

## **Independent Auditors' Report**

To  
**The Municipality Board,**  
Newai, Jaipur

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Municipality Board, Newai** as at March 31, 2018 ("Nagar Palika"), which comprise the Balance Sheet as at March 31, 2018 and the Statement of Income and Expenditure for the period then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Management of Municipality is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Municipality Board in accordance with accounting principles generally accepted in accordance with the Rajasthan Municipal Accounts Manual. This responsibility also includes maintenance of adequate accounting records in the accordance with the provisions of the act for safeguarding of the assets of the Municipality Board and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, we 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 had not been kept by the Municipality Board so far as appears from our examination of those books;
  - (c) The Statement of Income and Expenditure dealt with by this Report are in agreement with the books of account ;
  - (d) In our opinion, the Balance Sheet and Statement of Income and Expenditure comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) Double entry accounting system has not been properly done as deduction on account of TDS, royalty, cess. etc is made from payment voucher instead of passing the journal voucher involving the name of contractor/supplier concerned. Besides, the income and expenses under various heads are not exactly the same as given in the books of accounts maintained at the Board office except balances at year end in respect of cash balance and bank balances are agreed.







- (f) In our opinion, Goods & services Tax (GST) Amount had been deducted but not deposited to Govt.
- (g) In our Opinion, Sundry Creditors Balance is Debit Shown On balance Sheet in the Previous Financial Year.
- (h) As per Income tax act, Depreciation has been not charge on Fixed Assets.
- (i) Previous Year Closing Balance not adjusted in the Related ledgers . So Difference Amount (61919690.23) standing in books Current Year.
- (j) Bank reconciliation statement has been not made the Municipality board .So can't rectified the books differences & bank balance Differences.
- (k) In our opinion, the closing of the amount of the Municipal General Fund in the audited balance sheet of the previous year is shown as 231679406.42 and the opening balance in the current year balance sheet is shown by the amount of 128300823.64 So difference Amount is 103378582.78
- (l) 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.
- (m) We are unable to certify the balances of security deposit, advances, loans etc as determined by the Municipal Board in the Financial Statement prepared under the Accrual Based Double Entry System as at the year end. This discrepancy has not been properly explained by the management of the municipal Board. As such to this extent of discrepancy, the accounts do not reflect true and fair view. Besides, adjustment has not been made for lapsed deposit as no longer payable.

**M/S AGRAWAL GOYAL & JALAN**

Chartered Accountants

Firm Registration No. 016160C



**(RAKESH KUMAR AGRAWAL)**

Partner

M. No. 408381

Place: Jaipur

Date: September 04, 2019

**Financial Statement for the year 2017-18**

**Nagar Palika, Newai, Jaipur**

**Balance Sheet of Nagar Palika, Newai, Rajasthan As at 31-03-2018**

LIABILITIES	Schedule	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
<b>RESERVE &amp; SURPLUS</b>			
Municipal (General) Fund	1	128,300,823.64	231,679,406.42
Other Specific Fund	2	15,589,624.30	22,350,374.30
Reserve & Surplus	3	95,527,974.08	-
<b>Total Reserve &amp; Surplus (A)</b>		<b>239,418,422.02</b>	<b>254,029,780.72</b>
<b>GRANT/ CONTRIBUTION</b>			
Grant/ Contribution For Specific Purpose	4	156,350,413.00	111,912,382.00
<b>Total Grant (B)</b>		<b>156,350,413.00</b>	<b>111,912,382.00</b>
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
Sundry Deposits	5	46,935,870.00	47,567,319.00
Sundry Creditors	6	(12,886.00)	(12,886.00)
Statutory Liabilities	7	3,562,329.00	3,549,618.00
Other Liabilities	8	(19,334,257.00)	6,234,804.00
Provisions/Previous/Current Year Differences	9	61,919,690.23	42,713.50
<b>Total Current Liabilities and Provisions (c)</b>		<b>93,070,746.23</b>	<b>57,381,568.50</b>
<b>TOTAL LIABILITIES (A+B+c)</b>		<b>488,839,581.25</b>	<b>423,323,731.22</b>

As per audit report even date

For Agarwal Goyal & Jalan

Chartered Accountants

FRN:-016016C

CA Rakesh Kumar Agarwal  
(Partner)  
M. No. 408381



*Handwritten Signature*  
Signature of  
EO/ Commissioner

Signature of  
CAO/ Sr. AO

Date:- 04/09/2019

Place- Jaipur



**Financial Statement for the year 2017-18**

**Nagar Palika, Newai, Jaipur**

<b>Balance Sheet of Nagar Palika, Newai, Rajasthan As at 31-03-2018</b>			
<b>ASSETS</b>	<b>Schedule</b>	<b>Current Year (Amount in Rs.)</b>	<b>Previous Year (Amount in Rs.)</b>
<b>FIXED ASSETS</b>			
Gross Block	<b>10</b>	311,139,600.00	283,590,435.00
Less : Depreciation Fund	<b>11</b>	-	-
Net Block		311,139,600.00	283,590,435.00
<b>Total Fixed Assets (A)</b>		<b>311,139,600.00</b>	<b>283,590,435.00</b>
<b>INVESTMENTS</b>			
General Fund Investments	<b>12</b>	-	23,027,374.30
<b>Total Investments (B)</b>		-	<b>23,027,374.30</b>
<b>CURRENT ASSETS, LOAN &amp; ADVANCES</b>			
Sundry Debtors/ Receivables	<b>13</b>	-	-
Cash & Bank Balances	<b>14</b>	177,125,649.71	117,575,765.38
Loans, Advances & Deposits	<b>15</b>	574,331.54	(869,843.46)
<b>Total Current Assets, Loans &amp; Advances (C)</b>		<b>177,699,981.25</b>	<b>116,705,921.92</b>
<b>TOTAL ASSETS(A+B+C)</b>		<b>488,839,581.25</b>	<b>423,323,731.22</b>

As per audit report even date

For Agarwal Goyal & Jalan

Chartered Accountants

FRN:-0160160C

CA Rakesh Kumar Agrawal  
(Partner)

