

कार्यांक: सोशल सेक्टर II / लेटरनिटिओ 2018-19/590-94 दिनांक 11/01/2019

सेवा में,

आयुक्त  
नगर निगम, शिमला  
जिला शिमला, हिउपड

Commissioner  
Dy. No. 1054-19  
Date 19/1/19  
Shimla Municipal Corpn

AC(L)	
JC	
SEWA	
ME	
CEO	
VP-IO	
EE(S&M)	
FD	
AP	
AO	
Commissioner	

विषय :- लेखापरीक्षा एवं निरीक्षण टिप्पणी ।

संबोध,


यै आपके कार्यालय के लेखाओं से सम्बन्धित 04/2017 से 03/2018 तक की लेखापरीक्षा एवं निरीक्षण टिप्पणी इस पत्र के साथ संलग्न कर रहा हूँ । इस लेखापरीक्षा एवं निरीक्षण टिप्पणी की प्रत्येक पद के सम्पुष्ट यथोचित उत्तर लिखकर अपने विभागाध्यक्ष के माध्यम से प्रति के एक पास के भीतर इस कार्यालय को भेजने की व्यवस्था करें ।  
फै सं 152 : इम्ट पैरा सं 29, 30, 31, 36

इस लेखापरीक्षा एवं निरीक्षण टिप्पणी का पैरा सं 12, 20, 21, 26, 27, 28 का वार्षिक प्रशासनिक प्रतिवेदन ( ATR ) में सम्मिलित करने का निर्णय लिया गया है । अतः इसका उत्तर पूर्ण टिप्पणी के उत्तर से पहले प्रीपारिडेशन अपने विभागाध्यक्ष की टिप्पणियों सहित सीधे तौर से इस कार्यालय को भिजवाने की व्यवस्था करें । ऐसा न करने पर यह समझा जाएगा कि विभाग को इस विषय में कुछ नही ज्ञान है तथा ये को रिपोर्ट में सम्मिलित करने हेतु आगापी कार्यवाही की जाएगी ।

The report has been prepared on the basis of the information furnished and made available by the MC, Shimla (auditee) The office of the Accountant general (Audit) H.P. Shimla disclaims any responsibility for any misinformation and / or non-information on the part of auditee.

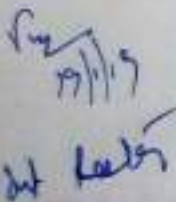
संलग्न: उपरोक्त

भवदीय,

  
वरिष्ठ लेखापरीक्षा अधिकारी  
(सोशल सेक्टर - II)

प्रतिलिपि लेखापरीक्षा एवं निरीक्षण टिप्पणी की प्रतिलिपि सहित निम्नलिखित को प्रेषित है:-

1. प्रधान सचिव, शहरी विकास विभाग, शिमला-2
2. निदेशक शहरी विकास विभाग, शिमला-2
3. निदेशक, स्थानीय लेखापरीक्षा विभाग, शिमला-9
4. सहायक ATR को पैरा सं 12, 20, 21, 26, ... को ए0टी0आइ0आर0 में सम्मिलित करने हेतु प्रेषित है।  
27, 28, 29, 30, 31, 36



दस्तावेज -  
वरिष्ठ लेखापरीक्षा अधिकारी  
(सोशल सेक्टर - II)

# AUDIT AND INSPECTION NOTE ON THE ACCOUNTS OF OFFICE OF THE COMMISSIONER, MUNICIPAL CORPORATION, SHIMLA FOR THE PERIOD 2017-18

## Part-I Introduction

The Compliance Audit of the Commissioner, Municipal Corporation, Shimla was carried out during October, 2018 to December, 2018. The records maintained in the office of Commissioner, Municipal Corporation, Shimla were test checked during audit. In Shimla district, main function of the Municipal Corporation is urban planning including town planning, regulation of land use and construction of buildings, planning for economic and social development, road and bridges, water supply for domestic, industrial and commercial purposes, public health, sanitation, conservancy and solid waste management etc.

## Scope of Audit

The records i.e cash book, vouchers, pay bill register, service books, pass books, grant received under various schemes from central/state finance commission alongwith relevant documents maintained in the office have been test check during audit for selected months. The selected months i.e 8/2017, 10/2017 and 3/2018 have been selected during audit on the basis of immense expenditure incurred.

## Party composition and period of audit

Compliance audit and general examination of the accounts of the office of the Commissioner, Municipal Corporation, Shimla was conducted by an audit party consisting of S/Sh. Devender Kumar Jogi, Sr. Audit Officer, Sh Puran Chand, Supervisor, Sh Harish, Sr. Auditor w.e.f 29-10-18 to 04-12-18 and Sh Inder Singh Thakur, Sr. Auditor (w.e.f. 31-10-18 to 04-12-18).

## Budget and Expenditure

(Rs. in lakh)

year	Budget Allocation		Establishment expenditure	Non- Establishment expenditure	Total Expenditure
	Receipt	Expenditure			
2015- 16	12172.30 (Estimated)	16612.30 (Estimated)	5013.63	6708.80	11722.43
2016- 17	18196.60 (Estimated)	21517.52 (Estimated)	6101.70	7286.80	13388.50
2017- 18	21418.72 (Estimated)	26093.81 (Estimated)	5196.28	9473.31	14669.59

Audit has been conducted in accordance with the applicable Auditing Standards of CAG.

### Part II                      Audit findings

The results of the current audit have been incorporated in the succeeding paragraphs.

PARA-1 Non recovery of concession fee and damage charges in respect of Car Parking Complex at Lift, Shimla Rs.190.11 lakh (Concession fee Rs. 130.41 lakh and damage charges Rs. 59.70 lakh)

The work for development of car parking complex at Lift, Shimla was awarded to M/s Shimla Tolls & Projects Private Limited, Shimla on 18.11.2010 with the concession fee amounting to Rs. 1.00 crore per annum with an increase of 10 percent after every two years over the previous annual concession fee and Construction Performance Security of Rs. 1.50 crore. The parking complex was to be constructed on 40,000 sq.ft ground area with six storeys for parking 700 vehicles. According to the concession agreement, the compliance certificate was signed on 25.10.2013 and project construction period of 15 months from the date of signing the compliance certificate, which was up to 24.1.2015. According to the agreement clause 5.1(c) the annual concession fee shall be payable by the concessionaire to the concessioning authority in advance on every year to the concessioning authority's at its nominee's bank account at a scheduled bank payable at Shimla. Section 5.1(d) also stipulates that in the event of delay up to four weeks in payment by the concessionaire, the concessionaire shall be required to pay the concessioning authority interest at the rate of SBI medium term Prime Lending Rate plus 4% per annum. In the case of delay beyond such four weeks, it shall be a Concessionaire Event of Default. Further Article 3.5(b) provides that in the event that construction completion date is not achieved for any reasons other than force Majeure or reasons attributable to the concessioning authority or any competent authority, the damages for delay beyond the construction completion date to the extent of 0.05% of the construction performance security per day for every day of delay or part thereof until construction completion date is achieved. Provided that nothing contained in this sub clause (c) shall be deemed or construed to authorize any delay by the concessionaire in achieving construction completion date.

Scrutiny of records revealed that the Hon'ble house of MC vide resolution No. 3(16) dated 18-4-17 has granted provisional extension for construction of Parking complex from 25-1-15 to 30-11-2017. Further vide resolution No. 3(S) dated 29-3-18 the Hon'ble house of MC has granted provision extension w.e.f 1-4-2018 to 30-6-2018.

The MC Shimla demanded the concession fee as per detail given below:

Sr No.	Letter No. and date
1	MCS/Comm/Parking/2017-1408-11 dated 24-7-2017
2	MCS/Pd/Parking/2018-158-60 dated 12-2-2018
3	MCS/Comm/Parking/2018-515-18 dated 20-4-2018
4	MCS/Comm/Parking/2018-848-50 dated 20-6-2018
5	MCS/PD/Parking/2018-1088-92 dated 26-7-2018

The MC, Shimla also demanded damage charges on account of delay in construction of parking complex. Detail is given below:

Sr No.	Letter No. and date
1	MCS/PD/Parking/2017-1028-30 dated 21-4-2017
2	MCS/Pd/Parking/2018-158-60 dated 12-2-2018
3	MCS/PD/Parking/2018-1088-92 dated 26-7-2018

During scrutiny of records of MC Shimla it was also noticed that parking complex was opened for public on 10-12-2016 and the concessionaire was liable to deposit the concession fee amounting to Rs. one crore per year with the concessioning authority. The concession fee on this account which was payable from 11-12-2016 to 31.3.2018( 476 days) worked out to Rs. 130.41 lakh besides interest on delayed payment. Despite issuing letters to deposit the concession fee the concessionaire had not deposited the same till date of audit.

