

INDEPENDENT AUDITOR'S REPORT

To,
The Executive officer,
Municipal Council
Padampur, Rajasthan

A/c.

16/5/18

Report to Financial Statement

We have audited the accompanying financial statements of **MUNICIPAL COUNCIL, Padampur, RAJASTHAN** which comprise the Balance Sheet as at March 31, 2017, 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 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 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.

Qualified Opinion

Subject to the Matters specified from Annexure-1 to Annexure-14 attached herewith and the following :

- **The given Basis of Accounting and Accounting Policies has not been adopted properly by the ULB. The Double entry accounting is on cash basis not on an Accrual basis as mentioned in the Basis of Accounting.**
- Liabilities that may arise on account of late filing of return, late payment, short or non-deduction and mismatching of TDS, RVAT, Royalty and Labourcess has not been ascertained and hence not considered. To this extent Surplus of Income over Expenditure is overstated and Liabilities are understated.
- Closing Stock of Stores has not been determined by the municipality and hence not considered in the accounts. To this extent both, Surplus of Income over Expenditure and Assets are understated.
- EMD received from contractors has not been accounted separately hence it is difficult to find actual amount payable to respective contractor for EMD and for Security Deposit.
- Octroi Compensation has been reflected as duty in double entry accounting.



- **Opening Bank Balances in cash book are not matched with previous year audited balance sheet. Differences are as follows:-**

Bank Name	Difference	As on 31.03.2016	As on 01.04.2016
1. ICICI Current A/C		1693111.00	1711197.88

Opening Difference in

ICICI 14th Finance Commission -59 Rs.

ICICI Swacch Bharat Mission 673 Rs.

SBBJ Bank 28606 Rs.

- There is difference in Interest Received during the year in Double entry accounting:-

Shown in income exp a/c by ULB	3.89 Lacs
Shown in Double entry accounting	3.43 Lacs Approx.

- Proper Segregation (codification) as per manual has not been created in double entry accounting.
- **Tenders not Called for Fuel filing in Municipality Vehicles.**
- Diesel/Petrol filing Slips issued by ULB are not authorized for filing fuel and Vehicle No. also not contained in the slip.
- TDS not deducted on professional fees and amount not due in double entry and directly payment made to parties for the accounting year 2015-16

Date	Party Name	Voucher No.	Amount
29.07.16	Harish Avinash & Associates	226	49800
14.07.16	Somesh Singhal & Co.	195	99500

- In Double entry accounting, Voucher numbers are not correct and not matched with cashbook/ vouchers.
- Deduction of Shiva Trading Co. 136 Rs. Shown as other deduction but should be recognized in income. (Date 24.01.2017)



In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the Rajasthan Municipal Accounts Manual:

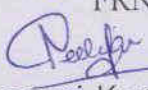
- a) In the case of the Balance Sheet, of the state of affairs of the ULB as at March 31, 2017 In the case of the Income and Expenditure Account, of the surplus/ deficit for the year ended on that date; and
- b) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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 JLN US & COMPANY
Chartered Accountants

FRN: 101843W


(Neeraj Kumar Jain)
(Partner)



Place: Padampur
Date: 02-Jan-2018

NAGAR PALIKA PADAMPUR
BALANCE SHEET
as on 31- March 2017

Particulars	Schedule	31-Mar-2017	31-Mar-2016
LIABILITIES			
Reserve & Surplus			
Municipal General Fund	S-1	8,53,59,998	8,14,09,506
Earmarked Funds	S-2	77,32,833	66,93,116
Reserve & Surplus	S-3	-	-
Total Reserve & Surplus (A)		9,30,92,831	8,81,02,622
Grant & Contribution for Specific Purpose (B)	S-4	2,37,59,074	1,35,99,873
Loans			
Secured Loans	S-5	-	-
Unsecured Loans	S-6	-	-
Total Loans (C)		-	-
Current Liabilities & Provisions			
Sundry Deposits	S-7	87,52,014	79,41,789
Sundry Creditors	S-8	2,79,200	8,100
Statutory Liabilities	S-9	29,07,671	64,264
Other Liabilities	S-10	-	-
Provisions	S-11	1,29,958	-
Total Current Liabilities & Provisions (D)		1,20,68,843	80,14,153
Total Liabilities (A+B+C+D)		12,89,20,748	10,97,16,648
ASSETS			
Fixed Assets			
Gross Block	S-12	11,80,00,104	9,85,01,726
Depreciation Fund	S-13	2,79,38,128	1,80,81,253
Net Block		9,00,61,976	8,04,20,473
Capital Work in Process	S-14	-	-
Total Fixed Assets (A)		9,00,61,976	8,04,20,473
Investments			
General Fund Investments	S-15	-	-
Specific Fund Investments	S-16	77,32,833	66,93,116
Total Investments (B)		77,32,833	66,93,116
Current Assets , Loans and Advances			
Inventories	S-17	-	-
Sundry Debtors / Receivables	S-18	50,24,368	46,74,929
Cash & Bank Balances	S-19	2,61,01,571	1,79,28,130
Loans , Advances , Deposits	S-20	-	-
Total Current Assets , Loans and Advances		3,11,25,939	2,26,03,059
Total Assets (A + B + C)		12,89,20,748	10,97,16,648



For the Financial Year 01 April 2016 - 31 March 2017



NAGAR PALIKA PADAMPUR

Schedule forming part of Balance Sheet

For the Financial Year 01 April 2016 - 31 March 2017

Particulars	31-3-2017	31-3-2016
Schedule 6		
Unsecured Loan		
NIL		
Grand Total	-	-
Schedule 7		
Sundry Deposits		
SD	17,33,934	
Amanat	70,18,080	79,41,789
Grand Total	87,52,014	79,41,789
Schedule 8		
Sundry Creditors		
Other Creditor		8,100
Jagdish Ram	2,79,200	
Grand Total	2,79,200	8,100
Schedule 9		
Statutory Liabilities		
PF Payable	1,19,000	-
Income Tax (TDS) Payable	60,320	24,386
Pension Contributed	14,70,198	-
Other Deduction	136	-
Pension Payable	12,12,040	-
Sales Tax Payable	3,397	17,687
Royalty	20,702	-
Cess Tax	21,878	22,191
Grand Total	29,07,671	64,264
Schedule 10		
Other Liabilities		
Grand Total	-	-
Schedule 11		
Provisions		
Accounting Fees Payable	96,180	
Audit Fees Payable	33,778	
Grand Total	1,29,958	-



NAGAR PALIKA PADAMPUR**Schedule forming part of Balance Sheet****For the Financial Year 01 April 2016 - 31 March 2017**

