

# Municipal Board Reengus

Financial Statements and Independent Auditors  
reports

FY 2013-14

Prepared By:

Audited By: JLN US & CO.

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## **INDEPENDENT AUDITOR'S REPORT**

To,  
The EO,  
Municipal Board  
Reengus, Rajasthan

### **Report to Financial Statement**

We have audited the accompanying financial statements of **MUNICIPAL BOARD, REENGUS, RAJASTHAN** which comprise the Balance Sheet as at March 31, 2014, 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 Labour cess has not been ascertained and hence not considered. To this extent Surplus of Income over Expenditure is Overstated/Understated and Liabilities are understated/Overstated.**

➤ **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.**





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, 2014
- b) In the case of the Income and Expenditure Account, of the surplus/deficit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**We further report that:**

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the ULB so far as appears from our examination of those books;
- c) the Balance Sheet, Income and Expenditure Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Income and Expenditure Account, and Cash Flow Statement comply with the Rajasthan Municipal Accounts Manual;

For JLN US & CO.

Chartered Accountants

FRN:101543W

(Neeraj Jain)

(Partner)

M.No.408211



Place: Jaipur  
Date 01/12/2016

## Financial Statement for the year 2013-14

Balance Sheet of Nagar Palika Reengus Rajasthan As at 31-03-2014

| Balance Sheet of Nagar Palika Reengus Rajasthan As at 31-03-2014 |  |          |                         |
|------------------------------------------------------------------|--|----------|-------------------------|
| LIABILITIES                                                      |  | Schedule | 2013-14<br>(Amount Rs.) |
| 2012-13<br>(Amount Rs.)                                          |  |          |                         |
| RESERVE & SURPLUS                                                |  |          |                         |
| Municipal (General) Fund                                         |  | 1        | 678,20,598.55           |
| earmarked Funds                                                  |  | 2        | 85,78,603.00            |
| Reserve & Surplus                                                |  | 3        | 162,89,147.00           |
| Total Reserve & Surplus (A)                                      |  |          | 926,88,348.55           |
| GRANT/ CONTRIBUTION                                              |  |          |                         |
| Grant/ Contribution For Specific Purpose                         |  | 4        | 264,21,040.61           |
| Total Grant (B)                                                  |  |          | 264,21,040.61           |
| LOANS                                                            |  |          |                         |
| Secured Loans                                                    |  | 5        | -                       |
| Unsecured Loans                                                  |  | 6        | -                       |
| Total Loans (C)                                                  |  |          | -                       |
| CURRENT LIABILITIES & PROVISIONS                                 |  |          |                         |
| Sundry Deposits                                                  |  | 7        | 74,05,070.00            |
| Sundry Creditors                                                 |  | 8        | -                       |
| Statutory Liabilities                                            |  | 9        | 4,88,088.00             |
| Other Liabilities                                                |  | 10       | 5,89,826.00             |
| Provisions/Previous Year Differences                             |  | 11       | 39,675.00               |
| Total Current Liabilities and Provisions (D)                     |  |          | 85,22,659.00            |
| TOTAL LIABILITIES (A+B+C+D)                                      |  |          | 1276,32,048.16          |
|                                                                  |  |          | 1069,83,016.61          |

Notes to Accounts and Accounting Policies

As per audit report even date  
FOR JLN US & CO.

Chartered Accountants

Neeraj Kumar Jain

(Partner)

M.No. 408211

Date : 01/12/2016

Place : Jaipur



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Date : 01/12/2016  
Place : Jaipur

M.No. 408211

(Partner)

Neeraj Kumar Jain

Chartered Accountants

FOR JLN US & CO.

As per audit report even date

Notes to Accounts and Accounting Policies

| ASSETS                                     | Schedule | 2013-14<br>(Amount Rs.) | 2012-13<br>(Amount Rs.) |
|--------------------------------------------|----------|-------------------------|-------------------------|
| FIXED ASSETS                               |          |                         |                         |
| Gross Block                                | 12       | 591,75,012.00           | 380,50,821.00           |
| Less : Depreciation Fund                   | 13       | 94,11,130.90            | 38,53,191.30            |
| Net Block                                  |          | 497,63,881.10           | 341,97,629.70           |
| Capital Work In Process                    | 14       | -                       | -                       |
| Total Fixed Assets (A)                     |          | 497,63,881.10           | 341,97,629.70           |
| INVESTMENTS                                |          |                         |                         |
| Deposits Against Earmarked Funds           | 15       | 85,78,603.00            | 85,85,936.00            |
| General Fund Investments                   | 16       | 442,72,675.00           | 234,11,747.00           |
| Total Investments (B)                      |          | 528,51,278.00           | 319,97,683.00           |
| CURRENT ASSETS, LOAN & ADVANCES            |          |                         |                         |
| Inventories                                | 17       | -                       | -                       |
| Sundry Debtors/ Receivables                | 18       | -                       | -                       |
| Cash & Bank Balances                       | 19       | 249,46,013.06           | 407,16,827.91           |
| Loans, Advances & Deposits                 | 20       | 70,876.00               | 70,876.00               |
| Cash Book Differences                      |          | -                       | -                       |
| Total Current Assets, Loans & Advances (C) |          | 250,16,889.06           | 407,87,703.91           |
| TOTAL ASSETS(A+B+C)                        |          | 1276,32,048.16          | 1069,83,016.61          |

Signature of

EO/Commissioner

देवीप्रसाद चौधरी

अधिकांशी अधिकारी

नगर पालिका, रीवा

Signature of

CAO/Sr. AO

(सहायक नगर)

लेखाकार

नगर पालिका, रीवा



**Profit and Loss Account of Nagar Palika Reengus, Rajasthan  
For the Year Ending 31-03-2014**

| PARTICULARS                                                               | Schedule | 2013-14              | 2012-13      |
|---------------------------------------------------------------------------|----------|----------------------|--------------|
|                                                                           |          | (Amount Rs.)         | (Amount Rs.) |
| <b>INCOME</b>                                                             |          |                      |              |
| Income From Taxes                                                         | 21       | 1,31,466.00          | -            |
| Assigned Compensations                                                    | 22       | 268,76,000.00        | -            |
| Rental Income from Municipal Properties                                   | 23       | 29,95,442.00         | -            |
| Fees and User Charges                                                     | 24       | 24,70,919.00         | -            |
| Revenue Grants, Contributions and Subsidies                               | 25       | 22,74,606.00         | -            |
| Income from Corporation Assets and Investment                             | 26       | 5,13,795.00          | -            |
| Miscellaneous Income                                                      | 27       | 10,28,817.00         | -            |
| <b>Total Income</b>                                                       |          | <b>362,91,045.00</b> | -            |
| <b>EXPENDITURE</b>                                                        |          |                      |              |
| Establishment Expenses                                                    | 28       | 136,37,264.00        | -            |
| General Administrative Expenses                                           | 29       | 14,80,820.85         | -            |
| Decrease in Stores / (Increase in Stock)                                  | -        | -                    | -            |
| Public Works                                                              | 30       | 97,30,521.00         | -            |
| Miscellaneous Expenses                                                    | 31       | 72,312.00            | -            |
| Vojna Expenses                                                            | 32       | 11,44,106.00         | -            |
| Depreciation During the Year                                              | -        | 55,57,939.60         | -            |
| <b>Total Expenditure</b>                                                  |          | <b>316,22,963.45</b> | -            |
| Surplus\ Deficit before adjustment of prior period items and Depreciation | -        | 46,68,081.55         | -            |
| Less; Prior Period Items                                                  | -        | -                    | -            |
| Less: Prior Period adjustment of Depreciation                             | -        | -                    | -            |
| <b>NET SURPLUS\ DEFICIT</b>                                               |          | <b>46,68,081.55</b>  | -            |

Notes to Accounts and Accounting Policies

As per audit report even date

FOR JLN US & CO.

Chartered Accountants

Neeraj Kumar Jain

(Partner)

M.No. 408211



Date : 01/12/2016

Place : Jaipur

*(Signature)*  
Signature of

EO/Commissioner

देवीलाल बोस

अधिराणी अधिकारी

नगर पालिका, रींगस

Signature of

CAO /Sr. AO

(सहकारिणी शाही)

लेखाकार

नगर पालिका, रींगस



**Office of Municipal Board, Reengus**  
Statement of Cash Flow for the FY 2013-14

| S.No      | Particulars                                                                                                                   | Amount               |
|-----------|-------------------------------------------------------------------------------------------------------------------------------|----------------------|
| <b>A.</b> | <b>Cash flow From Operating Activities</b>                                                                                    |                      |
| a.        | Surplus/(Deficit) over expenditure                                                                                            | 46,68,081.55         |
| b.        | Add : Non Cash Items Debited in Income & Expenditure Account                                                                  | 55,57,939.60         |
|           | Depreciation                                                                                                                  |                      |
|           | Add : Non-operating Items Debited in Income & Expenditure Account                                                             | -                    |
|           | (Less) : Non Cash Items Credited in Income & Expenditure Account                                                              | -                    |
|           | (Less) : Non-operating Items Credited in Income & Expenditure Account                                                         | -                    |
| c.        | Adjusted income over expenditure before effecting changes in current assets and current liabilities and extra ordinary items. | 9,81,288.00          |
| d.        | Changes in current assets and current liabilities                                                                             | 92,44,733.15         |
|           | (Less) : (Increase) / decrease in other current assets                                                                        | -                    |
|           | Add : (Decrease)/ increase in Statutory Liabilities                                                                           | 2,55,475.00          |
|           | Add : (Decrease)/ increase in Provisions                                                                                      |                      |
|           | Add : (Decrease)/ increase in Deposits received                                                                               | 13,78,478.00         |
|           | (Less) : (Decrease)/ increase in other current liabilities                                                                    | 3,34,436.00          |
|           | <b>Net cash generated from/ (used in) operating activities (A)</b>                                                            | <b>112,13,122.15</b> |