Further for delay in completion of complex, damage for delay @ Rs. 7500/- per day on construction, performance security of Rs. 1.50 crore from 25-1-2015 to 31.3.2018( 796 days) worked out to Rs. 50.70 lakh was to be levied and the same remained unrealized to that extent besides interest on delayed payment.

However, the MC, Shimla issued show cause notice to the concessionaire vide letter No. MCS/PD/Parking/2018-158-60 dated 12-2-2018 and vide letter No. MCS/PD/Parking/2018-1088-92 dated 26-7-2018 for invoking the bank guarantee of construction performance security of Rs. 1.50 crore.

After accepting the facts and figures referred in memo No. 18, the authority stated that the concessionaire has already filed arbitration case on dated 25-7-2015 and approached the Ld. Arbitrator against the invocation of bank guarantee and Ld. Arbitrator had given interim relief against to invoke the bank guarantee and to keep status qua till further orders.

Final outcome in this regard is awaited.

**PARA-2 Non recovery of concession fee and damage charges in respect of Car Parking Complex at Sanjauli Rs.35.20 lakh  
(Concession fee Rs. 29.15 lakh and damage charges Rs. 6.05 lakh)**

The work for development of car parking complex at Sanjauli was awarded to M/s Tania Sanjauli Parking Private Ltd. Kolkata on 18.11.2010 with the concession fee amounting to Rs. 95 lakh per annum with an increase of 10 percent every two years with construction performance security of Rs. 1.00 crore. The parking complex was to be constructed on 2500 sqm with nine storeys for 400 vehicles. According to the concession agreement, damages for delay beyond the construction completion date to the extent of 0.05% of the construction performance security per day for every day of delay or part thereof until construction completion date is achieved.

Extension had been granted to the concessionaire by the MC for the following period:

Sr. No.	Extension period	Letter No.
1	One year extension w.e.f 08-10-13 to 7-10-14	MCS/Comm/Parking/PPP/2013-1104-07 dated 11-7-13
2	Two year five months 8-10-14 to 31-3-2017 (provision extension)	MCS/Comm/Parking/2016-1673-74 dated 17-09-2016

3	6 months provisional extension w.e.f 1-4-17 to 30-9-17	18-4-2017 House resolution
4	6 months provisional extension w.e.f 1-10-17 to 30-3-18	MCS/Comm/Parking/2018-200-202 dated 26-2-2018
5	3 months provisional extension w.e.f 1-4-2018 to 30-6-18	MCS/Comm/Parking/2018-522-2A dated 21-4-2018

The Commissioner, MC demanded the concession fee as per detail given below:

Sr. No.	Letter No. and date
1	MCS/Comm/Parking/2015-643-45 dated 25-4-15
2	MCS/PD/Parking/2015-868-7- dated 24-6-2015
3	MCS/PD/Parking/2015-1707-09 dated 30-11-2015
4	MCS/PD/Parking/2016-1068-70 dated 2-6-2016
5	MCS/Comm/Parking/2017-1412-15 dated 24-7-17
6	MCS/Comm/Parking/2017-1838-39 dated 25-10-2017
7	MCS/PD/Parking/2018-149-51 dated 7-2-18
8	MCS/PD/Parking/2018-522-24 dated 21-4-2018
9	MCS/PD/Parking/2018-846-47 dated 20-6-18

The damage charges on account of delay in construction has been raised by the MC as per detail given below:

Sr. No.	Letter No. and date
1	MCS/Comm/Parking/2016-1256-58 dated 20-8-2016
2	MCS/Comm/Parking/2016-1673-74 dated 17-9-2016
3	MCS/Comm/Parking/2016-1649-50 dated 14-10-2016
4	MCS/PD/Parking/2018-846-47 dated 20-6-2018

During scrutiny of records of MC Shimla it was noticed that parking complex was opened for public on 9.4.2015 and the concessionaire was liable to deposit the concession fee amounting to Rs. 95 lakh per year with the concessioning authority. The concession fee on this account which is payable from 10.12.2017 to 31.3.2018 ( 112 days) worked out to Rs. 29.15 lakh. Despite issuing letters to deposit the concession fee the concessionaire had not deposited the same till date of audit.

Further for delay in completion of complex, damage for delay @ Rs. 5000/- per day on construction performance security of Rs. 1.00 crore from 1.12.2017 to

31.3.2018 ( 121 days) worked out to Rs. 6.05 lakh was to be levied and the same remained unrealized to that extent.

In reply to memo no. 11, the Commissioner, MC, Shimla after confirming the facts and figures stated that extension was granted provisionally w.e.f. 08.10.2013 to 30.6.2018. The parking complex was partially inaugurated and opened for public use on 09.04.2015 with the reasons that there was huge shortage of parking places in Shimla and in the absence of sufficient parking, much congestion of traffic had been created and problem of traffic jam had been experienced on roads of Shimla city. Parking had been partially opened on completed floors of complex at that time. The Commissioner ate office stated that non deposit of concession fee is as per agreement Article 5.1(b) as the concessionaire shall pay to the concessioning authority an annual concession with effect from the construction completion date and under article 14.1 construction shall not be considered to be completed until the construction completion certificate has been signed by the Independent Engineer and delivered to the Concessioning Authority. So till date the construction could not be considered as completed. The concession fee had been demanded by issuing regular reminders from 25.4.2015 to 20.6.2018. Damage charges on account of delay in construction were also raised w.e.f. 28.6.2016 to 20.6.2018. But till date no such damages had been deposited by the Concessionaire.

The MC Shimla vide letter No. MCS/PD/Parking/2018-149-51 dated 7-2-2018 has issued a show cause notice to the concessionaire and vide letter No. MCS/PD/parking/2018-1118-22 dated 6-8-2018 invoked the bank guarantee of construction performance security of Rs. 1.00 crore and had been deposited in MC account on dated 12-9-18. Against this action the concessionaire filed a case in the Hon'ble High Court on dated 23-8-2018 and the Hon'ble High Court had given the interim relief as status qua and the case is pending in the Hon'ble High Court.

Final outcome in this regard is awaited.



PARA-3 Non adhering of good principles of procurement while awarding the work of e-governance to DoIT and making advance payment of Rs. 25.71 lakh

The Govt. of India has formulated the National e-Governance Plan (NeGP), part of which includes a National Mission Mode Programme (NMMP) for e-Governance in Municipalities. This NMMP intends to rollout e-Governance in Municipalities on a nation-wide basis and has now been included as a part of the Jawaharlal Nehru Urban Renewal Mission (JNNURM). As per Model e-Municipality initiative, MC Shimla is the pilot ULB in Himachal Pradesh and project will be rolled out in other ULBs of the State. Under the e-Municipality scheme, a State Level Software Solution (SLSS) has to be developed, initially for MC Shimla and gradually other ULBs of HP will get connected to SLSS.

During test check of records it was noticed that MC Shimla had called the Expression of Interest (EOI) on 19-08-2010 for the selection of consultant for preparation of DPR. for implementation of e-Governance Project in MC Shimla. M/s Feedback Infra Pvt. Ltd. Gurgaon was selected as consultant as they were L-1 bidder with offer of Rs. 23.82 Lakh. On 04-02-2011 MC Shimla had awarded the letter to M/s Feedback Infra with a contract period of 16.5 months. Feedback Infra had prepared the draft DPR. for implementing e-Governance at Municipal Corporation Shimla, which includes 22 modules of e-municipality software and all necessary data to evaluate the feasibility of the project in terms of technical and financial criteria. The DPR. had been approved by the Hon'ble M.C House vide resolution No. 3(5) dated 27-06-2011. After the State Level Steering Committee (MCS, DoIT, HIMUDA), the DPR. was finally approved by Ministry of Urban Development (MoUD) which sanctioned the total project value amounting to Rs. 11.20 Crores on 24-02-2012 under JNNURM. On the basis of approved DPR, before release of funds, the Tri Party Agreement was executed between Govt. of India, State of HP and Municipal Corporation Shimla on 26-03-2012 according to

which 80% of the total project cost will be borne by the MoUD, 10% by H.P. Govt. and remaining 10% will be borne by the M.C. Shimla.

