

Municipal Board Sambharlake

Financial Statements and Independent Auditors
reports

FY 2015-16

Prepared By:

Audited By :JLN US & CO.

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INDEPENDENT AUDITOR'S REPORT

To,
The EO,
Municipal Board
Sambharlake, Rajasthan

Report to Financial Statement


We have audited the accompanying financial statements of **MUNICIPAL BOARD, SAMBHARLAKE, RAJASTHAN** which comprise the Balance Sheet as at March 31, 2016, the Income and Expenditure Account 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.


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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.


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In our opinion and with 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:-


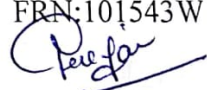
- a) In the case of the Balance Sheet, of the state of affairs of the ULB as at March 31, 2016
- b) In the case of the Income and Expenditure Account, of the surplus/deficit for the year ended on that date; and

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 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.

Place: Jaipur
Date 11/01/2018


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नगर पालिका मण्डल
साँभर लोक (राज.)


For JLN US & CO.
Chartered Accountants
FRN:101543W

(Neeraj Jain)
(Partner)
M.No.408211

Financial Statement for the year 2015-16

Nagarpalika Sambharlake

Balance Sheet of Nagarpalika, Sambharlake, Rajasthan As at 31-03-2016			
LIABILITIES	Schedule	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
RESERVE & SURPLUS			
Municipal (General) Fund	1	87,272,033.86	28,783,530.08
Earmarked Funds	2	680,722.00	1,489,780.00
Reserve & Surplus	3	1,222,758.00	1,222,758.00
Total Reserve & Surplus (A)		89,175,513.86	31,496,068.08
GRANT/ CONTRIBUTION			
Grant/ Contribution For Specific Purpose	4	23,906,568.91	38,975,726.91
Total Grant (B)		23,906,568.91	38,975,726.91
LOANS			
Secured Loans	5	-	-
Unsecured Loans	6	-	-
Total Loans (C)		-	-
CURRENT LIABILITIES & PROVISIONS			
Sundry Deposits	7	4,012,495.00	354,609.00
Sundry Creditors	8	-	-
Statutory Liabilities	9	722,596.00	-
Other Liabilities	10	857,324.00	860,000.00
Provisions/Previous Year Differences	11	98,575.00	-
Accumulated depreciation			
Total Current Liabilities and Provisions (D)		5,690,990.00	1,214,609.00
TOTAL LIABILITIES (A+B+C+D)		118,773,072.77	71,686,403.99

Notes to Accounts and Accounting Policies

Audited by
JLN US & CO.
Chartered Accountants


Signature of
EO/Commissioner

Signature of
CAO /Sr. AO


Neeraj kumar Jain
(Partner)
M.No. 408211



Date :
Place :

Financial Statement for the year 2015-16

Nagarpalika Sambharlake


Balance Sheet of Nagarpalika, Sambharlake, Rajasthan As at 31-03-2016			
ASSETS	Schedule	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
FIXED ASSETS			
Gross Block	12	128,592,527.60	67,480,944.00
Less : Depreciation Fund	13	21,227,151.86	11,227,413.50
Net Block		107,365,375.74	56,253,530.50
Capital Work In Process	14	-	-
Total Fixed Assets (A)		107,365,375.74	56,253,530.50
INVESTMENTS			
Deposits Against Earmarked Funds	15	680,722.00	974,780.00
General Fund Investments	16	-	-
Total Investments (B)		680,722.00	974,780.00
CURRENT ASSETS, LOAN & ADVANCES			
Inventories	17	-	-
Sundry Debtors/ Receivables	18	-	-
Cash & Bank Balances	19	10,501,943.03	13,751,211.49
Loans, Advances & Deposits	20	225,032.00	706,882.00
Cash Book Differences		-	-
Total Current Assets, Loans & Advances (C)		10,726,975.03	14,458,093.49
TOTAL ASSETS(A+B+C)		118,773,072.77	71,686,403.99

Notes to Accounts and Accounting Policies

Audited by
JLN US & CO.
Chartered Accountants


Signature of
EO/Commissioner

Signature of
CAO /Sr. AO


Neeraj kumar Jain
(Partner)
M.No. 408211



Date :
Place :