As per audit report even date  
FOR JLN US & CO.  
Chartered Accountants  
Neeraj Kumar Jain  
(Partner)  
M.No. 408211  
Date : 01/12/2016  
Place : Jaipur



Signature of  
EO/Commissioner  
अधिकांश अधिकारी  
जागरण, धारा

Signature of  
CAO/Sr. AO  
(जागरण धारा)  
अधिकारी  
जागरण, धारा

Notes to Accounts and Accounting Policies

| B. | Cash flows from investing activities |                                                    | C.                       | Cash flows from financing activities                        |                                      | D.                  | Net increase/ (decrease) in cash and cash equivalents (A + B + C) |                                                            | E. | Change in Cash and Cash Equivalents              |                                            |
|----|--------------------------------------|----------------------------------------------------|--------------------------|-------------------------------------------------------------|--------------------------------------|---------------------|-------------------------------------------------------------------|------------------------------------------------------------|----|--------------------------------------------------|--------------------------------------------|
|    | a.                                   | b.                                                 | c.                       | a.                                                          | b.                                   | c.                  | a.                                                                | b.                                                         |    | a.                                               | b.                                         |
|    | (Purchase) of fixed assets & CWIP    | (Increase) / Decrease in General funds investments | Interest income received | Net cash generated from/ (used in) investing activities (B) | Grants received for specific purpose | Reserve and Surplus | Emarked Fund                                                      | Net cash generated from (used in) financing activities (C) |    | Cash and cash equivalents at beginning of period | Cash and cash equivalents at end of period |
|    | (211,24,191.00)                      | (208,53,595.00)                                    | 9,81,288.00              | (409,96,498.00)                                             | (22,69,253.00)                       | 162,89,147.00       | (7,333.00)                                                        | 140,12,561.00                                              |    | 407,16,827.91                                    | 249,46,013.06                              |
|    |                                      |                                                    |                          |                                                             |                                      |                     |                                                                   |                                                            |    | (157,70,814.85)                                  | (157,70,814.85)                            |



| PARTICULARS                             |  | 2013-14<br>(Amount Rs.) | 2012-13<br>(Amount Rs.) |
|-----------------------------------------|--|-------------------------|-------------------------|
| <b>Schedule-1</b>                       |  |                         |                         |
| MUNICIPAL (GENERAL) FUND                |  |                         |                         |
| Opening balance                         |  |                         |                         |
| Add :- Addition during the year         |  |                         |                         |
| Less:- Deduction during the year        |  |                         |                         |
| <b>Schedule-2</b>                       |  |                         |                         |
| <b>TOTAL</b>                            |  |                         |                         |
| EARMARKED FUND                          |  |                         |                         |
| Earmarked Fund- Gratuity                |  |                         |                         |
| Earmarked Fund - Pf                     |  |                         |                         |
| <b>Schedule-3</b>                       |  |                         |                         |
| <b>TOTAL</b>                            |  |                         |                         |
| RESERVE & SURPLUS                       |  |                         |                         |
| Opening balance (Capital Contribution)  |  |                         |                         |
| Add :- Addition during the Year         |  |                         |                         |
| Less :- Withdrawal during the Year      |  |                         |                         |
| <b>Schedule-4</b>                       |  |                         |                         |
| <b>TOTAL</b>                            |  |                         |                         |
| GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE |  |                         |                         |
| 12th 13th 14th Vith Aayog Anudaan       |  |                         |                         |
| I.D.S.M.T. Yojna                        |  |                         |                         |
| Jansahbhagita Yojna                     |  |                         |                         |
| Mila Fund (Vidhayak Kosh)               |  |                         |                         |
| BPL Aawas Yojna                         |  |                         |                         |
| Rajya Vith Aayog Se Vikas Karya Anudaan |  |                         |                         |
| Sjry Yojna                              |  |                         |                         |
| Scholarship                             |  |                         |                         |
| Jangama Anudaan                         |  |                         |                         |
| <b>Schedule-5</b>                       |  |                         |                         |
| <b>TOTAL</b>                            |  |                         |                         |
| SECURED LOANS                           |  |                         |                         |
| <b>Schedule-6</b>                       |  |                         |                         |
| <b>TOTAL</b>                            |  |                         |                         |

Schedule forming part of Balance Sheet of Nagar Palika, Reengus Rajasthan  
As at 31-03-2014





|                              |               |               |
|------------------------------|---------------|---------------|
| UNSECURED LOAN               | -             | -             |
| <b>Schedule- 7</b>           |               |               |
| <b>TOTAL</b>                 | -             | -             |
| SUNDRY DEPOSITS              |               |               |
| Security Deposits            | 45,83,003.00  | 38,49,288.00  |
| EMD                          | 28,22,067.00  | 21,77,304.00  |
| Deduction by Officers        | -             | -             |
| <b>Schedule- 8</b>           |               |               |
| <b>TOTAL</b>                 | 74,05,070.00  | 60,26,592.00  |
| SUNDARY CREDITORS            |               |               |
| Creditors against Supplier   | -             | -             |
| Creditors against Contractor | -             | -             |
| <b>Schedule- 9</b>           |               |               |
| <b>TOTAL</b>                 | -             | -             |
| STATUTORY LIABILITIES        |               |               |
| Income tax Deducted          | 85,584.00     | 47,594.00     |
| Vat and Sales Tax            | 1,33,879.00   | 67,648.00     |
| Welfare Upkar                | 1,23,656.00   | -             |
| Net Salary Payable           | 7,587.00      | 5,301.00      |
| Post Office LIC              | 25,296.00     | 6,324.00      |
| Gratuity                     | 37,636.00     | 38,799.00     |
| Pension Payable              | 77,823.00     | 65,613.00     |
| Providend Fund Payable       | -3,373.00     | 1,334.00      |
| <b>Schedule- 10</b>          |               |               |
| <b>TOTAL</b>                 | 4,88,088.00   | 2,32,613.00   |
| OTHER LIABILITIES            |               |               |
| Royalty                      | 5,89,826.00   | 2,95,065.00   |
| <b>Schedule- 11</b>          |               |               |
| <b>TOTAL</b>                 | 5,89,826.00   | 2,95,065.00   |
| PROVISIONS                   | -             | -             |
| Audit Fees Payable           | 39,675.00     | -             |
| Accounting Fees Payable      | -             | -             |
| <b>Schedule- 12</b>          |               |               |
| <b>TOTAL</b>                 | 39,675.00     | -             |
| GROSS BLOCK                  |               |               |
| Immovable Assets             |               |               |
| Building                     | 86,94,000.00  | 86,94,000.00  |
| Land                         | 24,66,568.00  | 24,66,568.00  |
| <b>TOTAL</b>                 | 111,60,568.00 | 111,60,568.00 |





|                                             |                      |                      |
|---------------------------------------------|----------------------|----------------------|
| Infrastructure Assets                       |                      |                      |
| Roads & Bridge                              | 207,54,955.00        | 59,27,767.00         |
| Building-Others                             | 14,75,000.00         | 14,75,000.00         |
| Sewerage and Drainage                       | -                    | -                    |
| <b>TOTAL</b>                                | <b>222,29,955.00</b> | <b>74,02,767.00</b>  |
| Movable Assets                              |                      |                      |
| Furniture, Fix., Fitting, & Ele. Appli.     | 75,140.00            | 75,140.00            |
| Other Fixed Assets                          | 145,45,356.00        | 104,55,340.00        |
| Office & Other Equipments                   | 12,37,006.00         | 8,02,011.00          |
| Public Lighting                             | 3,03,936.00          | 3,03,936.00          |
| Computer                                    | 34,150.00            | 34,150.00            |
| Vehicles                                    | 44,47,873.00         | 44,47,873.00         |
| Waterways                                   | 51,41,028.00         | 33,69,036.00         |
| Stores Item                                 | -                    | -                    |
| <b>TOTAL</b>                                | <b>257,84,489.00</b> | <b>194,87,486.00</b> |
| <b>GRAND TOTAL</b>                          | <b>591,75,012.00</b> | <b>380,50,821.00</b> |
| <b>Schedule-13</b>                          |                      |                      |
| DEPRECIATION FUND                           |                      |                      |
| Opening Balance                             | 38,53,191.30         | -                    |
| Add:- Depreciation provided during the year | 55,57,939.60         | 38,53,191.30         |
| <b>TOTAL</b>                                | <b>94,11,130.90</b>  | <b>38,53,191.30</b>  |
| <b>Schedule- 14</b>                         |                      |                      |
| CAPITAL WORK IN PROGRESS                    | -                    | -                    |
| <b>TOTAL</b>                                |                      |                      |
| <b>Schedule- 15</b>                         |                      |                      |
| Specific Fund Investments                   |                      |                      |
| Pd A/c 8338-58 PF                           | 54,42,109.00         | 61,56,123.00         |
| Pd A/c8338-65 (2848) Gratuity               | 31,36,494.00         | 24,29,813.00         |
| <b>TOTAL</b>                                | <b>85,78,603.00</b>  | <b>85,85,936.00</b>  |
| <b>Schedule- 16</b>                         |                      |                      |
| General Fund Investments                    |                      |                      |
| PD A/C                                      | 442,72,675.00        | 234,11,747.00        |
| <b>TOTAL</b>                                | <b>442,72,675.00</b> | <b>234,11,747.00</b> |
| <b>Schedule - 17</b>                        |                      |                      |
| Stock others                                | -                    | -                    |
| <b>TOTAL</b>                                | <b>-</b>             | <b>-</b>             |
| <b>Schedule- 18</b>                         |                      |                      |
| SUNDRY DEBTORS / RECEIVABLES                | -                    | -                    |
| <b>TOTAL</b>                                | <b>-</b>             | <b>-</b>             |