M. No. 408381

Date:- 04/09/2019

Place- Jaipur

  
Signature of  
EO/ Commissioner

Signature of  
CAO/ Sr. AO

**Financial Statement for the year 2017-18**

**Nagar Palika, Newai, Jaipur**

<b>Income and Expenditure Account of Nagar Palika, Newai Rajasthan For the Year Ending 31-03-2018</b>			
<b>PARTICULARS</b>	<b>Schedule</b>	<b>Current Year (Amount in Rs.)</b>	<b>Previous Year (Amount in Rs.)</b>
<b><u>INCOME</u></b>			
Assigned Compensations	<b>16</b>	-	51,330,000.00
Income From Taxes	<b>17</b>	5,624,168.00	-
Rental Income from Municipal Properties	<b>18</b>	1,549,495.00	136,825.00
Fees and User Charges	<b>19</b>	10,663,510.00	12,940,984.00
Revenue Grants, Contributions and Subsidies	<b>20</b>	58,552,000.00	542,512.00
Income from corporate Asset/investment	<b>21</b>	66,028.00	214,150.00
Miscellaneous income	<b>22</b>	957,809.63	1,373,881.00
<b>Total Income</b>		<b>77,413,010.63</b>	<b>66,538,352.00</b>
<b><u>EXPENDITURE</u></b>			
Establishment Expenses	<b>23</b>	30,077,310.00	51,365,778.00
General Administrative Expenses	<b>24</b>	11,396,872.10	7,057,533.00
Miscellaneous Expenses	<b>25</b>	9,054,590.50	11,637,211.01
Public works	<b>26</b>	-	-
Programme Exp	<b>27</b>	5,166,618.00	357,067.00
Specified Revenue Grant Exp	<b>28</b>	-	-
<b>Total Expenditure</b>		<b>55,695,390.60</b>	<b>70,417,589.01</b>
Surplus\ Deficit before adjustment of prior period items and Depreciation		21,717,620.03	(3,879,237.01)
Less; Prior Period Items		-	-
Less: Prior Period adjustment of Depreciation		-	-
Less:- Difference due to P.Y. wrongly Amt. entered			
<b>NET SURPLUS\ DEFICIT</b>		<b>21,717,620.03</b>	<b>(3,879,237.01)</b>

As per audit report even date

For Agarwal Goyal & Jalan  
Chartered Accountants

FRN:-0160160C

CA Rakesh Kumar Agarwal  
(Partner)

M. No. 408381

Date:- 04/09/2019

Place- Jaipur

  
Signature of  
EO/ Commissioner

Signature of  
CAO/ Sr. AO



Schedule forming part of Balance Sheet of Nagar Palika, Newal Jaipur, Rajasthan As on 31-03-2018		
PARTICULARS	Current Year (Amount In Rs.)	Previous Year (Amount In Rs.)
<b>Schedule-1</b>		
<b>MUNICIPAL (GENERAL) FUND</b>		
Opening balance	231,679,406.42	235,782,900.01
Add :- Addition during the year	-	(4,103,493.59)
Less:- Deduction during the year	-	-
Add :- Excess of income over Expenditure	-	-
Less:- Difference due to P.Y. wrongly Amt. entered	103,378,582.78	-
<b>TOTAL</b>	<b>128,300,823.64</b>	<b>231,679,406.42</b>
<b>Schedule-2</b>		
<b>EARMARKED FUND</b>		
<b>EARMARKED FUND -GARTUITY</b>	(2,768,275.95)	1,671,925.05
GPF Fund	18,357,900.25	20,678,449.25
<b>EARMARKED FUND -PENSION</b>	-	-
<b>TOTAL</b>	<b>15,589,624.30</b>	<b>22,350,374.30</b>
<b>Schedule-3</b>		
<b>Reserves &amp; surplus</b>		
Opening balance (Capital Contribution)	-	-
Add :- Addition during the Year	95,527,974.08	-
Less :- Withdrawal during the Year	-	-
<b>TOTAL</b>	<b>95,527,974.08</b>	<b>-</b>
<b>Schedule- 4</b>		
<b>GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE</b>		
State Finance Grant for development	-	(3,582,378.00)
4 th Vit Aayog	(3,582,378.00)	-
14 TH Finance	81,925,738.00	52,013,916.00
13 TH Finance	570,267.00	570,267.00
Electricity Fund	1,775,000.00	-
Mid Day Meal	96,000.00	96,000.00
Grant for BPL Sarees & Kambal	1,236,810.00	1,236,810.00
BRGF Grants	-	6,837,000.00
Janganna NPR	10,562.00	10,562.00
Jansahbhagi Yojna	(15,583.00)	(15,583.00)
M.P Fund	(285,882.00)	(285,882.00)
Nirbhadh Yojna	1,240,283.00	1,240,283.00
SJSRY	3,805,620.00	3,805,620.00
Pannadhaya yojna	498,000.00	498,000.00
Rainbasera	1,654,757.00	1,654,757.00
Special Grant For 5Th Finance Commission	65,752,048.00	37,686,048.00
Swach Bharat Mission	(1,223,029.00)	10,146,962.00
Rajkiya Senior Secoundry School Scholership	(226,800.00)	-
Other Specipic Grant	3,119,000.00	-
<b>TOTAL</b>	<b>156,350,413.00</b>	<b>111,912,382.00</b>
<b>Schedule- 5</b>		
<b>SUNDRY DEPOSITS</b>		
Security Deposits & Emd Payble	35,952,991.00	34,524,660.00
Other Deposit Amount	10,982,879.00	13042659
<b>TOTAL</b>	<b>46,935,870.00</b>	<b>47,567,319.00</b>
<b>Schedule- 6</b>		
<b>SUNDARY CREDITORS</b>		
Creditors For Supplies	(12,886.00)	(12,886.00)
<b>TOTAL</b>	<b>(12,886.00)</b>	<b>(12,886.00)</b>