Financial Statement for the year 2015-16

Nagarpalika Sambharlake

Profit and Loss Account of Nagarpalika, Sambharlake, Rajasthan For the Year Ending 31-3-2016			
PARTICULARS	Schedule	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
INCOME			
Income From Taxes	21	228,930.00	-
Assigned Compensations	22	12,046,000.00	21,645,000.00
Rental Income from Municipal Properties	23	206,553.00	-
Fees and User Charges	24	37,746,037.74	-
Revenue Grants, Contributions and Subsidies	25	10,073,122.00	-
Income from Corporation Assets and Investment	26	99,415.00	-
Miscellaneous Income	27	154,955.00	-
Total Income		60,555,012.74	21,645,000.00
EXPENDITURE			
Establishment Expenses	28	18,469,413.00	-
General Administrative Expenses	29	2,452,507.20	-
Public Works	30	9,708,180.00	-
Miscellaneous Expenses	31	640,070.00	-
Yojna Expenses	32	73,375.00	-
Depreciation During the Year		9,999,738.36	-
Total Expenditure		41,343,283.56	-
Surplus\ Deficit before adjustment of prior period items and Depreciation		19,211,729.18	21,645,000.00
Less; Prior Period Items		-	-
Less: Prior Period adjustment of Depreciation		-	-
NET SURPLUS\ DEFICIT		19,211,729.18	21,645,000.00

Notes to Accounts and Accounting Policies

Audited by
JLN US & CO.
Chartered Accountants


Neeraj kumar Jain
(Partner)
M.No. 408211




Signature of
EO/Commissioner

Signature of
CAO /Sr. AO

Date : .
Place : .

Schedule forming part of Balance Sheet of Nagrpalika Sambharlake, Rajasthan As on 31-03-2016		
PARTICULARS	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
Schedule- 9		
STATUTORY LIABILITIES		
Labour Cess	127,531.00	-
Income Tax Payble	-	-
TDS IT	227,961.00	-
Royalty Payable	14,582.00	-
M Vth	61,716.00	-
TDS ST	76,302.00	-
Gratuity Payable	13,310.00	-
New Pension Scheme	140,163.00	-
Pension Payable	12,265.00	-
Bank loan payable	8,500.00	-
LIC	21,649.00	-
Providend Fund Payable	18,617.00	-
TOTAL	722,596.00	-
Schedule- 10		
OTHER LIABILITIES		
Employee liabilities-unpaid salary	857,324.00	860,000.00
TOTAL	857,324.00	860,000.00
Schedule- 11		
PROVISIONS		
Accounting & Audit Fees Payable	98,575.00	-
TOTAL	98,575.00	-
Schedule- 12		
GROSS BLOCK		
Immovable Assets		
Building	2,084,166.00	1,800,000.00
Land	8,000,000.00	8,000,000.00
TOTAL	10,084,166.00	9,800,000.00
Infrastructure Assets		
Roads & Bridge	112,795,612.00	54,708,346.00
TOTAL	112,795,612.00	54,708,346.00
Movable Assets		
Other Fixed Assests	1,858,487.00	-
Plant and machinery	1,029,850.00	889,850.00
Furniture Fixture	469,224.00	457,224.00
Public Lighting	579,595.00	-
Vehicles	1,624,517.60	1,625,524.00
Office Equipment	151,076.00	-
TOTAL	5,712,749.60	2,972,598.00
GRAND TOTAL	128,592,527.60	67,480,944.00
Schedule-13		
DEPRECIATION FUND		
Opening Balance	11,227,413.50	-
Add:- Depreciation provided during the year	9,999,738.36	11,227,413.50
TOTAL	21,227,151.86	11,227,413.50
Schedule- 14		
CAPITAL WORK IN PROGRESS		
TOTAL	-	-
Schedule- 15		
Specific Fund Investments		
Pd A/c 8338-58 Pf	404,815.00	781,777.00
Pd A/c8338-65 Gratuity	275,907.00	193,003.00
TOTAL	680,722.00	974,780.00
Schedule- 16		
General Fund Investments		
PD A/C	-	-
R.U.D.F	-	-
CMAR Deduction	-	-
TOTAL	-	-
Schedule - 17		
Stock others		
TOTAL	-	-
Schedule- 18		



