

Municipal Board KUCHAMAN

Financial Statements and Independent Auditors reports

FY 2015-16

Prepared By:

Audited By : C K PRUSTY & ASSOCIATES



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INDEPENDENT AUDITOR'S REPORT

To,
Executive Officer,
Municipal Board,
KUCHAMAN (JAIPUR)

We have audited the accompanying financial statements of MUNICIPAL BOARD, KUCHAMAN (JAIPUR), which comprise the Balance Sheet as at March 31, 2016, the Income and Expenditure Account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the ULB in accordance with the Rajasthan Municipal Accounts Manual. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the ULB's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ULB's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified Opinion



The Matters described in the Para of Annexure-1

Qualified Opinion

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

But Subject to the Matters specified from Annexure-1 to Annexure-14:-

- a) in the case of the Balance Sheet, of the state of affairs of the ULB as at March 31, 2016
- b) in the case of the Income and Expenditure Account, of the surplus/ deficit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date. We further report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the ULB so far as appears from our examination of those books;
 - c) the Balance Sheet, Income and Expenditure Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Income and Expenditure Account, and Cash Flow Statement comply with the Rajasthan Municipal Accounts Manual;

For C K PRUSTY & ASSOCIATES
Chartered Accountants



(Kailash Sepat)
(Partner)
M. No. 428489

Place : KUCHAMAN
Date 12-01-2017

MATTERS TO BE REPORTED BY THE FINANCIAL STATEMENTS
AUDITOR

<u>S.No.</u>	<u>Additional Matters</u>	<u>Audit Observation</u>
1	Whether all sums due to and received by the Municipality have been brought to account and have been appropriately classified; and Major issue identified in the accounting system and any discrepancies identified.	Annexure-1
2	Whether all grants sanctioned or received by the Municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the Municipality whether such deductions have been properly accounted;	Annexure-2
3	Whether any Earmarked Funds have been created as per the provision of any statute and, if so, whether such Earmarked Funds have been utilized for the purposes for which they were created;	Annexure-3
4	Whether the Municipality is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;	Annexure-4
5	Whether in case of leasehold property given by the municipality, whether lease rentals are collected regularly by the Municipality and that the lease agreements are renewed after their expiry;	Annexure-5
6	Whether physical verification has been conducted by the Municipality at reasonable intervals in respect of stores; Whether the procedures of physical verification of stores followed by the Municipality are reasonable and adequate if not, state the inadequacies in such procedures; Whether any material discrepancies have been noticed	Annexure-6



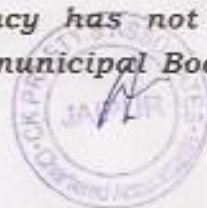
	on physical verification of stores as compared to stores records, and if so, whether the same have been properly dealt with in the books of account;	
7	Whether the parties to whom loans or advances have been given by the Municipality are repaying the principal amounts as stipulated and are also regular in payment of the interest and if not, whether reasonable steps have been taken by the Municipality for recovery of the principal and interest;	Annexure-7
8	Whether advances given to municipal employees and interest thereon are being regularly recovered;	Annexure-8
9	Whether there exists an adequate internal control procedure for the purchase of stores, fixed assets and services	Annexure-9
10	Whether there exists an adequate internal control procedure for the contracting of works and projects, periodic inspections and measurements, quality checks and payments there for	Annexure-10
11	Whether the Municipality is regular in depositing statutory dues including tax deducted at source, works contract tax, cess payable to the Government, ESI, PF etc., and if not, the nature and cause of such delay and the amount not deposited;	Annexure-11
12	Whether any personal expenses have been charged to the Municipality's accounts; if so, the details thereof;	Annexure-12
13	Whether the books and registers specified under the Rajasthan Municipal Accounts Manual and other applicable acts and rules have been properly maintained; whether Bank Reconciliation statements have been properly prepared for all the bank accounts of the Municipality;	Annexure-13
14	Whether the year-end and reconciliation procedures have been carried out;	Annexure-14



Annexure-1

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

1. ***Double entry accounting system has not been properly done as deduction on account of TDS, royalty, cess etc is made from payment voucher instead of passing the journal voucher involving the name of contractor/supplier concerned. Besides, the income and expenses under various heads are not exactly the same as given in the books of accounts maintained at the Board office except balances at year end in respect of cash balance and bank balances are agreed.***
2. There is neither Urban Development Tax assessment for the FY 2015-16. Nor other revenue assessment during the FY 2015-16. Therefore no tax or revenue income has been accrued for the FY 2015-16 at end of Financial Year.
3. ***Statement of Outstanding liabilities in the Form GEN-28 is not prepared. Therefore the double entry accounting has no conformity with Accrual Concept.***
4. During the FY 2015-16 the earnest money forfeited is not considered as income of ULB. The Journal voucher should be prepared for this.
5. 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 and Liabilities are understated.
6. ***We are unable to certify the balances of security deposit, advances, loans etc as determined by the Municipal Board in the Financial Statement prepared under the Accrual Based Double Entry System as at the year end. This discrepancy has not been properly explained by the management of the municipal Board. As such to***



this extent of discrepancy, the accounts do not reflect true and fair view. Besides, adjustment has not been made for lapsed deposit as no longer payable.

7. Liabilities on account of repayment to State Government towards their share against various realizations as per Municipal Laws and regulations have not been considered in the accounts. As such, to this extent, Liabilities are understated and Surplus of Income over expenditure is overstated.
8. Liabilities on account of non-deduction/ non-payment of Patrakar Kalyan Khosh has not been ascertained and accounted for. To this extent Surplus of Income over Expenditure is overstated and Liabilities are understated.
9. Liabilities or recovery on account of pending cases and/or notices filed against or by municipal Board by/against third parties is not ascertainable and hence not considered. Financial impact of such cases has not been ascertained and hence we are unable to comment on correctness or otherwise of Income, Expenditure, Assets or Liabilities to this extent. Contingent Liabilities, if any, arising out of these cases has not been estimated by the municipal Board nor has been disclosed in notes to accounts.
10. ***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.***
11. ***It has been noted following issue regarding fixed assets in the audit process***
 - a. ***No Opening Fixed Assets has been taken as per rule specified in the Para 21.a, 21.b of Municipal Accounting Manual.***
 - b. ***The depreciation has not been charged on Opening Fixed asset taken on 01/04/2013. Therefore written down value of Fixed Asset has been over stated, It was not present the true and fair view of Financial Statement.***



12. There is **suspense account in the Balance sheet**. The reason of suspense account is the **totaling error in the manual cash book**. It has been advised to Accounts Department to make such correction or reversal entries in the Cash Book in the current date, So, Suspense account can arrived at Nil.
13. As per Guidelines to Public Works Department of Municipal Board, department shall be maintained the Tender Copy, Contract Agreement, Works completion Proof with Photograph of Site before starting of Works and after Completion of Work, quality test report, Copy of Running Bill etc. but the **department of ULB has not been maintained the Works completion Proof with Photograph of Site before starting of Works and after Completion of Work**.
14. As explained to us, Municipality has granted advance against work but the same has not been adjusted within one month as required as per Rajasthan Municipal Accounts manual and no reasonable steps are carried out for adjustment of such advance. Moreover, Municipality has granted loans to the employees
15. **The Opening Balance of Grant 13th Finance Commission can't be certified, The amount received and utilized under this grant has not been recorded properly in Books of Accounts. The Closing Balance of Grant 13th Finance Commission was not matched with balance of Utilization Certificate.**
16. **The Opening Balance of Grant State Finance Commission can't be certified, The amount received and utilized under this grant has not been recorded properly in Books of Accounts. The Closing Balance of Grant State Finance Commission was not matched with balance of Utilization Certificate.**
17. **Grant of MLA fund for Development has Closing Balance of Rs.18127 Dr. and which was also same with Opening Balance. The**



Opening Balance of Grant MLA fund for Development can't be certified, The amount received and utilized under this grant has not been recorded properly in Books of Accounts. The Closing Balance of Grant MLA fund for Development was not matched with balance of Utilization Certificate.