|                                                   |               |                      |
|---------------------------------------------------|---------------|----------------------|
| <b>Schedule- 19</b>                               |               |                      |
| <b>CASH &amp; BANK BALANCES</b>                   |               |                      |
| Cash in Hand                                      | 34,192.00     | 1,02,299.00          |
| Bank Balance                                      | 249,11,821.06 | 406,14,528.91        |
| <b>Schedule- 20</b>                               | <b>TOTAL</b>  | <b>249,46,013.06</b> |
| <b>LOANS, ADVANCES &amp; DEPOSITS</b>             |               |                      |
| Advances to Other                                 | 70,876.00     | 70,876.00            |
| <b>Schedule – 21</b>                              | <b>TOTAL</b>  | <b>70,876.00</b>     |
| <b>INCOME FROM TAXES</b>                          |               |                      |
| House tax                                         | 1,31,466.00   |                      |
| Urban Development Tax                             | -             | -                    |
| <b>Schedule – 22</b>                              | <b>TOTAL</b>  | <b>1,31,466.00</b>   |
| <b>ASSIGNED COMPENSATION</b>                      |               |                      |
| Compensations in lieu of taxes                    | 268,76,000.00 | -                    |
| Entertainment tax compensation                    | -             | -                    |
| <b>Schedule - 23</b>                              | <b>TOTAL</b>  | <b>268,76,000.00</b> |
| <b>RENTAL INCOME FROM MUNICIPAL PROPERTIES</b>    |               |                      |
| Other Rent                                        | 29,95,442.00  |                      |
| Rent From Public Facility                         | -             | -                    |
| Rent From Office Building                         | -             | -                    |
| <b>Schedule - 24</b>                              | <b>TOTAL</b>  | <b>29,95,442.00</b>  |
| <b>FEES AND USER CHARGES</b>                      |               |                      |
| Anugyapti Fees                                    | -             | -                    |
| Certificate and Pratilipi                         | 17,376.00     | -                    |
| Consumer Charges                                  | 4,49,000.00   | -                    |
| Listing and Registration Charges (Licencing Fees) | 57,655.00     | -                    |
| Niyaman Fees                                      | 17,33,420.00  | -                    |
| Other Fees                                        | 36,600.00     | -                    |
| Penalty and Fines                                 | 1,11,649.00   | -                    |
| Permit Fees                                       | 44,619.00     | -                    |
| Service and Administration Fees                   | 20,600.00     | -                    |
| <b>Schedule - 25</b>                              | <b>TOTAL</b>  | <b>24,70,919.00</b>  |
| <b>REVENUE GRANT, CONTRIBUTION, SUBSIDIES</b>     |               |                      |





|                                    |               |                      |
|------------------------------------|---------------|----------------------|
| Annual Aid by Govt.                |               |                      |
| Revenue Grant- Sjsry               | 1,32,850.00   | -                    |
| Revenue Grant- Tfc                 | 15,60,000.00  | -                    |
| Revenue Grant - Scholarship        | 2,49,600.00   | -                    |
| Revenue Grant- Census              | 3,21,156.00   | -                    |
| Revenue Grant of Survey            | 11,000.00     | -                    |
| <b>Schedule - 26</b>               | <b>TOTAL</b>  | <b>22,74,606.00</b>  |
| INCOME FROM CORP. ASSET            | -             | -                    |
| Interest on Corporation Investment | -             | -                    |
| Sale of Form and Format 150-11     | 66,370.00     | -                    |
| Sale Contract of Dead Animal       | 31,800.00     | -                    |
| Sale of Products                   | 4,15,625.00   | -                    |
| <b>Schedule - 27</b>               | <b>TOTAL</b>  | <b>5,13,795.00</b>   |
| MISCELLANEOUS OR INTEREST INCOME   |               |                      |
| Interest From Bank A/c             | 8,33,687.00   | -                    |
| Misc. Income                       | 47,529.00     | -                    |
| Intrest-others                     | 1,47,601.00   | -                    |
| <b>Schedule - 28</b>               | <b>TOTAL</b>  | <b>10,28,817.00</b>  |
| ESTABLISHMENT EXP.                 |               |                      |
| Salary, Wages and Bonus            | 132,04,311.00 | -                    |
| Other Allowances                   | 4,32,953.00   | -                    |
| <b>Schedule - 29</b>               | <b>TOTAL</b>  | <b>136,37,264.00</b> |
| GENERAL ADMINISTRATION EXP.        |               |                      |
| Advertisement & Publicity          | 5,02,843.00   | -                    |
| Legal Expenses                     | 69,965.00     | -                    |
| Office Maintenance                 | 42,200.00     | -                    |
| Other (Admini. Exp.)               | 5,95,152.00   | -                    |
| Printing & Stationery              | 31,449.00     | -                    |
| Professional & Other Fees          | 1,27,675.00   | -                    |
| Travelling & Conveyance            | 43,820.00     | -                    |
| Interest and Financial Expenses    | 316.85        | -                    |
| Telephone Expenses                 | 19,324.00     | -                    |
| Water Expenses                     | 48,076.00     | -                    |



|                                                  |                     |                     |   |
|--------------------------------------------------|---------------------|---------------------|---|
| <b>Schedule -30</b>                              | <b>TOTAL</b>        | <b>14,80,820.85</b> | - |
| <b>OPERATING &amp; OPERATIONAL EXPENSES</b>      |                     |                     |   |
| (PUBLIC WORKS)                                   |                     |                     |   |
| Fuel, Petrol & Diesel                            | 1,07,319.00         | -                   | - |
| Repairing and Under Construction Fixed Assets    | 9,32,913.00         | -                   | - |
| Electricity (Bulk. Pur.)                         | 87,610.00           | -                   | - |
| Other Operating and Operational Expenses         | 1,42,000.00         | -                   | - |
| Repair and Maintenance of Public Assets Expenses | 75,84,213.00        | -                   | - |
| Repair and Maintenance-Vehicle                   | 1,049.00            | -                   | - |
| Repair and Maintenance Parks                     | 63,050.00           | -                   | - |
| Expenditure of Safai                             | 8,12,367.00         | -                   | - |
| <b>Schedule -31</b>                              | <b>TOTAL</b>        | <b>97,30,521.00</b> | - |
| <b>MISCELLANEOUS EXPENSES</b>                    |                     |                     |   |
| Own Programme Exps.                              | -                   | -                   | - |
| Other program exp.                               | 72,312.00           | -                   | - |
| Meeting Exps.                                    | -                   | -                   | - |
| <b>Schedule -32</b>                              | <b>TOTAL</b>        | <b>72,312.00</b>    | - |
| <b>Yojna Expenses</b>                            |                     |                     |   |
| Scholarship Expense                              | 2,49,600.00         | -                   | - |
| Sjary Exp.                                       | 1,32,850.00         | -                   | - |
| BPL Aawas Exp.                                   | 4,40,500.00         | -                   | - |
| Janagarna Exp.                                   | 3,21,156.00         | -                   | - |
| <b>TOTAL</b>                                     | <b>11,44,106.00</b> | -                   | - |

Notes to Accounts and Accounting Policies

As per audit report even date

FOR JLN US & CO.