Particulars	31-3-2017	31-3-2016
Schedule 12		
Gross Block		
Immovable Assets	-	
Building	16,49,089	16,49,089
Infrastructure Assets		
410-30-01 C.C. Road	34,16,596	
410-30-05 Nali Nirman	1,06,52,888	1,04,09,329
410-80-01 Finayal Oil SWN	10,750	
Community Center	20,25,000	20,25,000
Other Contruction Work	1,12,78,155	50,25,349
Park and Garden Construction	24,07,977	18,64,288
Pool and Puliya	43,34,936	43,34,936
Roads and Bridge 410	7,36,88,590	6,86,93,583
Sulabh Complex	20,98,742	8,51,887
	-	
Movable Assets		
230-59-01 Furniture	2,54,729	2,43,568
410-40-04 Pamp Set	1,73,490	43,640
410-70-06 Electricity Material	9,91,936	9,14,025
Clearing Equipment	1,11,265	1,11,265
Computer Purchase	1,30,900	84,800
Foging Machine	73,163	
Hatha Rehdi	32,400	32,400
JCB Purchase	11,51,213	
Plant and Machinery	34,613	34,613
Purchase of Vechicel	18,02,918	5,03,200
Reflaction Sign Const.	3,80,254	3,80,254
Tractor and Trolly	13,00,500	13,00,500
Grant Total	11,80,00,104	9,85,01,726
Schedule 13		
Depreciation Fund		
Opening Balance	1,80,81,253	-
Add - Depreciation Provided During the year	98,56,875	1,80,81,253
Less - Depreciation for the previous year		
Grand Total	2,79,38,128	1,80,81,253



NAGAR PALIKA PADAMPUR

Schedule forming part of Balance Sheet

For the Financial Year 01 April 2016 - 31 March 2017

Particulars	31-3-2017	31-3-2016
Schedule 14		
Capital Work in Process		
NIL	-	-
Grand Total	-	-
Schedule 15		
General Fund Investment		
Grand Total	-	-
Schedule 16		
Specific Fund Investment		
PD 3266 PF	76,09,629	65,93,451
PD 3270 Gratuity	1,23,204	99,665
Grand Total	77,32,833.00	66,93,116.00
Schedule 17		
Inventories		
NIL	-	-
Grand Total	-	-
Schedule 18		
Sundry Debtors & Receivables		
City development Tax	3,25,729	3,73,636
House Tax	66,803	55,682
Lease	46,31,836	42,45,611
Grand Total	50,24,368.15	46,74,929.00
Schedule 19		
Cash in Hand and Bank Balance		
Cash in Hand		
Cash	3,330	1,368
Bank Balance		
Cenara Bank382120100072(CA)	12,922	96,263
HDFC5010020873023(CA)	-	1,21,875
HDFC A/C 93023 (NULM)	10,00,000	-
ICICI031501001918(14fc)	84,71,028	64,62,701



NAGAR PALIKA PADAMPUR**Schedule forming part of Balance Sheet****For the Financial Year 01 April 2016 - 31 March 2017**

Particulars	31-3-2017	31-3-2016
ICICI700545(Swachh Bharat Mission)	10,92,012	66,247
ICICI5003334(CA)	70,635	17,11,198
ICICI572172(Kachi Basti)	11,656	11,656
ICICI006985(Mla)	6,64,827	3,44,827
ICICI5985(Vikas)	6,902	46,698
PO A/ICB448	1,27,29,183	18,31,183
SBBJ265(CA)	84,953	7,06,014
SBBJ265(Panchamsfc)	69,54,122	65,74,178
Difference In Opening Balance ICICI		(18,086)
Difference In Opening Balance ICICI 14 FC		(59)
Difference In Opening Balance ICICI SBM		673
Difference In Opening Balance in SBBJ		(28,606)
Grand Total	2,61,01,571	1,79,28,130
Schedule 20		
Loans, Advances & Deposits		
Nil		
Grand Total	-	-



NAGAR PALIKA PADAMPUR**INCOME & EXPENDITURE ACCOUNT****For the Financial Year 01 April 2016 - 31 March 2017**

PARTICULARS	SCHEDULE	31-3-2017	31-3-2016
INCOME			
Income From Taxes	S-21	13,97,303	1,80,524
Assigned Compensation	S-22	1,82,04,500	1,64,80,000
Rental Income From Muncipal Properties	S-23	24,40,988	
Fees and User Charges	S-24	35,44,240	61,16,484
Revenue Grant , Contribution and Subsidies	S-25	92,20,728	11,86,679
Income From Corp Assets Investment	S-26	3,42,555	6,051
Miscellaneous Income	S-27	7,45,910	26,74,858
Total Income		3,58,96,224	2,66,44,596
EXPENDITURE			
Establishment Expenses	S-28	2,83,45,320	2,57,12,791
General Administration Exp	S-29	25,62,545	9,49,945
Public Work	S-30	95,56,989	24,33,240
Miscellaneous Expenditure	S-31	3,81,176	11,90,568
Interest & Finance Exp			
Depreciation During the Year		98,56,875	1,80,81,253
Total Expenditure		5,07,02,905	4,83,67,797
Surplus / Deficit before adjustment of prior period items an		(1,48,06,681)	(2,17,23,201)
Less : Prior Period Items			
Less : Prior Period adjustment of Depreciation			
Net Surplus \ Deficit		(1,48,06,681)	(2,17,23,201)

Pragati

DLN US & CO.
Chartered
Accountants

NAGAR PALIKA PADAMPUR

Schedule forming part of Income & Expenditure Account
For the Financial Year 01 April 2016 - 31 March 2017

Schedule	31-Mar-2017	31-Mar-2016
S-21		
Income From Taxes		
City (Urban) Development tax	2,26,984	1,80,524
110-13-03 Namantaran Fees	1,56,200	-
110-13-03 Vibhajan Fees	1,03,929	-
110-13-03 Surcharge	9,10,190	-
Grand Total (Rs.)	13,97,303	1,80,524
S-22		
Assigned Compensation		
Octroy Compesation	1,81,26,000	1,64,80,000
120-10-02 Auction	78,500	
Grand Total (Rs.)	1,82,04,500	1,64,80,000
S-23		
Rental Income From Municiple Properties		
130-40-01 One Lump Lease	24,40,988	
Grand Total (Rs.)	24,40,988	
S-24		
Fees and User Charges		
140-20-01 Penalty	1,22,499	
		8,34,000
140-12-02 Income From Auction	1,31,500	
140-12-01 Bhavan Anumodan	5,000	
140-12-01 Nirman Svikrati	65,300	
140-12-01 Tamir	10,850	21,388
140-13-01 BPL AMT	10	
140-13-01 Nakal Fees	656	
140-13-02 Birth & Death Certificate	4,255	11,725
140-13-04 Marriage Registration	5,680	
140-13-05 Plantation	2,400	
140-13-06 Cast Certificate Fees	4,980	
140-13-06 Certificate	13,653	40,609
140-13-06 NOC	1,43,983	1,13,273
140-15-04 Niyman Fees	1,25,530	
140-15-05 Bhu Upyog Fees	1,86,139	
140-20-01 Sharit	8,055	
140-40-08 Transfer Fees	77,998	87,410
140-80-01 Vikas Fees	5,09,440	