18. *Grant Of Mps fund for Development has Closing Balance of Rs.325999 Dr. and Closing Balance Rs.1484 Dr. The Opening Balance of Grant MP fund for Development can't be certified, The amount received and utilized under this grant has not been recorded properly in Books of Accounts. The Closing Balance of Grant MP fund for Development was not matched with balance of Utilization Certificate.*

19. *Closing Balance in tally of ICICI Bank 1901 (14th Finance) has not been matched with Cash Book.*

20. *Balance Not Match Icici Bank 1901 (14th Fianace), Obc Ascro 1273 (Avas Vikas), Obc Bank 2732 (Avas Vikas), Raj. Maru Gramin Bank 1855 (Avas Vikas), Obc Bank 0011 (general), Uco Bank (8933), Sbbj Bank 83350 (Sjsry).*

Annexure-2

All grants sanctioned or received by the Municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the Municipality and such deductions have been properly accounted subject to following:

1. The ULB has accounted Grant received and usage their of under the Double entry accounting system but The ULB has not prepared register for the Grant in the format Mentioned FORM: G-1
2. There is no usage certificate or grants register available with the ULB Pannadhay Vojna



Annexure- 3

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

Comment: Earmarked Funds have been created by the Municipality for Gratuity, Pension and Provident Fund. According to the information and explanations given to us Earmarked Funds have been utilized for the purposes for which they were created to some extent. There was earmarked provident fund, pension fund and Gratuity created **Incorrect** in the Books of Accounts.

Annexure-4

Whether the Municipality is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;

Comment: The ULB is maintaining the register of Fixed assets but not as per format specified in the Form GEN-30 and GEN-31. There is no physical verification of fixed assets has been carried by the ULB, even once in the whole financial year

It has been suggested to ULB that the ULB should prepared Fixed Assets Register in the Format prescribed and Physical verification of these Fixed Assets should be carried once in the financial year.

As such we are unable to comment on material discrepancies, if any, on physical verification and its treatment in books of accounts.



Annexure-5

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

Comments: The Municipality is not maintaining proper records showing full particulars of leasehold property. Lease Rentals are therefore not verified.

Annexure-6

Whether physical verification has been conducted by the Municipality at reasonable intervals in respect of stores; Whether the procedures of physical verification of stores followed by the Municipality are reasonable and adequate if not, state the inadequacies in such procedures;

Whether any material discrepancies have been noticed on physical verification of stores as compared to stores records, and if so, whether the same have been properly dealt with in the books of account;

Comment: 1. The ULB is maintaining the register of Stores. But there is no physical verification of stores has been carried by the ULB, even once in the whole financial year

2. As explained to us ,physical verification of stores has not been conducted by the Municipality at reasonable intervals 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 yearend nor has same been recognized in the accounts prepared for the year under report.
3. It has been suggested to ULB that the ULB should prepared Store Register and Documentations in the Format prescribed (ST-1, ST-2 and ST-3) and Physical verification of these Stores should be carried once in the financial year in the presence of the auditor.



Annexure-7

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

Comment: As explained to us, Municipality has granted advance against work but the same has not been adjusted within one month as required as per Rajasthan Municipal Council manual and no reasonable steps are carried out for adjustment of such advance. Moreover, Municipality has granted loans to the employees.

Annexure-8

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

Comment: The Municipality has granted loans to the employees against PF. Deduction from salary are made towards the loans.



Annexure-9

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

Subject Matters of Internal Controls	INTERNAL CONTROL	AUDITORS COMMENT
Stores	The Head of the Accounts Department shall ensure budget availability with respect to the expenditure incurred at the time of accruing of the expenditure i.e Budget monitoring shall be on accrual basis rather than payment basis.	Yes. The Head of Accounts department ensures the budget availability. But budget monitoring is based on Payment not on accrual basis.
	The Head of the Accounts Department shall ensure that all the purchase bills/invoices were journalized before release of the payments.	No Such procedure is exists
	At the end of the financial year, the Stores-in-charge, the Head of the Accounts Department and the Director Local Fund Audit shall physically verify the stock lying in stores and compare it with the stock as per the book records and in case of any difference, appropriate remedial steps as prescribed by the LB shall be taken.	At the end of every Financial year No Physical verification has been carried out.



	<p>The Stores-in-charge shall ensure availability of adequate budget allocation before procuring any material, after considering all commitments made against the budget allocation.</p>	<p>The Store-in-charge has no such procedure of budget allocation.</p>
	<p>At the time of issue of any material to the Departments, the Stores-in-charge shall ensure that there is an adequate budget provision in respect of that department.</p>	<p>No Internal Control exists.</p>
	<p>The Head of the Accounts Department shall ensure that all the dues recoverable including advance provided to supplier has been recovered before making the final payment to the supplier. Further, it should be ensured that only net amount has been paid to the supplier, as may be applicable to the materials actually received or accepted.</p>	<p>Yes, Internal Control exists ULB does not make payment to suppliers before materials actually received.</p>
	<p>Before releasing payment to the supplier, the Head of the Accounts Department shall ensure that the material received is recorded in the Stores Ledger. Further, it shall be ensured that the Payment Order provides reference to the Stores Ledger where the entry for receipt of material is recorded. In addition, at the time of payment to Suppliers/contractors and any other creditors it shall be ensured that no amount is due from them, which may be adjusted before payment.</p>	<p>The Head of accounts department verify the store register maintained by the Store-in-charge 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).</p>	<p>No such type of entries found in the Stores register.</p> <p>All bills has been forwarded to Accounts department as and when material received.</p>
	<p>The Head of the Accounts Department shall ensure that the 'Purchase of Materials' account has been reconciled at the period and the balance has become nil on accounting of stock entries for the closing stock(on the basis of Statement of Closing Stock in Form ST -3) and consumption of stores.</p>	<p>No Accounts department follows this procedure.</p>
	<p>Also the Head of Accounts Department shall ensure that the balance in the 'Opening Stock' account has become nil at the period end on accounting of stock entries and consumption based on the closing stocks.</p>	<p>No Accounts department follows this procedure.</p>
Employee Related Transactions	<p>Separate Pay Bills shall be prepared by each DDO and Head of department or other officer of the LB designated by him.</p>	<p>Yes, Separate pay bill has been prepared for each DDO</p>
	<p>Consolidation of Pay Bills of DDO shall be made Department wise and Department bills are consolidated for ascertainment of LB level information.</p>	<p>Yes, Consolidation of Pay Bills of DDO has been made Department wise</p>
	<p>Consolidated pay bill summary shall be checked with previous month for ensuring all DDO and departments bills are included.</p>	<p>Yes, Consolidated pay bill summary has been checked with previous month</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>No Reconciliation statement has been prepared</p>
	<p>Every month, the Head of the Accounts Department or other officer of LB designated by the Head of the Department shall ensure timely remittance of the various deductions made from the employees' salaries in the Pay Bill to the concerned authorities.</p>	<p>No, Proper System exists.</p>
	<p>The Head of the Accounts Department or other officer of LB designated by the Head of the Department shall ensure that the total establishment expenditure incurred and recorded in the Functional Expense Subsidiary Ledger reconciles with the balance as per the respective Establishment Expense Ledger Account. The Subsidiary Ledger shall record total establishment expenses incurred, including that paid through Pay Bill.</p>	<p>The ULB has not prepared Functional Expenses Subsidiary Ledger and Reconciliation Statement thereof.</p>



	<p>Every month, the Head of the Accounts Department or other officers of the LB designated by him or other officer of LB designated by the Head of the Department shall verify that Provident Fund and Pension Fund contribution deducted for the employees on deputation have been deposited with the concerned authorities.</p>	<p>No, The Head of Accounts Department does not verify the deducted amount has been deposited timely.</p>
	<p>At every year-end, the Head of the Accounts Department or other officers of the LB designated by him or other officer of LB designated by the Head of the Department shall verify whether interest received or receivable on the provident fund investment is less than the statutory liability for interest payment to employees on their balance in the provident fund reserve account, and if so, ensure that the difference of interest payable is provided for and to that extent amount has been transferred from Main Bank Account to Provident Fund Bank Account.</p>	<p>PD Accounts of provident fund has been maintained.</p>
	<p>The Head of the Accounts Department or other officer of LB designated by the Head of the Department shall ensure that whenever the entries in para 11.7 (b) are passed, the equivalent amount of money in respect of deduction of provident fund contribution is simultaneously transferred from the Main Bank Account to the Provident Fund Bank Account.</p>	<p>Yes, HOD of Accounts verifies this.</p>



<u>Other Revenue Expenditures</u>	The Head of the Accounts Department shall ensure budget availability with respect to the expenditure incurred at the time of accruing of the expenditure.	Yes, Accounts department ensures the budget availability for the expenditure
	The Head of the Accounts Department shall ensure that all the bills/invoices were journalised before release of the payments	No bills/invoices are journalized before the payment.
	The Head of the Accounts Department shall ensure proper authorisation of Payment Order as per the authorities delegated by the LB.	Yes, Payment orders are by proper authorization.
	The Head of the Accounts Department shall ensure that the relevant supporting documents are annexed to the Payment Order submitted by the Department.	Yes, HOD of accounts check the relevant supporting to the Payment order
	The Head of the Accounts Department shall ensure appropriate classification both in terms of expenditure head and the period in which the expenditure has been accounted with reference to the nature of the bill and the date of the bill, respectively.	No, There is no system of classification on payment vouchers.
	On a quarterly basis, and, also in between, on a random basis, the Head of the Accounts Department shall conduct physical verification of cash in hand held at the various departments and tally it with the departmental records maintained there and thereafter with the Register of Advances (Form GEN-16) maintained at the Accounts Department.	Yes, Accounts department take the Physical Verification of cash time to time.
		