Scrutiny further showed that the M. C. Shimla had awarded the project of implementation of e-Governance to M/s ABM Knowledgeware Ltd., ABM House, Plot No. 268, Linking road, Bandra (West), Mumbai-400050, India vide letter No MCS/Comm/e-Gov/2014-117 dated 29.03.14 for Rs 10,71,00,000/- (Ten crore seventy one lacs) only after completing all the codal formalities for implementation of e-Governance in Municipal Corporation of Shimla. Further as per the directions of Ministry of Finance, all projects sanctioned before March 2012 needs to be completed by respective State Governments from their own resources. The contract agreement could not be made between MC and M/s ABM Knowledgeware Ltd. to execute the project as the provision of the funds were not committed by State/Central Government. The M.C. Shimla had already received the first installment amounting to Rs. 2,66,83,626/- from the Central Government under JNNURM. To make optimum utilization of available funds i.e. Rs. 2,66,83,626/-, a committee was constituted vide , office order No. UD-C(10)-7/2011-Loose dated 26-10-2015 of Urban Development Department and decided to implement the above project within the above said available amount by the M/s ABM Knowledge ware Ltd. Mumbai. M/s ABM Knowledge ware Ltd. Mumbai was ready to develop the application alongwith data migration, Support and Training & Capacity Building to MC's employees within the budget amounting to Rs. 2.60 Crore for which agreement was to be signed between MC and M/s ABM but the MC had not received final consent from the firm on Draft Agreement vetted by committee members i.e. DoIT, MC Shimla, NIC and representative of M/S ABM. Thereafter, Hon'ble MC House has given the approval vide resolution No. 3(27) dated 30-06-2016 for the development of the e-Gov software through NIC, Shimla. In the meanwhile, MC Shimla has received the proposal from department of Information Technology, Mehli Shimla HP along with performa invoice, offering to develop the following 10 No. of G2C services under e-District Project :-

S. No.	Name of Department	Name of Service
1	Municipal Corporation Shimla	Water Billing
2		Water Supply Connection
3		Property Tax Payment
4		Sewerage Connection
5		NOC of Electricity
6		Non P.F.A License
7		Permission of Canopy
8		Permission of Dumping
9		Permission for Tree cutting / falling
10		Planning Permission (Proposed Plan, Revised Plan, Completion, Addition / Alterations, Re-Construction, Application under 39-C Section)

The timelines for implementation of above services and O&M support will be provided by the DoIT, HP on the same lines of e-District Agreement signed with the implementation agency and the above services will be hosted in HP State Data Centre without charging any cost. The same was also accorded vide Resolution No. 3(1) dated 30-06-2017 of Hon'ble MC House.

Scrutiny further noticed that the work of 09 No. services was awarded along with advance payment amounting to Rs. 25,71,469/- to Do IT HP vide letter No. MCS/COMM/2017-4961 dated 28-11-2017. The development work of 09 services has been started by M/s IL&FS Technologies (System Integrator of DoIT), and 5 to 7 demonstration has also been provided by M/s IL&FS to the concerned branches/departments of MC Shimla from December, 2017 to October, 2018.

However, the MC awarded the project work of e-governance to DoIT without adhering the procurement of good/services principles and paid advance of Rs. 25.71 lakh without obtaining timeline for operation and maintenance period. Out of 22 modules as per DPR required for implementation of e-governance project in MC, Shimla, only 09 modules were awarded to DoIT which still are in the demonstration stages and have finally not rolled out till date.

After admitting the facts and figures referred in memo No. 27, the authority stated that the department of Information Technology, HP is a State level technical

agency to provide the necessary assistant for introducing the e-governance in concerned organizations/departments, as such MC, Shimla has requested the DoIT HP to implement the e-service in MC Shimla. The reply is not tenable as the MC not followed the procurement of goods/services principle while awarding the e-governance project to DoIT. Moreover advance payment was made without obtaining timelines for implementation of all the services and operation and maintenance (O&M) period.

Needful may be done to complete the project under intimation to audit.

**PARA-4 Non adjustment of advances: Rs. 35.79 crore**

Municipal Corporation Shimla is making contingent advances from time to time to various departments to meet their immediate requirements for different purposes.

During test check of advance register it was noticed that advances of Rs. 35,79,41,369/- were outstanding for adjustments as on 31.03.2018. Some of advances were pending for adjustment since 1963 which are detailed as below:

( Amount In Rupees)

SR NO	HEAD OF ACCOUNT	DETAIL HEAD DESCRIPTION	PERIOD	OPENING BALANCE AS ON 31.3.18	ADVANCE PAID DURING THE YEAR 2017-18	Total	ADVANCE ADJUSTED DURING THE YEAR 2017-18	BALANCE
1	460-40-01	Public Works	1.4.07 to 31.3.18	1,11,29,241	0	1,11,29,241	0	1,11,29,241
2	460-40-02	Store/material	1.4.07 to 31.3.18	3,18,99,117	5,70,71,493	8,89,70,610	2,00,00,000	6,89,70,610
3	460-50-01	Permanent Advance	1.4.07 to 31.3.18	31,565	0	31,565	0	31,565
4	460-50-02	Project	1.4.07 to 31.3.18	91,26,477	0	91,26,477	0	91,26,477
5	460-50-03	Scheme	1.4.07 to 31.3.18	49,68,820	0	49,68,820	0	49,68,820
6	460-50-	Temporary	1.4.63	17,67,97,		17,94,12,9		17,83,06,

	05	y Advance	to 31.3.18	294	26,15,69 0	84	11,06,320	664
7	460-60-01	Street light	1.4.07 to 31.3.18	6,00,39,2 69	24,08,82 9	6,24,48,09 8	0	6,24,48,0 98
8	460-60-03	Water Supply	1.4.07 to 31.3.18	1,61,16,8 27	0	1,61,16,82 7	0	1,61,16,8 27
9	460-33-01	Public lamp post	1.4.07 to 31.3.18	1,57,509	66,72,72 6	68,30,235	0	68,30,23 5
10	460-60-05	Others Water	1.4.07 to 31.3.18	10,000	0	10,000	0	10,000
11	460-60-02	Computer & Advances	1.4.07 to 31.3.18	0	2,832	2,832	0	2,832
		<b>Total</b>		<b>31,02,76, 119</b>	<b>6,87,71,5 70</b>	<b>37,90,47,6 89</b>	<b>2,11,06,32 0</b>	<b>35,79,41, 369</b>

After admitting the facts and figures referred in memo No. 33, the authority stated that efforts are being made to adjust the outstanding advance with the concerned departments and outcomes will be intimated to audit.

Needful may be done to adjust the advances under intimation to audit.

**PARA-5\* Suspicious expenditure on repair and maintenance of vehicles  
Rs. 6.67 lakh**

Rule 9.1 of the Himachal Pradesh Financial Rules, 2009 provides that every authorized officer delegated with the financial powers of procuring goods in public interest shall be responsible and accountable to bring efficiency, economy and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.

During test check of records (repair and maintenance register along with vouchers) maintained in the office of MC, Shimla it was noticed that repair/services of various vehicles amounting to Rs. 6.67 lakh were carried out from unauthorized dealer M/s Shakti Automobiles, Dhalli, Shimla during 2017-18.

Scrutiny of records further revealed that the bills so obtained by the MC on account of services/repair were of irregular nature. The serial no. of bills and date mentioned

therein are not in-coherence. Hence payment made for these bills is suspicious and needs justification. The detail is enclosed as Annexure-A.

After admitting the facts and figures referred in memo No. 24, the authority stated that in some cases, the firms mentioned the serial numbers in their bill books but dates were not in sequences. The authority stated that in future all concerned will be informed to submit the bills as per supply orders.

The matter may be reviewed and necessary action may be initiated under intimation to audit.

#### PARA-6 Lack of responsiveness of the department to Audit.

The Pr. Accountant General (Audit) Himachal Pradesh conducts periodical inspection of Government departments by test check of transactions and verify the maintenance of important accounting and other records as per the prescribed rules and procedures. These inspections are followed by issue of Audit Inspection Reports (IRs). When important irregularities etc. detected during audit inspection are not settled on the spot, these IRs are issued to the heads of offices inspected, with a copy to the next higher authorities.

The Heads of offices and next higher authorities are required to report their compliance to the Pr. Accountant General (Audit) within four weeks of the receipt of IRs. Serious irregularities are also brought to the notice of the Heads of the departments by the office of the Pr. Accountant General (Audit) through a half yearly report of pending IRs sent to the Principal Secretary (Finance).

It was noticed in audit that there were large number of paras outstanding for settlement pertaining to the period from 1982-83 to 2016-17. The detail of old outstanding paras during last inspection (2016-17) was as under:

Sr. No.	Year	Total no. of paras outstanding	Paras settled during audit	Paras updated during audit	Balance outstanding paras after audit
1.	1982-83 to 1986-87	10	-	-	10
2.	1993-94 to 1996-97	7	-	-	7
3.	1997-98 to 2000-01	3	-	-	3
4.	2001-02	4	-	-	4
5.	2002-03	5	-	-	5
6.	2003-04	4	-	-	4
7.	2004-05 to 2005-06	8	-	-	8
8.	2006-07	8	-	-	8
9.	2007-08	4	-	-	4
10.	2008-09	9	-	-	9
11.	2009-10	18	-	-	18
12.	2010-11	21	-	-	21
13.	2011-12	18	-	-	18
14.	2012-13	10	-	-	10
15.	2013-14	7	-	-	7
16.	2014-15	6	-	-	6
17.	2015-16	15	-	-	15
18.	2016-17	22	-	4	18
	<b>TOTAL</b>	<b>179</b>	<b>-</b>	<b>4</b>	<b>175</b>

From the above position, it reveals that no serious efforts were made for the settlement of old paras during last inspection as no para was got settled except few paras updated during audit. During current audit also MC Shimla has not shown compliance of old paras. Further during last inspection (2016-17) party had framed 22 paras. The IR for the same was issued vide Sr. A.O (SS-II) letter No. SS-II/IR. 2017-18/1184-87 (a) dated 26/3/18. The annotated reply of the report was

required to be furnished within one month to audit office, however, the same was not furnished to audit till date. As such purpose of audit defeated at all.

