

# Municipal Board NIWAI

Financial Statements and Independent Auditors reports

FY 2015-16

Prepared By:

Audited By : KRA & CO.

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## **INDEPENDENT AUDITOR'S REPORT**

To,  
EO,  
Niwai

We have audited the accompanying financial statements of MUNICIPAL BOARD, Niwai (Tonk), which comprise the Balance Sheet as at March 31, 2016, 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.

***Basis for qualified Opinion***

The Financial Statement was not completed as detail described under Para No.2, 3 and 10 of Annexure 1 and Other para specified in Annexure-1.

***Qualified Opinion***

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present true and fair view, in all material respects in conformity with the Rajasthan Municipal Accounts Manual

But 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, 2016
- 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 KRA & CO..  
Chartered Accountants  
FRN: 020266N

  
(Rajat Goyal)  
(Partner)  
M.No.503150

Place : Niwai  
Date: 13/08/2016



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; and 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 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-I





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

1. For the payment of revenue expenditure and capital expenditure, Approx 80% voucher has not been journalized before the payment.
2. **The Scheme Cash Book SJSRY has not been recorded in the financial statement of the ULB. Therefore the ULB accounts has not confirmed the true picture of Financial Statement.**
3. There was a difference in opening Balance as on 01/04/2015 and Closing Balance on 31/03/2015 Audited Financial Statement of FY 2014-15. The reason for this was non consideration of SJSRY Scheme Cash book in the Opening balance.
4. During the whole year no salary voucher has been journalized before the payment, in the Double entry accounting system first payment in the Net salary payable and Deductions of Salary Payable accounts latter these account has been credited and Salary Exp debited. It is wrong practice of accounting. There should be passed Journal voucher of Salary first and later payment of Salary and Deduction.
5. There was no voucher in which Salary Expenses debited and Provident fund payable & Gratuity payable Credited like other deduction in the whole year. Which interpret that Salary expenses was not right. In Salary voucher scrutiny there is difference in the Salary expenses as voucher and Salary Expenses recorded in the D.E.A.S.
6. There is neither Urban Development Tax assessment for the FY 2015-16, Nor other revenue assessment during the FY 2015-16. Therefore no tax or revenue income has been accrued for the FY 2015-16 at end of Financial Year.
7. Statement of Outstanding liabilities in the Form GEN-28 is not prepared and in the D.E.A.S, no expenses shown outstanding for the unpaid expenses of FY 2015-16. Therefore the double entry accounting has no conformity with Accrual Concept.
8. The M.D. Vth Deduction deducted from the contractors who is done more than work specified in the G-Schedule. It is not fair practice of doing more work specified in the G-Schedule of work order.

9. During the FY 2015-16 the earnest money forfeited is not considered as income of ULB. The Journal voucher should be prepared for this.
10. The Cash flow Statement has not been prepared. Therefore the Financial Statement are incomplete.
11. There was debit balance in EMD Accounts at the end of the year or during the Year. It has been observed after voucher has been checked and verified for payment to such type of EMD accounts, Payment to such parties are right but in the DEAS the opening Balance has been taken wrongly. (As per Audit report FY 2013-14 Annexure-13-Recorded and Form 1 to 29 for opening Balance has not been prepared)
12. There was debit balance in Security Deposit Accounts at the end of the year or during the Year. It has been observed after voucher has been checked and verified for payment to such type of Security Deposit accounts, Payment to such parties are right but in the DEAS the opening Balance has been taken wrongly. (As per Audit report FY 2013-14 Annexure-13-Recorded and Form 1 to 29 for opening Balance has not been prepared)
13. During the whole financial year Security deposit accounts has been credited on the deduction of security deposit but even no single payment has been debited to Security deposit. The Security deposit paid during the year has been wrongly debited to Earnest Money Accounts.
14. The Municipality Program Expenses of Rs.4362626.00 is too much high. ULB should control this type of expenses; ULB should properly evaluate the cost of Work before issue of tender.
15. Closing Balance of the Employees GP fund and Closing Balance of Investment of fund in PD Account-GPF does not match, there is difference of Rs.677000/- (Balance in GP fund Rs.22072185.25 and Balance in PD Account Rs. 22749185.25. It has been suggested to ulb to correct this different.
16. The Capital and Revenue Expenditure out of 14<sup>th</sup> Finance Commission Grants are expended more than to fund actually being received, therefore there was debit balance of Rs.299084.00 as on 31/03/2016 in the 14<sup>th</sup> Finance Commission Grant Account.