	<p>At the time of making payment, the Accounts Department shall ensure that reference to the departmental Register of Bills for Payment where the payment bill has been recorded by the department concerned, is provided in the Payment Order. In case of non-referencing, the Accounts Department shall return the Payment Order to the concerned Department for rectification and resubmission. In addition, at the time of payment to Suppliers/contractors and any other creditors it shall be ensured that no amount is due from them, which may be adjusted before payment.</p>	<p>Yes. In the accounts department, this payment control system is exists.</p>
	<p>The Head of the Accounts Department shall ensure that a monthly reconciliation of total expenditure incurred and recorded in the Departmental Expense (Administrative Expenses) Subsidiary Ledger is carried out with the total expenditure recorded in several Administrative Expense Ledger Accounts.</p>	<p>No Reconciliation statement and Subsidiary ledger has been prepared.</p>
<p>Fixed Assets</p>	<p>At the time of award of new contract, the concerned department shall ensure the availability of adequate budget allocation after considering all commitments made against that budget allocation before purchasing any new fixed asset.</p>	<p>Yes at the Time of Award of contract concerned department ensure the budget availability.</p>



	<p>The Head of the Accounts Department shall have a system of conducting physical verification of fixed assets throughout the year so that each fixed asset is verified at least once during the year. Any discrepancies with the Fixed Assets Register should be reconciled.</p>	<p>The HOD of Accounts department has no system of physical verification of fixed assets at least once in the year.</p>
	<p>The Head of the Accounts Department shall ensure that the amount set aside in the Asset Replacement Bank Account consequent to depreciation provision made, is utilized only for the purpose of purchase or acquisition of fixed asset for which depreciation has been provided.</p>	<p>No Such Procedure is exists.</p>
	<p>Before releasing payment to the supplier, the Head of the Accounts Department shall ensure that the fixed assets acquired are recorded in the Register of Immovable Properties. Further, it shall be ensured that the Payment Order provides reference to the Register of Immovable Properties where the entry for receipt of fixed assets is recorded.</p>	<p>No, the fixed assets register during the FY 2015-16 has not been maintained.</p>
	<p>At the time of computing depreciation provision for the period, the Head of the Accounts Department shall ensure that the accumulated depreciation (including current period's depreciation provision) provided on any fixed asset does not exceed its cost of acquisition.</p>	<p>There is no such system exists.</p>



Annexure-10

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

Subject Matters of Internal Controls	INTERNAL CONTROL	AUDITORS COMMENT
Public Works	The Public Works Department and the Chief of Accounts Department or any other responsible officer as defined by the applicable Acts, shall ensure the availability of adequate budget allocation after considering all commitments made against that budget allocation before undertaking any new work, whether being an Original Work or Repairs and Maintenance Work	The ULB take the approval from board meeting of Members and Public Works department and HOD of accounts department ensure that Whether budget availability for the such public works are sufficient or not.
	A distinction should be maintained between the works of capital nature and revenue nature.	Yes the Accounts department has classified the nature of expenditure.
	A quarterly reconciliation of the balance as per the Deposit Register maintained at the Public Works Department shall be carried out with the Deposit Ledger accounts.	No Reconciliation statement has been prepared by the Public works department or accounts department



	<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 Reconciliation statement has been prepared.</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>No Such type procedure has been followed.</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>Yes. There is proper system for payment of Statutory dues.</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>No Functional expenses ledger and Subsidiary ledger prepared.</p>
	<p>Ensure budget availability at the time of approval of the bill.</p>	<p>No, Chief of Accounts Department does not ensure the Budget availability on the Time</p>



		of payment.
	Ensure that all the dues, including liquidated damages/penalties, are recovered from the contractor before making the final payment in respect of any contract.	Yes, Performance quality team reviews the works done by the Contractors before final payment. Accordingly Accounts department recovered the penalties or damages.
	Ensure that no amount is due from suppliers/contractors, which may be otherwise adjusted before payment.	Yes, Chief of Accounts department ensure that no advances given or no amount is due before payment.
	Ensure that all the bills/invoices of contractors were journalised before release of the payments.	No bills/invoices journalized before payment.
	At period-end, the Head of the Accounts shall review the Work Sheets maintained for ascertaining whether any of the capital work in progress qualifies for capitalisation.	No Such procedure is followed by Accounts department.



Annexure-11

Whether the Municipality is regular in depositing statutory dues including tax deducted at source, works contract tax, cess payable to the Government, ESI, PF etc., and if not, the nature and cause of such delay and the amount not deposited.

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

1. ***The following statutory liabilities (Income Tax, Sale Tax etc.) not paid timely:***
 - A. Income Tax not paid timely
 - B. Sales Tax Not paid timely
2. ***However the following expenditure required to be deduct Income Tax, Sale Tax etc. but not deducted:***

S.No.	Head of Expenditure	Amount of Expenses	Type of Deduction required	Amount to be Deducted
1.	Advertisement Expenses	490488.00	Income Tax	9810.00
2.	Advertisement Expenses	490488.00	Patrakar Kalyan Kosh	4905.00
3.	Wages of Chokidar (Bhagwan)	45000.00	Income Tax	450.00
4.	Wages Of Driver Agnishaman	299358.00	Income Tax	2994.00
6.	Garbage Clearence	403129.00	Income Tax	8063.00

3. Short Payment

- a. ***The Sales Tax of Opening Balance Rs. 3689 but Payment of rs. 3688.***



Annexure-12

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

Comment: No Personal expenses have been charged from ULB's accounts.



Annexure-13

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

S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	Cash Book	The Cash Book has two sides, viz., "Receipt" and "Payment". All collections on behalf of the LBs shall be recorded on the "Receipt" side and all payments shall be recorded on the "Payment" side	GEN-1	Yes, Properly maintained by the ULB.
	Journal Book	A non-cash/bank transaction is first recorded in the Journal Book by dividing into its debit and credit aspects, from which a posting is done in the relevant ledger account. Recording of income in respect of Taxes Bills raised, recording of liability on receipt of supplier's bills are examples of transactions, which shall be first recorded in the Journal Book.	GEN-2	Not Maintained by the ULB based on day to day to transaction. In the Double entry Accounting a non-cash/bank transaction is first recorded in the Journal Book.
	Ledgers	Ledgers shall be the book that shall contain all the accounts as specified in the Chart of Accounts. The Ledger has two columns, viz, "Debit" (Dr.) and "Credit" (Cr.).	GEN-3	Not Maintained by the ULB based on day to day to transaction. In the Double entry Accounting Ledgers are maintained.
	Cash/Bank Receipt Voucher	The Cash Receipt Voucher shall be prepared for receipts in cash and the Bank Receipt Voucher for receipts by cheques, demand drafts, banker's cheques, etc., which need to be deposited in the bank for realisation.	GEN-4A & 4B	Chas receipt voucher and Bank receipt voucher have been prepared.
	Cash/Bank Payment Voucher	Cash/Bank Payment Voucher shall be the document prepared for recording payment entries in the Cash Book/Bank Book	GEN-5A & 5B	Cash/Bank Payment Vouchers have been prepared



S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	Contra Voucher	Contra Voucher shall be a document for depositing into or withdrawing cash from bank or transferring amount from one bank to another	GEN-6	No Contra Voucher has been prepared
	Journal Voucher	Journal Voucher shall be the document prepared for recording entries in the Journal Book	GEN-7	No Physical Journal Voucher prepared
	Receipt	For receipt of cash or any amount received in the form of cheques/draft, a Receipt, duly signed and dated shall be issued in Form GEN-8	GEN-8	Yes ULB has been issued a receipt for any cash or Bank receipt.
	Receipt Register	All cheques/drafts received shall be recorded in a Receipt Register, maintained in Form GEN-9	GEN-9	No Such register maintained
	Statement on Status of Cheques Received	The details should be intimated to the Accounts Department by the Collection Office/Centre who have actually deposited the cheques and co-ordinating with the bank, through a Statement on Status of Cheques Received, prepared in Form GEN-10. Based on the Statement on Status of Cheques Received the Accounts Department shall reverse the entry passed	GEN-10	No Such register maintained
	Collection Register	The Collection register to be maintained in Form GEN-11 will show account head-wise details of the daily collections. This collection register shall be maintained in triplicate where in one copy can be sent to the concerned departments along with one copy of the Bill/Challan collected, if any, one can be sent to the Accounts and other one will be retained as book copy.	GEN-11	Collection register is not maintained



S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	Summary of Daily Collection	Based on the details from the collection register, the collection offices shall prepare a Summary of Daily Collection in Form GEN-12.	GEN-12	Summary of Daily Collection in Form GEN-12 is not prepared
	Register of Bills for Payment	The concerned department shall verify the bills/claims received. On satisfactory verification, the bills/claims shall be entered into the Register of Bills for Payment, maintained in Form GEN-13.	GEN-13	There is no register for this, only files for particular payee is maintained.
	Payment Order	On approval of the payment by the concerned authorities at the respective departments, the department shall forward the bills for preparing a payment order by the concerned Department in Form GEN-14	GEN-14	Yes
	Cheque Issue Register	On verification of the Cash/Bank Payment Voucher, a cheque shall be prepared. An entry of the cheque prepared shall be made in the Cheque Issue Register, maintained in Form GEN-15. At period end, the Accounts Department shall review the Cheque Issue Register	GEN-15	Yes, Maintained.
	Register of Advance	The details of the advances given shall be recorded in the Register of Advance maintained in Form GEN-16	GEN-16	Register of advance is maintained.
	Register of Permanent Advance	The details of the expenditure incurred against the advance shall be recorded in a Register of Permanent Advance maintained at the various departments in Form GEN-17.	GEN-17	No register of permanent advance.