Chartered Accountants



Neeraj Kumar Jain

(Partner)

M.No. 408211

Date : 01/12/2016

Place : Jaipur



Signature of  
EO/Commissioner  
देवीशर्मा शर्मा  
अधिकांशी अधिकारी  
शहर पालिका, जयपुर



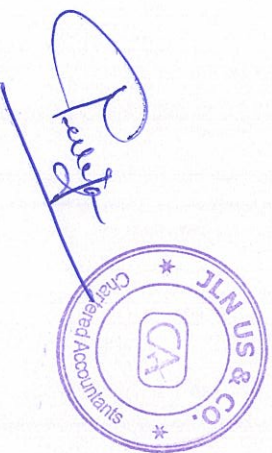
Signature of  
CAO/Sr. AO  
(राजपाल शाही)  
लेखाकार  
शहर पालिका, जयपुर





# Fixed Assets and Depreciation chart for the FY 2013-14

| Particulars               | Gross Block |               |               |          | Accumulated Depreciation Block |            |            |          |            |             |
|---------------------------|-------------|---------------|---------------|----------|--------------------------------|------------|------------|----------|------------|-------------|
|                           | Opening     | Addition <180 | Addition >180 | Deletion | Closing                        | Opening    | Addition   | Deletion | Closing    | Closing WDV |
| Buildings                 | 8694000.00  | 0.00          | 0.00          | 0.00     | 8694000.00                     | 869400.00  | 869400.00  | 0.00     | 1738800.00 | 6955200.00  |
| Electric equipment        | 802011.00   | 201170.00     | 233825.00     | 0.00     | 1237006.00                     | 120301.65  | 170463.15  | 0.00     | 290764.80  | 946241.20   |
| Furniture                 | 75140.00    | 0.00          | 0.00          | 0.00     | 75140.00                       | 7514.00    | 7514.00    | 0.00     | 15028.00   | 60112.00    |
| Land                      | 2466568.00  | 0.00          | 0.00          | 0.00     | 2466568.00                     | 0.00       | 0.00       | 0.00     | 0.00       | 2466568.00  |
| Public Electric Equipment | 303936.00   | 0.00          | 0.00          | 0.00     | 303936.00                      | 45590.40   | 45590.40   | 0.00     | 91180.80   | 212755.20   |
| Public Complex            | 1475000.00  | 0.00          | 0.00          | 0.00     | 1475000.00                     | 147500.00  | 147500.00  | 0.00     | 295000.00  | 1180000.00  |
| Roads & bridge            | 5927767.00  | 9580079.00    | 5247109.00    | 0.00     | 20754955.00                    | 592776.70  | 1813140.05 | 0.00     | 2405916.75 | 18349038.25 |
| Vehicles                  | 4447873.00  | 0.00          | 0.00          | 0.00     | 4447873.00                     | 667180.95  | 667180.95  | 0.00     | 1334361.90 | 3113511.10  |
| Waterways                 | 3369036.00  | 1270578.00    | 501414.00     | 0.00     | 5141028.00                     | 336903.60  | 450573.90  | 0.00     | 787477.50  | 4353550.50  |
| Computer                  | 34150.00    | 0.00          | 0.00          | 0.00     | 34150.00                       | 20490.00   | 13660.00   | 0.00     | 34150.00   | 0.00        |
| Other construction        | 10455340.00 | 1632369.00    | 2457647.00    | 0.00     | 14545356.00                    | 1045534.00 | 1372917.15 | 0.00     | 2418451.15 | 12126904.85 |
| Total                     | 38050821.00 | 12684196.00   | 8439995.00    | 0.00     | 59175012.00                    | 3853191.30 | 5557939.60 | 0.00     | 9411130.90 | 49763881.10 |







## **Matters to be reported by the financial statements auditor**

| <b>S.No.</b> | <b>Additional Matters</b>                                                                                                                                                                                                                                                                                                                                                               | <b>Audit Observation</b> |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| 1            | Whether all sums due to and received by the Municipality have been brought to account and have been appropriately classified; and<br>Major issue identified in the accounting system and any discrepancies identified.                                                                                                                                                                  | Annexure-1               |
| 2            | Whether all grants sanctioned or received by the Municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the Municipality whether such deductions have been properly accounted;                                                                                                                              | Annexure-2               |
| 3            | Whether any Earmarked Funds have been created as per the provision of any statute and, if so, whether such Earmarked Funds have been utilized for the purposes for which they were created;                                                                                                                                                                                             | Annexure-3               |
| 4            | Whether the Municipality is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account; | Annexure-4               |
| 5            | Whether in case of leasehold property given by the municipality, whether lease rentals are collected regularly by the Municipality and that the lease agreements                                                                                                                                                                                                                        | Annexure-5               |





|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |             |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
|    | are renewed after their expiry;                                                                                                                                                                                                                                                                                                                                                                                                                                    |             |
| 6  | Whether physical verification has been conducted by the Municipality at reasonable intervals in respect of stores; verification of stores followed by the Municipality are reasonable and adequate if not, state the inadequacies in such procedures;<br>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 there for                                                                                                                                                                                                                                                                                | Annexure-10 |
| 11 | Whether the Municipality is regular in depositing statutory dues including tax                                                                                                                                                                                                                                                                                                                                                                                     | Annexure-11 |





|    |                                                                                                                                                                                                                                                                              |             |  |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--|
|    | 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;                                                                                                           |             |  |
| 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 |  |





- Jan Sahbhagita Yojna
- BPL HOUSING PLAN
- Jangarna Anudan

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

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-2**

4. Payment made on 20/11/13 to Nand Kishore/ Pradeep Kumar but no supporting document was attached. (Amount RS 12025/-)
3. Payment made of RS. 6750/- to Parshad's but voucher was not attached dated 11-9-13
2. Statement of Outstanding liabilities in the Form GEN-28 is not prepared. Therefore the double entry accounting has no conformity with Accrual Concept.
1. There were neither Urban Development Tax assessment nor other revenue assessment during the FY 2013-14. Therefore no tax or revenue income has been accrued for the FY 2013-14 at end of Financial Year.

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.

#### **Annexure-1**





Format. Physical verification of fixed assets has been carried by the ULB on regular basis. No material discrepancies were noticed on such verification.

**Comment:** The ULB is maintaining the register of Fixed assets but not as per format specified in the Form GEN-30 and GEN-31. It has been suggested to ULB that the ULB should prepared Fixed Assets Register in the prescribed

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**

**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.

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**

- SJSRY YOJANA
- PANNADHAY SCHOLARSHIP
- MLA FUND
- Swachh Bharat Grant





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

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

same have been properly dealt with in the books of account;  
Whether any material discrepancies have been noticed on physical  
verification of stores as compared to stores records, and if so, whether the  
adequate if not, state the inadequacies in such procedures;  
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

#### **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;

**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.

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**





| Subject<br>Matters<br>of<br>Internal<br>Controls | INTERNAL CONTROL                                                                                                                                                                                                                     | AUDITORS COMMENT                                                                                                                      |
|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Stores                                           | The Head of the Accounts Department shall ensure budget availability with respect to the expenditure incurred at the time of accruing of the expenditure i.e. Budget monitoring shall be on accrual basis rather than payment basis. | Yes, The Head of Accounts department ensures the budget availability. But budget monitoring is based on Payment not on accrual basis. |

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

#### Annexure-9

Whether advances given to municipal employees and interest thereon are being regularly recovered;  
**Comment:** Loans and advances were given to municipal employees for the expenditure on behalf of ULB during the year but no adjustment of such advances in stipulated time period. Also interest was not charged on such advances.

#### Annexure-8

Whether the parties to whom loans or advances have been given by the Municipality are repaying the principal amounts as stipulated and are also regular in payment of the interest and if not, whether reasonable steps have been taken by the Municipality for recovery of the principal and interest;  
**Comment:** Loans and advances were given to Others for the expenditure on behalf of ULB during the year but no adjustment of such advances in stipulated time period. Also interest was not charged on such advances.

#### Annexure-7





|                                                                                   |                                                                                                                                               |                                               |                                                                                                                                                                                                                                                                                                                                                |                                                                        |                                                                                                                                                                                          |                                    |                                                                                                                                                                             |                                      |                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>No Such procedure exists.</p>                                                  | <p>The Head of the Accounts Department shall ensure that all the purchase bills/invoices were journalized before release of the payments.</p> | <p>No such procedure followed by the ULB.</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>The Store-in-charge has no such procedure of budget allocation.</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>No Internal Control exists.</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>Yes, 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,</p> |
| <p>ULB does not make payment to suppliers before materials actually received.</p> |                                                                                                                                               |                                               |                                                                                                                                                                                                                                                                                                                                                |                                                                        |                                                                                                                                                                                          |                                    |                                                                                                                                                                             |                                      |                                                                                                                                                                                                                                                                                    |





|  |                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                    |
|--|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>as may be applicable to the materials actually received or accepted.</p> | <p>Before releasing payment to the supplier, the Head of the Accounts Department shall ensure that the material received is recorded in the Stores Ledger. Further, it shall be ensured that the Payment Order provides reference to the Stores Ledger where the entry for receipt of material is recorded. In addition, at the time of payment to Suppliers/contractors and any other creditors it shall be ensured that no amount is due from them, which may be adjusted before payment.</p> | <p>The Head of accounts department verify the store register maintained by the Store-in-charge only. No other steps have been taken for checking of whether Material Physically received or not.</p> | <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). 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 Accounts department does not follows this procedure.</p> |
|--|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|





| Employee Related Transactions                                                 |                                                                                                                                                                                                                |                                                                                                                                  |                                                                                                                                                  |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| basis of Statement of Closing Stock in Form ST -3) and consumption of stores. | 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. | Separate Pay Bills shall be prepared by each DDO and Head of department or other officer of the LB designated by him.            | Consolidation of Pay Bills of DDO shall be made Department wise and Department bills are consolidated for ascertainment of LB level information. |
|                                                                               | Accounts department Does not follows this procedure.                                                                                                                                                           | Yes, Separate pay bill has been prepared for each DDO.                                                                           | Yes, Consolidation of Pay Bills of DDO has been made Department wise                                                                             |
|                                                                               |                                                                                                                                                                                                                | Yes, Consolidated pay bill summary shall be checked with previous month for ensuring all DDO and departments bills are included. | Yes, Consolidated pay bill summary has been checked with previous month.                                                                         |





