47,085,251.66
CURRENT ASSETS, LOAN & ADVANCES			
Cash & Bank Balances	14	217,240,883.12	152,626,601.50
Sundry Debtors/Receivables	15	4,266,953.00	4,412,806.00
Total Current Assets, Loans & Advances (C)		221,507,836.1	157,039,407.5
TOTAL ASSETS(A+B+C)		1,065,437,736.10	1,020,592,262.91

Notes to Accounts and Accounting Policies

As per audit report even date

For CK Prusty & Associates

Chartered Accountants

Kailash Sepat

M. No. 428489

Date:- 25/02/2018

Place- Deedwana



Signature of
EO/ Commissioner

Signature of
CAO/ Sr. AO

अधिशायी अधिकारी
नगरपालिका, डीडवाना

Draft Income and Expenditure Statement of
Office of Municipal Board , Deedwana
For the Year Ending 31st March 2017

PARTICULARS	Schedule	2016-17	2015-16
		(Amount in Rs.)	(Amount in Rs.)
INCOME			
Income From Taxes	16	296,470.00	267,366.00
Assigned Compensations	17	38,650,000.00	35,136,000.00
Rental Income from Municipal Properties	18	1,496,578.00	2,375,584.00
Fees and User Charges	19	7,149,285.00	4,369,863.00
Revenue Grants, Contributions and Subsidies	20	130,197,359.40	5,604,998.00
Income from Corporation Assets and Investment	21	4,038,909.00	6,477,460.00
Miscellaneous Income	22	493,013.00	478,985.00
Total Income		182,321,614.40	54,710,256.00
EXPENDITURE			
Establishment Expenses	23	34,324,990.00	32,778,191.00
General Administrative Expenses	24	7,170,682.14	3,040,178.98
Public Works	25	21,976,535.00	7,871,671.00
Depreciation During the Year		123,756,666.43	15,529,573.60
Total Expenditure		187,228,873.57	59,219,614.58
Surplus\ Deficit before adjustment of prior period items and Depreciation		(4,907,259.17)	(4,509,358.58)
Less; Prior Period Items		-	-
NET SURPLUS\ DEFICIT		(4,907,259.17)	(4,509,358.58)

Notes to Accounts and Accounting Policies

As per audit report even date
For CK Prusty & Associates
Chartered Accountants

KailashSepat
M. No. 428489



Signature of
EO/ Commissioner

Signature of
CAO/ Sr. AO

शासी अधिकारी
पालिका, डीडवना

Date:- 25/02/2018
Place- Deedwana

Draft Statement of Cash Flow
Office of Municipal Board , Deedwana
As on 31st March 2017

Particulars	2016-17	2015-16
a. Cash flows from operating activities		
Gross surplus/ (deficit) over expenditure	-4,907,259.17	4,509,358.58
Adjustments for		
Add:		
Depreciation	123,756,666.43	15,529,573.60
Less:		
Investment income	4,038,909.00	6,477,460.00
Adjusted income over expenditure before effecting changes in current assets and current liabilities and extra ordinary items.	114,810,498.26	4,542,755.02
Changes in current assets and current liabilities		
(Increase) / decrease in other current assets	145,853.00	(145,853.00)
(Decrease)/ increase in Sundry Creditors	794,540.56	40,230.00
(Decrease)/ increase in Provisions	(265,106.00)	107,828.00
(Decrease)/ increase in Deposits received	-19,091,749.00	6,312,600.00
(Decrease)/ increase in other current liabilities	64,493.00	325,191.00
Net cash generated from/ (used in) operating activities (a)	96,458,529.82	11,182,751.02
b. Cash flows from investing activities		
(Purchase) of fixed assets & CWIP	(77,722,032.00)	(98,999,189.00)
(Increase) / Decrease in General funds investments	(24,129,390.00)	(5,473,005.00)
Add:		
Interest income received	4,038,909.00	6,477,460.00
Net cash generated from/ (used in) investing activities (b)	(97,812,513.00)	(97,994,734.00)