S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	Deposit Register	Deposits received/paid/deducted shall be recorded by the ULB	GEN-18	No, ULB has not been maintained Deposit Register
	Summary Statement of Deposits Adjusted	Deposit adjusted shall be recorded properly in this Form	GEN-19	Not maintained
	Demand Register	Bills raised by the LB for the revenue collection is recorded in the Form GEN-20	GEN-20	No demand register maintained in the prescribed format.
	Bill for Municipal Dues	Municipal Dues bill shall be recorded in GEN-21	GEN-21	Not maintained.
	Summary Statement of Bills Raised	Summary Statement of Bills Raised shall be prepared in form GEN-22	GEN-22	No Summary Statement of Bills Raised has been prepared.
	Register of Notice Fee, Warrant Fee, Other Fees	Register of Notice Fee, Warrant Fee, Other Fees shall be prepared in Form-23	GEN-23	Register of Notice Fee, Warrant Fee, Other Fees has not been prepared
	Summary Statement of Notice Fee, Warrant Fee, Other Fees	Summary Statement of Notice Fee, Warrant Fee, Other Fees shall be prepared in the form GEN-24	GEN-24	Summary Statement of Notice Fee, Warrant Fee, Other Fees has not been prepared
	Register of Refunds, Remissions and Write-offs	Register of Refunds, Remissions and Write-offs shall be prepared in the form GEN-25	GEN-25	Register of Refunds, Remissions and Write-offs has not been prepared
	Summary Statement of Refunds and Remissions	Summary Statement of Refunds and Remissions shall be prepared in the form GEN-26	GEN-26	No Summary Statement of Refunds and Remissions has been prepared
	Summary Statement of Write-Offs	Summary Statement of Write-Offs shall be prepared in the form GEN-27	GEN-27	No Summary Statement of Write-Offs has been prepared



S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	Statement of Outstanding Liability for Expenses	For this, at the end of the accounting period, each of the departments shall collate the details of the accrued expenditure from the bills received during or after the accounting period but pertaining to the accounting period and remaining unpaid at the end of the accounting period. The said information shall be collated in Form GEN-28 by 30 th April of the next financial year where the accounting period is a financial year	GEN-28	Quarterly Statement of Outstanding Liability for Expenses in the form GEN-28 has not been prepared
	Documents Control Register/Stock Account of Receipt/Cheque Book	Documents Control Register/Stock Account of Receipt/Cheque Book shall be prepared in the Form GEN-29	GEN-29	Not prepared
	Register of Immovable Property	A record shall be maintained for the immovable fixed assets in the relevant Register of Immovable Property in Form GEN-30	GEN-30	Register of Immovable Property has been maintained.
	Register of Movable Property	A record shall be maintained for the moveable fixed assets in the Register of Moveable Property in Form GEN-31.	GEN-31	Register of Movable Property has been maintained.
	Register of Land	A record shall be maintained for the land in the Register of land in Form GEN-31.	GEN-32	Register of land has been maintained



S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	Function-wise Income Subsidiary Ledger	The Accounts Department shall maintain separate Subsidiary Ledger for each of the Major revenues in Form GEN - 33. The Subsidiary Ledgers would provide function-wise break-up of above-mentioned income earned/received by the LBs on a daily basis. Separate folios shall be maintained for each function within the Subsidiary Ledger for recording incomes in respect of each function	GEN-33	No Function-wise Income Subsidiary Ledger has been maintained by the ULB.
	Function-wise Expense Subsidiary Ledger	The Accounts Department shall maintain separate Subsidiary Ledger for each of the Major expense head in Form GEN - 34. The Subsidiary Ledgers would provide function-wise break-up of above-mentioned expenses incurred by the LBs on a daily basis.	GEN-34	No Function-wise Expenses Subsidiary Ledger has been maintained by the ULB.
	Asset Replacement Register	Asset Replacement Register in Form GEN-35 shall be maintained asset class-wise to record the money set aside and shall be updated for deposits made to Asset Replacement Bank Account in respect of annual depreciation provision made during the accounting year	GEN-35	No Asset Replacement Register has been maintained.
	Register of Public Lighting System	Register of Public Lighting System shall be maintained in the Form GEN-36	GEN-36	Not maintained
				
RECORDS AND DOCUMENT RELATED TO RENTALS, FEES & OTHER INCOMES				

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

RECORDS AND DOCUMENT RELATED TO PUBLIC WORKS

	SUMMARY STATEMENT OF STATUS OF CAPITAL WORK-IN-PROGRESS/DEPOSIT WORKS	At period-end, the departments incurring expenditure on capital projects shall submit a Summary Statement of Status on Capital Work-in-Progress in Form PW - 1 detailing total expenditure incurred till date on each of the capital projects	PW-1	Yes, maintained
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S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	WORK SHEET	The details of the Deposit works contract (including names of the departments who have entrusted the deposit works) shall be recorded in the Deposit Works Register (in form PW - 3).	PW-2	Yes, maintained
	DEPOSIT WORKS REGISTER	The Accounts Department shall maintain a Deposit Works Register in Form PW-3 with separate registers for each kind of the Deposit works. (For example, Civil, Electrical, etc).	PW-3	Yes, maintained

RECORDS AND DOCUMENT RELATED TO STORES

	MATERIAL RECEIPT NOTE	As per the terms of the agreement with the Supplier, the materials shall be delivered to the LB. The Stores shall prepare a Material Receipt Note in Form ST-1	ST-1	Yes Store in-charge prepare a Material Receipt Note in Form ST-1
	STORES LEDGER	From the Material Receipt Note, the Stores shall record the receipt of materials in the Stores Ledger maintained in Form ST-2 If the materials supplied are found to be defective or not in accordance with the terms specified in the agreement, the Stores shall return it back to the supplier concerned and make an entry for return of material in the Issue Column of the relevant folio in the Stores Ledger (Form ST - 2).	ST-2	Store Ledger is maintained.



S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
	STATEMENT OF CLOSING STOCK AS ON 31/03/2014	At the end of every accounting period, the Stores shall send a Statement of Closing Stock in Form ST - 3. The balances in various accounts of the item-wise Stores Ledger shall be extracted and valued as per First In First Out (FIFO) Method	ST 3	No Statement of closing stock has been prepared in the form ST-3 by Store in-charge.
RECORDS AND DOCUMENT RELATED TO EMPLOYEES RELATED TRANSACTIONS				
	CONSOLIDATED PAY BILL SUMMARY ROLL OF THE PERMANENT/TEMP ORARY ESTABLISHMENT FOR THE MONTH OF	Salary pay bill shall be prepared in the Form ES-1	ES-1	Yes, salary pay bill has been prepared properly
	REGISTER OF EMPLOYEE LOANS/ ADVANCES	On payment of loans and advances by the LB, the Register of Employee Loans / Advances (Form ES-2) shall be updated by the Accounts Department. These registers shall be maintained department-wise.	ES-2	As per Management representation letter and transaction audit no loan and advances given to employees. Therefore No requirement of ES-2
	REGISTER OF INTEREST ON LOANS TO EMPLOYEES FOR THE YEAR	Register of Interest on Loans to Employees maintained in Form ES-3 for recovery of loans and interest respectively	ES-3	Since ES-2 is not required, simultaneously ES-3 is not required.
	UNPAID SALARY REGISTER FOR THE YEAR	If the salary remains unpaid to the employees, it shall be recorded in the Unpaid Salary Register maintained in Form ES-4. The register shall have the details for unclaimed salary as well as subsequent payment of salary	ES-4	No unpaid salary for the during the FY 2015-16