NAGAR PALIKA PADAMPUR

Schedule forming part of Income & Expenditure Account

For the Financial Year 01 April 2016 - 31 March 2017

Schedule	31-Mar-2017	31-Mar-2016
150-10-04 Bhumi Vikray	70,358	
150-11-01 Construction Fees	400	
150-11-01 Registration Fees	1,000	
150-11-01 Tender Fees	1,13,000	2,06,050
150-11-02 Application Fees	3,250	
150-41-02 Shochalay Fees	1,500	
180-80-02 Application Fees		20,964
140-13-06 Membership Fees	6,595	
140-50-01 Premium Amount	10,53,008	
140 Lease Received	8,77,201	
180-80-02 Registration Fees		
Advance Received		
Copy Fees		
Land Allotment		
Rent for Airtel Tower		
Telephone Recovery		
Road cutting		14,553
Agriculture Land Registration		8,15,041
Interest On Lease		3,45,462
Lease		8,59,370
RTI		131
Renewal Income		8,000
Penalties & Prosecutive		1,35,031
Verfy Fees		27,848
Dividation Fees		5,115
Marriage Palace fees		120
Mutation fees		1,64,655
Development Fees		24,05,739
Grand Total (Rs.)	35,44,240	61,16,484
S-25		
Revenue Grant , Contribution , Subsidies		
Rev Grant for 14FC	32,42,010	
Rev Grant for Gangana	88,750	
Rev Grant for MP MLA	85,201	
Rev Grant for SBM	41,67,814	
Rev Grant for SFC	16,36,953	
13th Ayog Revenue		11,86,679
Grand Total (Rs.)	92,20,728	11,86,679
S-26		



NAGAR PALIKA PADAMPUR

Schedule forming part of Income & Expenditure Account
For the Financial Year 01 April 2016 - 31 March 2017

Schedule	31-Mar-2017	31-Mar-2016
Income from Corporation Assets and Investment		
171-80-02 Interest	1,05,725	
Interest	2,36,830	
Sales of Scrap		6,051
Grand Total (Rs.)	3,42,555	6,051
S-27		
Miscellaneous Income		
130-10-06 other	6.25	
180-80-02 Application Fees	14330.00	
180-80-02 Bus Adde Ki Boli	293500.00	
152-42-02 Shochalay Bhavan Bas Adda	130.00	
180-80-01 Pedo Ki Nilami	7500.00	
180-80-01 Road Cutting	17616.00	
180-80-02 Audit Aakshep	27938.00	
180-80-02 Information Fees	100.00	
180-80-02 Miscellaneous	79652.00	
180-80-02 Check Fees	20731.00	
180-80-02 Penalty Receive	4800.00	
180-80-02 Post Order	20.00	
180-80-02 Malba Fees	4000.00	
180-80-02 Other Recovery	4200.00	
Fees Back	20.00	
180-80-02 Registration Fees	1150.00	
Rent For Airtel Tower	105000.00	
Rent For Reliance Tower	85000.00	
Telephone Recovery	2827.00	
Copy Fees	32.00	
Land Allotment	5000.00	
Other Income	72358.00	
Hording Income		21,125
Other Interest		1,25,170
Building Construction Approval		57,664
Interest From Bank		14,01,206
Malba		9,300
Niyaman		1,98,747
Auditor Recovery		30,037
Misc. Income		8,11,974
Ration Card		19,635
Grand Total (Rs.)	7,45,910	26,74,858



NAGAR PALIKA PADAMPUR

Schedule forming part of Income & Expenditure Account
For the Financial Year 01 April 2016 - 31 March 2017

Schedule	31-Mar-2017	31-Mar-2016
S-28		
Establishment Exp		
200-10-01 Leave Encashment	11,83,157	
200-20-05 Parsad Bhatta	7,05,970	
200-20-08 Travelling Exp	81,568	32,082
210-10-01 Salary and Other Payment	2,62,41,261	2,51,24,844
Salary Arrear	1,33,364	
Corporator (Parishad) Allowance		5,55,865
Grand Total (Rs.)	2,83,45,320	2,57,12,791
S-29		
General Administration Exp.		
200-10-01 Arial Bill	2,44,659	
200-11-01 Electricity Exp	3,000	
200-20-03 Vardi	1,03,350	
200-20-05 Adhyaksh Bhatta	23,700	
220-12-01 Telephone Bills	57,008	52,179
220-20-02 Advertisement and Publicity	53,711	2,10,438
220-21-01 Photocopy	2,110	
220-30-01 Vehicle Rent	55,079	
220-30-02 Diesel & Oil	3,81,684	
220-50 Audit Fees	48,778	2,98,600
220-52-03 Court Exp	5,78,180	1,79,000
220-80-02 Public Health	40,465	
230-20-01 Electricity Material	96,961	
230-52-01 Repaire and Maintanance of Building	4,100	
230-53-03 Maintanance of Vehicle	1,92,062	
230-59-02 Kular	7,000	
230-59-05 Park Entry	840	
271-30-03 Stationary Exp		2,08,548
Accounting Fees	96,180	
Moter Exp 230-80-05	2,850	
Post Exp	2,000	
Water Bill Payments	26,688	
Books And Newspaper		1,180
220-21-03 Computer Exp.	80,972	
220-60-02 Advertisement	2,19,781	
220-11-01 Electricity Exp.	2,41,387	



NAGAR PALIKA PADAMPUR

Schedule forming part of Income & Expenditure Account
For the Financial Year 01 April 2016 - 31 March 2017