|                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <p>Reconciliation statement has not been prepared.</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, Proper System exists.</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>The ULB has not prepared Functional Expenses Subsidiary Ledger and Reconciliation Statement thereof.</p> | <p>Every month, the Head of the Accounts Department or other officers of the LB designated by him or other officer of LB designated by the Head of the Department shall verify that Provident Fund and Pension Fund contribution deducted for the employees on deputation have been deposited with the concerned authorities.</p>                                                                                                          |  |
| <p>The ULB has not prepared Functional Expenses Subsidiary Ledger and Reconciliation Statement thereof.</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> |  |





| <b>Other Revenue Expenditures</b> | <p>The Head of the Accounts Department shall ensure budget availability with respect to the expenditure incurred at the time of accruing of the expenditure.</p>                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>Yes, Accounts department ensures the budget availability for the expenditure</p> |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|                                   | <p>The Head of the Accounts Department or other officer of LB designated by the Head of the Department shall ensure that whenever the entries in para 11.7 (b) are passed, the equivalent amount of money in respect of deduction of provident fund contribution is simultaneously transferred from the Main Bank Account to the Provident Fund Bank Account.</p>                                                                                                                                                                                                                | <p>Yes, HOD of Accounts verifies this.</p>                                          |
|                                   | <p>At every year-end, the Head of the Accounts Department or other officers of the LB designated by him or other officer of LB designated by the Head of the Department shall verify whether interest received or receivable on the provident fund investment is less than the statutory liability for interest payment to employees on their balance in the provident fund reserve account, and if so, ensure that the difference of interest payable is provided for and to that extent amount has been transferred from Main Bank Account to Provident Fund Bank Account.</p> | <p>PD Accounts of provident fund has been maintained.</p>                           |





|                                                              |                                                         |                                                                                 |                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                      |
|--------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| <p>No bills/Invoices are journalized before the payment.</p> | <p>Yes, Payment orders are by proper authorization.</p> | <p>Yes, HOD of accounts check the relevant supporting to the Payment order.</p> | <p>Yes, There is system of classification on payment vouchers.</p> | <p>The Head of the Accounts Department shall ensure that all the bills/invoices were journalised before release of the payments</p> <p>The Head of the Accounts Department shall ensure proper authorisation of Payment Order as per the authorities delegated by the LB.</p> <p>The Head of the Accounts Department shall ensure that the relevant supporting documents are annexed to the Payment Order submitted by the Department.</p> <p>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.</p> <p>On a quarterly basis, and, also in between, on a random basis, the Head of the Accounts Department shall conduct physical verification of cash in hand held at the various departments and tally it with the departmental records maintained there and thereafter with the Register of Advances (Form GEN-16) maintained at the Accounts Department.</p> | <p>Yes, Accounts department take the Physical Verification of cash time to time.</p> |
|--------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|





| 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 budget allocation before purchasing any new fixed asset.                                                                                                                                                                                                                                                                                                                                                | Yes at the Time of Award of contract concerned department ensure the budget availability. |
|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
|              | <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>                          |
|              | <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 HOD of Accounts department has a system of physical verification of fixed assets at least once in the year.</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>No, Such Procedure does not exist.</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>Yes, Such Procedure exist.</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> |  |





| Subject<br>Matters<br>of<br>Internal<br>Controls | INTERNAL CONTROL                                                                                                                                                                                                                                                                                                                                                              | Public<br>Works                                                                                                                                                                                                    |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                  | <p>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</p> | <p>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.</p> |
|                                                  | AUDITORS COMMENT                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                    |

**Annexure-10**

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

|  |                                                                                                                                                                                                                                                                                    |                                        |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
|  | <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> |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|





|                                                                              |                                                                                                       |                                                                                                   |                                                                                                                                                                               |                                                       |                                                                                                                                                                                                                                                                                       |                                                  |                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Yes the Accounts department has classified the nature of expenditure.</p> | <p>No Reconciliation statement has been prepared by the Public department or accounts department.</p> | <p>A distinction should be maintained between the works of capital nature and revenue nature.</p> | <p>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.</p> | <p>No Reconciliation statement has been prepared.</p> | <p>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.</p> | <p>No Such type procedure has been followed.</p> | <p>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.</p> |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|





|                                                                                                      |                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                        |                                                                        |
|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| <p>Yes, There is proper system for payment of Statutory dues.</p>                                    | <p>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.</p> | <p>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.</p> | <p>Ensure budget availability at the time of approval of the bill.</p> |
| <p>No Functional expenses ledger and Subsidiary ledger prepared.</p>                                 | <p>Yes, Chief of Accounts Department ensure the Budget availability on the Time of payment.</p>                                                                                                                                        | <p>Ensure that all the dues, including liquidated damages/penalties, are recovered from the contractor before making the final payment in respect of any contract.</p>                                                                                                                 |                                                                        |
| <p>Yes, Performance quality team reviews the works done by the Contractors before final payment.</p> | <p>Accounts Accordingly</p>                                                                                                                                                                                                            | <p>department</p>                                                                                                                                                                                                                                                                      |                                                                        |





|                                     |                                                                                                          |                                                                                                    |                                                                                                                                                                            |
|-------------------------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| recovered the penalties or damages. | 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. | 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. |
|                                     | Ensure that no amount is due from suppliers/contractors, which may be otherwise adjusted before payment. |                                                                                                    | No Such procedure followed by Accounts department.                                                                                                                         |





**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.

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

## Annexure-12

| S. No | Head of Expenditure | Name of deductee | Date of payment | Nature     | Section/Rate of deduction | Amount | Amount of deduction |
|-------|---------------------|------------------|-----------------|------------|---------------------------|--------|---------------------|
| 1.    | Advertisement Exp.  | ---              | 2013-14         | Income Tax | 194C @2%                  | 502843 | 10056.83            |
| 2.    | Legal Fees          | ---              | 2013-14         | Income Tax | 194J @10%                 | 69965  | 6997                |

## I CASES OF NON-DEDUCTION OF TAX AT SOURCE/ LABOUR/ SALES TAX/PKK

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

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



### Annexure-13

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

| S.N | Name of Record/ Register | Requirements                                                                                                                                                                                                                                                                                                                                                               | No of Form | Auditors Comments                                                                                                                                            |
|-----|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     | <b>Cash Book</b>         | The Cash Book has two sides, viz., "Receipt" and "Payment". All collections on behalf of the LBS shall be recorded on the "Receipt" side and all payments shall be recorded on the "Payment" side                                                                                                                                                                          | GEN-1      | Yes, Properly maintained by the ULB.                                                                                                                         |
|     | <b>Journal Book</b>      | A non-cash/bank transaction is first recorded in the Journal Book by dividing into its debit and credit aspects, from which a posting is done in the relevant ledger account. Recording of income in respect of Taxes Bills raised, recording of liability on receipt of suppliers' bills are examples of transactions, which shall be first recorded in the Journal Book. | GEN-2      | Not Maintained by the ULB based on day to day transaction. In the Double entry Accounting a non-cash/bank transaction is first recorded in the Journal Book. |
|     | <b>Ledgers</b>           | Ledgers shall be the book that shall contain all the accounts as specified in the Chart of Accounts. The Ledger has two columns, viz, "Debit" (Dr.) and                                                                                                                                                                                                                    | GEN-3      | Maintained by the accounts department. In double entry system Ledgers are maintained.                                                                        |







| S.N<br>Record/<br>Register | Name of                                  | Requirements                                                                                                                                                                                                         | No<br>of<br>Form<br>s | Auditors<br>Comments                                            |
|----------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------|
|                            | <b>Cash/Bank<br/>Receipt<br/>Voucher</b> | The Cash Receipt Voucher shall be prepared for receipts in cash and the Bank Receipt Voucher for receipts by cheques, demand drafts, banker's cheques, etc., which need to be deposited in the bank for realisation. | GEN-4A & 4B           | Cash receipt and Bank receipt voucher have been prepared.       |
|                            | <b>Cash/Bank<br/>Payment<br/>Voucher</b> | Cash/Bank Payment Voucher shall be the document prepared for recording payment entries in the Cash Book/Bank Book                                                                                                    | GEN-5A & 5B           | Cash/Bank Payment Vouchers have been prepared                   |
|                            | <b>Contra<br/>Voucher</b>                | Contra Voucher shall be a document for depositing into or withdrawing cash from bank or transferring amount from one bank to another                                                                                 | GEN-6                 | No Contra Voucher has been prepared by ULB.                     |
|                            | <b>Journal<br/>Voucher</b>               | Journal Voucher shall be the document prepared for recording entries in the Journal Book                                                                                                                             | GEN-7                 | No Physical Journal Voucher prepared by ULB.                    |
|                            | <b>Receipt</b>                           | For receipt of cash or any amount received in the form of cheques/draft, Receipt, duly signed and dated shall be issued in Form GEN-8                                                                                | GEN-8                 | Yes ULB has been issued a receipt for any cash or Bank receipt. |
|                            | <b>Receipt<br/>Register</b>              | All cheques/drafts received shall be recorded in a Receipt                                                                                                                                                           | GEN-9                 | No, Such register maintained.                                   |