Memo No. 17 was issued in this regard but reply/compliance had not been supplied/shown to audit.

**PARA 7 Inadmissible expenditure toward salary of employees under Basic Service to the Urban Poor (BSUP) Mission Rs. 6.30 lakh**

As per modified guidelines for Basic Services to the Urban Poor, a sub-Mission under INNURM, the main focus was on integrated development of slums through projects for providing shelter, basic services and other related civic amenities with a view to provide utilities to the urban poor. Under this sub-Mission project pertaining to the following will not be considered.

- i) Power
- ii) Telecom
- iii) Wage employment programme & staff component
- iv) Creation of fresh employment opportunities

During test check of cash book of Ashiyana-I under BSUP for the year 2017-18, it was noticed that salary of following staff amounting to Rs. 6.30 lakh had been made from BSUP grant.

1. Sh. Sunny, Research and Training Officer
2. Smt. Purnima Chauhan, Research Officer

Payment of salary from BSUP grant is in contravention of the guidelines and needs justification.

3. After confirming the facts and figures referred in memo No. 38, the authority stated that project implementing unit was established for the smooth functioning of BSUP project under INNURM. The work for providing manpower for PIU was awarded to M/s Ramkey Enviro Engineers Ltd. for three years i.e upto October, 2014. The contract period with the firm was further extended to 31-3-15 as the INNURM projects were extended upto 31-3-15 as per notification of Ministry of Housing and Urban Poverty Alleviation 2013. After ending the contract period with Ms/ Ramkey enviro Eng. Ltd. the MC has requested to the Director



the work was completed on 30.12.2015 as per MB of the work which shows the inordinate delay in completion of the said work as such deprived the intended benefit to public. In reply to audit memo No.5, the concerned Executive Engineer stated that tender for said work was called two times, but no contractor has shown his interest to participate in the tendering process. Thereafter tender for said work was called 3rd time, but only one contractor participated in the bid and Hon'ble house accorded the approval for acceptance of single tender vide resolution no. 3 (11) dated 28-12-2012. The reply is not tenable as approval from the government had not been obtained. In respect of deviation, the EE stated that due to increase in the quantity of work as per site condition amount was deviated. The reply is not tenable as in the award letter it was clearly mentioned that work should be executed within awarded amount strictly and no deviation should be carried out and layout at site.

**PARA-9\_ Blocking of funds under ICLEI-SA Rs. 12.40 lakh and inadmissible expenditure of funds Rs. 1.25 lakh**

Scrutiny of records maintained in the MC, Shimla it was noticed that an amount of Rs. 17.29 lakh was received during 2015-16 under small grant funds- International Council for Local Environmental Initiatives (ICLEI-SA) -Asian Cities Climate Change Resilience Network (ACCCRN) for rejuvenating the traditional water sources to augment water security in Shimla Municipal Corporation Area. The amount deposited in UCO Bank against account No. 18320110027219. The detail of utilization and balance funds is given below:-

Amount of funds received (Rs.) with date	Amount of funds utilized (Rs.)	Amount of interest accrued (Rs.)	Balance available as on 31-03-18
768445/- 24-2-16			
960557/- 31-12-16	579555/- (during 2017-18)	90398/- (after bank charges deduction)	1239845/-
<b>1729002/-</b>	<b>579555/-</b>	<b>90398/-</b>	<b>1239845/-</b>

From the above table it is evident that against total grant of Rs. 17.29 lakh, only Rs.5.80 lakh has been incurred by the MC for rejuvenating the traditional water sources to augment water security in Shimla MC Area till date. This shows that the pace in execution of work relating to rejuvenate the traditional water sources to augment water security is very slow despite the fact that sufficient funds are available. The MC, Shimla failed to utilize the funds resulted in blocking of funds Rs. 12.40 lakh which needs to be justified.

Scrutiny further revealed that out of Rs. 5.80 lakh incurred on rejuvenation of traditional water sources, an amount of Rs. 1.25 lakh had been incurred during 2017-18 on GIS-Mapping under smart city (roads mapping of area between circular road and Krishna Nagar) and field survey (field survey of local bus stand and major landmark between circular road and Krishna Nagar) which does not fall in the ambit of small grant funds under ICLEI-SA as such utilization of Rs 1.25 lakh is inadmissible and needs to be justified.

In this regard audit memo No. 30 was issued but no reply was furnished by the corporation.

**PARA-10 Irregular / inadmissible expenditure of funds under IEC component of SBM Rs. 1.00 lakh**

During scrutiny of records/information maintained/supplied by the MC, Shimla in respect of funds utilized under IEC activities of SBM, it was noticed that under IEC component, funds amounting to Rs. 813974/- has been received during 2017-18 (June,2017). However, the MC had an opening balance of Rs. 142376/- under IEC component. Out of total funds of Rs. 956350/- available during 2017-18, an amount of Rs. 460676/- had been utilized by the corporation during 2017-18 on IEC activities. Scrutiny of cash book/vouchers revealed that authority incurred expenditure of Rs. 1,00,506/- on the activities not covered under component IEC or payments made in financial year 2017-18 for the items purchased in the financial year 2016-17 despite the facts that funds was available in FY 2016-17. As such expenditure is irregular and needs justification. The detail is given below:-

Sr. No.	Voucher No. and date	Amount incurred	Description of item	Dealer name	Observations/irregularities
1	267, 26/7/17	5687	Tea, coffee and hiring of taxi	Paid to Rajneesh Brar, Sanitary Inspector for swachh sarvekshan against 3 bills	1. Bill No. Nil, dated 22/1/17 (Shimla Himachal Taxi Union Kalka) of Rs. 3050/- had been claimed for hiring of taxi from Kalka to Shimla. This activity had not been included in the IEC component of SBM as such irregular and needs justification. 2. All the expenditure incurred during 2016-17 (1/17) however payment thereof had been made in the FY 2017-17 (7/17). Reasons for making payment in FY 2017-18 despite the fact that funds were available during 2016-17 may be stated.
2	286, 4/9/17	47240-	ICT based feed back polling station	M/s Gamaa Smart city solution P ltd.	1. Bill No. 17-18/07 dated 29/5/17 for ICT based feed back polling station and operation and maintenance charges had been paid on 4/9/17. These items had not been covered under IEC activity as such irregular and needs justification.
3	287, 4/9/17	25358	O & M charges for polling station	M/s Gamaa Smart city solution P ltd.	1. Bill No. 17-18/06 dated 29/5/17 for operation and maintenance charges had been paid on 4/9/17. These items had not been covered under IEC activity as such irregular and needs justification.
4	11, 28/3/18	4950	Printer	Shivalik Printing	1. Items purchased against bill No. 3847 on 9/5/16 however payment made on 3/18 despite the fact that funds were available during 2016-17 as such expenditure incurred was irregular and needs justification.
5	12, 28.3.18	3960	Pamphlet	Subhash news agency	1. Expenditure incurred during FY 2016-17 (5/16) however payment was made during FY20 17-18 despite the fact that funds were available during FY 2016-17 as such expenditure incurred was irregular and needs justification.
6	14, 29/3/18	8910	Banner	Kawashaki	
7	15, 29/3/18	2376	Printing, pesting	Kawashaki	
8	16, 29/3/18	2025	Media	Glamour photo color	
Total		100506			

After admitting the audit observations referred in memo No. 19, the authority stated that the amount had been incurred to facilitate the inspection team. For feedback polling station and operation and maintenance charges the authority admitted that there was no separate allocation for the purpose and for fulfill the requirements under the sarvekshan to get marks to get ranking, the expenditure had been incurred from IEC component. It is also admitted that the payment is delayed for reasons

beyond control. The reply is not tenable as expenditure incurred was inadmissible under JEC component.

Needful may be done now under intimation to audit.

**PARA-11 Non-utilization of funds received under Pradhan Mantri Awas Yojana (PMAY) Rs. 29.87 lakh.**

Housing for All Mission for urban area was launched on 17 June 2015 and will be implemented during 2015-2022 and this mission will provide central assistance to implementing agencies through States and UTs for providing houses to all eligible families/ beneficiaries by 2022. Under the Scheme the fourth component of the mission is assistance to individual eligible families belonging to EWS categories to either construct new houses or enhance existing houses on their own to cover the beneficiaries who are not able to take advantage of other components of the mission. Such families may avail of central assistance of Rs. 1.5 lakh for construction of new houses under the mission. Such beneficiaries should be part of HFAPoA.