Schedule	31-Mar-2017	31-Mar-2016
Grand Total (Rs.)	25,62,545	9,49,945
S-30		
Public Work		
Rev Exp	92,20,728	
230-53-03 Health Service	17,091	
Cleaning and Garbage	2,700	
Computer Opratore Salary	1,04,643	
IEC Swm	11,120	
Repaire of Roads	25,000	1,57,186
Salary Cleaning Employee(Mandey)	1,31,018	
Tree Guard Exp	44,689	
13Th Vit Ayog Clearing Exp And other Exp		10,18,948
Janganna Exp		1,28,850
Park Equipment Repair		1,03,405
Other EXP.(SFC)		1,54,078
Rain basera		2,500
SISRY Exp.		1,91,488
Damar Road Repair		2,25,458
Pool And Puliya		4,51,327
Grand Total (Rs.)	95,56,989	24,33,240
S-31		
Miscellenous Exp		
220-11-01 Electricity Exp		2,96,864
220-21-03 Computer Exp		
220-60-02 Advertisement		
230-52-03 Miscellenous Exp	12,097	
250-20 Entertainment	83,152	
260-20 Krishi Bhumi Vapsi	34,794	
271-30-02 Park Exp	16,620	
271-30-05 Ren Bahesh	2,040	
271-30 Malva Fees Vapsi	3,000	
271-30-03 Stationery Exp.	1,53,126	
Advance Payment		
Bank Charges	1,979	
Communication Exp	2,391	
DJ Sound Bill Payments	5,330	
Miscellenous	66,648	1,53,089
Other Expenses		
Contingencies and other Other Exp.		1,73,862



NAGAR PALIKA PADAMPUR

Schedule forming part of Income & Expenditure Account
For the Financial Year 01 April 2016 - 31 March 2017

Schedule	31-Mar-2017	31-Mar-2016
Ration Card		20,285
Agriculture Land Return		65,353
License Refund		8,108
Vehicles Exp		34,307
Other Repair		47,725
Election Exp		80,935
Festival Exp.		72,445
Petrol/Diesel		2,08,452
water Bills		29,143
Grand Total (Rs.)	3,81,176	11,90,568



NAGAR PALIKA PADAMPUR

Annexure

For the Financial Year 01 April 2016 - 31 March 2017

S-3 Reserve & Surplus				
	Municipal Board Padampur			
Particulars	1-Apr-2016 to 31-Mar-2017			
	Opening	Transactions		Closing
	Balance	Debit	Credit	Balance
Capitalised FFC		1,02,10,498	1,02,10,498	
Capitalised MP MLA		3,20,000	3,20,000	
Capitalised SBM		5,92,000	5,92,000	
Capitalised SFC		78,01,124	78,01,124	
Grand Total		1,89,23,622	1,89,23,622	



Additional 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	Annexure-5



	rentals are collected regularly by the Municipality and that the lease agreements are renewed after their expiry;	
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;	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 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 therefor	Annexure-10



11	Whether the Municipality is regular in depositing statutory dues including tax deducted at source, works contract tax, cess payable to the Government, ESI, PF etc., and if not, the nature and cause of such delay and the amount not deposited;	Annexure-11
12	Whether any personal expenses have been charged to the Municipality's accounts; if so, the details thereof;	Annexure-12
13	Whether the books and registers specified under the Rajasthan Municipal Accounts Manual and other applicable acts and rules have been properly maintained; whether Bank Reconciliation statements have been properly prepared for all the bank accounts of the Municipality;	Annexure-13
14	Whether the year-end and reconciliation procedures have been carried out;	Annexure-14



Annexure-1

All sums due to and received by the Municipality have been brought to accounts and have been appropriately classified and major issue identified in the accounting system and any discrepancies identified.

1. There were neither **Urban Development Tax** assessment nor other revenue assessment during the FY 2016-17. Therefore no tax or revenue income has been accrued for the FY 2016-17 at end of Financial Year.
2. Statement of Outstanding liabilities in the Form GEN-28 is not prepared. Therefore the double entry accounting has no conformity with Accrual Concept.

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 thereof under the Double entry accounting system but The ULB has not prepared register for the Grant in the format Mentioned FORM:G-1

Annexure- 3

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

Comment: Yes, According to the information and explanations given to us earmarked funds have been created by the ULB as per the provision of statute and such earmarked funds were utilized for the intended purpose.



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 and not verified by the authorized persons.

It has been suggested to ULB that the ULB should prepare Fixed Assets Register in the prescribed Format and **Physical verification of fixed assets was not authorized by authorized person.**

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: Yes, According to the information and explanations given to us Lease rental were collected by the Municipality on regular basis and lease agreements also renewed on their expiry.

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 and also physical verification of stores has been carried by ULB, even once in the whole financial year.

As such we are unable to comment on the procedures of physical verification of stores vis-a-vis material discrepancies, if any, on physical verification and its treatment in books of accounts. Moreover, neither the stores has been verified and valued at the year end nor has same been recognized in the accounts prepared for the year under report.

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 and value of stores should be taken in financial statements.

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.

Whether loans and advances given are properly secured.

Comment: No Loans and advances were given to Others for the expenditure on behalf of ULB during the year but some advances are still pending that should be recovered:-

<u>S.No</u>	<u>Name of Party</u>	<u>Date of Advance</u>	<u>Amount (in Rs.)</u>
1.	Bharat Petroleum Jaipur	21.01.1993	185
2.	Bharat Petroleum Jaipur	12.04.1993	92.28
3.	Bharat Petroleum Jaipur	20.07.1993	277
4.	Bharat Petroleum Jaipur	20.09.1993	4992
5.	Madan Singh Budania EO	22.04.1994	5000
6.	Bharat Petroleum Jaipur	19.02.1996	27555



B.	Bharat Petroleum Jaipur	12.09.1997	7051.75
A.	Indian Oil Corporation Panipath	30.10.2004	1551

Annexure-8

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

Comment: No Loans and advances were given to municipal employees for the expenditure on behalf of ULB during theyear



<p>The Head of the Accounts Department shall ensure that all the purchase bills/invoices were journalized before release of the payments.</p>	<p>Such procedure exists.</p>
<p>At the end of the financial year, the Stores-in-charge, the Head of the Accounts Department and the Director Local Fund Audit shall physically verify the stock lying in stores and compare it with the stock as per the book records and in case of any difference, appropriate remedial steps as prescribed by the LB shall be taken.</p>	<p>No, such procedure has been followed by the ULB.</p>
<p>The Stores-in-charge shall ensure availability of adequate budget allocation before procuring any material, after considering all commitments made against the budget allocation.</p>	<p>The Store-in-charge has such procedure of budget allocation.</p>
<p>At the time of issue of any material to the Departments, the Stores-in-charge shall ensure that there is an adequate budget provision in respect of that department.</p>	<p>No, Internal Control exists.</p>



	<p>The Head of the Accounts Department shall ensure that all the dues recoverable including advance provided to supplier has been recovered before making the final payment to the supplier. Further, it should be ensured that only net amount has been paid to the supplier, as may be applicable to the materials actually received or accepted.</p>	<p>Yes, Internal Control exists.</p> <p>ULB does not make payment to suppliers before materials actually received.</p>
	<p>Before releasing payment to the supplier, the Head of the Accounts Department shall ensure that the material received is recorded in the Stores Ledger. Further, it shall be ensured that the Payment Order provides reference to the Stores Ledger where the entry for receipt of material is recorded. In addition, at the time of payment to Suppliers/contractors and any other creditors it shall be ensured that no amount is due from them, which may be adjusted before payment.</p>	<p>The Head of accounts department verify the store register maintained by the Store-in-charge.</p>