S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
RECORDS AND DOCUMENT RELATED TO GRANTS				
	GRANT REGISTER		G-1	Not maintained
RECORDS AND DOCUMENT RELATED TO BORROWINGS				
	<u>REGISTER OF LOANS</u>	The amount borrowed as per the terms of sanction shall be entered in the Register of Loans in Form BR-1 maintained by the Accounts Department of the LB	BR-1	Not maintained
	<u>REGISTER OF DEBENTURES</u>	In case, sanction has been obtained for issuing debentures, the particulars of the debenture holder shall be recorded in the Register of Debentures in Form BR-2.	BR-2	Not requirement
	<u>REGISTER OF SINKING FUNDS</u>	Register of Sinking fund shall be prepared in the form BR-3	BR-3	Not required
RECORDS AND DOCUMENT RELATED TO SPECIAL FUNDS				
	SPECIAL FUNDS REGISTER	Special fund received or created shall be maintained in the register of from SF-1	SF-1	Not maintained
RECORDS AND DOCUMENT RELATED TO INVESTMENT				
	INVESTMENT LEDGER / REGISTER	Investment ledgers and register shall be prepared in form IN-1	IN-1	Not maintained
	CALCULATION SHEET FOR PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS FOR THE PERIOD ENDING	CALCULATION SHEET FOR PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS FOR THE PERIOD ENDING shall be prepared in the form IN-2	IN-2	Not required.
RECORDS AND DOCUMENT RELATED TO LOAN AND ADVANCES				
	REGISTER OF LOANS TO OTHERS	The loans to Others shall be entered in the 'Loans to Others register' in Form LA -1 and on a monthly basis	LA-1	Not Maintained



S.No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
RECORDS AND DOCUMENT RELATED TO BUDGET				
	Budget	Budget shall reflect the principles and programmes of the LB. Budget must also enable LB in measuring and promoting accountability in respect of service delivery.	BUD-1 to BUD- 12	Yes, Budget has been prepared in the specified formats
	Opening Balance Sheet	Balance for the Balance Sheet shall be taken from the form Prepared.	Form-1 to Form 29	No form has been prepared for the Opening Balance sheet



Annexure : 14

Year/Period end and reconciliation procedures


S.No.	YEAR END PROCUDURES	AUDITORS COMMENTS
Assigned Revenue	<p>At the period end, it shall be ensured that all the Receivables of Assigned revenues are reviewed and written off, if considered necessary</p> <p>Further, the accounts department shall also ensure that the necessary reversal entries are made for assigned revenues received in the current accounting period, which were accrued in the previous period</p>	<p>No receivable of assigned revenue accrued during the preceding financial years or current financial year.</p> <p>Therefore, No Receivables of Assigned revenues are reviewed at the end of the financial years.</p>
Public Works	<p>The details of the Deposit works contract (including names of the departments who have entrusted the deposit works) shall be recorded in the Deposit Works Register (in form PW - 3).</p> <p>At period-end, the departments incurring expenditure on Deposit Works shall submit a Summary Statement of Status on Deposit Works Expenditure maintained category wise as Civil, Electrical and Others in Form PW - 1 (similar to Capital work in progress) detailing total amount of works incurred till date on each of the Deposit Works. The details of total expenditure incurred on each of the Deposit Works can be collated from the Work Sheet (similar to Capital work in progress) in Form PW - 2</p>	<p>The Public works department and chief of accounts department prepared the summary statement as per own requirement but this procedure is not conformity with the Rajasthan Municipal accounts Manuals.</p>



Investment	At period-end, interest shall be accrued on investments made from the date of last receipt of interest till the end of the accounting period. The accrual of interest shall include both interests due for receipt and interests not due for receipt.	No Investment, ULB has only PD accounts of PF and Gratuity as Investment. Interest has not been accrued on the year end.
Fixed Assets	<u>Recording of liability for fixed assets purchased for which payment has not been made.</u> At period end, the concerned departments shall ensure that for bills in respect of all the fixed assets received before the last date of the accounting period are processed	Since it is recorded in the form GEN-28, but ULB is not preparing the form GEN-28, Therefore this year end procedure is not followed by accounts departments.
Lease of Land	<u>Accrual of ground rentals:</u> The Revenue Department shall identify the total ground rentals due for the period under reporting and compare the same with the ground rental income recognised till date in the books and account for differences if any.	No accrual of ground rental at the end of the financial years. And No reconciliation statement or comparative statement has been prepared.

GENERAL PERIOD-END PROCEDURES



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

	<p>e. <u>Verification of number of receipts issued as reported by the collection office with the Collection Register:</u> On receipt of Challan for Remittance of Money from the Collection Office, the Head of the Department supervising the functioning of the Collection Office shall verify the duplicate copies of the receipts issued with the entries made in the Collection Register</p> <p>f. <u>Updation of Subsidiary Ledger:</u> The Accounts Department shall update the following Subsidiary Registers at the end of each day:</p> <ol style="list-style-type: none"> i. Functions wise Income Subsidiary Ledger in respect of all major heads of Income during the day; ii. Functions wise Expense Subsidiary Ledger in respect of all major heads of Expenses during the day 	<p>The ULB has not maintaining the collection register on daily basis. Only challan book is maintained by the ULB.</p> <p>Functions wise Income Subsidiary Ledger in respect of all major heads of Income during the day and Functions wise Expense Subsidiary Ledger in respect of all major heads of Expenses during the day is not maintained by the ULB</p>
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<p><i>Monthly Procedures</i></p>	<p>a. <u>Bank Reconciliation:</u> Bank Reconciliation shall be carried out for each of the Banks either on a monthly basis or for such shorter time interval as the LB may decide. The procedure for bank reconciliation has been provided in Chapter 24 - Reconciliation Procedures.</p> <p>b. <u>Recording of expenditure incurred against permanent advance:</u> At the end of each month, the Head of the Department, to whom permanent advance has been disbursed, shall prepare and submit a payment order for expenses incurred against the permanent advance</p> <p>c. <u>Payment of provident fund dues and pension contribution in respect of employees on deputation.</u> The Accounts Department shall ensure that the provident fund deducted from the salaries of the employees on deputation and the pension contribution payable for their benefit have been paid on time to the Government.</p> <p>d. <u>Reconciliation of Function wise Income/Expense Subsidiary Ledgers with respective ledger accounts:</u> Subsidiary ledgers of all Function wise Income and Expense shall be reconciled.</p> <p>e. <u>Closing of ledger accounts:</u> The ledger accounts shall be totalled and balanced at the end of each month or such shorter period as the LB may decide</p>	<p>No, ULB has not been prepared the Bank reconciliation statement on the monthly basis.</p> <p>The register of permanent advance is not maintained by the ULB.</p> <p>The accounts department timely remitted the amount deducted from salary of PF, Gratuity, Pension etc on monthly basis.</p> <p>No reconciliation statement has been prepared.</p> <p>No ledger accounts maintained on daily basis, therefore no question of closing of ledger at end of month</p>
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<p><i>Quarterly Procedures</i></p>	<p>a. <u>Reconciliation of deposits, advances, receivables and income:</u> The deposits received from contractor/supplier or any other deposit; advances provided to contractor/supplier or to the departments or employees of the LB; receivables in respect of various sources of income and money received from various sources of income shall be reconciled at the end of each quarter. The procedure for reconciliation has been described in Chapter 24- Reconciliation Procedures.</p> <p>b. <u>Provision for period-end expenses:</u> At the end of an accounting period (quarter), all the departments of the LB shall prepare a Statement of Outstanding Liability for Expenses in Form GEN – 28.</p> <p>i. Provision for expenses incurred on original work/ operations or maintenance</p> <p>ii. Provision for materials purchased</p> <p>iii. Provision for revenue expenditures</p> <p>iv. Provision for interest accrued but not due on the money borrowed</p> <p>v. Provision for fixed assets purchased</p> <p>vi. Provision for Depreciation on Fixed assets</p> <p>c. <u>Transfer of revenue grant received in advance for specific purpose to grant income.</u> The balance in the Revenue Grant Account received in advance, to the extent utilised during the period shall be transferred to the respective</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> <p>Yes. The balance in the Revenue Grant Account received in advance, to the extent utilised during the period has been transferred to the respective Grant Income</p>
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	Grant Income Account	Account
	<p>d. <u>Recognition of grant income for revenue expenditure incurred in respect of grant receivable as reimbursement.</u> The revenue expenditure incurred during the period towards specific projects/schemes under a grant receivable, as a reimbursement shall be recognised as income at the end of each quarter</p>	<p>Yes this procedure has been followed.</p>
	<p>e. <u>Accrual of interest on borrowings:</u> Interest charges on loans received, which is not due shall be accrued.</p>	<p>No loan has been shown in the Balance sheet of the ULB.</p>
	<p>f. <u>Recording of provision for bills remaining unpaid in respect of Special Fund expenditure</u></p>	<p>No Provision is made for special fund expenditure.</p>
	<p>g. <u>Accrual of interest on investments.</u> Interest accrued but not due on investments made shall be accrued</p>	<p>No Investment.</p>
	<p>h. <u>Accrual of interest on loans advanced to employees.</u> The amount of interest accrued in respect of loans provided to employees shall be determined and accrued</p>	<p>No accrual of interest on loan and advances to employees.</p>
	<p>i. <u>Reconciliation of Capital Work in Progress:</u> Expenditure incurred on cumulative total of several Capital Work-in-Progress Ledger Accounts should be reconciled at the end of each quarter with the Summary Statement of Status on Capital Work-in-Progress received from the department.</p>	<p>No Reconciliation statement is prepared.</p>
	<p>j. <u>Passing of adjustment entries:</u> At the period-end, the Accounts Department shall verify whether proper distinction</p>	<p>Yes.</p>