Schedule forming part of Balance Sheet of Nagar Palika, Newal Jaipur, Rajasthan As on 31-03-2018		
PARTICULARS	Current Year (Amount In Rs.)	Previous Year (Amount In Rs.)
<b>Schedule- 7</b>		
<b>STATUTORY LIABILITIES</b>		
Pension Fund	-	(152,663.00)
Provident Fund Contribution	(1,999,952.00)	87,970.00
Income Tax	763,306.00	(12,218.00)
Vat & Sales Tax	-	(93,838.00)
Employee TDS Income Tax(I.T)	(109,091.00)	-
Labour Tax	-	653,364.00
Royalty	2,298,028.00	2,290,911.00
Govt. Liabilities of S.T	132,294.00	-
Goods & Services Tax (GST)	403,362.00	-
Labour Cess 350-30-9	2,074,382.00	-
DAR Credit Limited Loan	-	776,092.00
<b>TOTAL</b>	<b>3,562,329.00</b>	<b>3,549,618.00</b>
<b>Schedule- 8</b>		
<b>Other liabilities</b>		
Contractor Control A/c	-	-
Life Insurance Corporation	(3,496,489.00)	366,519.00
Gratuity Payable	(2,413,024.00)	49,990.00
Leave Salary of Employee	(3,618,643.00)	-
New Provident Fund Scheme (NPS)	-	1,902,346.00
Pension Fund (350-20-6)	(4,616,465.00)	-
New Pension Fund (NPF)(350-20-8)	(147,933.00)	-
Car Loan	(5,041,703.00)	-
Mukhyamantri Jal Swalambhan Yojna	-	-
Net Salary Payable	-	3,915,949.00
<b>TOTAL</b>	<b>(19,334,257.00)</b>	<b>6,234,804.00</b>
<b>Schedule- 9</b>		
<b>PROVISIONS</b>		
Totalling Errors /Differences	3,824,287.00	-
Differences In cash Book	58,095,403.23	42,713.50
<b>TOTAL</b>	<b>61,919,690.23</b>	<b>42,713.50</b>
<b>Schedule- 10</b>		
<b>GROSS BLOCK</b>		
<b>Immovable Assets</b>		
Building	41,056,311.00	-
Land	557,661	557,661.00
	<b>41,613,972.00</b>	<b>557,661.00</b>
<b>Infrastructure Assets</b>		
Roads & Bridge	-	193,331,065.00
Other Construction & Building	18,149,861.00	3,896,222.00
Govt. School Rooftop Water Harvesting	-	-
GSB Road Work	210,073,319.00	-
Public Light Equipments	6,936,166.00	-
Public Toilets	-	38,588,327.00
Automatic Water Station	-	-
C.C Road work for BRGF Yojna	3,896,222.00	-
Mukhyamantri Jal Swalambhan Yojna	-	10,227,703.00
<b>TOTAL</b>	<b>239,055,568.00</b>	<b>246,043,317.00</b>
<b>Movable Assets</b>		
Furniture ,Fix , Fitting & Electric Items	6,113,229.00	5,985,736.00
Office & Other Equipments	-	1,184,558.00
Public Lighting	-	8,073,923.00
Computers	282,245.00	-
Cooler	6,438.00	-
Water Marg	17,205,444.00	16,030,240.00
Other Equipments & office Equipments	682,226.00	-
Photo Copy Machine	355,650.00	-
Water Cooler	-	-
Vehicles	5,824,828.00	5,715,000.00
<b>TOTAL</b>	<b>30,470,060.00</b>	<b>36,989,457.00</b>
<b>GRAND TOTAL</b>	<b>311,139,600.00</b>	<b>283,590,435.00</b>





Schedule forming part of Balance Sheet of Nagar Palika, Newai Jaipur, Rajasthan As on 31-03-2018		
PARTICULARS	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
<b>Schedule-11</b>		
DEPRECIATION FUND		-
Opening Balance		-
Add:- Depreciation provided during the year		-
<b>TOTAL</b>	-	-
<b>Schedule- 12</b>		
SPECIFIC FUND INVESTMENT		
P.D. Account (A/c No. 8338-58 ) Provident Fund	-	21,355,449.25
PD Without Interest(8338-65) Gratuity	-	1,671,925.05
<b>TOTAL</b>	-	23,027,374.30
<b>Schedule - 13</b>		
SUNDARY DEBTORS		
Receivable From Contractors	-	
<b>TOTAL</b>	-	-
<b>Schedule- 14</b>		
CASH & BANK BALANCES		
Cash in Hand	57,735.00	8,567.00
PD Account & Bank Balances	177,067,914.71	117,567,198.38
<b>TOTAL</b>	177,125,649.71	117,575,765.38
<b>Schedule- 15</b>		
LOANS,ADVANCES & DEPOSITS		
Advances to Other	574,331.54	(869,843.46)
<b>TOTAL</b>	574,331.54	(869,843.46)
<b>Schedule - 16</b>		
ASSIGNED COMPENSATION		
Compunsation in lieu of taxes	-	51,330,000.00
<b>Total</b>	-	51,330,000.00
<b>Schedule - 17</b>		
INCOME FROM TAXES		
House Tax	2,342,406.00	-
Urban Development Tax	-	-
Assets Tax Receipts	-	-
Chungi Compensation	-	-
Permit Shulk	-	-
Registration Fess	499,493.00	-
Premium fee	23,718.00	-
Other Specific Income	2,758,551.00	-
<b>TOTAL</b>	5,624,168.00	-
<b>Schedule - 18</b>		
RENTAL INCOME FROM MUNICIPLE PROPERTIES		
Rent From Entity Assets	1,549,495.00	136,825.00
<b>TOTAL</b>	1,549,495.00	136,825.00