	<p>The Stores-in-charge shall ensure that materials in respect of which bills have been received but have not been forwarded to the Accounts Department are stated separately in the Statement of Closing Stock (Form ST - 3).</p>	<p>No such type of entries found in the Stores register.</p> <p>All bills has been forwarded to Accounts department as and when material received.</p>
	<p>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.</p>	<p>Accounts department follows this procedure.</p>
	<p>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.</p>	<p>Accounts department follows this procedure.</p>
Employee Related Transactions	<p>Separate Pay Bills shall be prepared by each DDO and Head of department or other officer of the LB designated by him.</p>	<p>Yes, Separate pay bill has been prepared for each DDO.</p>



<p>Consolidation of Pay Bills of DDO shall be made Department wise and Department bills are consolidated for ascertainment of LB level information.</p>	<p>Yes, Consolidation of Pay Bills of DDO has been made Department wise</p>
<p>Consolidated pay bill summary shall be checked with previous month for ensuring all DDO and departments bills are included.</p> <p>A monthly reconciliation shall be carried out by the Head of the Accounts Department and the Head of Establishment Department or other officer of LB designated by the Head of the department in respect of loans and advances outstanding between the balances in the Ledger Accounts maintained at the Accounts Department and the Register of Employee Advances and Register of Loans to Employees. Further, at the period-end, the Head of the Accounts Department or other offices of LB designated by the Head of the Department shall ensure that accounting entry for recording income in respect of interest accrued on loans provided to employees has been passed.</p>	<p>Yes, Consolidated pay bill summary has been checked with previous month.</p> <p>Reconciliation statement is not required to prepare as loans and advances are pending since long time.</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 prepared Functional Expenses Subsidiary Ledger and Reconciliation Statement thereof.</p>
	<p>Every month, the Head of the Accounts Department or other officers of the LB designated by him or other officer of LB designated by the Head of the Department shall verify that Provident Fund and Pension Fund contribution deducted for the employees on deputation have been deposited with the concerned authorities.</p>	<p>Yes, The Head of Accounts Department verify the deducted amount has been deposited timely.</p>



	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.
	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	Yes, Accounts department ensures the budget availability



	the time of accruing of the expenditure.	for the expenditure
	The Head of the Accounts Department shall ensure that all the bills/invoices were journalised before release of the payments	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	Yes, Accounts department take the Physical Verification of



	<p>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.</p>	<p>cash time to time.</p>
	<p>At the time of making payment, the Accounts Department shall ensure that reference to the departmental Register of Bills for Payment where the payment bill has been recorded by the department concerned, is provided in the Payment Order. In case of non-referencing, the Accounts Department shall return the Payment Order to the concerned Department for rectification and resubmission. In addition, at the time of Payment to Suppliers/contractors and any other creditors it shall be ensured that no amount is due from them, which may be adjusted before payment.</p>	<p>Yes, In the accounts department, this payment control system is exists.</p>



	<p>The Head of the Accounts Department shall ensure that a monthly reconciliation of total expenditure incurred and recorded in the Departmental Expense (Administrative Expenses) Subsidiary Ledger is carried out with the total expenditure recorded in several Administrative Expense Ledger Accounts.</p>	<p>Monthly reconciliation Statement was not prepared by ULB.</p>
Fixed Assets	<p>At the time of award of new contract, the concerned department shall ensure the availability of adequate budget allocation after considering all commitments made against that Budget allocation before purchasing any new fixed asset.</p>	<p>Yes at the Time of Award of contract concerned department ensure the budget availability.</p>
	<p>The Head of the Accounts Department shall have a system of conducting physical verification of fixed assets throughout the year so that each fixed asset is verified at least once during the year. Any discrepancies with the Fixed Assets Register should be reconciled.</p>	<p>The HOD of Accounts department has system of physical verification of fixed assets at least once in the year.</p>



	<p>The Head of the Accounts Department shall ensure that the amount set aside in the Asset Replacement Bank Account consequent to depreciation provision made, is utilized only for the purpose of purchase or acquisition of fixed asset for which depreciation has been provided.</p>	<p>No Such Procedure is exists.</p>
	<p>Before releasing payment to the supplier, the Head of the Accounts Department shall ensure that the fixed assets acquired are recorded in the Register of Immovable Properties. Further, it shall be ensured that the Payment Order provides reference to the Register of Immovable Properties where the entry for receipt of fixed assets is recorded.</p>	<p>Yes, Such Procedure exist.</p>
	<p>At the time of computing depreciation provision for the period, the Head of the Accounts Department shall ensure that the accumulated depreciation (including current period's depreciation provision) provided on any fixed asset does not exceed its cost of acquisition.</p>	<p>There is no such system exists.</p>



Annexure-10

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

Subject Matters of Internal Controls	INTERNAL CONTROL	AUDITORS COMMENT
Public Works	The Public Works Department and the Chief of Accounts Department or any other responsible officer as defined by the applicable Acts, shall ensure the availability of adequate budget allocation after considering all commitments made against that budget allocation before undertaking any new work, whether being an Original Work or Repairs and Maintenance Work	The ULB take the approval from board meeting of Members and Public Works department and HOD of accounts department ensure that Whether budget availability for the such public works are sufficient or not.
	A distinction should be maintained between the works of capital nature and revenue nature.	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 Accounts.	No Such type procedure has been followed.
	The Accounts Department shall ensure that the tax deducted at source and works contract tax deducted from the contractor's bill, etc., is deposited with the Government in accordance with the provisions of the relevant Acts.	Yes, There is proper system for payment of Statutory dues.



	At the end of each month, the Accounts Department shall reconcile the total expenditure as per the Functional Expense (Repairs and Maintenance) Subsidiary Ledger (in form GEN -34) with the total expenditure recorded in the several Repairs and Maintenance Ledger Accounts.	Functional expenses ledger and Subsidiary ledger prepared.
	Ensure budget availability at the time of approval of the bill.	Yes, Chief of Accounts Department ensure the Budget availability on the Time of payment.
	Ensure that all the dues, including liquidated damages/penalties, are recovered from the contractor before making the final payment in respect of any contract.	Yes, Performance quality team reviews the works done by the Contractors before final payment. Accordingly Accounts department recovered the penalties or damages.