	<p>has been maintained between revenue and capital transactions and between the transactions having effect in two accounting periods</p> <p>k. <u>Closing of ledger accounts</u>: The ledger accounts shall be totalled and balanced at the end of each quarter or such shorter period as the LB may decide for preparation of Financial Statements.</p>	<p>No Ledgers has been prepared by the ULB.</p>
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<p><i>Annual Procedures</i></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 Fund (Utilised) on construction or purchase or acquisition of fixed asset at the time of capitalisation of the relevant expenditures into fixed asset</p> <p>d. <u>Confirmation of all categories of advances:</u> At the end of the year, the Accounts Department shall obtain a confirmation from all the persons to whom the advances have been provided</p>	<p>No Physical verification of stores on the last day of financial year..</p> <p>No Physical verification of fixed assets has been out during the financial year.</p> <p>Yes, this procedure has been followed.</p> <p>No Confirmation has been taken from all categories of advances at the end of the year.</p>
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	<p>e. <u>Provision for unrealised revenue:</u> A provision shall be made for the demands raised during the accounting period but remaining outstanding.</p> <p>f. <u>Accounting of prepaid expenses.</u> At the year-end, all the expenses shall be scrutinised to identify those expenses whose benefit is likely to accrue in the next year</p> <p>g. <u>Contribution of difference in interest to the provident fund.</u> The difference between the interest earned on Provident Fund investment and interest payable on Provident Fund contribution to the employees shall be contributed by the I.B and an amount equivalent to the difference shall be transferred from the Main Bank Account to the Provident Fund Bank Account.</p> <p>h. <u>Confirmation from Government/Quasi-government and Government owned agencies.</u> At the end of each accounting year, the Accounts Department shall prepare and forward a balance confirmation statement to Government and Quasi-government and various government owned agencies in the format as prescribed in Chapter 24- Reconciliation Procedures</p> <p>i. <u>Closing of ledger accounts.</u> In addition to closing of ledger accounts at the end of each quarter, the ledger accounts shall be balanced and totalled at the end of each accounting year</p>	<p>No provision has been made for the unrealized or doubtful revenue receivables</p> <p>No such expenditure is occurred by the ULB.</p> <p>Yes, ULB has maintained the Provident fund account but in the double entry accounting no Balance of PF and Gratuity has been considered.</p> <p>No such steps have been taken by the accounts department of ULB..</p> <p>No ledger has been prepared. In the double entry accounting ledger has been closed at the end of year.</p>
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Limitations of Audit

Limitations of 'C K PRUSTY & ASSOCITES' in carrying out the assignment as per the scope of work are as under:

- 'C K PRUSTY & ASSOCITES' has restricted the scope of work to 'Terms of Reference' only.
- 'C K PRUSTY & ASSOCITES' has undertaken the audit in accordance with generally auditing standards, guidelines issued by ICAI.
- In performing the review and verification, the work, 'C K PRUSTY & ASSOCITES' 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.
 - 'C K PRUSTY & ASSOCITES' 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 'CK PRUSTY & ASSOCIATES' 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 'C K PRUSTY & ASSOCITES' in accordance with Firm's internal policies and procedures.
- 'C K PRUSTY & ASSOCITES' 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 2015-16 and is confidential being for use only to whom it is issued. It must not be quoted, cited, copied, disclosed or circulated, or referred to in correspondence or discussion with any other person or made public except to a person to whom it is issued.



Financial Statement for the year 2015-16 Nagar Palika, Kuchaman City

Balance Sheet of Nagar Palika Kuchaman City			
As on 31/03/2016			
LIABILITIES	Schedule	2015-16 (Amount in Rs.)	2014-15 (Amount in Rs.)
RESERVE & SURPLUS			
Municipal (General) Fund	1	191,856,127.93	193,964,658.66
Earmarked Funds	2	8,175,495.00	6,000,613.00
Capital contribution		109,282,163.00	59,382,456.00
Total Reserve & Surplus (A)		309,313,785.93	259,347,727.66
Grant/ Contribution For Specific Purpose (B)	3	18,364,984.00	-8,143,097.00
LOANS			
Secured Loans			
Unsecured Loans			
Total Loans (C)			
CURRENT LIABILITIES & PROVISIONS			
Sundry Deposits	4	22,255,585.00	45,817,197.00
Statutory Liabilities	5	1,509,452.00	814,051.00
Other Liabilities	6	2,993,404.00	3,403,552.00
PROVISIONS	7	0.00	0.00
Total Current Liabilities and Provisions (D)		26,758,441.00	50,034,800.00
TOTAL LIABILITIES (A+B+C+D)		354,437,210.93	301,239,430.66

Notes to Accounts and Accounting Policies

As per audit report even date
For C.K. Prusty & Associates
Chartered Accountants.

Kailash Sepat
(Partner)
M. No. 428489



Signature of
EO/Commissioner

Signature of
CAO /Sr. AO

Date : 18-01-2017
Place : Kuchaman

Balance Sheet of Nagar Palika Kuchaman City			
As on 31/03/2016			
ASSETS	Schedule	2015-16 (Amount in Rs.)	2014-15 (Amount in Rs.)
FIXED ASSETS			
Gross Block	8	377,072,174.00	302,342,322.00
Depreciation Fund	9	77,659,174.35	46,432,141.10
Net Block		299,412,949.65	255,910,180.90
Capital Work In Process			
Total Fixed Assets (A)		299,412,949.65	255,910,180.90
INVESTMENTS			
General Fund Investments			
Specific Fund Investments	10	17,436,553.00	17,155,640.00
Total Investments (B)		17,436,553.00	17,155,640.00
CURRENT ASSETS, LOAN & ADVANCES			
Inventories			
Sundry Debtors/ Receivables			
Cash & Bank Balances	11	33,299,289.28	25,774,839.76
Loans, Advances & Deposits	12	4,288,420.00	2,398,771.00
Total Current Assets, Loans & Advances (C)		37,587,709.28	28,173,610.76
TOTAL ASSETS(A+B+C)		354,437,211.93	301,239,431.66

Notes to Accounts and Accounting Policies

As per audit report even date
For C.K. Prusty & Associates
Chartered Accountants

Kailash Sepat
(Partner)
M. No. 428489



Signature of
EO/Commissioner

Signature of
CAO /Sr. AO

Date : 18-01-2017
Place : Kuchaman

Income and Expenditure Account of Nagar Palika Kuchaman City			
For the Year Ending 31/03/2016			
PARTICULARS	Schedule	2015-16	2014-15
		(Amount in Rs.)	(Amount in Rs.)
INCOME			
Income From Taxes	13	105,241.00	111,707.00
Assigned Compensations	14	39,320,191.00	30,739,535.00
Rental Income from Municipal Properties	15	1,526,153.00	1,506,265.00
Fees and User Charges	16	38,203,064.00	46,897,333.00
Sales & Hire charges	17	3,610,906.00	32,050,383.00
Interest Earned	18	534,832.00	381,747.00
Miscellaneous Income	19	2,320,535.00	252,837.00
Total Income		85,620,922.00	111,939,807.00
EXPENDITURE			
Establishment Expenses	20	36,059,922.00	35,234,912.00
General Administrative Expenses	21	2,855,532.00	4,495,871.00
Operating & Maintenance	22	6,671,172.00	6,256,724.00
Public Works	23	9,930,743.00	8,498,995.00
Programme Exp.	24	958,470.00	937,087.00
Interest & Financial Exp.		6,120.48	6,351.05
Prior Period Items		20,460.00	19,480.00
Depreciation During the Year		31,227,033.25	25,630,673.56
Total Expenditure		87,729,452.73	81,080,093.61
Surplus/ Deficit before adjustment of prior period items and Depreciation		-2,108,530.73	30,859,713.39
Less: Prior Period Items		0.00	0.00
Less: Prior Period adjustment of Depreciation		0.00	0.00
NET SURPLUS/ DEFICIT		-2,108,530.73	30,859,713.39