Schedule forming part of Balance Sheet of Nagar Palika, Newai Jaipur, Rajasthan As on 31-03-2018		
PARTICULARS	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
<b>Schedule - 19</b>		
<b>FEES AND USER CHARGES</b>		
Application Fess	-	-
Development Charges	2,244,968.00	1,050.00
Sales & Freight	242,917.00	-
BPL Fess	645.00	-
Wedding Certificate Fess	34,404.00	-
Brith & Death Certificates	8,600.00	233,205.00
Fees from Grant of permit	-	921,454.00
Other Fess	120,482.00	3,437,613.00
Panalties & Fines	-	4,330.00
Niyaman Fess	8,011,494.00	-
Reguleraization Fess	-	8,343,332.00
<b>TOTAL</b>	<b>10,663,510.00</b>	<b>12,940,984.00</b>
<b>Schedule - 20</b>		
<b>REVENUE GRANT, CONTRIBUTION, SUBSIDIES</b>		
Vanijaya prajojana	-	17,012.00
Deen Dayal Antodaya Yojna Rastriya Sahari Aajivika	-	10,000.00
HULM Yojna	-	15,500.00
Tax & Fess Punarbarhan	58,552,000.00	500,000.00
<b>TOTAL</b>	<b>58,552,000.00</b>	<b>542,512.00</b>
<b>Schedule - 21</b>		
<b>INCOME FROM CORP. ASSET/INVESTMENT</b>		
Rent For Assets	66,028.00	-
Sales of Form & Formates	-	214,150.00
<b>TOTAL</b>	<b>66,028.00</b>	<b>214,150.00</b>
<b>Schedule - 22</b>		
<b>MISCELLENIOUS INCOME</b>		
Advertisement Income	-	-
Bank Interset	957,809.63	870,733.00
Bank Interset-13	-	503,148.00
<b>TOTAL</b>	<b>957,809.63</b>	<b>1,373,881.00</b>
<b>Schedule - 23</b>		
<b>ESTABLISHMENT EXP.</b>		
Allownce And Profits 210-20	-	-
Death Cum Retirement Gratuity	-	4,140,859.00
Convanyance Allowwance	-	68,170.00
Salary Wages & bonus	27,906,426.00	40,572,374.00
Employee Allowance	438,417.00	3,426,801.00
Leave and Incashment	-	2,227,987.00
Medical Allowance	62,536.00	19,237.00
Employee Bonus	873,846.00	269,276.00
D.A Arear	268,794.00	530,974.00
Travelling And Transportaion Exp	-	-
Other Miss. Allowance	434,141.00	-
Uniform Allownce	93,150.00	110,100.00
<b>TOTAL</b>	<b>30,077,310.00</b>	<b>51,365,778.00</b>





Schedule forming part of Balance Sheet of Nagar Palika, Newai Jaipur, Rajasthan As on 31-03-2018		
PARTICULARS	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
<b>Schedule -24</b>		
GENERAL ADMINISTRATION EXP.	-	-
DEPRECIATION		
Advertisement & Publicity	3,886,246.00	1,758,678.00
Communication Expenses	79,829.00	81,203.00
Audit Work Exp.	-	178,164.00
Legal Exp.	44,669.00	18,509.00
Office Arrangment	958,691.00	3,256,494.00
Other Administration Exp.	2,465,260.10	7,958.00
Printing & Stationery Material	744,371.00	878,735.00
Books & priodicals	10,260.00	30,259.00
Business & Other Fess	1,558,955.00	-
Vehicle Insurance	112,954.00	-
Travelling And Transportaion Exp	1,535,637.00	847,533.00
<b>TOTAL</b>	<b>11,396,872.10</b>	<b>7,057,533.00</b>
<b>Schedule -25</b>		
MISCELLENOUS EXPENSES		
Fule & petrol		-
Bank Charges	1,964.00	-
Repairs & Maintenance - Infrastructure Assets	838,245.00	6,641,872.00
Electricity (Bulk. Pur.)	303,574.00	685,070.00
Water (Bulk. Pur.)	1,911,221.00	64,872.00
Repairs & Main. Other	3,424,643.50	80,488.00
Other Operating and Maintenance Exp.	36,535.00	970,239.01
Insurance	-	104,099.00
Repair and Maintenance-Public Assests	1,465,476.00	
Repair and Maintenance-Building	464,622.00	-
Freight	152,000.00	-
Repairs & Maintenance-Vehicle	456,310.00	196,556.00
Vehicle Rent	-	1,544,676.00
Machinery Rent	-	-
Expenditure of Safai	-	1,349,339.00
<b>TOTAL</b>	<b>9,054,590.50</b>	<b>11,637,211.01</b>
<b>Schedule -27</b>		
Programe & miss.Exp		
Other Programe Exp.	5,166,618.00	357,067.00
	5,166,618.00	357,067.00
<b>Schedule -28</b>		
Specific Revenue Grant Expances		
Rain Basera Exp	-	
Swatch Bharat Mission	-	
<b>TOTAL</b>	<b>-</b>	<b>-</b>

As per audit report even date

For Agarwal Goyal & Jalan

Chartered Accountants

FRN:-0160155

CA Rakesh Kumar Agrawal  
(Partner)  
M. No. 408381

*Handwritten Signature*  
Signature of  
EO/ Commissioner

Signature of  
CAO/ Sr. AO

Date:- 04/09/2019

Place- Jaipur



**Additional matters to be reported by the financial statements auditor**

Sr. No.	Additional Matters	Audit Observation
1	Whether all sums due to and received by the municipality have been brought to account and have been appropriately classified ; and	Annexure-1
2	Whether all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any deduction s made out of such grants towards any dues of the municipality whether such deduction have been properly accounted;	Annexure-2
3	Whether any Reserve & Surplus have been created as per the provision of any statue and , if so, whether such earmarked funds have been utilized for the purpose 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 accounts;	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; whether any materials 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;	Annexure-6
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 payments of the interest and if not, whether reasonable steps have been taken by the municipality for recovery of 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 the 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	Annexure-11



	not deposited;	
12	Whether any personal expense 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-13

#### **Annexure -1**

All sums due to & received by the municipality have been through to account and have been appropriately classified subject to following:

1. Income is booked on actual receipt basis and no records being show to verify to the income to be received, no accounting entry is made for accrual for income therefore it implies that all some due to municipality is not take in financial statement for the period concerned.
2. Classification of income is not proper which is mentioned above in opinion paragraph.
3. Statement of outstanding liabilities in the form GEN-28 is not prepared. Therefore the double entry accounting has no conformity with accrual concept.
4. There is Suspense Account in the balance sheet .The reason of Suspense account is the Totaling in the manual cash book. It has been advised to account department to make such correlation of reversal entries in the cash book in the current date.