| S.N<br>Record/<br>Register | Name of                                        | Requirements                                                                                                                                                                                                                                                                                                                                                                        | No<br>of<br>Form<br>s | Auditors<br>Comments                   |
|----------------------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------|
|                            |                                                | Register, maintained in Form GEN-9                                                                                                                                                                                                                                                                                                                                                  |                       |                                        |
|                            | <b>Statement on Status of Cheques Received</b> | The details should be intimated to the Accounts Department by the Collection Office/Centre who have actually deposited the cheques and co-ordinating with the bank, through a Statement on Status of Cheques Received, prepared in Form GEN-10. Based on the Statement on Status of Cheques Received the Accounts Department shall reverse the entry passed                         | GEN-10                | No, Such register maintained           |
|                            | <b>Collection Register</b>                     | The Collection register to be maintained in Form GEN-11 will show account head-wise details of the daily collections. This collection register shall be maintained in triplicate where in one copy can be sent to the concerned departments along with one copy of the Bill/Challan collected, if any, one can be sent to the Accounts and other one will be retained as book copy. | GEN-11                | Collection register is not maintained. |
|                            | <b>Summary of</b>                              | Based on the details                                                                                                                                                                                                                                                                                                                                                                | GEN-                  | Summary of                             |





| S.N | Name of Record/ Register             | Requirements                                                                                                                                                                                           | No of Form | Auditors Comments                                |
|-----|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------------------------------------------|
|     | <b>Daily Collection</b>              | from the collection register, the collection offices shall prepare a Summary of Daily Collection in Form GEN-12.                                                                                       | 12         | Daily Collection in Form GEN-12 is not prepared. |
|     | <b>Register of Bills for Payment</b> | The concerned department shall verify the bills/claims received. On satisfactory verification, the bills/claims shall be entered into the Register of Bills for Payment, maintained in Form GEN-13.    | GEN-13     | There is no register maintained.                 |
|     | <b>Payment Order</b>                 | On approval of the payment by the concerned authorities at the respective departments, the department shall forward the bills for preparing a payment order by the concerned Department in Form GEN-14 | GEN-14     | No procedure such followed.                      |
|     | <b>Cheque Issue Register</b>         | 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.                   | GEN-15     | Yes Maintained During the year.                  |





| S.N | Name of Record/<br>Register                   | Requirements                                                                                                                                                           | No of Form s | Auditors Comments                                       |
|-----|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------------------------------------------|
|     |                                               | At period end, the Accounts Department shall review the Cheque Issue Register                                                                                          |              |                                                         |
|     | <b>Register of Advance</b>                    | The details of the advances given shall be recorded in the Register of Advance maintained in Form GEN-16                                                               | GEN-16       | Register of advance is maintained.                      |
|     | <b>Register of Permanent Advance</b>          | The details of the expenditure incurred against the advance shall be recorded in a Register of Permanent Advance maintained at the various departments in Form GEN-17. | GEN-17       | Not maintained.                                         |
|     | <b>Deposit Register</b>                       | Deposits received/paid/deducted shall be recorded by the ULB                                                                                                           | GEN-18       | Yes, ULB has maintained but not in GEN-18.              |
|     | <b>Summary Statement of Deposits Adjusted</b> | Deposit adjusted shall be recorded properly in this Form                                                                                                               | GEN-19       | Maintained but not in GEN-19.                           |
|     | <b>Demand Register</b>                        | Bills raised by the LB for the revenue collection is recorded in the Form GEN-20                                                                                       | GEN-20       | No demand register maintained in the prescribed format. |
|     | <b>Bill for Municipal Dues</b>                | Municipal Dues bill shall be recorded in GEN-21                                                                                                                        | GEN-21       | Not maintained.                                         |
|     | <b>Summary</b>                                | Summary Statement of Bills Raised shall be                                                                                                                             | GEN-22       | No Summary Statement of                                 |





| S.N | Name of Record/ Register                               | Requirements                                                                                                                                                  | No of Form | Auditors Comments                                                                         |
|-----|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------------------------------------------------------------------------------------|
|     | <b>Statement of Bills Raised</b>                       | prepared in form GEN-22                                                                                                                                       |            | Bills Raised has been prepared.                                                           |
|     | <b>Register of Notice Fee, Warrant Fee, Other Fees</b> | Register of Notice Fee, Warrant Fee, Other Fees shall be prepared in Form-23                                                                                  | GEN-23     | Register of Notice Fee, Warrant Fee, Other Fees has been not prepared                     |
|     | <b>Summary of Notice Fee, Warrant Fee, Other Fees</b>  | Summary Statement of Notice Fee, Warrant Fee, Other Fees shall be prepared in the form GEN-24                                                                 | GEN-24     | Summary Statement of Notice Fee, Warrant Fee, Other Fees has been not prepared            |
|     | <b>Register of Refunds, Remissions and Write-offs</b>  | 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 been not prepared.                     |
|     | <b>Summary of Refunds and Remissions</b>               | 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.                         |
|     | <b>Summary of Write-Offs</b>                           | Summary Statement of Write-Offs shall be prepared in the form GEN-27                                                                                          | GEN-27     | No Summary Statement of Write-Offs has been prepared.                                     |
|     | <b>Statement of Outstanding Liability for Expenses</b> | 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 | GEN-28     | Quarterly Statement of Outstanding Liability for Expenses in the form GEN-28 has been not |





| S.N | Name of Record/ Register                                               | Requirements                                                                                                                                                                                                                                                                             | No of Forms | Auditors Comments                                    |
|-----|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------------------------------|
|     |                                                                        | 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 |             | prepared.                                            |
|     | <b>Documents Control Register/Stock Account of Receipt/Cheque Book</b> | Documents Control Register/Stock Account of Receipt/Cheque Book shall be prepared in the Form GEN-29                                                                                                                                                                                     | GEN-29      | Not prepared.                                        |
|     | <b>Register of Immoveable Property</b>                                 | A record shall be maintained for the immoveable fixed assets in the relevant Register of Immoveable Property in Form GEN-30                                                                                                                                                              | GEN-30      | Register of Immoveable Property has been maintained. |
|     | <b>Register of Moveable Property</b>                                   | A record shall be maintained for the moveable fixed assets in the Register of Moveable Property in Form GEN-31.                                                                                                                                                                          | GEN-31      | Register of Moveable Property has been maintained.   |
|     | <b>Register of Land</b>                                                | A record shall be maintained for the land in the Register of land in Form GEN-31.                                                                                                                                                                                                        | GEN-32      | Register of land has been maintained.                |





| S.N | Name of Record/ Register                 | Requirements                                                                                                                                                                                                                                                                                                                                                                      | No of Form | Auditors Comments                                                            |
|-----|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------------------------------------------------------------------------|
|     | Function- Wise Income Subsidiary Ledger  | The 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 not been maintained by the ULB.   |
|     | Function- Wise Expense Subsidiary Ledger | The Department shall maintain separate Subsidiary Ledger for each of the Major expense head in Form GEN - 34. The Subsidiary Ledgers would provide function-wise break-up of above-mentioned expenses incurred by the LBS on a daily basis.                                                                                                                                       | GEN- 34    | Function-wise Expenses Subsidiary Ledger has not been maintained by the ULB. |
|     | Asset Replacement Register               | Asset Replacement Register in Form GEN-35 shall be maintained to record the money set aside and shall be updated for deposits made to Asset                                                                                                                                                                                                                                       | GEN- 35    | Asset Replacement Register has been maintained.                              |





| S.N                                                           | Name of<br>o<br>Record/<br>Register                                                    | Requirements                                                                                                                                                                                                                                                               | No<br>of<br>Form<br>s | Auditors<br>Comments |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
|                                                               |                                                                                        | Replacement<br>Account in respect of<br>annual depreciation<br>provision made during<br>the accounting year                                                                                                                                                                |                       |                      |
|                                                               | Register of<br>Public<br>Lighting<br>System                                            | Register of Public<br>Lighting System shall be<br>maintained in the Form<br>GEN-36                                                                                                                                                                                         | GEN-<br>36            | Not maintained       |
| RECORDS AND DOCUMENT RELATED TO RENTALS, FEES & OTHER INCOMES |                                                                                        |                                                                                                                                                                                                                                                                            |                       |                      |
|                                                               | STATEMENT OF<br>DEMAND<br>RAISED ON<br>ASSESSMENT                                      | The<br>departments<br>shall<br>intimate the Accounts<br>Department of the<br>advance adjusted<br>bills raised through the<br>Summary Statement of<br>Bills Raised (Form OTH<br>- 1)                                                                                        | OTH-<br>1             | Not maintained       |
|                                                               | SUMMARY<br>STATEMENT OF<br>YEAR-WISE<br>HEAD-WISE<br>COLLECTION<br>OF OTHER<br>INCOMES | A Summary Statement<br>of Year-wise/ Head-wise<br>Collection of various<br>other incomes in Form<br>OTH-2 shall be prepared<br>on a monthly basis by<br>the respective<br>departments and sent to<br>the<br>Accounts<br>Department to record<br>the details of collection. | OTH-<br>2             | Not maintained       |
|                                                               | SUMMARY<br>STATEMENT OF<br>REFUNDS                                                     | A Summary Statement<br>of Refunds<br>and                                                                                                                                                                                                                                   | OTH-<br>3             | Not maintained       |