Ensure that no amount is due from suppliers/contractors, which may be otherwise adjusted before payment.	Yes, Chief of Accounts department ensure that no advances given or no amount is due before payment.
Ensure that all the bills/invoices of contractors were journalised before release of the payments.	Yes, bills/invoices journalized before payment.
At period-end, the Head of the Accounts shall review the Work Sheets maintained for ascertaining whether any of the capital work in progress qualifies for capitalization.	No Such procedure 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 works contract tax, Cess payable to the Government, ESI, PF etc. deposited timely.



Annexure-12

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

Comment: To the best of our knowledge and according to information and explanation given to us, No Personal expenses have been charged from ULB's accounts.

Annexure-13

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

S.N o	Name of Record/ Register	Requirements	No of Form s	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.



S.N ①	Name of Record/ Register	Requirements	No of Form s	Auditors Comments
	Journal Book	A non-cash/bank transaction is first recorded in the Journal Book by dividing into its debit and credit aspects, from which a posting is done in the relevant ledger account. Recording of income in respect of Taxes Bills raised, recording of liability on receipt of supplier's bills are examples of transactions, which shall be first recorded in the Journal Book.	GEN-2	Maintained by the ULB based on day to day to transaction. In the Double entry Accounting a non-cash/bank transaction is first recorded in the Journal Book.
	Ledgers	Ledgers shall be the book that shall contain all the accounts as specified in the Chart of Accounts. The Ledger has two columns, viz, "Debit" (Dr.) and "Credit" (Cr.).	GEN-3	Yes, maintained by the accounts department in double entry system also Ledgers were maintained.
	Cash/Bank Receipt Voucher	The Cash Receipt Voucher shall be prepared for receipts in cash and the Bank Receipt Voucher for receipts by cheques, demand drafts, banker's cheques, etc., which need to be deposited in the bank for realisation.	GEN-4A & 4B	Cash receipt voucher and Bank receipt voucher have been prepared.
	Cash/Bank Payment Voucher	Cash/Bank Payment Voucher shall be the document prepared for recording payment	GEN-5A & 5B	Cash/Bank Payment Vouchers have been prepared



S.N	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
		entries in the Cash Book/BankBook		
	Contra Voucher	Contra Voucher shall be a document for depositing into or withdrawing cash from bank or transferring amount from one bank to another	GEN-6	No Contra Voucher has been prepared by ULB.
	Journal Voucher	Journal Voucher shall be the document prepared for recording entries in the Journal Book	GEN-7	No Physical Journal Voucher prepared by ULB.
	Receipt	For receipt of cash or any amount received in the form of cheques/draft, a Receipt, duly signed and dated shall be issued in Form GEN-8	GEN-8	Yes ULB has been issued a receipt for any cash or Bank receipt.
	Receipt Register	All cheques/drafts received shall be recorded in a Receipt Register, maintained in Form GEN-9	GEN-9	Such register maintained.
	Statement on Status of Cheques Received	The details should be intimated to the Accounts Department by the Collection Office/Centre who have actually deposited the cheques and co-ordinating with the bank, through a Statement on Status of Cheques Received, prepared in Form GEN-10. Based on the Statement on Status of	GEN-10	No Such register maintained



Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	Cheques Received the Accounts Department shall reverse the entry passed		
Collection Register	The Collection register to be maintained in Form GEN-11 will show account head-wise details of the daily collections. This collection register shall be maintained in triplicate where in one copy can be sent to the concerned departments along with one copy of the Bill/Challan collected, if any, one can be sent to the Accounts and other one will be retained as book copy.	GEN-11	Collection register is not maintained.
Summary of Daily Collection	Based on the details from the collection register, the collection offices shall prepare a Summary of Daily Collection in Form GEN-12.	GEN-12	Summary of Daily Collection 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 Form GEN-13.	GEN-13	The Register is maintained.



Name of Record/ Register	Requirements	No of Form s	Auditors Comments
Payment Order	On approval of the payment by the concerned authorities at the respective departments, the department shall forward the bills for preparing a payment order by the concerned Department in Form GEN-14	GEN-14	No, such procedure Followed but not in GEN-14.
Cheque Issue Register	On verification of the Cash/Bank Payment Voucher, a cheque shall be prepared. An entry of the cheque prepared shall be made in the Cheque Issue Register, maintained in Form GEN-15. At period end, the Accounts Department shall review the Cheque Issue Register	GEN-15	Yes Maintained During the year.
Register of Advance	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.
Register of Permanent Advance	The details of the expenditure incurred against the advance shall be recorded in a Register of Permanent Advance maintained at the various departments in Form GEN-17.	GEN-17	Register of permanent advance is Maintained.



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



S.N	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	Write-Offs			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 th April of the next financial year where the accounting period is a financial year	GEN-28	Quarterly Statement of Outstanding Liability for Expenses in the form GEN-28 has not been prepared.
	Documents Control Register/Stock Account of Receipt/Cheque Book	Documents Control Register/Stock Account of Receipt/Cheque Book shall be prepared in the Form GEN-29	GEN-29	Not prepared.



Name of Record/ Register	Requirements	No of Form S	Auditors Comments
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 Property	A record shall be maintained for the moveable fixed assets in the Register of Moveable Property in Form GEN-31.	GEN-31	Register of Movable Property has been maintained.
Register of Land	A record shall be maintained for the land in the Register of land in Form GEN-31.	GEN-32	Register of land has been maintained.
Function-wise Income Subsidiary Ledger	The Accounts Department shall maintain separate Subsidiary Ledger for each of the Major revenues in Form GEN - 33. The Subsidiary Ledgers would provide function-wise break-up of above-mentioned income earned/received by the LBs on a daily basis. Separate folios shall be maintained for each function within the Subsidiary Ledger for recording incomes in respect of each function	GEN-33	Function-wise Income Subsidiary Ledger has been maintained by the ULB.
Function-wise Expense Subsidiary Ledger	The Accounts Department shall maintain separate Subsidiary Ledger for	GEN-34	Function-wise Expenses Subsidiary Ledger has been



S.N o	Name of Record/ Register	Requirements	No of Form s	Auditors Comments
		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.		maintained by the ULB.
	Asset Replacement Register	Asset Replacement Register in Form GEN-35 shall be maintained asset class-wise to record the money set aside and shall be updated for deposits made to Asset Replacement Bank Account in respect of annual depreciation provision made during the accounting year	GEN-35	No Asset Replacement Register has been maintained.
	Register of Public Lighting System	Register of Public Lighting System shall be maintained in the Form GEN-36	GEN-36	Yes maintained