#### **Annexure -2**

All grants sanctioned or received by the municipality during the year , have been accounted properly , and were any deduction is made out of such grants towards any dues of municipality and such deduction have been properly accounted subjected to following .

1. The ULB has accounted grant received and uses there of under the double entry accounting system but the ULB has not prepaid register for the grant in the format mentioned properly in double accounting system  
-RAJYA VITT AYO  
-BHAMASAH YOJNA  
-Grant from MLA for development  
-Grant from MP

#### **Annexure -3**

Whether any earmarked fund have been created as per the provision of any statue and, if so whether such earmarked fund have been utilized for the purpose for which they were created.

Comment - According to the information and explanation given to us earmarked fund have been created by the ULB as per the provision of statute and such earmarked fund were utilized for the intended purpose but earmarked fund made for PF liabilities dose not reconciles the actual liabilities of provident fund and no earmarked fund available for gratuity.

#### **Annexure -4**



**M/S AGRAWAL GOYAL & JALAN**  
Chartered Accountants



F-36, Dwarika Tower, Central Spine, Vidhyadhar Nagar, Jaipur-302039  
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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 responsible 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 accounts.

Comments - the ULB not maintaining the register of fixed assets as per format specified in the form GEN-30 and GEN-31 no physical verification of fixed assets has been done by the ULB, even once in the whole financial year.

It has been suggested to ULB that the ULB should prepare fixed assets register in the format prescribe and physical verification of the fixed assets should be carried once in the financial year. As such we are unable to comment on material discrepancies, if any, on physical verification and its treatment in books of accounts

**Annexure -5**

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

Comments -the municipality is not maintaining proper recorded showing full particulars of lease hold property as on date. We are unable to comment on lease rental collection /renewal income is also booked on receipt basis.

**Annexure -6**

Whether physical verification has been conducted by the municipality as reasonable intervals in respects of stores; whether the procedures of physical verification of store 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 store as compared to stores records, and if so, whether the same have been properly dealt with in the books of accounts.

Comments -The ULB is maintaining the register of stores but there is no documents made available us to verify the physical verification of stores.

As such we are unable to the comment on the procedure of physical verification of store vis-a vis material discrepancies, if any, on physical verification and its treatment in books of accounts, moreover neither the store has been verified and valued at the year and or same has been recognized in the accounts.

**Annexure -7**

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

Comments- the municipality has granted loans to the employee against PF salary deductions from salary are made towards the loan regularly.

**Annexure -8**







Whether advance given to municipal employee and interest thereon are being regularly recovered.  
Comment-as explained to us, municipality has grants advance against for expenses same being adjusted by supporting exp. Bills in due course.

**Annexure -9**

Subject of matters of internal controls	Internal control	Auditors comments
Stores	The head of the accounts departments shall ensure budgets availability with respects to the expenditure incurred at the times of accruing of the expenditure i.e budget monitoring shall be on accrual basis rather than payments basis.	Yes, the head of accounts department ensures the budget availability with respect to the expenditure incurred at the time of accruing of the expenditure.
	The head of the accounts departments shall ensure that all the purchase bills/ invoice were journalized before release of the payments.	
	At the end of the financial year, the stores-in- charge, the head of the accounts departments 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 steps as prescribed by the lb shall be taken.	No, documents provided to us to verify the system is followed.
	The stores-in -charge shall ensure availability of adequate budget procuring any material, after considering all commitments made against the budgets allocation.	
	At the times of issue of any material to the departments, the stores- in- charges shall ensure that there is an adequate budgets provision in respect of than department.	No, documents provided to us to verify the system is followed.
	The head of the accounts departments shall ensure that all the dues recoverable including advance provided to supplier has been recovered before making the final payments 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
	Before releasing payments to the supplier, the head of the accounts departments shall ensure that the material received is recorded in the stores ledger. Further, it shall be ensured that the payments order provides reference to the stores ledger where the entry for receipt of material to suppliers/contractors and any other creditors it shall be ensured that no amount is	Yes







	due from them, which may be adjusted before payment.	
	The stores-in -charge shall ensure that materials in respect of which bills have been received but have not been forwarded to the accounts departments are stated separately in the statement of closing stock (from st_3).	No such type of entries found in the store register. No other documents are prepared to verify the same.
	The head of the accounts departments shall ensure that all 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 from st-3) and consumption of stores.	Accounts department does not follow this procedure.
	Also the head of the accounts departments shall ensure that the balance in the 'opening stock' account has become nil at the period end on accounting if stock entries and consumption based on the closing stocks.	Accounts department does not follow 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 bills have 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 bills summary has been checked with previous month.
	A monthly reconciliation shall be carried out by the head of the accounts departments and the head of establishment department or other officer of lb designated by the head of the department in respect of loans and advance outstanding between the balance in the ledger accounts maintained at the account department and the register of employee advance and register of loans to employees. Further, at the period-end , the head of the accounts departments or other officers of lb designated by the head of the department shall ensure that accounting entry for recording income in respect accrued on loans provided to employees has been passed.	No such procedure exists.
	Every month, the head of the accounts departments 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.	Yes, the proper system exist for the timely remittance of various deductions like tds.
	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	The ULB has not prepared such ledgers.