| S.N<br>o<br>Name of<br>Record/<br>Register                               | Requirements                                                                                                                                                                                                                                   | No<br>of<br>Form<br>s | Auditors<br>Comments |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
|                                                                          | 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                                            |                       |                      |
| SUMMARY<br>STATEMENT OF<br>WRITE OFFS                                    | The details of the write off has to be entered in the 'Statement of Write off' by the respective departments in Form OTH - 4. This form has to be prepared on a monthly basis and forwarded to the Accounts Department                         | OTH-4                 | Not maintained       |
| RECORDS AND DOCUMENT RELATED TO PUBLIC WORKS                             |                                                                                                                                                                                                                                                |                       |                      |
| SUMMARY<br>STATEMENT OF<br>CAPITAL WORK-IN-<br>PROGRESS/DEPOSIT<br>WORKS | At period-end, the departments incurring expenditure on capital projects shall submit a Summary Statement of Status on Capital Work-in-Progress in Form PW - 1 detailing total expenditure incurred till date on each of the capital projects. | PW-1                  | Not maintained.      |
| 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                                                                                     | PW-2                  | Not maintained.      |





| S.N                                           | Name of Record/<br>Register   | Requirements                                                                                                                                                                                                                                                                                                                                                                                           | No of Forms | Auditors Comments                                                                                  |
|-----------------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------------------------------------------------------------------------------------------|
|                                               |                               | Register (in form PW - 3).                                                                                                                                                                                                                                                                                                                                                                             |             |                                                                                                    |
|                                               | <b>DEPOSIT WORKS REGISTER</b> | The 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.                                                                                    |
| <b>RECORDS AND DOCUMENT RELATED TO STORES</b> |                               |                                                                                                                                                                                                                                                                                                                                                                                                        |             |                                                                                                    |
|                                               | <b>MATERIAL RECEIPT NOTE</b>  | As per the terms of the agreement with the Supplier, the materials shall be delivered to the LB. The Stores shall prepare a Material Receipt Note in Form ST-1                                                                                                                                                                                                                                         | ST-1        | No Store in-charge prepare a Material Receipt Note in Form ST-1, but maintained in store register. |
|                                               | <b>STORES LEDGER</b>          | From the Material Receipt Note, the Stores shall record the receipt of materials in the Stores Ledger maintained in Form ST-2. If the materials supplied are found to be defective or not in accordance with the terms specified in the agreement, the Stores shall return it back to the supplier concerned and make an entry for return of material in the Issue Column of the relevant folio in the | ST-2        | No Store in-charge prepare a Material Receipt Note in Form ST-2, but maintained in store register. |





| S.N<br>o<br>Name of<br>Record/<br>Register                                                                                  | Requirements                                                                                                                                                                                                                                                                   | No<br>of<br>Form<br>s | Auditors<br>Comments                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------|
| STATEMENT OF<br>CLOSING STOCK<br>AT YEAR END.                                                                               | At the end of every<br>accounting period, the<br>Stores shall send a<br>Statement of Closing<br>Stock in Form ST - 3.<br>The balances in various<br>accounts of the item-<br>wise Stores Ledger shall<br>be extracted and valued<br>as per First In First Out<br>(FIFO) Method | ST-3                  | No Store in-<br>charge prepare a<br>Material Receipt<br>Note in Form ST-<br>3, but<br>maintained in<br>store register. |
| CONSOLIDATED<br>PAY<br>BILL<br>SUMMARY ROLL<br>OF<br>THE<br>PERMANENT/TEM<br>PORARY<br>ESTABLISHMENT<br>OF<br>FOR THE MONTH | Salary pay bill shall be<br>prepared in the Form<br>ES-1                                                                                                                                                                                                                       | ES-1                  | Yes, salary pay<br>bill has been<br>prepared<br>properly.                                                              |
| REGISTER OF<br>EMPLOYEE<br>LOANS/<br>ADVANCES                                                                               | On payment of loans<br>and advances by the LB,<br>the Register of<br>Employee Loans /<br>Advances (Form ES-2)<br>shall be updated by the<br>Accounts Department.<br>These registers shall be<br>maintained department-<br>wise.                                                | ES-2                  | Register<br>Maintained, but<br>not in ES-2.                                                                            |

**RECORDS AND DOCUMENT RELATED TO EMPLOYEES RELATED  
TRANSACTIONS**





| S.N                                               | Name of Record/<br>Register | REGISTER OF<br>LOANS TO<br>EMPLOYEES FOR<br>THE YEAR                                                                                                    | UNPAID SALARY<br>REGISTER FOR<br>THE YEAR                                                                                                                                                                                   |
|---------------------------------------------------|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Requirements                                      | No<br>of<br>Form<br>S       | Register of Interest on Loans to Employees maintained in Form ES-3 for recovery of loans and interest respectively                                      | 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 |
| Auditors Comments                                 | No<br>of<br>Form<br>S       | ES-3                                                                                                                                                    | ES-4                                                                                                                                                                                                                        |
|                                                   |                             | Not maintained.                                                                                                                                         | No unpaid salary for the year.                                                                                                                                                                                              |
| <b>RECORDS AND DOCUMENT RELATED TO GRANTS</b>     |                             |                                                                                                                                                         |                                                                                                                                                                                                                             |
|                                                   | GRANT REGISTER              | G-1                                                                                                                                                     | Not maintained                                                                                                                                                                                                              |
| <b>RECORDS AND DOCUMENT RELATED TO BORROWINGS</b> |                             |                                                                                                                                                         |                                                                                                                                                                                                                             |
|                                                   | REGISTER OF LOANS           | The amount borrowed as per the terms of sanction shall be entered in the Register of Loans in Form BR-1 maintained by the Accounts Department of the LB |                                                                                                                                                                                                                             |
|                                                   | REGISTER OF DEBENTURES      | In case, sanction has been obtained for issuing debentures, the particulars of the debenture holder shall be recorded in the                            |                                                                                                                                                                                                                             |
|                                                   |                             | BR-1                                                                                                                                                    | No requirement in ULB.                                                                                                                                                                                                      |
|                                                   |                             | BR-2                                                                                                                                                    | No requirement in ULB.                                                                                                                                                                                                      |





| S.N                                                      | Name of Record/ Register                                                                            | Requirements                                                                                                 | No of Form | Auditors Comments                |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|------------|----------------------------------|
|                                                          |                                                                                                     | Register of Debentures in Form BR-2.                                                                         |            |                                  |
|                                                          | <b>REGISTER OF SINKING FUNDS</b>                                                                    | Register of Sinking fund shall be prepared in the form BR-3                                                  | BR-3       | No requirement in ULB.           |
| <b>RECORDS AND DOCUMENT RELATED TO SPECIAL FUNDS</b>     |                                                                                                     |                                                                                                              |            |                                  |
|                                                          | <b>SPECIAL FUNDS REGISTER</b>                                                                       | Special fund received or created shall be maintained in the register of from SF-1                            | SF-1       | No requirement in ULB.           |
| <b>RECORDS AND DOCUMENT RELATED TO INVESTMENT</b>        |                                                                                                     |                                                                                                              |            |                                  |
|                                                          | <b>INVESTMENT LEDGER / REGISTER</b>                                                                 | Investment ledgers and register shall be prepared in form IN-1                                               | IN-1       | No requirement in ULB.           |
|                                                          | <b>CALCULATION SHEET FOR PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS FOR THE PERIOD ENDING</b> | <b>CALCULATION SHEET IN-2</b><br>THE PERIOD ENDING shall be prepared in the form IN-2.                       | IN-2       | No requirement in ULB.           |
| <b>RECORDS AND DOCUMENT RELATED TO LOAN AND ADVANCES</b> |                                                                                                     |                                                                                                              |            |                                  |
|                                                          | <b>REGISTER OF LOANS TO OTHERS</b>                                                                  | The loans to Others shall be entered in the 'Loans to Others register' in Form LA -1 and on a monthly basis. | LA-1       | No requirement in ULB.           |
| <b>RECORDS AND DOCUMENT RELATED TO BUDGET</b>            |                                                                                                     |                                                                                                              |            |                                  |
|                                                          | <b>Budget</b>                                                                                       | Budget shall reflect the principles and 1 to                                                                 | BUD-       | Yes, Budget has been prepared in |





| S.N<br>o<br>Record/<br>Register |  | Requirements                                                                                                                            | No<br>of<br>Form<br>s | Auditors<br>Comments                                              |
|---------------------------------|--|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------|
| Opening<br>Balance<br>Sheet     |  | Balance for the LB.<br>Budget must also enable<br>LB in measuring and<br>promoting accountability<br>in respect of service<br>delivery. | Form-<br>1 to<br>29   | No form has<br>been prepared<br>for the Opening<br>Balance sheet. |