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अधिशायी अधिकारी
नगरपालिका डीडवाना



c. Cash flows from financing activities		
Add:		
Grants received for specific purpose	65,968,264.80	133,770,719.29
Net cash generated from (used in) financing activities(c)	65,968,264.80	133,770,719.29
Net increase/ (decrease) in cash and cash equivalents (a + b + c)	64,614,281.62	46,958,736.31
Cash and cash equivalents at beginning of period	152,626,601.50	105,667,865.19
Cash and cash equivalents at end of period	217,240,883.12	152,626,601.50
Change in Cash and Cash Equivalents	64,614,281.62	46,958,736.31

Notes to Accounts and Accounting Policies

As per audit report even date

For CK Prusty & Associates

Chartered Accountants

Kailash Sapat
M. No. 428489

Date:- 25/02/2018

Place- Deedwana

Signature of
EO/Commissioner

Signature of
CAO/ Sr. AO

अधिशायी अधिकारी
नगरपालिका, डीडवाना

Draft Schedule forming part of Financial Statements of

Office of Municipal Board , Deedwana

As on 31st March 2017

	2016-17	2015-16
PARTICULARS	(Amount Rs.)	(Amount Rs.)
Schedule - 1		
MUNICIPAL (GENERAL) FUND		
Opening balance	92,580,436.69	97,089,795.27
Add :- Addition during the year		-
Less:- Deduction during the year	-14,766,000.00	-
Add: Excess of Income over Expenditure	-4,907,259.17	-,509,358.58
Total	72,907,177.52	92,580,436.69
Schedule - 2		
EARMARKED FUND		
Gratuity Fund	5,410,607.00	4,038,737.00
General Provident Fund	25,679,333.00	24,768,914.00
Total	31,089,940.00	28,807,651.00
Schedule - 3		
RESERVE & SURPLUS		
Capital Contribution		
Opening balance	70,804,930.00	48,478,528.00
Add :- Addition during the Year	495,727,722.60	22,326,402.00
Less :- Withdrawal during the Year		-
Total	566,532,652.60	70,804,930.00
Schedule - 4		
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE		
Special Grant for 13th Financial Commission	801,095.38	22,899,829.38



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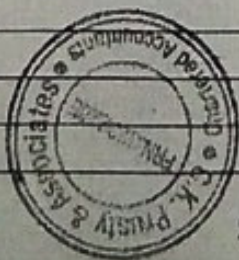
Special Grant for 14th Financial Commission	90,955,553.00	24,552,000.00
Special Grant for Bhamashah Yojana	198,880.00	198,880.00
Special Grant for CM Saree Kambal Yojana	1,114,470.00	1,123,290.00
Special Grant for CM BPL Awas Yojana	2,425,000.00	2,425,000.00
Special Grant for NULM	2,000,000.00	-
Special Grant For Sewerage (RUIDFCO)	-	499,086,750.00
Special Grant From MLA	1,141,938.00	541,938.00
Special Grant Infrastructure Development Scheme (IDSMT)	59,713,450.04	53,495,132.84
Special Grant for Repair & Maintainance of Road	9,290,000.00	9,290,000.00
Grant for Clean India Mission	23,500,000.00	5,004,000.00
Special Grant from S.F.C.	56,865,240.00	44,382,264.00
Total	248,005,626.42	662,999,084.22
Schedule - 5		
SUNDRY DEPOSITS		
Amanat Payable	3,947,305.00	3,659,124.00
Security Deposit	9,591,545.00	10,965,984.00
Sewerage Security for Testing and Commission	129,758,737.00	147,764,228.00
Total	143,297,587.00	162,389,336.00
Schedule - 6		
SUNDRY CREDITORS		
Creditors For supplies	1,003,602.56	306,062.00
Advance From Suppliers	97,000.00	-
Total	1,100,602.56	306,062.00
Schedule - 7		