17. The Capital and Revenue Expenditure out of 4<sup>th</sup> State Finance Commission Grants are expended more than to fund actually being received; therefore there was debit balance of Rs.3582378.00 on 31/03/2016 in the 4<sup>th</sup> State Finance Commission Grant Account.
18. The Capital and Revenue Expenditure out of 5<sup>th</sup> State Finance Commission Grants are expended more than to fund actually being received; therefore there was debit balance of Rs.1039952.00 on 31/03/2016 in the 5<sup>th</sup> State Finance Commission Grant Account.
19. It has been noted following issue regarding fixed assets in the audit process
- No depreciation has been charged on the Fixed assets during or end of financial Year.
  - Fixed Assets created out of grants and special fund has been written off by Grant or Special fund in the same financial year,
  - Opening Fixed Assets has been taken only which is created in the FY 2012-13, FY 2013-14 with error in FY 2012-13, FY 2013-14, FY 2014-15 specified in the Para 21.a, 21.b of Audit report of FY 2013-14
  - Opening Balance of Fixed Assets- Photo State is Rs. 355650 is Printing and stationery expenses in the FY 2012-13, FY 2013-14 and FY 2014-15. It has been suggested to written off these balance on 01/04/2016 directly from Municipal Fund.
  - Opening Balance of Fixed Assets- Water Cooler is Rs.15743 is Repairing expenses in the FY 2012-13, FY 2013-14 and FY 2014-15. It has been suggested to written off these balance on 01/04/2016 directly from Municipal Fund.
20. The revenue expenditure occurred out of 13<sup>th</sup> Finance Commission has been written off by debiting in the ledger of 13<sup>th</sup> Finance Commission. The amount used for revenue expenditure out of Grants should be transfer from liabilities (320) to Revenue Grants (160). The expenditure should not be written off directly, it is not represent right picture of income and expenditure.
21. There is suspense account in the Balance sheet, The reason of suspense 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.

### **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. 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
2. There is no usage certificate or grants register available with the ULB  
-S.J.S.R.Y.  
-BPL Saree & Blankent  
-Pannadhay Yojna

### **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: uxj ikfydk fuokbZ esa lkr nqdkuks dk fuEu izdkj izfrekg fdjk;k tek fd;k tkrk gSA

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	ihpUn@yknqyky ikVuh	2175
	@qaxkyky@ teukyky 'kekZ	2706
	ßk/ks';ke @ izgykn 'kekZ	2241
	4Syk'k pUn @ gfjukjk;.k 'kekZ	2420
	5k'kkjke @ [ksepUn flU/kh	620
	ßkefd'kksj @ y{ehukjk;.k	968
	ih:ey @ usuey flaU/kh	2281
	<b>;ksx</b>	<b>13411 izfr ekg fdjk;k</b>

The above lease rental has not been collected regularly.



#### **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 loan and advances given to others during the FY 2013-14. And also no opening Balance has been carried by ULB of loans and advances.

#### **Annexure-8**

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

**Comment:** No loan and advances given to employees during the FY 2015-16. There was No opening Balance of Loan and Advances.





### 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.
	The Stores-in-charge shall ensure availability of adequate budget allocation before procuring any material, after	The Store-in-charge has no such procedure of budget allocation.

	considering all commitments made against the budget allocation.	
	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	No such type of entries found in the Stores register.  All bills has been forwarded





	Closing Stock (Form ST - 3).	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.
<b>Employee Related Transactions</b>	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
	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	No Reconciliation statement has been prepared



	<p>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>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</p>	<p>Yes, The Head of Accounts Department verify the deducted amount has been deposited timely.</p>

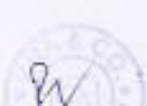




	Fund contribution deducted for the employees on deputation have been deposited with the concerned authorities.	
	At every year-end, the Head of the Accounts Department or other officers of the LB designated by him or other officer of LB designated by the Head of the Department shall verify whether interest 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.	PD Accounts of provident fund has been maintained. But not taken in the books of accounts.
	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.	Yes, HOD of Accounts verifies this.
<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.	Yes, There is 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.
	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	Yes, In the accounts department, this payment control system is exists.





	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.	
	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.
<b>Fixed Assets</b>	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.
	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	No Such Procedure is

	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.	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.	No, the fixed assets register during the FY 2013-14 has not been maintained.
	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.

#### 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	The Public Works Department and the Chief	The ULB take the





Works	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	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.	Yes the Accounts department has classified the nature of expenditure.
	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	No Such type procedure has been followed.



	Accounts.	
	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.	No, Chief of Accounts Department does not 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	No bills/invoices





	contractors were journalised before release of the payments.	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.

#### 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 except following:-

1. However the following expenditure required to be deduct Income Tax, Sale Tax etc. but not deducted:

S.No.	Head of Expenditure	Amount of Expenses	Type of Deduction required	Amount to be Deducted
1.	Advertisement Expenses	1502611.00	Income Tax	30052.00
4.	Programme Exp	46221.00	Income tax	924.00
5.	Programme Exp	107880.00	Income Tax	2158.00
6.	Programme Exp	93817.00	Income tax	1876.00



**2. The following statutory liabilities (Income Tax, Sale Tax etc.) not paid timely:**

- a. Gratuity deducted from salary of the employees is not deposited timely for the Aug and Nov Months of the FY 2015-16.
- b. Pension fund deducted from salary was not deposited timely.
- c. Provident fund deducted from salary was not deposited timely.
- d. Royalty deducted from Contractors has not been deposited timely.
- e. Income Tax deducted from Contractors has not been deposited timely.
- f. VAT/WCT deducted from Contractors has not been deposited timely.
- g. Labour Cess deducted from Contractors has not been deposited timely.