Notes to Accounts and Accounting Policies

As per audit report even date

For C.K. Prusty & Associates

Chartered Accountants

Kailash Sepat
(Partner)
M. No. 428489



Signature of
EO/Commissioner

Signature of
CAO /Sr. AO

Date : 18-01-2017

Place : Kuchaman

Office of Municipal Board, Kuchaman City
Statement of Cash Flow for the FY 2015-2016

S.No	Particulars	Amount
A.	<u>Cash flow From Operating Activities</u>	
a.	Surplus/(Deficit) over expenditure	2,108,530.73
	Add/Less: Fund Transfer to or from Reserve & Surplus	49,899,707.00
	Non Cash Items Debited in Income & Expenditure	
b.	Add : Account	
	Depreciation	31,227,033.25
	Non-operating Items Debited in Income & Expenditure	
	Add : Account	6,120.48
	(Less) Non Cash Items Credited in Income & Expenditure	
	: Account	
	(Less) Non-operating Items Credited in Income & Expenditure	
	: Account	
	Interest Received	534,832.00
c.	Adjusted income over expenditure before effecting changes in current assets and current liabilities and extra ordinary items.	78,489,498.00
d.	Changes in current assets and current liabilities	
	(Less)	
	: (Increase) / decrease in other current assets	(1,889,649.00)
	Add : (Decrease)/ increase in Statutory Liabilities	695,401.00
	Add : (Decrease)/ increase in Provisions	0
	Add : (Decrease)/ increase in Deposits received	23,561,612.00
	(Less)	
	: (Decrease)/ increase in other current liabilities	410,148.00
	Net cash generated from/ (used in) operating activities (A)	53,323,490.00
B.	<u>Cash flows from investing activities</u>	
a.	(Purchase) of fixed assets & CWIP	74,729,802.00
b.	(Increase) / Decrease in General funds investments	
c.	(Increase) / Decrease in Specific funds investments	280,913.00
d.	Interest income received	534,832.00



	Net cash generated from/ (used in) investing activities (B)	(74,475,883.00)
C.	<u>Cash flows from financing activities</u>	
a.	Grants received for specific purpose	26,508,081.00
b.	Earmarked fund Recived or utilised	2,174,882.00
c.	Less Interest & Finance Exp.	6,120.48
	Net cash generated from (used in) financing activities(C)	28,676,842.52
D.	<u>Net increase/ (decrease) in cash and cash equivalents (A + B + C)</u>	7,524,449.52
a.	Cash and cash equivalents at beginning of period	25,774,839.76
b.	Cash and cash equivalents at end of period	33,299,289.28
E.	<u>Change in Cash and Cash Equivalents</u>	7,524,449.52

Notes to Accounts and Accounting Policies

As per audit report even date
 For C.K. Prusty & Associates
 Chartered Accountants

Kailash Sepat

(Partner)
 M. No. 428489



ED/Commissioner

Signature of

Signature of

CAO /Sr. AO

Date : 18-01-2017

Place : Kuchaman

Schedule forming part of Balance Sheet of Nagar Palika Kuchaman City

As on 31/03/2016

PARTICULARS	2015-16	2014-15
	(Amount in Rs.)	(Amount in Rs.)
Schedule-1		
MUNICIPAL (GENERAL) FUND		
Opening balance	193,964,658.66	163,104,907.27
Add :- Addition during the year		38.00
Less:- Deduction during the year		
Add: Excess of Income over Expenditure	(2,108,530.73)	30,859,713.39
Total	191,856,127.93	193,964,658.66
Schedule-2		
EARMARKED FUND		
Gratuity Fund	-386,704.00	-427,204.00
General Provident Fund	8,562,199.00	6,427,817.00
Total	8,175,495.00	6,000,613.00
Schedule- 3		
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE		
Nirbandh Scheme	94,869.00	94,869.00
Special Grant for 13th Financial Commission	854,719.00	-6,820,281.00
Special Grant for 14th Financial Commission	825,240.00	0.00
CM Urban Housing BPL Scheme	50,000.00	50,000.00
Swarn Jayanti Sahkari Rojgar Scheme	142,262.00	142,262.00
MLA Fund	322,096.00	-37,865.00
MP Fund	498,516.00	-1,484.00
State Finance Commission Grant for Development	7,506,836.00	-4,722,850.00
Sadi Kambal Scheme	25,500.00	25,500.00
Swachh Bharat Mission Scheme	5,047,609.00	0.00
Other Grant	21,920.00	21,920.00
Sahbhagi Avas Vikas Yojana	3,012,500.00	3,012,500.00
Bhamasha Scheme	-37,083.00	4,847.00
Grant For Ration card	0.00	87,485.00
Total	18,364,984.00	-8,143,097.00
Schedule- 4		
SUNDRY DEPOSITS		
Avas Vikas Fund	4,857,460.00	20,500,963.00
Lease Land (Avas Vikas Fund)	1,432,794.00	1,061,773.00
Sanstha Fees (Avas Vikas Fund)	2,020,000.00	1,452,000.00
Kuchaman Valley Plot Allotment Fund	273,671.00	0.00
Security & Amanat Payable	13,671,660.00	22,802,461.00

Total	22,255,585.00	45,817,197.00
Schedule- 5		
STATUTORY LIABILITIES		
Income Tax (TDS) Payable	386,839.00	2,454.00
Commercial Tax Payable	506,862.00	3,689.00
Royalty Payable	55,032.00	1,859.00
R.D. payable	200.00	200.00
Cess payable	225,647.00	929.00
M.D vat	0.00	0.00
Gratuity Payable	0.00	0.00
Insurance payable	4,800.00	4,800.00
Other Deductions	47,153.00	47,153.00
Pension Payable	282,919.00	752,967.00
Provident fund Payable	0.00	0.00
Total	1,509,452.00	814,051.00
Schedule- 6		
OTHER LIABILITIES		
Interest Bearing PD A/c	419,971.00	361,872.00
Salary Payable	2,573,433.00	2,475,781.00
Creditors	0.00	565,899.00
car loan	0.00	0.00
Total	2,993,404.00	3,403,552.00
Schedule- 7		
PROVISIONS		
Audit fees Payable	0.00	0.00
Accounting fees payable	0.00	0.00
Total	0.00	0.00
Schedule- 8		
GROSS BLOCK	377,072,124.00	302,342,322.00
Immovable Assets		
Land and Other	77.00	77.00
Total	77.00	77.00
Infrastructure Assets		
Road		
CC Road	301,119,096.00	236,424,786.00
W B M	14,507,314.00	12,604,379.00
Road & Divider & Lighting	13,524,606.00	13,524,606.00



Retail Sabji Mandi Road	916,497.00	916,497.00
Waterways	919,912.00	647,834.00
Sewrage and Drainage	32,327,475.00	25,095,116.00
Garden & Parks	939,513.00	939,513.00
Buildings	3,677,161.00	3,677,161.00
Circle	114,004.00	114,004.00
Sign Board	134,850.00	134,850.00
Tree Guard	313,500.00	313,500.00
Thermoplastic Lining	1,001,516.00	503,576.00
Total	369,495,444.00	294,895,822.00
Moveable Assets		
Plant & Machinery	1,455,004.00	1,332,824.00
Furniture & Fixture	135,838.00	128,038.00
Computer	522,619.00	522,619.00
Vehicles	5,463,142.00	5,463,142.00
Total	7,576,603.00	7,446,423.00
Schedule-9		
DEPRECIATION FUND		
Opening balance	46,432,141.10	20,801,467.54
Add:- Depreciation provided during the year	31,227,033.25	25,630,673.56
Less:- Depreciation for the previous year		
Total	77,659,174.35	46,432,141.10
Schedule- 10		
SPECIFIC FUND INVESTMENT		
Employee's PF Accounts	16,862,747.00	16,622,334.00
Gratuity P.D A/c	573,806.00	533,306.00
Total	17,436,553.00	17,155,640.00
Schedule- 11		
CASH & BANK BALANCES		
Cash in Hand	5,537.00	102,831.00
Balances in Saving & Current a/cs	15,715,676.91	20,631,850.39
PD A/C	17,578,075.37	5,040,158.37
Total	33,299,289.28	25,774,839.76
Schedule- 12		
LOANS,ADVANCES & DEPOSITS		
Advance to Staff	248,131.00	248,131.00
PF LOAN	4,040,289.00	2,150,640.00
Total	4,288,420.00	2,398,771.00