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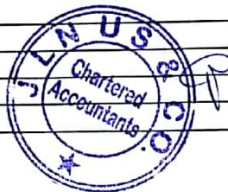
Schedule forming part of Balance Sheet of Nagrpalika Sambharlake, Rajasthan As on 31-03-2016		
PARTICULARS	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
SUNDRY DEBTORS / RECEIVABLES	-	-
TOTAL	-	-
Schedule- 19		
CASH & BANK BALANCES		
Balance with Bank - Special Funds		
Bank Ac -12th Finance Commission Garnt	19,302.00	19,302.00
Bank Ac- cm Bpl Yojna	1,113,532.00	1,113,532.00
Bank Account Balika Samridhi Yojna	772.00	772.00
Bank Ac- Jan Sahyogi Yojna	13,623.00	13,623.00
Bank Ac - Swarn Jayanti Yojna(CBI)	219,551.50	219,551.50
Bank Ac - Swarn Jayanti Yojna (Pnb)	86,640.00	86,640.00
Bank Ac - Swarn Jkayanti (Sbi)	11,217.41	11,217.41
CBI BANK 4568 SBM	4,247,000.00	-
Sub Total	5,711,637.91	1,464,637.91
Balance with Bank - Municipal Funds		
Cash in Hand	48,953.00	12,345.00
PD Bank	1,464,184.00	1,152,868.00
Bank Balance	3,277,168.12	11,121,360.58
Sub Total	4,790,305.12	12,286,573.58
TOTAL	10,501,943.03	13,751,211.49
Schedule- 20		
LOANS,ADVANCES & DEPOSITS		
Loan Advance to Employee	216,002.00	182,852.00
Rent Deposit	9,030.00	9,030.00
Provident fund Loans	-	515,000.00
TOTAL	225,032.00	706,882.00
Schedule - 21		
INCOME FROM TAXES		
House tax	196,331.00	-
Property Tax	32,599.00	-
TOTAL	228,930.00	-
Schedule - 22		
ASSIGNED COMPENSATION		
Octroi Compensations	12,046,000.00	-
Entertainment tax compensation	-	-
TOTAL	12,046,000.00	-
Schedule - 23		
RENTAL INCOME FROM MUNICIPLE PROPERTIES		
Rent From Public Facility	61,993.00	-
Tay Bajari	144,560.00	-
TOTAL	206,553.00	-
Schedule - 24		
FEES, USER CHARGES, SALES & FRIGHT CHARGE		
Fright Charge	21,756,270.00	-
Other Income	211,750.74	-




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Schedule forming part of Balance Sheet of Nagrpalika Sambharlake, Rajasthan As on 31-03-2016


PARTICULARS	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
Anugyapti Fees	20,157.00	
Certificate and Pratilipi	102,396.00	-
Consumer Charges & licence fees	3,623,487.00	-
Development Charges & Fair Fees	6,544,389.00	-
Niyaman Fees	2,583,033.00	
Other Fees	728,007.00	
Penalty and Fines	4,500.00	
Permit Fees	1,029,498.00	
Service And Administration fees	1,142,550.00	
TOTAL	37,746,037.74	-
Schedule - 25		
REVENUE GRANT, CONTRIBUTION, SUBSIDIES		
Revenue Grant for 13th Aayog	3483000	
Fund Utilised From Bpl Awash Yojna	1113532	
Revenue Grant for 14th Aayog	3353000	
Revenue Grant From Swachh Bharat Mission	2082000	
Revenue Grant From Swarn Jaynti Rojgar Yojna	41590	
TOTAL	10,073,122.00	-
Schedule - 26		
INCOME FROM CORP.ASSET		
Interest on Corporation Investment		-
Sale of Form and Format 150-11	99,415.00	-
TOTAL	99,415.00	-
Schedule - 27		
MISCELLANEOUS OR INTEREST INCOME		
Interest From Bank A/c	154,955.00	-
Misc. Income	-	-
TOTAL	154,955.00	-
GRAND TOTAL	60,555,012.74	-
Schedule -28		
ESTABLISHMENT EXP.		
Salary, Wages and Bonus	9,653,982.00	-
Allowances & Profit	6,292,438.00	-
Pension	901,716.00	-
Gratuity	1,621,277.00	-
Travelling Reimbursement	-	-
TOTAL	18,469,413.00	-
Schedule -29		
GENERAL ADMINISTRATION EXP.		
Advertisement and Promotion Expenses	1,250,715.00	-
Auditing Expenses	44,688.00	-
Books and Journals	5,250.00	-
Communication Expenses	40,657.00	-
Legal Expenses	166,015.00	-
Legal Expenses	161,401.00	-
Office Administrative	201,049.00	-
Other Administrative Expenses	98,038.00	-
Printing and Stationary	325,430.00	-
Professional and Other Fees	20,981.00	-
Rent Rates and Taxes	135,359.00	-
Travelling Expenses	2,924.20	-
Bank Expenses		-
TOTAL	2,452,507.20	-
Schedule -30		
OPERATING & OPERATIONAL EXPENSES (PUBLIC WORKS) (Mis. Exp.)		
Other Operating and Operational Expenses	746,870.00	-
Repair and Maintaince of Public Assets Expenses	472,178.00	-
Repair and Maintaince Vechile Expenses	31,402.00	-
Repair and Maintaince Other Expenses	41,034.00	-
Repairing and Under Construction Fixed Assets	8,416,696.00	-
TOTAL	9,708,180.00	-
Schedule -31		
PROGRAMME EXPENSES		
Own Programme Exps.	577,657.00	-
Election Expenses	62,413.00	-