**3. Short Payment/Short Deduction**

- a. There is payment of Income tax deducted, at a one time of last five-six month with short payment means Income tax deducted not deposited fully
- b. There is payment of Sale tax deducted, at a one time of last five-six month with excess payment means sale tax deducted deposited excess.
- c. There is payment of Royalty deducted, at a one time of last five-six month with short payment means Royalty deducted not deposited fully
- d. There is payment of Labour Cess deducted, at a one time of last five-six month with short payment means Labour Cess deducted not deposited fully

**Note:** ULB has not filed the timely TDS return and No timely payment of TDS, therefore Income Tax Department shall raised the demand of late fee and interest for such delay of filing and delay of payment.

**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:

Sl. No.	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	<b>Cash Book</b>	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.
	<b>Journal Book</b>	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	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.



		of supplier's bills are examples of transactions, which shall be first recorded in the Journal Book.		
	<b>Ledgers</b>	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.
	<b>Cash/Bank Receipt Voucher</b>	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.
	<b>Cash/Bank Payment Voucher</b>	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
	<b>Contra Voucher</b>	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
	<b>Journal Voucher</b>	Journal Voucher shall be the document prepared for recording entries in the Journal Book	GEN-7	No Physical Journal Voucher prepared
	<b>Receipt</b>	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.
	<b>Receipt Register</b>	All cheques/drafts received shall be recorded in a Receipt Register, maintained in Form GEN-9	GEN-9	No Such register maintained
	<b>Statement on Status of Cheques Received</b>	The details should be intimated to the Accounts Department by the Collection Office/ Centre who have actually deposited the cheques and co-ordinating	GEN-10	No Such register maintained





		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		
	<b>Collection Register</b>	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
	<b>Summary of Daily Collection</b>	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
	<b>Register of Bills for Payment</b>	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.
	<b>Payment Order</b>	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
	<b>Cheque Issue Register</b>	On verification of the Cash/Bank Payment Voucher, a cheque shall be prepared. An entry of the cheque prepared	GEN-15	Yes, Maintained.



		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		
	<b>Register of Advance</b>	The details of the advances given shall be recorded in the Register of Advance maintained in Form GEN-16	GEN-16	Register of advance is maintained.
	<b>Register of Permanent Advance</b>	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.
	<b>Deposit Register</b>	Deposits received/paid/deducted shall be recorded by the ULB	GEN-18	Yes, ULB has Deposit Register
	<b>Summary Statement of Deposits Adjusted</b>	Deposit adjusted shall be recorded properly in this Form	GEN-19	Not maintained
	<b>Demand Register</b>	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.
	<b>Bill for Municipal Dues</b>	Municipal Dues bill shall be recorded in GEN-21	GEN-21	Not maintained.
	<b>Summary Statement of Bills Raised</b>	Summary Statement of Bills Raised shall be prepared in form GEN-22	GEN-22	No Summary Statement of Bills Raised has been prepared.
	<b>Register of Notice Fee, Warrant Fee, Other Fees</b>	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
	<b>Summary Statement of Notice Fee, Warrant Fee, Other Fees</b>	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
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 <sup>th</sup> 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	Register of Immovable Property has been maintained.
Register of Movable	A record shall be maintained for the movable fixed assets in the	GEN-31	Register of Movable Property has been



<b>Property</b>	Register of Moveable Property in Form GEN-31.		maintained.
<b>Register of Land</b>	A record shall be maintained for the land in the Register of land in Form GEN-31.	GEN-32	Register of land has been maintained
<b>Function-wise Income Subsidiary Ledger</b>	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.
<b>Function-wise Expense Subsidiary Ledger</b>	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.
<b>Asset Replacement Register</b>	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	GEN-35	No Asset Replacement Register has been maintained.





		annual depreciation provision made during the accounting year		
	<b>Register of Public Lighting System</b>	Register of Public Lighting System shall be maintained in the Form GEN-36	GEN-36	Not maintained
<b>RECORDS AND DOCUMENT RELATED TO RENTALS, FEES &amp; OTHER INCOMES</b>				
	<b>STATEMENT OF DEMAND RAISED ON ASSESSMENT</b>	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
	<b>SUMMARY STATEMENT OF YEAR-WISE HEAD-WISE COLLECTION OF OTHER INCOMES</b>	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
	<b>SUMMARY STATEMENT OF REFUNDS</b>	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
	<b>SUMMARY STATEMENT OF WRITE OFFS</b>	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
<b>RECORDS AND DOCUMENT RELATED TO PUBLIC WORKS</b>				



<b>SUMMARY STATEMENT OF STATUS OF CAPITAL WORK-IN-PROGRESS/DEPOSIT WORKS</b>	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
<b>WORK SHEET</b>	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
<b>DEPOSIT WORKS REGISTER</b>	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
<b>RECORDS AND DOCUMENT RELATED TO STORES</b>			
<b>MATERIAL RECEIPT NOTE</b>	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
<b>STORES LEDGER</b>	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.