	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 expense incurred, including that paid through pay bill.	
	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.	As informed to us no employee on deputation during FY 2017-18
	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.	No, interest accrued in FY 2017-18
	The head of the accounts department or other officer of lb designated by the head of the department shall ensure 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.	No, such system being found as per books of accounts.
Other revenue expenditure	The head of the accounts department shall ensure budgets 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/ invoice were journalized before release of the payments.	Yes, the bills were journalized before release of 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 passed with proper authorization
	The head of the accounts department shall ensure that the relevant supporting documents are annexed to the payments 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	Yes, the same procedure is followed.







	the date of the bill, respectively.	
	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 there after with the register of advance (from gen-16) maintained at the accounts department.	Yes, accounts department take the physical verification of cash from time to time.
	At the time of making payment the accounts department shall ensure the reference to the departmental register of bills for payment where the payment bill has been recorded by the departmental 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 /contractor's and any other creditors it shall be ensured that no amount is due from them which may be adjusted before payment.	Yes, the proper system exists.
	The head of accounts department shall ensure that monthly reconciliation of total expenditure incurred and recorded in the department exp. (administrative expenses) subsidiary ledger is carried out with the total expenditure recorded in several administrative expenses ledger accounts.	No, reconciliation statement and subsidiary ledger has been prepared.
Fixed assets	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 budgeted allocation before purchasing any new fixed assets.	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 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.	No such system or document provided, so we can not comment on this.
	The head of the accounts department shall ensure that the amount set aside in the assets replacements bank account consequent to depreciation provision made, it utilizes for the purpose of purchase or acquisition of fixed assets for which depreciation has been provided.	No such procedure is exists as per books of accounts
	Before releasing payment to the supplier's, the head of accounts department shall ensure that the fixed assets acquired are recorded in the register of immoveable properties. further, it shall be ensured that the payment order provides reference to the registers of immoveable properties where the entry for receipt of fixed assets is recorded.	Separate fixed asset register has not been maintained during FY 2017-18.







	At the time of computing depreciation provision for the period, the of accounts department shall ensure that the accumulated depreciation (including current period's depreciation provision) provided on any fixed assets does not exceed its cost of acquisition	The cost of acquisition of asset is not exceeded.
Public works (annexure 10)	The public works department and the chief of accounts department or any other responsible officers as define 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 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, such register is present.
	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 by the account department.	No, such type of procedure is followed.
	On receipt of summary statement of status on capital works- in - progress (from 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 of procedure is followed.
	The account 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 provision of the relevant acts.	Yes the provisions of act as per law are followed.
	At the ends of each month, the accounts department shall reconcile the total expenditure as per the functional expense (repair and maintenance) subsidiary ledger (in form gen-34) with the total expenditure recorded in the several repair and maintenance ledger accounts.	No such ledgers are prepared.
	Ensure budget availability at the time of approval of the bill.	Yes, accounts department ensure the budget





		availability on the time of payment.
	Ensure that all dues, including liquidated damages/ penalties, are recovered from the contractor before making the final payment in respect of any contract.	No such records are found for penalties etc. So no comment can be given on recovery of these dues.
	Ensure that no amount is due from suppliers/contractors, which may be otherwise adjusted before payment.	Yes, accounts department ensure that no advances given or no amount is due before payment.
	Ensure that all the bills/ invoices of contractors were journalized before release of the payments.	No such system being followed in manual accounting form.
	At period- end, the head of the accounts shall review the works sheets maintained for ascertaining whether any of the capital work in progress qualities for capitalization.	No such procedure is followed.

#### **Annexure -11**

Whether the municipality is regular in deposit statutory dues including tax deducted at source. Works contractor tax cess payable to the govt. ESI PF etc. and if not the nature and cause of such delay and the amount is not deposited.

Comment -as in municipality accounting during the year 2016-17 being done on cash basis statutory liabilities' are paid when the amount of bill being paid to contractors so timely deposition of liabilities cannot be done. Also in double accounting system entries of statutory liabilities' not been done in due order so we cannot give comments for same about wrong deduction short payment not deposited.

#### **Annexure -12**

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

Comments- to the best of our knowledge and accounting to information and explanation given to us, no personal expenses have been charged from ULB's accounts

#### **Annexure -13**

Sr. 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 which shall be first recorded in the journal book.	Gen-2	Not maintained by the ULB based on day to day transaction
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	No, such type of books maintained by ULB.
Cash/bank receipt voucher	The cash receipt voucher shall be prepared for receipts in cash and the bank receipt voucher for receipts demand drafts, banker's cheques, etc., which need to be deposited in the bank for realization.	Gen-4a&4b	Cash receipt voucher and bank receipt voucher had been prepared
Cash/bank payment voucher	Cash/bank payment voucher shall be the document prepared for recording payment entries in the cash/bank book.	Gen-5a&5b	These vouchers had been prepared.
Contra voucher	Contra voucher shall be a document for depositing into or withdrawing cash from bank or transferring amount from one bank to another.	Gen-6	No contra voucher had 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 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 is maintained.
Statement on status of cheques received	The details- should be intimated to the account department by the collection officer/ centre who have actually deposited the cheques and co-ordinating with the bank, through a statement on status of cheques received the accounts department shall reverse the entry passed.	Gen-10	No, such system seen in practice all done through cash department.
Collection register	The collection registers to be maintained in form gen-11 details of the daily collections. This	Gen-11	Collection register is not





		collection register shall be maintained in triplicate where in one copy can be sent to the concerned department 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.		maintained but receipt is available for daily collection.
	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	No such register is 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 from gen-13	Gen-13	No such separate register is maintained, only files for particular payee are maintained.
	Payment order	On approval of the payments 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, maintained
	Cheque issue register	On verification of the cash/bank payment voucher, a cheque shall be prepared. An entry of the cheque issue register, maintained in from gen-15. At period end, the accounts department shall review the cheque issue register.	Gen-15	Yes, maintained
	Register of advance	The details of the advances given shall be recorded in a register of advance maintained in form gen-16	Gen-16	Register of advance is maintained
	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 department in form gen-17.	Gen-17	No register of permanent advance.
	Deposit register	Deposits received/ paid/ deducted shall be recorded by the ULB.	Gen-18	Yes, ULB has been maintained deposit register.
	Summary statement of deposits adjusted	Deposit adjusted shall be recorded properly in the form gen-19	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 is





				maintained
	Bills for municipal dues	Municipal dues bill shall be recorded in gen-21	Gen-21	Not maintained
	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 fee	Register of notice fee, warrant fee, other fee shall be prepared in form-23.	Gen-23	Yes maintained
	Summary statement of notice fee, warrant fee, other fee	Summary statement of notice fee, warrant fee, other fee shall be prepared in the form gen-24	Gen-24	Not 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	Not prepared
	Summary statement of refunds and remissions	Summary statement of refunds and remissions shall be prepared in the form gen-26	Gen-26	Not prepared
	Summary statement of write-offs	Summary statement of write-offs shall be prepared in the form gen-27	Gen-27	Not prepared
	Statement of outstanding liability for expense	For this, at the end of the accounting period, each of the department 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	Not 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	Cash department has record for the same but no any specific register to verify.