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 साँभर लोक (राज.)

Schedule forming part of Balance Sheet of Nagrpalika Sambharlake, Rajasthan As on 31-03-2016		
PARTICULARS	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
TOTAL	640,070.00	-
Schedule -32		
Yojna Expenses	-	
Jangarna Expense	26,400.00	-
Swran Jaynti Rojgar Youjan Expenses	41,590.00	
Sari Kambal Youjan Expenses	5,385.00	-
TOTAL	73,375.00	-
GRAND TOTAL	31,343,545.20	-




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Office of Municipal Board, Sambharlek
Statement of Cash Flow for the FY 2015-16

S.No	Particulars	Amount
A. <u>Cash flow From Operating Activities</u>		
a.	Surplus/(Deficit) over expenditure	19,211,729.18
b.	Add : Non Cash Items Debited in Income & Expenditure Account Depreciation	9,999,738.36
	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	-
	Interest Received	-
c.	Adjusted income over expenditure before effecting	29,211,467.54
d.	Changes in current assets and current liabilities	
	(Less) : (Increase) / decrease in other current assets	481,850.00
	Add : (Decrease)/ increase in Statutory Liabilities	722,596.00
	Add : (Decrease)/ increase in Provisions	98,575.00
	Add : (Decrease)/ increase in Deposits received	3,657,886.00
	(Less) : (Decrease)/ increase in other current liabilities	2,676.00
	Net cash generated from/ (used in) operating activities (A)	34,169,698.54

B. Cash flows from investing activities


a.	(Purchase) of fixed assets & CWIP	(61,111,583.60)
b.	(Increase) / Decrease in General funds investments	294,058.00
c.	Interest income received	-
	Net cash generated from/ (used in) investing activities (B)	(60,817,525.60)

C. Cash flows from financing activities


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a	Grants received for specific purpose	(15,069,158.00)
b	Reserve and Surplus	-
c	Emarked Fund	(809,058.00)
d	Municipal Fund	39,276,774.60
	Net cash generated from (used in) financing activities(C)	23,398,558.60
		(3,249,268.46)
D.	<u>Net increase/ (decrease) in cash and cash equivalents (A +</u>	
a.	Cash and cash equivalents at beginning of period	13,751,211.49
b	Cash and cash equivalents at end of period	10,501,943.03
		(3,249,268.46)
E.	<u>Change in Cash and Cash Equivalents</u>	
		(0.00)



 अधिसाध अधिकाारी
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 साँभर लेक (राज.)



Matters to be reported by the financial statements auditor

S.No	Additional Matters	Audit Observation
1	Whether all sums due to and received by the Municipality have been brought to account and have been appropriately classified; and 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	Annexure-5

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साँभर लोक (राज.)




	are collected regularly by the Municipality and that the lease agreements are renewed after their expiry;	
6	Whether physical verification has been conducted by the Municipality at reasonable intervals in respect of stores; Whether the procedures of physical verification of stores followed by the Municipality are reasonable and adequate if not, state the inadequacies in such procedures; Whether any material discrepancies have been noticed on physical verification of stores as compared to stores records, and if so, whether the same have been properly dealt with in the books of account;	Annexure-6
7	Whether the parties to whom loans or advances have been given by the Municipality are repaying the principal amounts as stipulated and are also regular in payment of the interest and if not, whether reasonable steps have been taken by the Municipality for recovery of the principal and interest;	Annexure-7
8	Whether advances given to municipal employees and interest thereon are being regularly recovered;	Annexure-8
9	Whether there exists an adequate internal control procedure for the purchase of stores, fixed assets and services	Annexure-9
10	Whether there exists an adequate internal control procedure for the contracting of works and projects, periodic inspections and measurements, quality checks and payments 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




 अधिष्ठाता/अधिवक्ता
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 साँभर लोक (सा. म.)