	STATEMENT OF CLOSING STOCK AS ON 31/03/2014	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	ES-4	No unpaid salary for the during the FY 2013-14

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		as well as subsequent payment of salary		
<b>RECORDS AND DOCUMENT RELATED TO GRANTS</b>				
	<b>GRANT REGISTER</b>		G-1	Not maintained
<b>RECORDS AND DOCUMENT RELATED TO BORROWINGS</b>				
	<b>REGISTER OF LOANS</b>	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
	<b>REGISTER OF DEBENTURES</b>	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
	<b>REGISTER OF SINKING FUNDS</b>	Register of Sinking fund shall be prepared in the form BR-3	BR-3	Not required
<b>RECORDS AND DOCUMENT RELATED TO SPECIAL FUNDS</b>				
	<b>SPECIAL FUNDS REGISTER</b>	Special fund received or created shall be maintained in the register of from SF-1	SF-1	Not maintained
<b>RECORDS AND DOCUMENT RELATED TO INVESTMENT</b>				
	<b>INVESTMENT LEDGER / REGISTER</b>	Investment ledgers and register shall be prepared in form IN-1	IN-1	Not maintained
	<b>CALCULATION SHEET FOR PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS FOR THE PERIOD ENDING</b>	CALCULATION SHEET FOR PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS FOR THE PERIOD ENDING shall be prepared in the form IN-2	IN-2	Not required.
<b>RECORDS AND DOCUMENT RELATED TO LOAN AND ADVANCES</b>				
	<b>REGISTER OF LOANS TO OTHERS</b>	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





RECORDS AND DOCUMENT RELATED TO BUDGET			
	<b>Budget</b>	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
	<b>Opening Balance Sheet</b>	Balance for the Balance Sheet shall be taken from the form Prepared.	Form-1 to Form 29 No form has been prepared for the Opening Balance sheet

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>	<p>No receivable of assigned revenue accrued during the preceding financial years or current financial year.</p> <p>Therefore, No Receivables of Assigned revenues are reviewed at the end of the financial years.</p>
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	<p>At period-end, interest shall be accrued on investments made from the date of last</p>	<p>No Investment, ULB has only PD accounts of PF and Gratuity as</p>





	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.	Investment. Interest has been accrued on the year end.
<b>Fixed Assets</b>	<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.
<b>Lease of Land</b>	<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

<i>S.No.</i>	<u>PERIOD END PROCEDURES</u>	<u>AUDITORS COMMENTS</u>
<b>Daily Procedures</b>	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	The cash book is totaled and balanced daily basis. But no posting of day's transaction in to ledgers on daily basis



	<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>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</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> <p>The ULB has not maintaining the collection register on daily basis. Only challan book is maintained by the ULB.</p>
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	<p>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"> <li>Functions wise Income Subsidiary Ledger in respect of all major heads of Income during the day;</li> <li>Functions wise Expense Subsidiary Ledger in respect of all major heads of Expenses during the day</li> </ol>	<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>
<b>Monthly Procedures</b>	<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>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>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>No, ULB has not been prepared the Bank reconciliation statement on the monthly basis.</p> <p>The register of permanent advance is not maintained by the ULB.</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>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 reconciliation statement has been prepared.</p> <p>No ledger accounts maintained on daily basis, therefore no question of closing of ledger at end of month</p>
Quarterly Procedures	<p>a. <u>Reconciliation of deposits, advances, receivables and income:</u> 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.</p> <p>b. <u>Provision for period-end expenses:</u> 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.</p> <p>i. Provision for expenses incurred on original work/ operations or maintenance</p> <p>ii. Provision for materials purchased</p> <p>iii. Provision for revenue expenditures</p> <p>iv. Provision for interest accrued but not</p>	<p>No reconciliation statement of deposits like EMD, SD etc has been prepared.</p> <p>No reconciliation statement of advances has been prepared.</p> <p>No reconciliation statement of various sources of income has been prepared.</p> <p>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.</p>





	due on the money borrowed	
	v. Provision for fixed assets purchased	
	vi. Provision for Depreciation on Fixed assets	
	c. <u>Transfer of revenue grant received in advance for specific purpose to grant income.</u> The balance in the Revenue Grant Account received in advance, to the extent utilised during the period shall be transferred to the respective Grant Income Account	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 Account
	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 recognised as income at the end of each quarter	Yes this procedure has been followed.
	e. <u>Accrual of interest on borrowings:</u> 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. <u>Recording of provision for bills remaining unpaid in respect of Special Fund expenditure</u>	No Provision is made for special fund expenditure.
	g. <u>Accrual of interest on investments.</u> Interest accrued but not due on investments made shall be accrued	No Investment.
	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	No accrual of interest on loan and advances to employees.
	i. <u>Reconciliation of Capital Work in</u>	