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	Not maintained properly
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	No separate register
Register of land	A record shall be maintained for the land in the register of land in form gen-31	Gen-32	No specific separate register
Function-wise income subsidiary ledger	The account 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 such ledger has been maintained
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 ledger would provide function-wise break-up of above -mentioned expense incurred by the lbs on a daily basis.	Gen-34	No such ledger is maintained by ULB
Assets replacement register	Assets 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 assets replacement bank account in respect of annual depreciation provision made during the accounting year.	Gen-35	No such register has been maintained
Register of public lighting system	Register of public lighting system shall be maintained in the form gen-36	Gen-36	Not maintained

**Records and document related to rentals, fees & other income**

Statement of demand raised on assessment	The respective department shall intimate the accounts department of the advance adjusted against the subsequent bill raised through the summary statement of bills raised (from oth-1)	Oth-1	Not maintained
Summary statement of year-wise head-wise collection of other income	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	A summary statement of refunds and	Oth-3	Not



	of refunds	remissions in from 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.		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 departments.	Oth-4	Not maintained

**Records and document related to public works**

	Summary statement of status of capital works- in - progress works	At period-end, the departments incurring expenditure on capital projects shall submit a summary statement of status on capital works-in-progress in from pw-1 detailing total expenditure incurred till date on each of the capital projects.	Pw-1	Not maintained
	Works 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 (from- pw -2)	Pw-2	Not 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.	Pw-3	Not 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 material in the stores ledger maintained in from st-2. If the material 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 of the relevant folio in the stores ledger (from st-2).	St-2	Store ledger is maintained
	Statement of	At the end of every accounting period, the stores	St-3	Store keeper

closing stock	shall send a statement of closing stock in from st-3. The balances in various account of the item-wise stores ledger shall be extracted and valued as per first out (fifo) method.		maintained stock in store register and carry forward the balances as opening stock after close of every FY
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**Records and document related to employees related transaction**

Consolidated pay bill summary roll of the permanent/temporary establishment for the month of	Salary pay bill shall be prepared in the from es-1	Es-1	Yes, salary pay bill has been prepared properly
Register of employee loans/advance	On payment of loans and advances by the lb, the register of employee's loans/advance (from es-2) shall be updated by the account department. These register shall be maintained department-wise.	Es-2	Yes maintained
Register of interest on loans to employees for the year	Register of interest on loans to employees maintained in from es-3 for recovery of loans and interest respectively.	Es-3	Yes maintained
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 of salary.	Es-4	No unpaid salary for the during FY 2017-18 as per books of accounts

**Records and document related to grants**

Grant register		G-1	Maintained but all ucs are not updated properly in double accounting system.
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**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 account department of the lb.	Br-1	Not required
	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 debenture in form br-2.	Br-2	Not required
	Register of sinking funds	Register of sinking funds shall be prepared in the form br-3.	Br-3	Not required

**Records and document related to special funds**

	Special funds register	Special funds received or created shall be maintained in the register of from sf-1	Sf-1	Not required
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**Records and document related to investment**

	Investment ledger/ register	Investment ledger and register shall be prepared in form in-1	In-1	Pd of provident fund only maintained
	Calculation sheet for provision for diminution in value of investment for the period ending	Calculation form sheet for provision for diminution in value of investment for the period ending shall be prepared in the form in-2.	In-2	Not required

**Records and document related to loan and advance**

	Register of loans to other	The loans to other shall be entered in the loans to others register' in form la-1 and on a monthly basis.	La-1	Not required
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**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 specific format
	Opening balance sheet	Balance for the balance sheet shall be taken from the form prepared.	From -1 to form - 29	No, form has been prepared.

**Annexure:14**





**Year/period end and reconciliation procedures**

Sr. No.	Year end procedures	Auditors comments
Assigned revenue	At the period end, it shall be ensured that all the receivables of assigned revenue are reviewed and written off, if considered necessary further, the account department shall also ensure that the necessary reversal entries are made for assigned revenues received in the current accounting period, which were accrued in the previous period.	No receivable of assigned revenue accrued during the preceding FY or current FY. Therefore, no receivables of assigned revenues are reviewed at the end of FY
Public works	The details of the deposit works contract (including names of the department who have entrusted the deposit works) shall be recorded in the deposit works register (in form pw- 3) 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 other in form pw-1 (similar to capital works 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 works sheet (similar to capital works in progress) in form pw-2.	The public works department and chief of accounts department prepared the summary statement as per own requirement but this procedure is not conformity with the Rajasthan municipal accounts manuals.
Investment	At period end, interest shall be accrued on investments made from the date of last receipt of interest till the end of the accounting period. The accrual of interest shall include both interests due for receipt and interests not due for receipt.	No such system exists, interest pf pd booked on receipt basis.
Fixed assets	Recording of liability for fixed assets purchases for which payment has not been made. 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. Therefore this year end procedure is not followed by accounts department.
Lease of land	Accrual of ground rentals: 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 FY and no reconciliation statement or comparative statement has been prepared.

