

# Certificate Course on Participatory Irrigation Management (PIM)

## Module 12- Financial Management of Water User Associations (WUAs)

### Topic 12.4 – Financial Audit for WUAs

#### Topic 12.4

#### Financial Audit for WUAs

#### Topics of Module 12:

- 12.1 Maintenance of accounts by WUAs
- 12.2 Various Sources of income for WUAs
- 12.3 Preparing annual budget by WUAs
- 12.4 Financial audit for WUAs

### Financial Audit for Water Users Association

Every Water Users Association should get its accounts audited in such manner as prescribed in Act and Rules of the State. In general, at the end of each financial year, and not later than three months after the commencement of the new financial year the Farmers' Organisation should cause its accounts to be audited in following manner: -

- (i) The Managing Committee should appoint an Auditor who has adequate experience in normal auditing work or may appoint a Chartered Accountant.

- (ii) The Auditor so appointed should be a person of repute (Retired Accountant or Auditor) in the area of operation of the Water Users Association who has reasonable knowledge in accounts or any recognised auditor;
- (iii) The Auditor so appointed should take all steps necessary to scrutinize the accounts of receipts and expenditure, within thirty days of his appointment and furnish the audit report along with the statement of accounts and balance sheet to the President of the concerned Water Users Association;
- (iv) The audit report should be submitted to the general body in its meeting for its approval;
- (v) The Managing Committee of a Water Users Association should furnish the implementation report to the General Body on all matters as pointed out in the audit report and the Managing Committee should implement the decisions of the General Body in this regard; and
- (vi) If the turnover of the Water Users Association exceeds Rs.10 lakhs per annum, the Water Users Association should engage the services of a Chartered Accountant.



## AUDITOR'S REPORT

We have examined the Balance Sheet of the Water Users Association ..... as at 31.03.2021 and Receipt and Payment Account and Expenditure Account for the year ended on that date which are in agreement with the books of account maintained by said association.

We have obtained all the information and explanations, which to the best of our knowledge & belief were necessary for the purpose of audit. In our opinion the office of the above-named association has kept proper books of account visited by us, so far as appear from our examination of the books.

In our opinion and to the best of our information and according to explanation given to us the said accounts give true & fair view:

- In the case of the Balance Sheet of the state affairs of the above-named association as at 31.03.2021.
- In the case of Receipt and payment Account of the receipts and payments of its accounting year ending on 31.03.2021.

The prescribed particulars are annexed hereto.

Notes: The books of accounts have been kept and maintained non cash basis system.

Date:  
Place:

For  
Chartered Accountants

## AUDIT REPORT

Name of Water Users Association: -----

### Income & Expenditure Account for the period Ended 31.03.2021

Expenditure	Amount (Rs.)	Income	Amount (Rs.)
To Bank Expenses	100.00	By Receipts from Members as donation, contribution etc.	10,000.00
To Electricity, water expenses	8,000.00	By Intrest on FDR	4,800.00
To Audit Charges	2,000.00	By Irrigation Charges	203,000.00
To Stationary Charges	400.00	By Penalty levy charges	-
To Salary Charges for water master, accountant etc	100,000.00	By Subsidy from State Government	-
To Watchman Charges	70,000.00	By Receipt from auction of grass, leaves, fruit, produce & wood of dry trees etc.	-
To Canal repair & maintenance charges	24,000.00		
To Seminar/Workshop, Meeting Charges	2,000.00	Excess of Expenditure over Income	-
To Miscellaneous Exp.	100.00		
To Surplus	11,200.00		
	<b>217,800.00</b>		<b>217,800.00</b>
<b>For Chartered Accountants</b>		<b>For Water Users Association</b>	
CA	CA	President	Treasurer

Name of Water Users Association: -----

**Receipt & Payment Account for the period Ended 31.03.2021**

<b>Receipts</b>	<b>Amount (Rs.)</b>	<b>Payments</b>	<b>Amount (Rs.)</b>
To Opening Balance		By Bank Expenses	100.00
Cash in Hand	1,000.00	By Electricity, water expenses	8,000.00
Cash at Bank	70,000.00	By Audit Charges	2,000.00
To Receipts from Members as donation, contribution etc.	10,000.00	By Stationary Charges	400.00
To Interest on FDR	4,800.00	By Salary Charges for water master, accountant etc	100,000.00
To Irrigation Charges	203,000.00	By Watchman Charges	70,000.00
		By Canal repair & maintenance charges	24,000.00
		By Seminar/Workshop, Meeting Charges	2,000.00
		By Miscellaneous Exp.	100.00
		Cash in Hand	2,000.00
		Cash at Bank	80,200.00
<b>Total</b>	<b>288,800.00</b>	<b>Total</b>	<b>288,800.00</b>
<b>For Chartered Accountants</b>		<b>For Water Users Association</b>	
<b>CA</b>	<b>CA</b>	<b>President</b>	<b>Treasurer</b>

Name of Water Users Association: -----

**Balance Sheet as at 31.03.2021**

<b>Liabilities</b>	<b>Amount (Rs.)</b>	<b>Assets</b>	<b>Amount (Rs.)</b>
		Deposits in Bank	200,000.00
Capital Fund (Rs. 2,71,000)		Cash in hand	2,000.00
Add Surplus (Rs. 11,200)	282,200.00	Cash in Bank	80,200.00
Maintenance Fund	-	Deficit	-
Current Liabilities	-		
Miscellaneous	-		
<b>TOTAL</b>	<b>282,200.00</b>	<b>TOTAL</b>	<b>282,200.00</b>
<b>For Chartered Accountants</b>		<b>For Water Users Association</b>	
<b>CA</b>	<b>CA</b>	<b>President</b>	<b>Treasurer</b>