Annexure-1

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

1. There were neither Urban Development Tax assessment nor other revenue assessment during the FY 2015-16. Therefore no tax or revenue income has been accrued for the FY 2015-16 at end of Financial Year.
2. Statement of Outstanding liabilities in the Form GEN-28 is not prepared. Therefore the double entry accounting has no conformity with Accrual Concept.

Annexure-2

All grants sanctioned or received by the Municipality during the year, have been accounted properly, and where any deduction is made out of such


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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

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: 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. **But Earmarked Funds was not considered in Double entry accounting system.**


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. It has been suggested to ULB that the ULB should prepared Fixed Assets Register in the prescribed Format.

Physical verification of fixed assets has not been carried by the ULB on regular basis.

Depreciation on fixed assets not provided during the year and opening balances of assets not considered in double entry system.


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Annexure-5

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

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

Annexure-6

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

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

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

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

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

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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: 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-8

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-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	Yes, The Head of Accounts department ensures the budget availability.

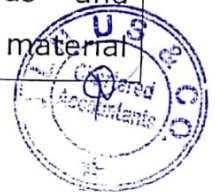


	shall be on accrual basis rather than payment basis.	budget monitoring is based on Payment not on accrual basis.
	The Head of the Accounts Department shall ensure that all the purchase bills/invoices were journalized before release of the payments.	No Such procedure exists.
	At the end of the financial 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.	No such procedure followed by the ULB.
	The Stores-in-charge shall ensure availability of adequate budget allocation before procuring any material, after considering all commitments made against the budget allocation.	The Store-in-charge has no such procedure of budget allocation.
	At the time of issue of any material to the Departments, the Stores-in-charge shall ensure that there is an adequate budget provision in respect of that department.	No Internal Control exists.




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

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		received.
	The Head of the Accounts Department shall ensure that the 'Purchase of Materials' account has been reconciled at the period and the balance has become nil on accounting of stock entries for the closing stock (on the basis of Statement of Closing Stock in Form ST -3) and consumption of stores.	Accounts department does not follows this procedure.
	Also the Head of Accounts Department shall ensure that the balance in the 'Opening Stock' account has become nil at the period end on accounting of stock entries and consumption based on the closing stocks.	Accounts department Does not follows this procedure.
Employee Related Transactions	Separate Pay Bills shall be prepared by each DDO and Head of department or other officer of the LB designated by him.	Yes, Separate pay bill has been prepared for each DDO.
	Consolidation of Pay Bills of DDO shall be made Department wise and Department bills are consolidated for ascertainment of LB level information.	Yes, Consolidation of Pay Bills of DDO has been made Department wise


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	Consolidated pay bill summary shall be checked with previous month for ensuring all DDO and departments bills are included.	Yes, Consolidated pay bill summary has been checked with previous month.
	A monthly reconciliation shall be carried out by the Head of the Accounts Department and the Head of Establishment Department or other officer of LB designated by the Head of the department in respect of loans and advances outstanding between the 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.	Reconciliation statement has not been prepared.
	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.	Yes, Proper System exists.




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





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


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


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	<p>At the time of making payment, the Accounts Department shall ensure that reference to the departmental Register of Bills for Payment where the payment bill has been recorded by the department concerned, is provided in the Payment Order. In case of non-referencing, the Accounts Department shall return the Payment Order to the concerned Department for rectification and resubmission. In addition, at the time of payment to Suppliers/contractors and any other creditors it shall be ensured that no amount is due from them, which may be adjusted before payment.</p>	<p>Yes, In the accounts department, this payment control system is exists.</p>
	<p>The Head of the Accounts Department shall ensure that a monthly reconciliation of total expenditure incurred and recorded in the Departmental Expense (Administrative Expenses) Subsidiary Ledger is carried out with the total expenditure recorded in several Administrative Expense Ledger Accounts.</p>	<p>Monthly reconciliation Statement was not prepared by ULB.</p>
<p><u>Fixed Assets</u></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 not a 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 does not 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</p>	<p>Yes, Such Procedure exist.</p>

	<p>Immovable Properties where the entry for receipt of fixed assets is recorded.</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>




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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.