**Schedule forming part of Income and Expenditure Account of Nagar Palika
Kuchaman City**

For the year ending on 31/03/2016

PARTICULARS	2015-16	2014-15
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 13		
INCOME FROM TAXES		
House Tax	4,968.00	0.00
Road Tax -	0.00	0.00
Urban development tax	100,273.00	111,707.00
Total	105,241.00	111,707.00
Schedule - 14		
ASSIGNED COMPENSATION		
Octroi Compensations	31,552,000.00	28,684,000.00
BRGF Income	0.00	0.00
C M Urban Housing B P L	0.00	0.00
Bpl Residency	0.00	0.00
13th Finance & 14th Finance	3,703,209.00	568,467.00
CMAR contribution income	0.00	0.00
Scholarship grant	0.00	0.00
Sahri Jan Sahbhagi Yojna	0.00	0.00
Swach Bharat Mission Scheme	312,391.00	0.00
S J S R Y	0.00	0.00
STATE FINANCE	3,752,591.00	1,487,068.00
Total	39,320,191.00	30,739,535.00
Schedule - 15		
RENTAL INCOME FROM MUNICIPALE PROPE RTIES		
Income from Land rent	498,479.00	382,812.00
Income from Park Train rent	0.00	80,000.00
Income from Rent Shop	80,390.00	117,764.00
Income from Public Toilet	371,039.00	432,848.00
Rent from Office Building	4,272.00	3,936.00
Tehbajari Income	571,973.00	488,905.00
Total	1,526,153.00	1,506,265.00
Schedule - 16		
FEES AND USER CHARGES		
Fees for Grant of Permit	6,105,728.00	5,651,949.00
Fees for Certificate or Extract	322,536.00	35,856.00
Development Charges	8,591,767.00	9,161,214.00
Regularisation fees	10,145,308.00	13,142,523.00



Registration fees	112,312.00	109,485.00
Avedan & Namanantarn fees	561,891.00	307,992.00
Other Fees	802,533.00	731,200.00
Licensing Fees	146,196.00	2,158.00
User Charge	10,944,664.00	17,621,599.00
Penalties & Fines	354,903.00	51,746.00
Advertisement holding fees	115,226.00	81,660.00
Total	38,203,064.00	46,897,333.00
Schedule - 17		
SALES & HIRE CHARGES		
Sale Of Products	3,347,376.00	31,975,933.00
Sale of Stores & Scraps	0.00	0.00
Sale of Forms & Publications	263,530.00	74,450.00
Total	3,610,906.00	32,050,383.00
Schedule - 18		
INTEREST EARNED		
Interest from banks & others	534,832.00	381,747.00
Total	534,832.00	381,747.00
Schedule - 19		
MISCELLANEOUS INCOME		
Misc. Income	2,320,535.00	252,837.00
Total	2,320,535.00	252,837.00
Schedule -20		
ESTABLISHMENT EXP.		
Salary and Other Payment	31,861,877.00	29,956,603.00
Chairman, Parshad Allowance & Remunration	953,177.00	567,580.00
Pension contribution	2,196,268.00	2,141,498.00
Gratuity Exp.	1,048,600.00	2,569,231.00
Total	36,059,922.00	35,234,912.00
Schedule -21		
GENERAL ADMINISTRATION EXP.		
Advertisement & Promotion Expenses	490,488.00	1,260,427.00
Audit fees	0.00	37,500.00
Accounting fees	0.00	81,510.00
Communication Expenses	110,608.00	151,037.00
Office Administration Expenses	49,000.00	52,400.00
Office Maintance	142,362.00	653,920.00
Travelling & Conveyance	1,394,673.00	1,471,480.00
Printing and Stationery	239,017.00	253,257.00
Insurance	85,652.00	94,089.00
Books and Journal	0.00	0.00



Legal expenses	27,200.00	71,000.00
Other Contingencies	301,051.00	190,434.00
Scholarship	0.00	159,600.00
Books and Journal	15,481.00	19,217.00
Total	2,855,532.00	4,495,871.00
Schedule- 22		
OPERATING & MAINTANANCE		
Revenue grant expenses	4,001,572.00	1,665,581.00
E-Governing Expenses	2,273,664.00	4,162,566.00
Vehicles Repair & Maintenance	395,936.00	428,587.00
Total	6,671,172.00	6,256,724.00
Schedule- 23		
PUBLIC WORKS		
Cleaning Expenses	1,568,185.00	1,648,425.00
Roads, Nali & Bridge	0.00	0.00
Expenditure On Street Light	1,255,192.00	795,949.00
Furniture Fixtures Repairs	71,146.00	160,761.00
Repairs & Maintenance of Building	884,489.00	71,986.00
Expenditure On Street Light	0.00	0.00
Garden Expenses	33,152.00	86,819.00
Light Material	702,824.00	1,979,607.00
Drains Repairs	5,415,755.00	3,755,448.00
Sanetry Expenses	0.00	0.00
Public Toilet Expenses	0.00	0.00
Mitti Expenses	0.00	0.00
Construction Expenses	0.00	0.00
Electricity Maintenance Expenses	0.00	0.00
Total	9,930,743.00	8,498,995.00
Schedule- 24		
PROGRAMME EXPENDITURE		
Own Programme Exp.	763,043.00	770,937.00
Share in Other Programme	0.00	139,200.00
Election Expenses	195,427.00	26,950.00
Total	958,470.00	937,087.00



Notes to Accounts and Accounting Policies

As per audit report even date
For C.K. Prusty & Associates
Chartered Accountants

Kailash Sepat
(Partner)
M. No. 428489



Signature of
EO/Commissioner

Signature of
CAO /Sr. AO

Date : 18-01-2017
Place : Kuchaman

BASIS OF ACCOUNTING AND ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements are prepared on a going concern and under historical cost basis under accrual basis of accounting. The method of accounting is the double entry system.

2. Recognition of Revenue

i. Revenue

- a. Property and Other Taxes are recognised in the period in which they become due and demands are ascertainable
- b. Revenues in respect of Profession Tax on Organisations / entities are accrued in the year to which it pertains and when demands are raised.
- c. Advertisement taxes are accrued based on Demand or the contract.
- d. Revenue in respect of Trade License Fees is accrued in the year to which it pertains and when Demands are raised.
- e. Assigned revenues like Entertainment Tax, Duty / Surcharge on transfer of Immovable properties are accounted during the year only upon actual receipt. However, at year-end, they are accrued if sanction order (or proceedings) is passed and the amount is ascertained.
- f. Other Incomes, which are of an uncertain nature or for which the amount is not ascertainable or where demand is not raised in regular course of operations, is recognised on actual receipt.

ii. Provision against receivables

- a. Prudential norms are applied based on type of income and age of receivable. Based on the principle on provisioning, incomes that have been accrued and are doubtful of recovery are provided for.

3. Recognition of Expenditure

- a. Expenses on Salaries, bonus and other allowances are recognised as and when they are due for payment
- b. All revenue expenditures are treated as expenditures in the ~~period in which they are incurred;~~ or recognized the amount is
- 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.



- c. Post-Retirement benefits are booked on Payment basis i.e when they are due for payment.

4. Fixed Assets

i. *Recognition*

- a. All Fixed Assets are carried at cost less accumulated depreciation. The cost of fixed assets include cost incurred/money spent in acquiring or installing or constructing the fixed asset, interest on borrowings directly attributable to acquisition or construction of qualifying fixed assets up to the date of commissioning of the assets and other incidental and indirect expenses incurred up to that date.
- b. All assets costing less than Rs.5,000/- would be expensed / charged to Income & Expenditure Account in the year of purchase.
- c. Any Fixed Asset, which has been acquired free of cost or in respect of which no payment has been made, is recorded at nominal value of Re.1/-

ii. *Depreciation*

Depreciation is provided on Straight line method as per rates specified in Income Tax Act,1961 as suggested in Rajasthan Municipal Accounting Manual.

iii. *Revaluation of Fixed Assets:*

- a. Revaluation of fixed assets is undertaken either at the time of issue of municipal bonds or when commercial development / lease of properties is made.
- b. Increase in net book value arising on revaluation is credited to 'Revaluation Reserve Account'. Decrease in net book value is charged to Income and Expenditure account.
- c. Revaluation reserve is amortised by equivalent amount of depreciation charged on the revalued portion of the cost of the fixed assets.

5. Borrowing cost

Borrowing cost is recognised as revenue expenditure on accrual basis excepting the case of fixed assets.

6. Inventories

Inventories are valued as follows:

- a. Raw materials are valued at Cost based on first in first out method



- b. Finished goods are valued at lower of the cost or market value.

7. Grants

- a. General Grants, which are of revenue nature, are recognised as income on actual receipt
- b. Grants, which are re-imbusement 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.