STATUTORY LIABILITIES		
Parshad Allowance		61,150.00
PatrakarKalyanKosh	6,000.00	-
Salary Payable	2,448,746.00	2,329,103.00
Total	2,454,746.00	2,390,253.00
Schedule- 10		
PROVISIONS		
Provision For Expenses	49,404.00	314,510.00
Total	49,404.00	314,510.00
Schedule - 9		
GROSS BLOCK		
Immovable Assets		
Land	29,027,234.00	29,027,234.00
Boundary Wall	1,761,781.00	1,761,781.00
Drainage	39,396,811.00	28,191,187.00
Building	1,565,407.00	1,565,407.00
Infrastructure Assets		
Roads & Bridge	138,136,690.00	121,513,689.00
Public Lighting	2,637,104.00	1,223,224.00
SamudayikBhawan	715,884.00	715,884.00
Other Infrastructure Assets	308,504.00	188,409.00
Moveable Assets		
Furniture & Fixture	371,909.00	309,504.00
Generators	639,123.00	639,123.00



Office Equipment	86,459.00	43,559.00
Sky Lift	1,593,000.00	1,593,000.00
Vehicles	4,992,440.00	774,623.00
Total	221,232,346.00	187,546,624.00
Schedule - 10		
DEPRECIATION FUND		
Opening Balance	37,796,697.25	22,267,123.65
Add:- Depreciation provided during the year	123,756,666.43	15,529,573.60
Total	161,553,363.68	37,796,697.25
Schedule - 11		
CAPITAL WORK IN PROGRESS		
Sewerage Treatement Plant & Sewerage	710,753,987.00	666,717,677.00
Total	710,753,987.00	666,717,677.00
Schedule - 12		
GENERAL FUND INVESTMENT		
P.D Account-2574	38,755,100.66	14,777,600.66
P.D Account -2669	3,651,890.00	3,500,000.00
Total	42,406,990.66	18,277,600.66
Schedule - 13		
SPECIFIC FUND INVESTMENT		
Gratuity Fund	5,410,607.00	4,038,737.00
General Provident Fund	25,679,333.00	24,768,914.00
Total	31,089,940.00	28,807,651.00
Schedule - 14		
CASH & BANK BALANCES		



Cash in Hand	170,363.00	
FDR	65,871.00	58,174.00
Balances in Saving & Current a/cs (SJSRY)		
SSBJ-706	-	-
PNB	-	-
Balances in Saving & Current a/cs (IDSMT)		
UCO-4331	97,120.00	93,066.00
FDR with UCO bank	63,316,591.04	57,102,327.84
Balances in Saving & Current a/cs (Thirteenth Finance Commission)		
SBBJ-7476	9,424,251.95	13,892,200.38
Balances in Saving & Current a/cs		
SBBJ-3706	2,986,509.59	9,598,486.26
SBI-5899	2,674,080.00	2,299,080.00
UCO-5606	129,970,910.54	34,417,583.00
Axis Bank	8,525,186.00	5,093,496.00
ICICI Bank	10,000.00	
UCO-5719	-	30,072,188.02
Total	217,240,883.12	152,626,601.50
Schedule - 15		
Sundry Debtors/Receivables		
Urban Development Tax	4,266,953.00	4,266,953.00
Accrued Interest	-	145,853.00
Total	4,266,953.00	4,412,806.00



Schedule - 16		
INCOME FROM TAXES		
Urban Development Tax	296,470.00	267,366.00
Total	296,470.00	267,366.00
Schedule - 17		
ASSIGNED COMPENSATION		
Octroi Compensations	38,650,000.00	35,136,000.00
Total	38,650,000.00	35,136,000.00
Schedule - 18		
RENTAL INCOME FROM MUNICIPLE PROPERTIES		
Rent From Lease of Lands	1,338,228.00	1,181,836.00
Income from Rent and TehBazari	158,350.00	1,193,748.00
Total	1,496,578.00	2,375,584.00
Schedule - 19		
FEES AND USER CHARGES		
NOC	151,050.00	165,925.00
Sewerage Registration Fees	2,055,720.00	
Copy Fees	8,445.00	6,223.00
Tender Fees	206,900.00	73,750.00
Fees for Certificate and Extract	96,995.00	519,335.00
Construction Fees	277,259.00	343,082.00
Regularisation Fees	1,667,000.00	1,359,412.00
Advertisement Fees	372,000.00	258,918.00
Consultancy Fees	48,235.00	215,369.00
Development Fees	740,885.00	1,054,970.00
Land Conversion Fees	236,165.00	-