	<p><u>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>i. <u>Passing of adjustment entries:</u> At the period-end, the Accounts Department shall verify whether proper distinction 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 totalled 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 Reconciliation statement is prepared.</p> <p>Yes.</p> <p>No Ledgers has been prepared by the ULB.</p>
<b>Annual Procedures</b>	<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.</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>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 (Utilised) on construction or purchase or acquisition of fixed asset at the time of capitalisation 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>e. <u>Provision for unrealised 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 scrutinised 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</p>	<p>Yes, this procedure has been followed.</p> <p>No Confirmation has been taken from all categories of advances at the end of the 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>
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	<p>equivalent to the difference shall be transferred from the Main Bank Account to the Provident Fund Bank Account.</p> <p><u>h. 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><u>i. 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 such steps have been taken by the accounts department of ULB..</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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### Limitations of Audit

Limitations of 'KRA & CO.' in carrying out the assignment as per the scope of work are as under:

- 'KRA & CO.' has restricted the scope of work to 'Terms of Reference' only.
- 'KRA & CO.' has undertaken the audit in accordance with generally auditing standards, guidelines issued by ICAI.
- In performing the review and verification, the work, 'KRA & CO.' has relied entirely on:
  - Financial and expenditure report/ details provided by the Accounts department of the ULB.
  - Other information, schedules, reports and explanations as given to us during and in connection with our audit.





- Report includes comments on those accounting issues/ accounting policies, which are material and are not in accordance with the Rajasthan Municipal Accounts Manual.
  - 'KRA & CO.' has assumed the genuineness of all the documents and signatures thereon as if they were originals and also that the copies confirm to the originals.
  - Transactions and events which are not recorded and which were not disclosed to 'KRA & CO' may not have been identified in the procedure.
- The working papers, prepared in conjunction with the work are the property of the firm, constitute confidential and proprietary information and will be retained by 'KRA & CO.' in accordance with Firm's internal policies and procedures.
- 'KRA & CO.' has no responsibility to update the report for events and circumstances occurring after the date of report.
- The draft observations for each location covered by us were circulated by us to the concerned office to which responses to the extent furnished to us have been considered by us. Responses not furnished have been reported against each observation as contained in the Management Letter.
- This report is for the year 2013-14 and is confidential being for use only to whom it is issued. It must not be quoted, cited, copied, disclosed or circulated, or referred to in correspondence or discussion with any other person or made public except to a person to whom it is issued.



# Financial Statements for the year 2014-15

## Nagar Palika, Niwai

### Balance Sheet of Nagar Palika, Niwai, Tonk

As at 31/03/2015

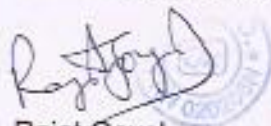
LIABILITIES	Schedule	2014-15 (Amount in Rs.)	2013-14 (Amount in Rs.)
<b>RESERVE &amp; SURPLUS</b>			
Municipal (General) Fund	1	235,782,900.01	179,895,390.37
Earmarked Funds	2	23,914,752.30	24,703,159.30
<b>RESERVE &amp; SURPLUS</b>			
<b>Total Reserve &amp; Surplus (A)</b>		<b>259,697,652.31</b>	<b>204,598,549.67</b>
<b>Grant/ Contribution For Specific Purpose (B)</b>	3	<b>13,838,664.00</b>	<b>32,603,167.00</b>
<b>LOANS</b>			
Secured Loans			
Unsecured Loans			
<b>Total Loans (C)</b>		<b>0.00</b>	<b>0.00</b>
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
Sundry Deposits	4	46,891,621.00	25,741,211.00
Statutory Liabilities	5	673,243.00	528,626.00
Other Liabilities	6	2,231,387.00	192,058.00
<b>PROVISIONS</b>	7	<b>36,850.00</b>	<b>39,954.00</b>
<b>Total Current Liabilities and Provisions (D)</b>		<b>49,833,101.00</b>	<b>26,501,849.00</b>
<b>TOTAL LIABILITIES (A+B+C+D)</b>		<b>323,369,417.31</b>	<b>263,703,565.67</b>

Notes to Accounts and Accounting Policies

As per audit report even date

For KRA & CO.

Chartered Accountants



Rajat Goyal

M. No. 503150

Date:- 13/08/2016

Place:-Niwai

Signature of  
EO/ Commissioner

Signature of  
CAO/ Sr. AO



Balance Sheet of Nagar Palika, Niwai, Tonk				
As at 31/03/2016				
ASSETS	Schedule	2015-16		2014-15
		(Amount in Rs.)		(Amount in Rs.)
FIXED ASSETS				
Gross Block	8	230,385,532.00		92,725,238.00
Depreciation Fund	9	0.00		0.00
Net Block				
Capital Work In Process				
<b>Total Fixed Assets (A)</b>		<b>230,385,532.00</b>		<b>92,725,238.00</b>
INVESTMENTS				
General Fund Investments				
Specific Fund Investments	10	24,591,752.30		24,703,159.30
<b>Total Investments (B)</b>		<b>24,591,752.30</b>		<b>24,703,159.30</b>
CURRENT ASSETS, LOAN & ADVANCES				
Inventories				
Sundry Debtors/ Receivables				
Cash & Bank Balances	11	68,354,776.47		146,215,811.83
Loans, Advances & Deposits	12	37,356.54		59,356.54
<b>Total Current Assets, Loans &amp; Advances (C)</b>		<b>68,392,133.01</b>		<b>146,275,168.37</b>
<b>TOTAL ASSETS(A+B+C)</b>		<b>323,369,417.31</b>		<b>263,703,565.67</b>