RECORDS AND DOCUMENT RELATED TO RENTALS, FEES & OTHER INCOMES

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

RECORDS AND DOCUMENT RELATED TO PUBLIC WORKS

SUMMARY STATEMENT OF STATUS OF	At period-end, the departments incurring	PW-1	Not maintained.
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Name of Record/ Register	Requirements	No of Forms	Auditors Comments
CAPITAL WORK-IN-PROGRESS/DEPOSIT WORKS	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.		
WORK SHEET	The details of the Deposit works contract (including names of the departments who have entrusted the deposit works) shall be recorded in the Deposit Works Register (in form PW - 3).	PW-2	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. (For example, Civil, Electrical, etc).	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	No Store in-charge prepare a Material Receipt Note in Form ST-1, but maintained in store register.
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S.N o	Name of Record/ Register	Requirements	No of Form s	Auditors Comments
	STORES LEDGER	From the Material Receipt Note, the Stores shall record the receipt of materials in the Stores Ledger maintained in Form ST-2 If the materials supplied are found to be defective or not in accordance with the terms specified in the agreement, the Stores shall return it back to the supplier concerned and make an entry for return of material in the Issue Column of the relevant folio in the Stores Ledger (Form ST - 2).	ST-2	No Store in-charge prepare a Material Receipt Note in FormST-2, but maintained in store register.
	STATEMENT OF CLOSING STOCK AT YEAR END.	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 Store in-charge prepare a Material Receipt Note in FormST-3, but maintained in storeregister.

RECORDS AND DOCUMENT RELATED TO EMPLOYEES RELATED TRANSACTIONS

CONSOLIDATED PAY SUMMARY OF	BILL ROLL THE	Salary pay bill shall be prepared in the Form ES-1	ES-1	Yes, salary pay bill has been prepared properly.
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S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	PERMANENT/TEMPORARY ESTABLISHMENT FOR THE MONTH OF			
	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	Register Maintained, but not in 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	No loans & advances were given so need to maintain such register.
	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 theyear.
RECORDS AND DOCUMENT RELATED TO GRANTS				
	GRANT REGISTER		G-1	Yes maintained



S.N o	Name of Record/ Register	Requirements	No of Form s	Auditors Comments
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RECORDS AND DOCUMENT RELATED TOBORROWINGS

	<u>REGISTER OF LOANS</u>	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	No such requirement in ULB.
	<u>REGISTER OF DEBENTURES</u>	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	No such requirement in ULB.
	<u>REGISTER OF SINKING FUNDS</u>	Register of Sinking fund shall be prepared in the form BR-3	BR-3	No such requirement in ULB.

RECORDS AND DOCUMENT RELATED TO SPECIALFUNDS

	<u>SPECIAL FUNDS REGISTER</u>	Special fund received or created shall be maintained in the register of from SF-1	SF-1	No such requirement in ULB.
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RECORDS AND DOCUMENT RELATED TOINVESTMENT

	<u>INVESTMENT LEDGER / REGISTER</u>	Investment ledgers and register shall be prepared in form IN-1	IN-1	No such requirement in ULB.
	<u>CALCULATION SHEET FOR PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS FOR THE PERIOD ENDING</u>	CALCULATION SHEET FOR PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS FOR THE PERIOD ENDING shall be prepared in the form IN-2	IN-2	No such requirement in ULB.



S.N o	Name of Record/ Register	Requirements	No of Form s	Auditors Comments
RECORDS AND DOCUMENT RELATED TO LOAN AND ADVANCES				
	REGISTER OF LOANS TO OTHERS	The loans to Others shall be entered in the 'Loans to Others register' in Form LA -1 and on a monthly basis	LA-1	No such requirement in ULB.
RECORDS AND DOCUMENT RELATED TO BUDGET				
	Budget	Budget shall reflect the principles and programmes of the LB. Budget must also enable LB in measuring and promoting accountability in respect of service delivery.	BUD-1 to BUD-12	Yes, Budget has been prepared in the specified formats.
	Opening Balance Sheet	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 and written off, if considered necessary</p> <p>Further, the accounts department shall also ensure that the necessary reversal entries are made for assigned revenues received in the current accounting period, which were accrued in the previous period</p>	<p>receivable of assigned revenue accrued during the preceding financial years or current financial year.</p> <p>Hence, 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</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>



	(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	
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 Investment, ULB has only PD accounts of PF and Gratuity as Investment. Interest has been accrued on the year end.
Fixed Assets	<u>Recording of liability for fixed assets purchased for which payment has not been made.</u> At period end, the concerned departments shall ensure that for bills in respect of all the fixed assets received before the last date of the accounting period are processed	Since it is not recorded in form GEN-28, Therefore the year end procedure is not followed by accounts departments.



Lease of Land	<u>Accrual of ground rentals:</u> The Revenue Department shall identify the total ground rentals due for the period under reporting and compare the same with the ground rental income recognised till date in the books and account for differences if any.	accrual of ground rental at the end of the financial years. And reconciliation statement or comparative statement has been prepared.
<p style="text-align: center;">GENERAL PERIOD-END PROCEDURES</p>		



S.No.	<u>PERIOD END PROCEDURES</u>	<u>AUDITORS COMMENTS</u>
Daily Procedures	<p>a. <u>Balancing of Cash Book</u>: The Cash Book shall be totalled and balanced daily. The posting of the day's transactions shall be made in the respective Ledger Accounts by the end of the day</p> <p>b. <u>Physical verification of cash balance</u>: Cash available with the Accounts Department shall be physically verified by the Cashier. The values and denominations of the cash physically verified shall be noted in the Cash Book itself</p> <p>c. <u>Deposit of collections (both cash and cheque) in the Bank</u>: The cash and cheque collection shall be remitted to the Accounts Department or deposited with the Bank (Main Bank or Designated Banks) in the manner and in accordance with the procedure provided for in Chapter 4- General Accounting Procedures. Care has to be taken that the money is remitted or deposited either on the same day or by the next working</p>	<p>The cash book is totaled and balanced daily basis. But no posting of day's transaction in to ledgers on daily basis.</p> <p>Yes, cash available with accounts department is physically verified on daily basis.</p> <p>The cash, cheque and demand draft collected in a day is deposited in the bank with insame day or on next working days.</p> <p>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>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 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>	<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 was maintained.</p> <p>Functions wise Income Subsidiary Ledger in respect of all major heads of Income during the day and Functions wise Expense Subsidiary Ledger in</p>
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	<p>i. Functions wise Income Subsidiary Ledger in respect of all major heads of Income during the day;</p> <p>ii. Functions wise Expense Subsidiary Ledger in respect of all major heads of Expenses during the day</p>	<p>respect of all major heads of Expenses during the day is maintained by the ULB.</p>
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**Monthly
Procedures**

a. Bank Reconciliation: 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.

b. Recording of expenditure incurred against permanent advance: 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

c. Payment of provident fund dues and pension contribution in respect of employees on deputation. 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.