Property Transfer Charges	40,670.00	110,101.00
BSUP Charges	197,019.00	-
Road Damage Charges	144,875.00	179,989.00
Land Usage Charges	880,070.00	-
Other Fees	25,997.00	82,789.00
Total	7,149,285.00	4,369,863.00

Schedule - 20

REVENUE GRANT, CONTRIBUTION, SUBSIDIES

State Finance Commission Grant	13,902,641.00	-
Revenue Grant-Sewerage	105,459,941.40	-
Janganna	145,165.00	-
Jansahbhagita	2,666,000.00	-
Fourteenth Finance Commission Grant	2,400,884.00	-
Thirteen Finance Commission Grant	5,622,728.00	5,604,998.00
Total	130,197,359.40	5,604,998.00

Schedule - 21

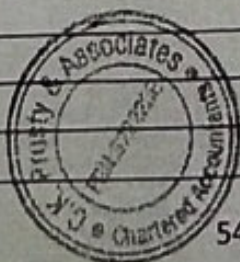
INCOME FROM CORP.ASSET/INVESTMENT

Interest on Balances with Bank	3,749,029.00	6,386,210.00
Interest on FDR & PD Account	-	-
Sale of Land	62,380.00	-
Sale of Obseletes	-	-
Sale of Manure	227,500.00	91,250.00
Total	4,038,909.00	6,477,460.00

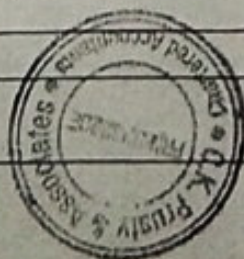
Schedule - 22

MISCELLANEOUS INCOME

Other Misc Income	493,013.00	478,985.00
Total	493,013.00	



		478,985.00
Schedule – 23		
ESTABLISHMENT EXP.		
Parshad Allowance	716,250.00	788,600.00
Salary and Other Payment	31,935,954.00	27,257,845.00
Travelling Reimbursement	47,457.00	20,074.00
Uniform Allowance	92,400.00	100,950.00
Leave Encashment	1,506,941.00	-
Gratuity	25,988.00	4,610,722.00
Total	34,324,990.00	32,778,191.00
Schedule – 24		
GENERAL ADMINISTRATION EXP.		
Advertisement Expenses	285,629.00	461,512.00
Legal Expenses	216,800.00	-
Insurance	-	-
Professional Fees	66,764.00	58,800.00
Audit Fees	44,541.00	197,541.00
Printing & Stationery	132,191.00	96,037.00
Telephone Expenses	57,993.00	48,013.00
Office Expenses	223,375.00	408,020.00
Power & Fuel	659,666.56	689,059.00
Contract Vehicles	873,214.00	-
Repair & Maintainance (Vehicles)	279,773.00	195,310.00
Bank Charges	2,424.58	1,848.98
Computer Operator	261,199.00	123,866.00



Electricity & Water	4,067,112.00	760,172.00
Total	7,170,682.14	3,040,178.98
Schedule – 25		
PUBLIC WORKS		
Fire Management	5,000,000.00	-
Repair & Maintainance (Public Amenities)	14,589,388.00	896,018.00
Other Contingencies	-	245,524.00
Repair & Maintainance (Lighting)	392,018.00	1,210,349.00
Other Construction Work	-	250,878.00
Rashan Card	73,860.00	
Festival & Programme Expenses	469,997.00	216,581.00
Garbage Clearance	1,451,272.00	5,052,321.00
Total	21,976,535.00	7,871,671.00

Notes to Accounts and Accounting Policies

As per audit report even date
For CK Prusty & Associates
Chartered Accountants

Kailash Sepat
M. No. 428489

Date:- 25/02/2018
Place- Deedwana

Signature of
EO/ Commissioner

Signature of
CAO/ Sr. AO

आधिसाखी अधिकारी
नगरपालिका, डीडवाना

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.

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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.



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