Notes to Accounts and Accounting Policies

As per audit report even date

For KRA & CO.  
Chartered Accountants

  
Rajat Goyal  
M. No. 503150

Signature of  
EO/ Commissioner

Signature of  
CAO/ Sr. AO

Date:- 13/08/2016

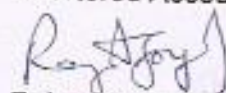
Place:-Niwai

Income and Expenditure Account of Nagar Palika, Niwai, Tonk			
For the Year Ending 31/03/2016.			
PARTICULARS	Schedule	2015-16	2014-15
		(Amount in Rs.)	(Amount in Rs.)
<b>INCOME</b>			
Income From Taxes	13	1,231,153.00	733,168.00
Assigned Compensations	14	46,664,000.00	42,422,000.00
Rental Income from Municipal Properties	15	42,581.00	126,067.00
Fees and User Charges	16	6,125,606.00	13,479,985.00
Revenue Grants, Contributions and Subsidies	17	0.00	4,487,000.00
Sales & Hire charges	18	48,046,280.00	57,210,506.00
Interest Earned	19	4,861,294.76	5,048,764.91
Miscellaneous Income	20	0.00	158,522.00
<b>Total Income</b>		<b>106,970,914.76</b>	<b>123,666,012.91</b>
<b>EXPENDITURE</b>			
Establishment Expenses	21	37,900,197.00	37,492,519.00
General Administrative Expenses	22	3,407,472.00	5,340,064.00
Operating & Maintenance	23	2,203,304.12	1,673,436.41
Public Works	24	3,209,806.00	3,043,175.00
Programme Exp.	25	4,362,626.00	1,070,725.00
Interest & Financial Exp.			
Depreciation During the Year			
<b>Total Expenditure</b>		<b>51,083,405.12</b>	<b>48,619,919.41</b>
Surplus\ Deficit before adjustment of prior period items and Depreciation		55,887,509.64	75,046,093.50
Less: Prior Period Items		0.00	0.00
Less: Prior Period adjustment of Depreciation		0.00	0.00
<b>NET SURPLUS\ DEFICIT</b>		<b>55,887,509.64</b>	<b>75,046,093.50</b>

Notes to Accounts and Accounting Policies  
As per audit report even date

For KRA & CO.

Chartered Accountants

  
Rajat Goyal

M. No. 503150

Date:- 13/08/2016

Place:-Niwai

Signature of  
EO/ Commissioner

Signature of  
CAO/ Sr. AO



Schedule forming part of Balance Sheet of Nagar Palika, Niwai		
As on 31/03/2016		
Particulars	2015-16	2014-15
	(Amount in Rs.)	(Amount in Rs.)
<b>Schedule-1</b>		
<b>MUNICIPAL (GENERAL) FUND</b>		
Opening balance	179,895,390.37	137,380,000.64
Add : - Addition during the year	-	640,919.67
Less:- Deduction during the year	-	-1,898,485.68
Add: Excess of Income over Expenditure	55,887,509.64	75,046,093.50
<b>Total</b>	<b>235,782,900.01</b>	<b>179,895,390.37</b>

<b>Schedule-2</b>		
<b>EARMARKED FUND</b>	0.00	0.00
Gratuity Fund	1,842,567.05	1,311,345.05
General Provident Fund	22,072,185.25	23,391,814.25
<b>Total</b>	<b>23,914,752.30</b>	<b>24,703,159.30</b>



Schedule- 3		
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE		
Grant from Central government		
Grant from State Finance Commission	(3,582,378.00)	16,891,586.00
Special Grant for 14th Financial Commission	-299,084.00	0.00
Special Grant for 13th Financial Commission	570,267.00	634,014.00
Mid day Meal	96,000.00	96,000.00
Grants from BPL Saree & Kambal	1,236,810.00	1,236,810.00
Janaganna Scheme	10,562.00	10,562.00
BRGF Grants	6,837,000.00	6,837,000.00
Jansahbagita Yojana	(15,583.00)	(15,583.00)
M.P. Fund	(285,882.00)	(285,882.00)
Nirbhand Yojana	1,240,283.00	1,240,283.00
Sisry	3,805,620.00	3,805,620.00
Pannadhya Yojana	498,000.00	498,000.00
Rain Basora	1,654,757.00	1,654,757.00
Special Grant for 5th Financial Commission	-1,039,952.00	0.00
Swachh Bharat Mission	3,112,244.00	0.00
Total	13,838,664.00	32,603,167.00