During audit of MC, Shimla it was noticed that Government of Himachal Pradesh, Urban Development department has sanctioned an amount of Rs. 29.87 lakh (Rs. 2986847/-) for construction of houses under the fourth component of the mission but the Commissionerate Office failed to utilize the sanctioned amount and it remained unspent during 2017-18. This shows lack of execution and improper planning toward this scheme as the funds were received in August 2017 and September 2017 respectively and were lying unspent as of March 2018.

After admitting the facts and figures referred in memo No. 22, the authority stated that MC Shimla is implementing two verticals of PMAY-HFA scheme i.e vertical 3 and 4. The DPR for vertical 4 had been approved in 2017-18. Due to non starting of construction work by the beneficiaries, the funds were not released to

them. However, notices have been issued to the beneficiaries. The reply is not tenable as funds are not utilized after lapse of one year period. Moreover in respect of vertical 3, no justification had been made in the reply submitted by the corporation.

Needful may be done now under intimation to audit.

**PARA-12 Non reconciliation of figures of bank pass book and cash book resulted in difference of Rs. 2.82 lakh and cash.**

During test check of records, it was noticed that a cash book under head-Grant funds was maintained in the office of MC, Shimla. In this cash book, funds received from 14 FC, SFC, MLA and MP had been accounted for. The amount so received had been deposited in Himachal Pradesh State Co-operative Bank account No. 4380116331 under bank code-450-23-03. Similarly another cash book under head-Escrow Account under which funds for construction and maintenance of slaughter houses had been accounted for and funds so received had been deposited in the bank account No. 30577614909 (SBI Bank) under bank code-450-61-06.

Scrutiny of cash books and pass books for the period 2017-18 further revealed that reconciliation of figures had not been carried out till date. This resulted into difference of Rs.2.82 lakh as per detail given below:-

Sr. No.	Bank A/c No.	Balance as per Pass book as on 31-3-18	Balance as per Cash book as on 31-3-18	Total Difference	Difference reconciled	Difference yet to be reconciled
1	4380116331	59559338.04	59251798.00	307540.04	107108.00	200432.04
2	30577614909	5426224.00	5344175.00	82049.00	0.00	82049.00
Total		64985562.04	64595973	389589.04	107108	282481.04

After admitting the facts and figures referred in memo No. 32, the authority stated that efforts are being made to reconcile the accounts. The progress/compliance in this regard will be intimated to audit in due course of time.

Needful may be done to reconcile the figures of bank pass book and cash book under intimation to audit.

**PARA-13 Irregular maintenance of two cash books under head-beautification account**

Rule 13 of the Central Government Account (Receipts and Payments) Rules, 1983 provides that every DDO should maintain a cash book in form GAR 3. All monetary transactions should be entered in the cash book as soon as they occur and attested by the DDO in token of check. Opening of two cash books for a particular head of account is prohibited under these rules.

During test check of records for the period 2017-18, it was noticed that two cash books have been maintained in the office of MC, Shimla under head-beautification account. One was maintained in Project Cell whereas second one was maintained in Account Branch and funds so received under this head had been deposited in separate banks having accounts No. 4380127752 (HPSCB) and 00780100082686 (UCO Bank) respectively. This is in contravention of the rules *ibid* and needs justification. The detail of balances lying in the cash books/ pass books as on 31-3-18 is given below -

Sr. No.	Branch under cash book maintained	Bank a/c no.	Balances as per Pass book as on 31-3-18	Balances as per Cash book as on 31-3-18	Difference if any
1	Project Cell	4380127752	899569.80	899569.80	Nil
2	Account Branch	00780100082686	184286	184286.00	Nil
Total			1083855.8	1083855.8	

After confirming the facts and figures referred in memo no. 35, the authority stated that both accounts and cash books will be clubbed and taken in single cashbook.

Needful may be done now under intimation to audit.

#### PARA-14 Irregular/inadmissible expenditure under NULM Rs. 0.84 lakh

The objectives under National Urban Livelihoods Mission (NULM) is to reduce poverty and vulnerability of the urban poor households by enabling them to access gainful self-employment and skilled wage employment opportunities, resulting in an appreciable improvement in their livelihoods on a sustainable basis, through building strong grassroots level institutions of the poor. The mission would aim at providing shelter equipped with essential services to the urban homeless in a phased manner. In addition, the Mission would also address livelihood concerns of the urban street vendors by facilitating access to suitable spaces, institutional credit, concerns and skills to urban street vendors for accessing emerging market opportunities.

During test check of records maintained in the office of MC, Shimla, it was noticed that an expenditure of Rs. 53535/- had been incurred on organizing lunch, purchase of dairies without inviting quotations during 2014-15 under SJSRY. The bills pertain to year 2014-15 and payment of these vouchers was made during 2017-18 under NULM. The rate quoted for lunch, tea and dairies were seems to be unrealistic. An expenditure of Rs. 30135/- had also been incurred for soil testing for the proposed construction of CLC-cum-Parking near AK furniture at DEV Nagar, Shimla. This component does not fall under the ambit of NULM as such is inadmissible. The detail of irregular/inadmissible expenditure incurred is given below:-

Sr. No.	Voucher No. and date	Name of payee	Purpose	Amount	Remarks
1.	17, 22-8-17	Gupta jee Bhojnalaya	Lunch and tea	40541	1. Bill No. 19976 dated 20-12-14, lunch @ Rs. 235/- and tea @ Rs. 30/- per head seems to be

After confirming the facts and figures referred in memo no. 35, the authority stated that both accounts and cash books will be clubbed and taken in single cashbook.

Needful may be done now under intimation to audit.

**PARA-14 Irregular/inadmissible expenditure under NULM Rs. 0.84 lakh**

The objectives under National Urban Livelihoods Mission (NULM) is to reduce poverty and vulnerability of the urban poor households by enabling them to access gainful self-employment and skilled wage employment opportunities, resulting in an appreciable improvement in their livelihoods on a sustainable basis, through building strong grassroots level institutions of the poor. The mission would aim at providing shelter equipped with essential services to the urban homeless in a phased manner. In addition, the Mission would also address livelihood concerns of the urban street vendors by facilitating access to suitable spaces, institutional credit, concerns and skills to urban street vendors for accessing emerging market opportunities.

During test check of records maintained in the office of MC, Shimla, it was noticed that an expenditure of Rs. 53535/- had been incurred on organizing lunch, purchase of dairies without inviting quotations during 2014-15 under SJSRY. The bills pertain to year 2014-15 and payment of these vouchers was made during 2017-18 under NULM. The rate quoted for lunch, tea and dairies were seems to be unrealistic. An expenditure of Rs. 30135/- had also been incurred for soil testing for the proposed construction of CLC-cum-Parking near AK furniture at DEV Nagar, Shimla. This component does not fall under the ambit of NULM as such is inadmissible. The detail of irregular/inadmissible expenditure incurred is given below:-

Sr. No.	Voucher No. and date	Name of payee	Purpose	Amount	Remarks
1.	17; 22-8-17	Gupta jee Bhojnalya	Lunch and tea	40541	1. Bill No. 19976 dated 20-12-14, lunch @ Rs. 235/- and tea @ Rs. 30/- per head seems to be



					unrealistic. Bill also found verified by Sectt. SISRY. 2. Quotations were not invited. 3. Attendance document not found on record.
2.	18, 22-08-17	Minerva book house	Dairies/ stationary	12994	1. Bill No. 25972 dated 19-12-14, found verified by Sectt. SISRY. 2. Quotations were not invited. 3. To whom the dairies/stationary were issued had not found on record.
3.	52, 22-08-17	Geotech engineers and consultants	Soil testing	30135	1. The work does not fall under the ambit of NULM.
Total				83670	

In reply to audit memo No. 42, the authority stated that sr. no 1 and 2 does not pertain to NULM, and NULM started in FY 2015. For point No.3, it was stated that soil testing was carried out for the proposed construction of city livelihood centre at Dev Nagar, Shimla which was closed later on. The reply itself admits that the utilization of funds during 2017-18 under NULM funds was irregular. Moreover, the expenditure incurred towards soil testing does not fall under the ambit of NULM or when the said project (CLC) was closed as such expenditure incurred on soil testing was rather unfruitful.

Needful may be done now under intimation to audit.