No, the ULB has not been prepared the Bank reconciliation statement on the monthly basis.

The register of permanent advance is maintained by the ULB.

The accounts department timely remitted the amount deducted from salary of PF, Gratuity, Pension etc on monthly basis.



	<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 bereconciled.</p> <p>e. <u>Closing of ledger accounts:</u> The ledger accounts shall be totalledand *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>
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**Quarterly
Procedures**

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

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

- i. Provision for expenses incurred on original work/ operations or maintenance
- ii. Provision for materials purchased
- iii. Provision for revenue expenditures
- iv. Provision for interest accrued

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

No reconciliation statement of advances has been prepared.

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

Since the ULB hasnot 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>but not due on the money borrowed</p> <p>v. Provision for fixed assets purchased</p> <p>vi. Provision for Depreciation on Fixed assets</p> <p>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</p> <p>d. <u>Recognition of grant income for revenue expenditure incurred in respect of grant receivable as reimbursement.</u> The revenue expenditure incurred during the period towards specific projects/schemes under a grant receivable, as a reimbursement shall be recognised as income at the end of each quarter</p> <p>e. <u>Accrual of interest on borrowings:</u> Interest charges on loans received, which is not due shall be accrued,</p>	<p>Yes, The balance in the Revenue Grant Account received in advance, to the extent utilized during the period has been transferred to the respective Grant Income Account.</p> <p>Yes this procedure has been followed.</p> <p>No loan has been shown in the Balance sheet of the ULB.</p>
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	<p>f. <u>Recording of provision for bills remaining unpaid in respect of Special Fund expenditure</u></p> <p>g. <u>Accrual of interest on investments.</u> Interest accrued but not due on investments made shall be accrued</p> <p>h. <u>Accrual of interest on loans advanced to employees.</u> The amount of interest accrued in respect of loans provided to employees shall be determined and accrued.</p> <p>i. <u>Reconciliation of Capital Work in Progress:</u> Expenditure incurred on cumulative total of several Capital Work-in-Progress Ledger Accounts should be reconciled at the end of each quarter with the Summary Statement of Status on Capital Work-in-Progress received from the department.</p> <p>j. <u>Passing of adjustment entries:</u> At the period-end, the Accounts Department shall verify whether proper distinction has been maintained between revenue and capital transactions and</p>	<p>No Provision is made for special fund expenditure.</p> <p>No accrual of interest.</p> <p>No accrual of interest on loan and advances to employees.</p> <p>No Reconciliation statement is prepared.</p> <p>Yes maintained.</p>
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	between the transactions having effect in two accounting periods	
	<p><u>k. Closing of ledger accounts:</u></p> <p>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>Ledgers has been prepared by the ULB, but not closed at the end of eachquarter.</p>



Annual Procedures	<p>a. <u>Physical verification of stores:</u> The physical verification of stores and consumables shall be carried out at least once in a year on the last day of the accounting year and at such time intervals as the LB may decide. The verification shall be carried out by the Stores-in-charge in presence of the personnel of the Audit Department</p> <p>b. <u>Physical verification of fixed assets:</u> A Committee consisting of Municipal Commissioner, Head of the Accounts Department, Head of the Public Works Department and such other representatives as the LB's Statutory Authority resolves, shall be formed. The Committee shall ensure the existence of a system of conducting physical verification of fixed assets throughout the year so that each fixed asset is verified at least once during the year</p> <p>c. <u>Transfer of funds from special funds:</u> The balance in the Special Fund shall be transferred to the Special</p>	<p>Physical verification of stores has been carried out during the financial year.</p> <p>Physical verification of fixed assets has been carried out during the financial year.</p> <p>Yes, this procedure has been followed.</p>
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	<p>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</p>	<p>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 were occurred by the ULB.</p> <p>Yes, ULB has maintained the Provident fund account also in double entry accounting. Balance of PF and Gratuity has</p>
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	<p>to the employees shall be contributed by the LB and an amount equivalent to the difference shall be transferred from the Main Bank Account to the Provident Fund Bank Account.</p>	<p>been considered.</p>
	<p>h. <u>Confirmation from Government/Quasi-government and Government owned agencies.</u> At the end of each accounting year, the Accounts Department shall prepare and forward a balance confirmation statement to Government and Quasi-government and various government owned agencies in the format as prescribed in Chapter 24- Reconciliation Procedures</p>	<p>No such steps have been taken by the accounts department of ULB.</p>
	<p>i. <u>Closing of ledger accounts.</u> In addition to closing of ledger accounts at the end of each quarter, the ledger accounts shall be balanced and totalled at the end of each accounting year.</p>	<p>Ledgers has been prepared by the accounts departments as well as in double entry accounting system and closed at the year end.</p>



Limitations of Audit

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

- 'JLN US & CO.' has restricted the scope of work to 'Terms of Reference' only.
- 'JLN US & CO.' has undertaken the audit in accordance with generally auditing standards, guidelines issued by ICAI.
- In performing the review and verification, the work, 'JLN US & 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.
 - 'JLN US & 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 'JLN US & 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 'JLN US & CO.' in accordance with Firm's internal policies and procedures.



- 'JLN US & 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 2016-17 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.



ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

I- 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 Organizations / 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 recognized 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 recognized 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 recognized 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 2016

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.

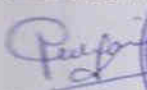
There may exist possibilities that certain assets and liabilities are identified after preparation of draft Opening Balance Sheet as well as after preparation of the first Balance Sheet subsequent to Opening Balance Sheet. In such case, the value of assets or liabilities identified will be directly incorporated 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.



II- NOTES TO ACCOUNT

1. The value of fixed assets acquired after 1st April, 2009 and till 31st March, 2016 have been depreciated as per rates specified in the Income Tax Act, 1961 on written down value method. The depreciation amount so obtained has been considered in determining opening Depreciation Fund.
2. Balance of the Deposits received from contractors/suppliers is on the basis of receipts issued against deposit and deduction made from payments to them
3. Balance of Loan against Provident Fund given to employees are subject to their confirmation.
4. Balances of Debtors, Creditors and other parties are subject to confirmation
5. These accounts have been prepared covering receipts of various Grants/Aids/Funds from State Government for specific purpose/scheme. In view of long duration of scheme, utilization of same is subject to verification on completion of scheme.

As per audit report even date
FOR JLN US & CO
Chartered Accountants


Neeraj Kumar Jain
(Partner)




Signature of
EO/Commissioner

Signature of
CAO /Sr. AO

Date : 02/01/2018
Place : Padampur