Schedule- 4		
SUNDRY DEPOSITS		
Security Deposits		
Amanat Payable	32,384,322.00	11,145,252.00
M.D. Deduction	12,498,055.00	14,071,686.00
Total	2,009,244.00	524,273.00
	46,891,621.00	25,741,211.00

Schedule- 5		
STATUTORY LIABILITIES		
Salary Payable		
Labour Cess Payable		
Gratuity Payable	674,567.00	129,324.00
Lic payable	0.00	0.00
TDS (I.T)	0.00	0.00
Pension Fund	63,579.00	164,814.00
R.P.M.F Payable	0.00	0.00
Sales tax	0.00	0.00
Patrakar Kalyan Kosh	-64,903.00	234,488.00
New Pension Payable	0.00	0.00
ESI Payable	0.00	0.00
	0.00	0.00





General Provident fund Payable	0.00	0.00
<b>Total</b>	<b>673,243.00</b>	<b>528,626.00</b>

<b>Schedule- 6</b>		
<b>OTHER LIABILITIES</b>		
Sundry Creditors for Expenses	7,534.00	7,534.00
Royalty Payable	2,223,853.00	184,524.00
<b>Total</b>	<b>2,231,387.00</b>	<b>192,058.00</b>

<b>Schedule- 7</b>		
<b>PROVISIONS</b>		
Audit fees Payable	0.00	0.00
Advisor fees	0.00	0.00
Provisions for GPF	0.00	0.00
Totalling Error	36,850.00	39,954.00
Provisions for Gratuity Payable	0.00	0.00
<b>Total</b>	<b>36,850.00</b>	<b>39,954.00</b>

<b>Schedule- 8</b>		
<b>GROSS BLOCK</b>		
<b>Immovable Assets</b>		
Land	557,661.00	557,661.00
Office Building	0.00	0.00
<b>Total</b>	<b>557,661.00</b>	<b>557,661.00</b>
<b>Infrastructure Assets</b>		
Roads & Bridge	172,099,602.00	67,541,721.00
Sewrage & Drainage	3,497,207.00	2,890,384.00
Building- Others	28,559,048.00	17,731,438.00
C C Road for BRGF Yojna	3,896,222.00	0.00
<b>Total</b>	<b>208,052,079.00</b>	<b>88,163,543.00</b>
<b>Moveable Assets</b>		
Furniture & Fixture	5,683,916.00	1,831,196.00
Office & Other Equipments	804,613.00	546,368.00
Public Lighting Equipment	6,936,166.00	0.00
Water Marg	7,394,097.00	669,470.00
Public Lighting	957,000.00	957,000.00
<b>Total</b>	<b>21,775,792.00</b>	<b>4,004,034.00</b>
<b>Grand Total</b>	<b>230,385,532.00</b>	<b>92,725,238.00</b>



<b>Schedule-9</b>		
<b>DEPRECIATION FUND</b>		
Opening balance	0.00	0.00
Add:- Depreciation provided during the year		
Less:- Depreciation for the previous year		
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

<b>Schedule- 10</b>		
<b>SPECIFIC FUND INVESTMENT</b>		
Employee's GPF Accounts	22,749,185.25	23,391,814.25
Gratuity P.D A/c	1,842,567.05	1,311,345.05
Krishi Bhumi P.D. A/c	0.00	0.00
<b>Total</b>	<b>24,591,752.30</b>	<b>24,703,159.30</b>

<b>Schedule- 11</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	146,468.00	83,834.00
Balances in Saving & Current a/cs	68,208,308.47	146,131,977.83
<b>Total</b>	<b>68,354,776.47</b>	<b>146,215,811.83</b>

<b>Schedule- 12</b>		
<b>LOANS,ADVANCES &amp; DEPOSITS</b>		
Loan & Advances to Employees	0.00	0.00
Agrimm	37,356.54	59,356.54
<b>Total</b>	<b>37,356.54</b>	<b>59,356.54</b>

<b>Schedule - 13</b>		
<b>INCOME FROM TAXES</b>		
U.D. Tax	1,127,737.00	644,350.00
House Tax	64,455.00	88,818.00
Water Tax	0.00	0.00
Other taxes	38,961.00	0.00
<b>Total</b>	<b>1,231,153.00</b>	<b>733,168.00</b>

<b>Schedule - 14</b>		
<b>ASSIGNED COMPENSATION</b>		
Octroi Compensations	46,664,000.00	42,422,000.00



Entertainment tax compensation	0.00	0.00
<b>Total</b>	<b>46,664,000.00</b>	<b>42,422,000.00</b>

<b>Schedule - 15</b>		
<b>RENTAL INCOME FROM MUNICIPAL PROPERTIES</b>		
Income from Municipal Properties	0.00	0.00
Income from shop rents(palika assests)	42,581.00	126,067.00
Income Teh Bazari	0.00	0.00
<b>Total</b>	<b>42,581.00</b>	<b>126,067.00</b>