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	A distinction should be maintained between the works of capital nature and revenue nature.	Yes the Accounts department has classified the nature of expenditure.
	A quarterly reconciliation of the balance as per the Deposit Register maintained at the Public Works Department shall be carried out with the Deposit Ledger accounts.	No Reconciliation statement has been prepared by the Public works department or accounts department.
	On the completion of an Original Work, reconciliation should be carried out in respect of the amount expended as shown in the records maintained by the Public Works Department and the capital work-in-progress control ledger account maintained by the Accounts Department.	No Reconciliation statement has been prepared.
	On receipt of Summary Statement of Status on Capital Work-in-Progress (Form PW - 1), the Accounts Department shall ensure that total expenditure incurred as stated in the Statement tallies with the cumulative total of several Capital Work-in-Progress Ledger Accounts.	No Such type procedure has been followed.



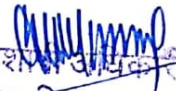
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	The Accounts Department shall ensure that the tax deducted at source and works contract tax deducted from the contractor's bill, etc., is deposited with the Government in accordance with the provisions of the relevant Acts.	Yes, There is proper system for payment of Statutory dues.
	At the end of each month, the Accounts Department shall reconcile the total expenditure as per the Functional Expense (Repairs and Maintenance) Subsidiary Ledger (in form GEN -34) with the total expenditure recorded in the several Repairs and Maintenance Ledger Accounts.	No Functional expenses ledger and Subsidiary ledger prepared.
	Ensure budget availability at the time of approval of the bill.	Yes, Chief of Accounts Department ensure the Budget availability on the Time of payment.
	Ensure that all the dues, including liquidated damages/penalties, are recovered from the contractor before making the final payment in respect of any contract.	Yes, Performance quality team reviews the works done by the Contractors before final payment. Accordingly Accounts department recovered the penalties or damages.



Ensure that no amount is due from suppliers/contractors, which may be otherwise adjusted before payment.	Yes, Chief of Accounts department ensure that no advances given or no amount is due before payment.
Ensure that all the bills/invoices of contractors were journalised before release of the payments.	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 capitalization.	No Such procedure followed by Accounts department.




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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 Subject to the following.

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

S. No	Head of Expenditure	Name of deductee	Date of payment	Nature	Section/ Rate of deduction	Amount	Amount of deduction	Amount deducted
1.	Advertisement Expenses*	---	2015-16	Income Tax	194C @2%	633905/-	12678/-	-

* Advertisement expenses paid whole the year but parties were not mentioned also.

Annexure-12

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

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

Annexure-13

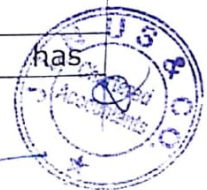
Books and registers specified under the Rajasthan Municipal Accounts Manual and other applicable acts and rules:

S. 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	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.

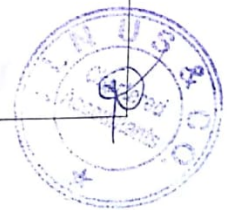
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S. No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
		Journal Book.		
	Ledgers	Ledgers shall be the book that shall contain all the accounts as specified in the Chart of Accounts. The Ledger has two columns, viz, "Debit" (Dr.) and "Credit" (Cr.).	GEN-3	Not maintained by the accounts department. in double entry system 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	Cash receipt voucher and Bank receipt voucher have been prepared.
	Cash/Bank Payment Voucher	Cash/Bank Payment Voucher shall be the document prepared for recording payment entries in the Cash Book/Bank Book	GEN-5A & 5B	Cash/Bank Payment Vouchers have been prepared
	Contra Voucher	Contra Voucher shall be a document for depositing into or withdrawing cash from bank or transferring amount from one bank to another	GEN-6	No Contra Voucher has been prepared by ULB.
	Journal Voucher	Journal Voucher shall be the document prepared for recording entries in the Journal Book	GEN-7	No Physical Journal Voucher prepared by ULB.
	Receipt	For receipt of cash or	GEN-8	Yes ULB has



S. No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
		any amount received in the form of cheques/draft, a Receipt, duly signed and dated shall be issued in Form GEN-8		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	GEN-11	Collection register is not maintained.



S. No	Name of Record/ Register	Requirements	No of Forms	Auditors Comments
		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.		
	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 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	No such procedure followed.