**General period-end procedures**

Sr. No.	Period end procedures	Auditors comments
Daily procedure	<u>Balancing of cash book</u> : the cash book shall be totaled and balanced daily. The pasting of the day's transactions shall be made in the respective ledger accounts by the	The cash book is totaled and balanced on daily basis. But no posting of day's







	<p>end of the day.</p> <p><u>Physical verification of cash balance:</u> cash available with the accounts department shall be physically verified by the cashier. The values and denominations shall be noted in the cash book itself.</p> <p><u>Deposit of collection (both cash and cheque) in the bank:</u> the cash and cheque collection shall be remitted to the account 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><u>Checking of ledger accounts with the books of original entries, i.e., cash book and journal book:</u> the daily posting of the entries in the ledger account 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><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 from 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><u>Updation of subsidiary ledger:</u> the accounts department shall update the following subsidiary registers at the end of each day.</p> <ul style="list-style-type: none"> <li>i.functions wise income subsidiary ledger in respect of all major heads of income during the day;</li> <li>ii. Functions wise expense subsidiary ledger in respect of all major heads of expenses during the day.</li> </ul>	<p>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 on the same day or next working day by cash department. Since the form gen -10 is not maintained therefore it is difficult to remittance position of check.</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> <p>These ledgers are not maintained by ULB.</p>
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Monthly	Bank reconciliation: bank reconciliation shall be carried	ULB has been prepared
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procedures	<p>out for each of the banks either on a monthly basis or for each shorter time interval as the lb may decide. The procedure for bank reconciliation has been provided in chapter 24 reconciliation procedures.</p> <p><u>Recording of expenditure incurred against permanent advance:</u> at the end of each month, the head of the department, to whom disbursed, shall advance has been disbursed, shall prepare, and submit a payment order for expenses incurred against the permanent advance.</p> <p><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</p> <p><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><u>Closing of ledger accounts:</u> the ledger accounts shall be totaled and balanced at the end of the each month or such shorter period as the lb may decide.</p>	<p>the bank reconciliation on monthly basis.</p> <p>As explained and been seen in books of accounts, no permanent advance, advance given against expenses being adjusted on bills produced.</p> <p>No employee on deputation as explained to us.</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 the month.</p>
Quarterly procedures	<p><u>Reconciliation of deposits, advances, receivables and income:</u> the deposits received from contract/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 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><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</p>	<p>All done at the time of making any payment. No quarterly reconciliation system is maintained.</p> <p>Since the ULB has not preparing the statement of outstanding liabilities</p>







<p>expenses in form - 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 occurred but not due on the money borrowed.</p> <p>V. provision for fixed assets purchased.</p> <p>Vi. provision for fixed depreciation on fixed assets.</p>	<p>for expenses in the form specified gen-28. Therefore no provision is made at the end of quarter for any expenditure as mentioned in list is being found in double accounting system.</p>
<p><u>Transfer of revenue grant received in advance for specific purpose to grant income:</u> the balance in the revenue grant account in the revenue grant account received in advance, to the extent utilized during the period shall be transferred to the respective grant income account.</p>	<p>Yes, done as mentioned.</p>
<p><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 receivables, as a reimbursement shall be recognized as income at the end of each quarter.</p>	<p>Yes , done as mentioned.</p>
<p><u>Accrual of interest on borrowings:</u> interest charges on loans received , which is not due shall be accrued. Recording of provision for bills remaining unpaid in respect of special fund expenditure.</p>	<p>No loan has been shown in the balance sheet of ULB</p>
<p><u>Accrual of interest on investments:</u> interest accrued but not due on investments made shall be accrued.</p>	<p>No accrual entries have been made.</p>
<p><u>Accrual on interest on loans and advances to employees.:</u> the amount of interest accrued in respect of loans provided to employees shall be determined and accrued.</p>	<p>No accrual of interest on loan and advances to employees.</p>
<p><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>No reconciliation statement is prepared.</p>
<p><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>Yes procedure followed.</p>





	<p><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 have been prepared by the ULB.</p>
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Annual procedures	<p><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 audit department.</p>	<p>No Physical verification of stores by external agency/DLB in the FY.</p>
	<p><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 assets is verified at least once during the year.</p>	<p>No Physical verification of fixed asset by external agency/DLB has been carried out during the FY.</p>
	<p><u>Transfer of funds from special funds:</u> the balance in the special fund shall be transferred to the special fund (utilized) on construction on purchase or acquisition of fixed assets at the time of capitalization of the relevant expenditures into fixed assets.</p>	<p>No such manual system followed.</p>
	<p><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 confirmation has been taken from all categories of advances at the end of the year.</p>
	<p><u>Provision for unrealized revenue:</u> a provision shall be made for the demands raised during the accounting period but remaining outstanding. Accounting of prepaid expenses: 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>No provision has been made for the unrealized or doubtful revenue receivables.</p>
	<p><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</p>	<p>No such system followed.</p>







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	<p>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><u>Confirmation from government/quasi-government and government owned agencies:</u> At the end of 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>Closing of ledger accounts: in addition to closing of ledger accounts at the end of each quarter, the ledger accounts shall be balanced and totaled at the end of each accounting year.</p>	<p>No such steps have been taken by the accounts department of ULB.</p>
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# **M/S AGRAWAL GOYAL & JALAN**

## **Chartered Accountants**



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### **Limitations of audit:**

Limitations of 'M/S Agrawal Goyal & Jalan' in carrying out of assignment as per the scope of work are as under:

'M/S Agrawal Goyal & Jalan' has restricted the scope of work to 'terms of references' only.

'M/S Agrawal Goyal & Jalan' has undertaken the audit in accordance with generally auditing standards, guidelines issued by ICAI.

In performing the review and verification, the work, 'M/S Agrawal Goyal & Jalan' 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.

'M/S Agrawal Goyal & Jalan' 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 'M/S Agrawal Goyal & Jalan' 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 'M/S Agrawal Goyal & Jalan' in accordance with firm's internal policies and procedures.

'M/S Agrawal Goyal & Jalan' has no responsibility to update the report for events for events and circumstances occurring after the date of report.

Books of accounts are reconstructed in accounting software tally under double accounting system which was made available for audit.

This report is for the year 2017-18 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 person to whom it is issued.

**M/S AGRAWAL GOYAL & JALAN**

*Chartered Accountants*

**Firm Registration No. 016160C**

**(RAKESH KUMAR AGRAWAL)**

**Partner**

**M. No. 408381**

**Place: Jaipur**

**Date: September 04, 2019**