**PARA-15 Non obtaining the bills from contractors on account of goods purchased from open market Rs. 14.24 lakh**

Paragraph 10.2.16 under Chapter-10 of the Central Public Works Account Code Vol-1 (CPWA Code) provides that before the bill of a contractor is prepared, the entries in the measurement book relating to the description and quantities of work of supplies should be scrutinized and check measured by the

					unrealistic. Bill also found verified by Sectt. SJSRY.
					2. Quotations were not invited.
					3. Attendance document not found on record.
2.	18, 22-08-17	Minerva book house	Dairies/ stationary	12994	1. Bill No. 25972 dated 19-12-14, found verified by Sectt. SJSRY.
					2. Quotations were not invited.
					3. To whom the dairies/stationary were issued had not found on record.
3.	52, 22-08-17	Geotech engineers and consultants	Soil testing	30135	1. The work does not fall under the ambit of NULM.
Total				83670	

In reply to audit memo No. 42, the authority stated that pt. no.1 and 2 does not pertain to NULM, and NULM started in FY 2015. For point No.3, it was stated that soil testing was carried out for the proposed construction of city livelihood centre at Dev Nagar, Shimla which was closed later on. The reply itself admits that the utilization of funds during 2017-18 under NULM funds was irregular. Moreover, the expenditure incurred towards soil testing does not fall under the ambit of NULM or when the said project (CLC) was closed as such expenditure incurred on soil testing was rather unfruitful.

Needful may be done now under intimation to audit.

**PARA-15** Non obtaining the bills from contractors on account of goods purchased from open market Rs. 14.24 lakh

Paragraph 10.2.16 under Chapter-10 of the Central Public Works Account Code Vol-1 (CPWA Code) provides that before the bill of a contractor is prepared, the entries in the measurement book relating to the description and quantities of work of supplies should be scrutinized and check measured by the

Sub-Divisional Officer as contained in para 10.2.9 and the calculations of "Contents or Area" should be checked arithmetically under his supervision. The bill should then be prepared from the entries in the measurement book as prescribed. Para 10.2.17 further provides that before signing and submission of the bill to Divisional Officer for check and payment, the Sub-divisional Officer should compare the quantities in the bill with those recorded in the measurement book and see that all the rates are correctly entered and that calculations have been checked arithmetically. Note 4 below para 10.2.17 provides that bills which include charges on account of purchase of goods on which Sales Tax has also been charged should be supported by the following certificate signed by the Divisional Officer. "Certified that in the case of items relating to the purchases of goods on which Sales Tax/Value Added Tax has been charged, the goods have not been exempted under the Central/Sales Tax and value added tax Act or the rules made there under and that the amounts paid on account of Sales Tax/Value Added Tax on these goods are correct under the provisions of that Act or the rules made there under.

During the course of audit of MC, Shimla Building and Roads wing, it was noticed that in the following cases, while making the payments to works contractor, corporation authorities failed to exercise the necessary checks as laid down under para 10.2.17. The works contractors however purchased the goods amounting to Rs. 14.24 lakh to be used in execution of works from open market but the bills of goods so purchased were not found in the records. In the absence of bills how the authority ensured that the goods actually purchased by the contractors from open market or within the contract period. Only the entries made in the measurement books were taken as granted. No certificates with respect to amount paid on account of sales tax/VAT etc. on these goods were also found on record. By this way, the authority bestowed the opportunity to the contractors to not only suppress his turnover for the purpose of sales tax/VAT/GST and income tax, moreover resulted in evasion of sales tax/VAT/GST on the material used in execution of works. As such the possibilities of evasion of tax could not be ruled out and the

state exchequer had been deprived to that extent. The detail of few cases by way of illustration is given below:

Sr. No.	Name of contractor	Description of item	Award letter No. and date	Awarded Amount/ item amount
1.	Sanjeev Kumar	(i) Steel work (ii) MS BP sheet 1.566mm to 2mm thick in eaves board	MCS/XE/2263/RB/16-692 dated 25.3.2017	159508/59563
2.	Sanjeev Kumar	Providing mild steel	MCS/XEN/2277/Com/16-1970 dated 26.8.2017	720663/18119
3.	Sanjeev Kumar	Steel work	MCS/XEN/3505/RB/17-2453 dated 12.10.2017	413544/90865
4.	Yashwant Singh	Steel work, MS steel, GI steel	MCS/XEN/2263/RB/16-692 dated 25.3.2017	159508/99034+18563+40931
5.	Raj Bahadur	Steel work	MCS/XEN/1293/RB/17-1094 dated 4.5.2017	547330/296016
6.	Kuldeep Sharma	Steel work	MCS/XEN/4546/MU/16-163 dated 23.1.2017	26100/17595
7.	Manmohan Sharma	Steel work	MCS/XEN/1634/RB/16-538 dated 9.3.2017	807439/50592
8.	Kapil Thakur	Steel work	MCS/XEN/RB/16-3678 dated 21.12.2016	353064/32680
9.	Sanjeev Kumar	Providing Mild steel	MCS/XEN/3504/RB/17-2452 dated 12.10.2016	1017567/109818
10.	Satish Jogta	Steel work	MCS/XEN/3101/RB/17-2189 dated 20.9.2017	585965/35028
11.	Pardeep Thakur	Steel work	MCS/XEN/RB/17-2361 dated 9.10.2017	322224/2922
12.	Satish Jagta	Steel work	MCS/XEN/1253/RB/17-1043 dated 29.4.2017	1296080/551964
<b>Total</b>				<b>3221836/1423690</b>

Similar cases may be reviewed and action as per the provisions of the Act/Rules may be initiated under intimation to audit.

In this regard audit memo No. 34 was issued but no reply was furnished by the corporation

**PARA-16 Non-adhering the provisions of HP VAT, Act and non deduction of Work Contract Tax (WCT) from the bills of works contractor Rs. 3.92 lakh**

Section 17 of the Himachal Pradesh Value Added Tax Act, 2005 stipulates the provisions on account of tax deduction from the bills or invoices of the works contractors. Section 17 (1) of the Act further provides that every person making any payment or discharge or any liability on account of valuable consideration payable for the transfer of property in goods, whether as goods or in some other form, involved in the execution of works contract.

(2) The deduction referred to in sub-section (1) shall be made in the manner, as may be prescribed, and the payment of such deduction into the Government treasury shall be the responsibility of the person making such deduction.

(3) The person making such deduction shall issue deduction certificates in the prescribed manner to the person or dealer from whose bill or invoice, such deduction has been made

(4) If any person contravenes any or all of the provisions of such section (1) or (2) or (3) the prescribed authority shall after giving an opportunity of being heard, by any order, in writing, direct that such person shall pay by way of penalty, a sum equal not exceeding twice the amount of tax deductible under sub-section (1).

Rules 38 (3) of HPVAT Rules, 2005 also provides that for the purpose of Section 17, every person in a department of any Government, a corporation, Government undertaking, a co-operative society, a local body, a trust or a private or public limited company or any other concern responsible for making any payment or discharge of any liability on account of valuable consideration payable for the transfer of property in goods, whether as goods or in some other form, involved in the execution of works contract or for carrying out ay works, shall at the time of discharging liability on account of the said valuable consideration to the works contractor, deduct an amount equal to 2 per cent of such sum towards the tax under section 17 of the Act.

Indeed these provisions are made to secure the government revenue so that the contractors do not suppress his turnover and bound to pay all due taxes in prescribed manner under the provisions of rules.

During test check of records maintained in MC, Shimla it was noticed that various works contracts have been awarded to contractors for execution of works in MC area during 2017-18 under various schemes/projects. Scrutiny of records further revealed that the works contract tax (WCT) had not been deducted in some cases by the corporation authority before finalizing the payments to work contractors, which is in contravention of the provisions *ibid*. Uniform procedure/criteria had not been followed by the corporation authority for deduction of WCT as in some cases, the sales tax/VAT or even CGST/SGST had been deducted from the contractors bills before making payments. The detail is given below:-

Sr No	Name of contractor	Name of work/scheme	Voucher No. and date	Total amount paid	WCT deducted
1	Babu Ram	AMRUT	208, 29-3-18	120275	3608
2	Gian Singh	AMRUT	266, 20-6-17	121573	3642
3	Vishwa Bhumi Eng work	Challenge Fund	18, 28-3-18		51136
4			3, 29-6-17	5414313	213996
5			11, 16-10-17	1818698	51324
6		RAY	3, 26-6-17	4389955	157338
7		RAY	8, 26-7-17	1784138	79492
8		RAY	18, 26-10-17	3117528	38154 (CGST)
9		RAY	19, 26-10-17	3117528	38153(SGST)

As such deduction of WCT seems to be on contractors will. Thus due to non deduction of WCT, the possibilities of evasion of tax could not be ruled out. The detail of test checked cases is given below by way of illustration.

Sr. No	Name of the contractor	Name of work	Voucher No. and date for which payment has been made to contractor	Total amount paid	WCT @ 2% required to be deducted
1	Vishwa Bhumi Eng work	RAY	22, 22-11-17	1724375	34488
2	Yashwant Diwan	RAY	28, 30-11-17	2899737	57995
3	Vishwa Bhumi Eng work	RAY	33, 11-1-18	3301135	66023
4	Vishwa Bhumi Eng work	RAY	41, 5-3-18	1522289	30446
5	N. K. Vij	RAY	46, 8-3-18	9837632	196753
6	Babu Ram	JNNURM	1, 12-1-18	317894	6358
				Total	392063

Similar cases may be reviewed and appropriate action as per the provisions of Act/rules be initiated under intimation to audit.