<b>Schedule - 16</b>		
<b>FEES AND USER CHARGES</b>		
Licensing Fees	0.00	28,450.00
Fees for Grant of Permit	135,117.00	150,484.00
Fees for Certificate or Extract	44,799.00	110,684.00
Development Charges	1,077,946.00	7,966,998.00
Regularisation fees	0.00	284,109.00
Penalty & Fines	0.00	235,014.00
Advertisement Fees	122,685.00	97,852.00
Other Fee- Property Transfer Charges	950,589.00	2,182,701.00
User Charges	1,252,245.00	63,580.00
Lease Money Received	2,542,225.00	2,360,113.00
Transfer Fees	0.00	0.00
<b>Total</b>	<b>6,125,606.00</b>	<b>13,479,985.00</b>

<b>Schedule - 17</b>		
Revenue Grant,Contribution,Subsidies	0.00	4,487,000.00
Revenue Grant- BRGF	0.00	0.00
Revenue Grant for Economic Censuns	0.00	0.00
Revenue Grants for B.P.L. Avas Yojana		
<b>Total</b>	<b>0.00</b>	<b>4,487,000.00</b>

<b>Schedule - 18</b>		
<b>SALES &amp; HIRE CHARGES</b>		



Sale Of Products	47,725,260.00	56,801,271.00
Sale of Forms & Publications	321,020.00	409,235.00
<b>Total</b>	<b>48,046,280.00</b>	<b>57,210,506.00</b>

<b>Schedule - 19</b>		
<b>INTEREST EARNED</b>		
Interest from Banks	4,861,294.76	4,809,474.91
Interest from employee advances	0.00	0.00
Other Interest	0.00	239,290.00
<b>Total</b>	<b>4,861,294.76</b>	<b>5,048,764.91</b>

<b>Schedule - 20</b>		
<b>MISCELLANEOUS INCOME</b>		
Misc. Income	0.00	158,522.00
<b>Total</b>	<b>0.00</b>	<b>158,522.00</b>

<b>Schedule -21</b>		
<b>ESTABLISHMENT EXP.</b>		
Salary, Bonus & Wages	37,106,796.00	33,985,317.00
Medical Allowance	53,840.00	29,873.00
Pension contribution	0.00	0.00
Uniform Allowance	115,200.00	118,200.00
Parshad Allowance	533,675.00	377,240.00
Gratuity Exp.	0.00	1,769,752.00
Earned Leave Salary Exp.	0.00	0.00
Other Allowances	90,686.00	1,212,137.00
<b>Total</b>	<b>37,900,197.00</b>	<b>37,492,519.00</b>

<b>Schedule -22</b>		
<b>GENERAL ADMINISTRATION EXP.</b>		
Advertisement & Promotion Expenses	1,653,011.00	1,762,958.00
Audit fees	201,000.00	0.00
Communication Expenses	113,599.00	95,576.00
Books & Journals	1,500.00	0.00
Printing & stationary	417,467.00	239,189.00
Travelling & Conveyance	8,010.00	114,668.00
Professional Fees	275,900.00	667,636.00
Other Administrative Exp.	338,060.00	0.00





Electricity Expenses	45,888.00	809,387.00
Legal expenses	47,240.00	296,627.00
Other Contingencies	305,797.00	1,354,023.00
<b>Total</b>	<b>3,407,472.00</b>	<b>5,340,064.00</b>

<b>Schedule- 23</b>		
<b>OPERATING &amp; MAINTANANCE</b>		
Vehicle Running and Maintenance Exp	1,025,440.00	620,834.00
Repairs and Maintenance - Office Equipments	0.00	4,270.00
Repairs and Maintenance - Office Buildings	50,538.00	128,336.00
Power and Fuel	340,520.00	79,607.00
Finance Charges	35,296.12	12,760.41
Water Purchase	664,788.00	646,577.00
Other Expenses	41,652.00	137,079.00
Repairs and Maintenance - Public Assets	0.00	0.00
Vehicle Insurance	45,070.00	43,973.00
<b>Total</b>	<b>2,203,304.12</b>	<b>1,673,436.41</b>

<b>Schedule- 24</b>		
<b>PUBLIC WORKS</b>		
Expenditure On Safai	570,820.00	92,700.00
Repair & Maintenance of Public Toilets	0.00	0.00
Repair & Maintenance of Gardens and Parks	1,047,560.00	1,309,106.00
Expenditure On Road Light	1,453,790.00	131,174.00
Repair & Maintenance of Roads and Pools	137,636.00	106,540.00
BPL Avas Yojna	0.00	0.00
UIDSMT Yojana Expenses	0.00	1,403,655.00
<b>Total</b>	<b>3,209,806.00</b>	<b>3,043,175.00</b>

<b>Schedule- 25</b>		
<b>PROGRAMME EXPENDITURE</b>		
Programme Expenditure	4,362,626.00	1,070,725.00
<b>Total</b>	<b>4,362,626.00</b>	<b>1,070,725.00</b>



## **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.