# Annexure : 14

Year/Period end and reconciliation procedures

| S.No.               | Assigned Revenue                                                                                                                                                                                                                                                                                                                                       | Public Works                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| YEAR END PROCEDURES | At the period end, it shall be ensured that all the Receivables of Assigned revenues are reviewed and written off, if considered necessary. 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 | 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). 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 |
| AUDITORS COMMENTS   | No receivable of assigned revenue accrued during the preceding financial years or current financial year. Therefore, No Receivables of Assigned revenues are reviewed at the end of the financial years.                                                                                                                                               | The Public works department and chief of accounts prepared the summary statement as per own requirement but this procedure is not conformity with the Municipal accounts Manuals.                                                                                                                                                                                                               |







|                            |                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                      |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Fixed Assets</b></p> | <p>Recording of liability for fixed assets purchased 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</p>                                | <p>Since it is recorded in the form GEN-28, but ULB is not preparing the form GEN-28, Therefore this year end procedure is not followed by accounts departments.</p> |
| <p><b>Investment</b></p>   | <p>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.</p>                                              | <p>No Investment, ULB has only PD accounts of PF and Gratuity as Investment. Interest has been accrued on the year end.</p>                                          |
|                            | <p>Form PW - 1 (similar to Capital work in progress) detailing total amount of works incurred till date on each of the Deposit Works. The details of total expenditure incurred on each of the Deposit Works can be collated from the Work Sheet (similar to Capital work in progress) in Form PW - 2</p> |                                                                                                                                                                      |





| GENERAL PERIOD-END PROCEDURES |                                                                                                                                                                                                                                                       |                                                                                                                                            |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| 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 recognised till date in the books and account for differences if any. | No accrual of ground rental at the end of the financial years. And No reconciliation statement or comparative statement has been prepared. |



| S.No. | Daily Procedures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | PERIOD END PROCEDURES                                                                                                                                                                                                                                                                                                                                                                                                                                                      | AUDITORS COMMENTS |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
|       | <p>a. Balancing of Cash Book: 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. Physical verification of cash balance: 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. Deposit of collections (both cash and cheque) in the Bank: 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</p> | <p>The cash book is totalled and balanced daily. The day's transaction in to ledgers on daily basis.</p> <p>Yes, cash available with accounts department is physically verified on daily basis.</p> <p>The cash, cheque and demand draft collected in a day is deposited in the bank with in same day or on next working days. Since Statement of cheque received in the form GEN-10 is not maintained therefore it is difficult to remittance position of the cheque.</p> |                   |







|                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |
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| <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</p> | <p>same day or by the next working day</p> <p>d. Checking of ledger accounts with the books of original entries, i.e., Cash Book and Journal Book: 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. Verification of number of receipts issued as reported by the collection office with the Collection Register: 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. Updation of Subsidiary Ledger: The Accounts Department shall update the following Subsidiary</p> |  |
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|  |                                                                                                                                                                                                                                                                                     |
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|  | <p>Registers at the end of each day:</p> <p>i. Functions wise Income Ledger in respect of all major heads of Expenses during the day is not maintained by the ULB.</p> <p>ii. Functions wise Expense Subsidiary Ledger in respect of all major heads of Expenses during the day</p> |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|





| <p><b>Monthly Procedures</b></p> | <p>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.</p> <p>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</p> <p>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.</p> | <p>The ULB has not been prepared the Bank reconciliation statement on the monthly basis.</p> <p>The register of permanent advance is not maintained by the ULB.</p> <p>The accounts department timely remitted the amount deducted from salary of PF, Gratuity, Pension etc on monthly basis.</p> |
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|  | <p>d. Reconciliation of Function wise Income/Expense with Subsidiary Ledgers with respective ledger accounts: Subsidiary ledgers of all Function wise Income and Expense shall be reconciled.</p> <p>e. Closing of ledger accounts: The ledger accounts shall be totalled and balanced at the end of each month or such shorter period as the LB may decide.</p> | <p>No reconciliation statement has been prepared.</p> <p>No ledger accounts maintained on daily basis, therefore no question of closing of ledger at end of month. However in double entry accounting system ledgers were maintained.</p> |
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| <p><b>Quarterly Procedures</b></p> | <p>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.</p> <p>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.</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>No reconciliation statement of deposits like EMD, SD etc has been prepared.</p> <p>No reconciliation statement of advances has been prepared.</p> <p>No reconciliation statement of various sources of income has been prepared.</p> <p>Since the ULB has not preparing the Statement of outstanding liabilities for expenses in the form specified GEN-28. Therefore no provision is made at end of quarter for the any expenditure as mentioned in list.</p> |
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| <p>iv. Provision for interest accrued 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. Transfer of revenue grant received in advance for specific purpose to grant income. The balance in the Revenue Grant Account received in advance, to the extent utilized during the period has been transferred to the respective Grant Income Account.</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> | <p>iv. Provision for interest accrued 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. Transfer of revenue grant received in advance for specific purpose to grant income. The balance in the Revenue Grant Account received in advance, to the extent utilized during the period has been transferred to the respective Grant Income Account</p> <p>d. Recognition of grant income for revenue expenditure incurred in respect of grant receivable as reimbursement. The revenue expenditure incurred during the period towards specific projects/schemes under a grant receivable, as a reimbursement shall be recognised as income at the end of each quarter</p> <p>e. Accrual of interest on borrowings: Interest charges on loans received, which is not due shall be accrued,</p> |  |
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| <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>f. Recording of provision for bills remaining unpaid in respect of Special Fund expenditure</p> <p>g. Accrual of interest on investments. Interest accrued but not due on investments made shall be accrued</p> <p>h. Accrual of interest on loans advanced to employees. The amount of interest accrued in respect of loans provided to employees shall be determined and accrued.</p> <p>i. Reconciliation of Capital Work in Progress: Expenditure incurred on cumulative total of several Capital Work-in-Progress Ledger Accounts should be reconciled at the end of each quarter with the Summary Statement of Status on Capital Work-in-Progress received from the department.</p> |  |
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|  | <p>j. <u>Passing of adjustment entries: At the period-end, the Accounts Department shall verify whether proper distinction has been maintained between revenue and capital transactions and having effect in two accounting periods</u></p> <p>k. <u>Closing of ledger accounts: 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.</u></p> | <p>Ledgers has been prepared but not balanced by the ULB on monthly/quarterly basis. But in double entry accounts ledgers were prepared and balanced accordingly.</p> <p>Yes maintained.</p> |
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| <p><b>Annual Procedures</b></p> | <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 not 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. Confirmation of all categories of advances. 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. Provision for unrealised revenue: A provision shall be made for the demands raised during the accounting period but remaining outstanding.</p> <p>f. Accounting of prepaid expenses. 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. Contribution of difference in interest to the provident fund. The difference between the interest earned on Provident Fund investment and interest on Provident Fund entry</p> <p>Balance of PF and</p> <p>No Confirmation has been taken from all categories of advances at the end of the year.</p> <p>No provision has been made for the unrealized or doubtful revenue receivables.</p> <p>No such expenditure were occurred by the ULB.</p> <p>Yes, ULB has maintained the Provident fund account also in double entry accounting</p> |
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| <p>Gratuity has been considered.</p> <p>No such steps have been taken by the accounts department of ULB.</p> <p>Ledger has been prepared by the accounts department. In the double entry accounting system also ledger has been maintained and closed at the end of each accounting year.</p> | <p>payable on Provident Fund contribution to the employees shall be contributed by the LB and an amount equivalent to the difference shall be transferred from the Main Bank Account to the Provident Fund Bank Account.</p> <p>h. Confirmation from Government/Quasi-government and Government owned agencies. At the end of each accounting year, the Accounts Department shall prepare and forward a balance confirmation statement to Government and Quasi-government owned agencies in the format as prescribed in Chapter 24-Reconciliation Procedures</p> <p>i. Closing of ledger accounts. 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> |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|



## **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 2013-14 and is confidential being for use only to whom it is issued. It must not be quoted, cited, copied, disclosed or circulated, or referred to in correspondence or discussion with any other person or made public except to a person to whom it is issued.





## 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 Immoveable 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 the 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-imbursment of specific revenue expenditure is recognised as income in the accounting period in which the corresponding revenue expenditure is charged to the Income and Expenditure Account.
- c. Grant received towards capital expenditure is treated as a liability till such time the fixed asset is constructed or acquired. On construction/acquisition of fixed asset, the grant corresponding to the value of the asset so constructed/acquired is treated as a capital receipt and transferred to capital contribution.

## **8. Employee benefits**

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

## **9. Investments**

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





- c. Short-term investments are carried at their cost or market value (if quoted) whichever is lower.

## 10. Opening Balances as at 31st March 2013

- a. Municipal Fund  
The opening balance of Municipal has been arrived after deducting the total assets of the Municipal Board from the total Liabilities

- b. Earmarked Funds/Special Funds  
The Balance of Earmarked Funds is the total assets available against such earmarked funds.

- c. Deposits Received  
The amount of Deposits Received has been arrived at from the Register of Deposits maintained by the Accounts Officer of the Municipal Board.

- d. Other Liabilities/Provisions  
Other liabilities/Provisions has been ascertained by performing Subsequent Event Testing i.e the liabilities paid like salary paid, electricity bills paid etc.

- e. Fixed Assets  
The amount of Fixed Assets have been ascertained as per Guidelines specified in the Rajasthan Municipal Accounting Manual.

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





## II- NOTES TO ACCOUNT

1. The value of fixed assets have been depreciated as per rates specified in the Income Tax Act, 1961. 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)

M.No. 408211

Date : 01/12/2016

Place : Jaipur



Signature of

EO/Commissioner

देवीलाल शर्मा

अ. गांधी अधिकारी

नगर पालिका, सी. ग. न.

Signature of

CAO /Sr. AO

(रामधन शर्मा)

लेखाकार

नगर पालिका, सी. ग. न.