In this regard audit memo No. 50 was issued but no reply was furnished by the corporation.

**PARA-17 Non preparation of Annual Action Plan, Development Plan, Annual Administrative Report and Annual Accounts/ balance sheet for the year 2017-18**

The office manual of the State Govt. required the MC to prepare Annual Action Plan (AAP) for proper and systematic conceptualization and implementation of programme. Further, as per the provision of HPMC Act 1994, every MC was required to prepare a Development Plan (DP) for the areas under its jurisdiction and submit the same to the District Planning Committee for consolidation into a development plan of the Town.

The HPMC Act, 1994 provide the MC to prepare Annual Administrative Report (AAR) each year showcasing its activities and achievements of the preceding year and submission of the same to the State Govt through the Director, Urban Development.

As per rule 252 of HP Municipal Act 1994 accounts of the Income & expenditure of the Municipality shall be kept in accordance with such rules as may be prescribed. The municipality shall within a period not exceeding three months after the close of the financial year pass the accounts of that year. The Municipality, shall as soon as the annual accounts have been finally passed by it, transmit the same to the Director.

Scrutiny of records it was noticed that annual action plan, development plan, annual administrative report and annual accounts/balance sheet have not been prepared for the year 2017-18.

After admitting the facts and figures referred in memo No. 23, the authority stated that the annual accounts/ balance sheet for the year 2015-18 is under finalization. Balance sheets are not prepared due to shortage of staff in the MC and lack of proper knowledge of double entry system/accrual based accounting system. There was vacant post of accountant and chief accountant for a long time and no recruitments have been done so far. The reply is not tenable as preparation of annual accounts, action plan, development plan etc. are basic requirements for proper and systematic conceptualization and implementation of programme. Needful may be done now under intimation to audit.

(ie. Municipal Corporation, Shimla) and Himalayan Forest Research Institute, Panthaghati, Shimla (HFRI), (Technical Support Group) on 03-05-2017. Under clause 6 of the MoU, HPSBB has allocated and transferred an amount of Rs. 1,30,000/- only to the concerned BMC i.e MC Shimla which in turn should pay this amount to identified Technical Support Group in three installments as prescribed. Scrutiny of record further revealed that Rs. 1,30,000/- has been transferred through RTGS by the HPSBB to BMC, Shimla in A/c No. 18320110027929 maintained in UCO Bank on 18/8/17 with request to transfer 50% of the amount to HFRI (TSG) for preparation of PBR. The BMC, Shimla transferred an amount of Rs. 65,000/- to HFRI through RTGS bearing Ac No. 309502010016397 on 23-09-17 for the purpose mentioned above. Scrutiny of records revealed that after expiry of more than one year from the date of release of funds, utilization certificates had neither been obtained by the BMC nor it was submitted by the TSG. The records related to presentation of first draft on PBR before the BMC had also not found on record. Thus in the absence of which, the achievement as well as the objective for which the fund was released could not be ascertained in audit.

In this regard audit memo No. 29 was issued but no reply was furnished by the corporation.

Action may be taken to obtain utilization certificates from Technical Support Group under intimation to audit.

#### **PARA-19 Non-maintenance of cash book under IHHL component of SBM**

During test check of records and information supplied by the MC, Shimla it was noticed that an amount of Rs. 346645/- had been incurred on IHHL component during 2017-18 (9/17 & 12/17) covering 65 beneficiaries. The account of this component has been made in HP Co-operative Bank bearing A/c No. 4380116331. Scrutiny further revealed that cash book of this component had not been maintained in the office of MC Shimla. In the absence of which how the head of department ensured correctness of the transaction as well as position of available/balance funds



under this component. The pass book of the bank had not been produced to audit as such total funds available under this component, total funds utilized and actual balances had not been ascertained in audit.

After admitting the facts and figures referred in memo No. 21, the authority stated that expenditure made under SBM was maintained in two bank accounts and payments were released from HPSEB Ltd. (bank) and separate bank account has been maintained from 29-6-17. The reply is not tenable as consolidate cash book had been maintained by the authority where in various funds have been received and the authority failed to ascertain the funds received and expenditure incurred during 2017-18 under IHHL component. Needful may be done now under intimation to audit.

#### **PARA-20 Non maintenance/completion of cash book pertaining to MC funds**

Rule 13 of the Central Government Account (Receipts and Payments) Rules, 1983 provides that every DDO should maintain a cash book in form G.A.R. 3. All monetary transactions should be entered in the cash book as soon as they occur and attested by the DDO in token of check. Rules further provide that the cash book should be closed regularly and completely checked. The Head of the Office should verify the totalling of the cash book or have this done by some responsible subordinate other than the writer of the cash book and initial it as correct. At the end of each month, Head of the Office should verify the cash balance in the cash book and record a signed and dated certificate to that effect. In regard to any discrepancy noticed therein, the instructions contained in Section V of Chapter 2 of the General Financial Rules, 1963 should be followed.

During test check of records, it was noticed that cash book pertaining to MC funds for the period 2017-18 was incomplete till the date of audit. This is in contravention of the rules *ibid*. As such possibilities of mis-appropriation of

revenue could not be ruled out in audit. In the absence of cash book, all transactions made during 2017-18 could not be verified in audit.

In this regard audit memo No. 43 was issued but no reply was furnished by the corporation.

Steps may be taken to maintain/complete the cash book under intimation to audit.

**PARA-21 Non execution / renewal of lease of stalls/shops, loss of revenue to MC**

Leasing out of stalls/shops constructed by the Municipalities in Himachal Pradesh, Rules, 2001 provides that the stalls/shops constructed by the Municipalities shall be leased out by them on the conditions laid down there under. Rule 4 of the rules *ibid* provides that lease money of the stalls/shops shall be determined by the Municipality on the basis of competitive bids. The minimum lease amount shall be worked out by the Municipalities on the market value of the land and cost of construction of stall/shop and other relevant factor such as location of stall/shop etc. The stall/shop shall be leased to highest bidder of each category. Rule 5 further provides that the Municipalities shall lease out the stalls/shops for a period not exceeding 25 years in the first instance. After every five years the lease rent shall be enhanced by 10% of the amount being charged at the time of signing of lease.

During test check of records it was noticed that out of 987 stalls/shops existed in MC area, only 437 stalls/shops were leased out for a period of one year to 25 years *r.e.f* 1954-55 to 2013-14 by the Municipal Corporation, Shimla till date. Lease of 50 stalls/shops had not been leased out by the corporation. However, rent from 37 leased stalls/shops had been charged and recovered by the corporation at old rates. Out of 437, 118 stalls/shops were leased out for a period of 25 years, 08 for 5 years and 311 for a period of one year. After expiry of lease period, no lease was renewed by the corporation till date as no records in this regard was available with the corporation. This is in contravention of the rules *ibid*. Due to non renewal of these leases, no auction process was carried out resulted that no new bidders

participated in the process of auction and stalls/shops could not be leased out to the highest bidders. As such loss of revenue to the corporation to that extends.

After confirming the facts and figures referred in memo no. 48; the authority stated that matter is being pending with the Hon'ble high court of Himachal Pradesh.

Final outcomes in this regard may be intimated to audit.

**PARA-22 Non auction of condemned vehicles and irregular expenditure on vehicles declared condemned by condemnation board Rs. 0.45 lakh.**

In term of HP Govt. instructions for use and maintenance of vehicles notification No. GAD-A(A)3-1/99 dated 16-5-2002, when a vehicle covered 2 lakh kilometer or after 08 years of service, it should be disposed off immediately to avoid the excessive expenditure on its repair and maintenance.

Scrutiny of log books as well as expenditure files maintained in the office of Municipal Corporation, Shimla revealed that the condemnation board constituted under rule 15.3 of the HPFR declared following vehicles condemn on 24-08-2018.

Sr. No.	Vehicle No.	Class of vehicle/registration date
1	HP07-2905	Eicher canter water tanker-1995
2	HP07-3906	Tata tipper 1613, 1999
3	HP07B-3507	Swaraj Majda, 1997
4	HP07B-0396	Ambassdor, 2006
5 -	HP07B-0207	Esteem, 2006

Scrutiny further revealed that out of five condemn vehicles, two vehicles are still plying on road despite declared as condemn and the MC incurred an expenditure amounting to Rs. 45,257/- on these vehicles on account of fuel which is irregular.

The detail is given below:-

Sr. No.	Vehicle No.	Class of vehicle/registration date	Irregular expenditure (upto 6/11/18)
1	HP07B-0396	Ambassador, 2006	22593
2	HP07B-0207	Esteem, 2006	22664
		Total	45257

After confirming the facts and figures referred in memo No. 16, the Joint Commissioner, Shimla stated that due to shortage of vehicles two vehicles are being used for carrying out day to day activities like inspection/field visit. The reply is not tenable as all vehicles were declared condemned by the condemnation board and required to be auctioned immediately.

Needful may be done as per rule under intimation to audit.

#### PARA-23 Non condemnation/disposal of vehicle

In term of HP Govt. instructions for use and maintenance of vehicles notification No. GAD-A(A)3-1/99 dated 16-5-2002, when a vehicle covered 2 lakh kilometer or after 08 years of service, it should be disposed off immediately to avoid the excessive expenditure on its repair and maintenance.

Scrutiny of log books, repair and maintenance register of vehicles maintained in the office of Municipal Corporation, Shimla revealed that the 13 number of vehicles had covered 2 lakh kilometers and rendered 08 years of service. As the vehicle had covered its prescribed kilometers and service as per HP Govt. notification ibid it should have been disposed of immediately but it is still running on the road. This is in contravention of the provisions of the government instructions cited above. Scrutiny further revealed that some of the vehicles were still plying without passing w.e.f 25-05-08 to 22-09-17 which is also in contravention of the rules which need to be justified to audit. The detail of vehicles is given below:-

Sr. No.	Vehicle No.	Class of vehicle	Date of registration	Mileage covered (KM)	Expenditure on repair/maintenance (upto 3/18)	Fitness valid upto
1	HP07B-0730	Dumper	16-10-09	291917	797890	6-8-15
2	HP07B-0731	Dumper	3-11-09	280026	840127	22-09-17
3	HP07B-0734	Dumper	3-12-09	295350	1069058	6-4-15
4	HP07A-0646	Tipper	16-4-08	204128	484230	29-05-08
5	HP07A-0647	Tipper	16-04-08	188936	625743	25-11-16
6	HP07B-0758	Pick-up	18-09-10	104780	323990	13-02-18
7	HP07B-0735	Dumper	8-12-09	342806	1007462	23-4-15
8	HP07A-0600	Car	10-10-07	113779	293434	-
9	HP07B-0702	Pick-up	9-10-09	116513	247060	-
10	HP07A-0565	Van	07-07-07	101200	42343	-
-11	HP07A-0660	Gypsy	16-10-07	287933	384509	-
12	HP07A-0649	Tipper	16-04-08	166480	561477	18-6-15
13	HP07A-0716	pickup	17-09-09	169836	397014	-

After confirming the facts and figures mentioned in memo No. 15, the Joint Commissioner, MC, Shimla stated that these vehicles are deployed for maintenance of civic services like disposal of garbage and debris/malva and carriage of material from one place to another place. Due to paucity of funds and shortage of vehicles, utility of these vehicles are being used after incurring some expenditure towards annual repair and maintenance by the Corporation. Joint Commissioner, further stated that fitness certificate of these vehicles has duly been obtained from the competent authority. The reply is not tenable as the vehicles covered the prescribed limit of mileage and life/service and required to be condemned as per government instruction. Moreover, fitness of these vehicles had not been mentioned on the concerned registration certificate of the vehicle.

#### PARA-24 Non preparation of Monthly Abstracts of Log Books.

As per instructions issued by the State Govt. from time to time in regard to vehicles repair and maintenance, monthly abstract for the consumption of

fuel with reference to coverage mileage etc. was required to be prepared in the log book at the end of each month and attested by the H.O. D. so as to ascertain the average achieved by the vehicle.

During test check of records of MC Shimla it was noticed that the monthly abstracts of vehicles as detailed given below has not been prepared in the log books during the period 2017-18. The vehicle wise detail is as under:-

Sr. No	Vehicle No.	Description of vehicle	Log books not signed by the responsible officer.
1	HP07B-731	Dumper	2017-18
2	HP07A-647	Tipper(Swraj Mazda)	2017-18
3	HP07B-0730	Dumper	2017-18
4	HP03 - 2849	Tipper	2017-18
5	HP07A-0751	Pick-up	2017-18
6	HP07B-0745	Pick-up	2017-18
7	HP07A-0752	Pick-up	2017-18
8	HP07B-0758	Pick-up	2017-18
9	HP07B-0762	Road Roller	2017-18
10	HP07B-0763	Road Roller	2017-18
11	HP07A-0716	Pick-up	2017-18
12	HP07B-0753	Pick-up	2017-18
13	HP07A-0649	Swraj Mazda	2017-18
14	HP07B-0735	Dumper	2017-18
15	HP07A-1066	Pick-up	2017-18
16	HP07C-2958	Water tanker	2017-18
17	HP07A-0565	Van	2017-18
18	HP07A-1067	Pick-up	2017-18

In the absence of monthly abstracts, the journey was not verified/ attested by the authorized officer and thus, authenticity/ genuineness of plying of vehicle and average achieved and consumption of diesel could not be ascertained in audit.

In this regard audit memo No. 26 was issued but no reply was furnished by the corporation.

Monthly abstract in the log books may be prepared under intimation to audit.

- PARA-25
- (a) Loss of revenue due to non verification of Form-E (Self Assessment submitted by the owner or occupier of a unit of land and building)
  - (b) Non maintenance of categorized data of household/commercial establishment

According to Municipal Corporation Shimla (Property Taxation) Bye-law, 2015 a list of all units of the lands and buildings assessable to property tax under the provisions of the HP MC Act, 1994 is to be prepared which contain a list of all units of the lands and buildings located within the jurisdiction of Shimla Municipal Corporation, distinguishing each, either by name or number and containing such particulars regarding the location or nature of each, which shall be sufficient for identification thereof. Bye-law 19 provides that the commissioner may require any owner or occupier of a unit of land or building or of any portion thereof to furnish information or a written return in Form-E appended to these bye-law. Every owner or occupier on whom any such requisition is made shall be bound to comply with the same and to give true information or to make true return to the best of his/her knowledge or belief, within a period of thirty days from the service of such requisition upon him/her.

Verification of Form-E has to be done by the concerned ward inspector in view to investigate the correctness of the information submitted by the owner or occupier of a unit of land and building.

During test check of records maintained in tax branch, it was noticed that assessment list had been prepared on the basis of previous data/records available with the corporation as well as self assessment in form-E submitted by the owners or occupier of a unit of land and buildings. Scrutiny of records and information supplied further revealed that out of 27308 house holders who submitted form-E, only 2986 house holders (i.e 11 %) had been verified by the concerned tax inspector during 2017-18 leaving behind 24204 house holders (89%) unverified. 360 house holders (i.e 12 %) have been detected for not submission or wrong submission of form-E during verification. On the basis of self assessment of form-

E, the corporation get Rs. 856363/- on account of property tax but after verification of Form-E by the concerned tax inspector, the said amount enhanced to Rs. 2520628/-. As a result of verification of form-E, the corporation brings in Rs. 16.64 lakh extra on account of property tax. This shows that the verification of Form-E is not only a major component for MC, Shimla for increasing their income but also contribute in detection of evasion cases of property tax. Thus due to non verification of Form-E and lack of supervision by the authority, the MC deprived their income to that extent. Moreover, due to non verification of form-E, the possibilities of evasion of property tax by the owner or occupier of a unit of land and building could not be ruled out.

(b) During audit it was noticed that categorized data/records of households, commercial shops, hotels and restaurants, Govt. offices etc. for the purpose of property tax had not been maintained in the branch, neither manually not in computer software used.

After confirming the facts and figures referred in memo No. 36, the authority stated that categorized data of households had not been maintained in the office. However, efforts are being made to prepare the category-wise data through survey or verification of self assessment submitted by the owner of house hold/commercial establishment. Further no mechanism to ensure that all owners had filed returns (self assessment) was maintained. However during verification of form-E, new owners as well as deviation / variation noticed had been suitably uploaded in the system.

Needful may be done to categorise data/records of households for the purpose of property tax under intimation to audit.



**PARA-26** Non recovery of show tax from the owner of cinema hall resulted into loss of revenue amounting to Rs. 11.94 lakh (including interest)

Section 85 of the Himachal Pradesh Municipal Corporation Act, 1994 provides that the corporation may levy a fee and user charges for the services provided by it at such rates and in such manner as may be determined by the corporation from time to time. Section 121 of the Act further provides that any tax or fee levied under this Act shall be payable on such dates, in such number of installments and in such manner as may be determined by bye-law in this behalf provided that if the tax or fee is not paid within one month of the due date, an interest at the rate of one percent per month shall be charged for every calendar month or part thereof.

As per MC Shimla house resolution No. 3(21) dated 23-4-12, lump-sum show tax at the rate of Rs. 72000/- per year has been approved. During test check of records for the year 2017-18, it was noticed that show tax from the owners of two cinema hall running in MC jurisdiction was not recovered by the MC authority. This resulted into loss of revenue on account of show tax amounting to Rs. 11.94 lakh as per detail given below:-

Sr. No	Name of cinema hall	Year	Amount	Interest w.e.f 1.5.95 to 31-3-18	Total amount due	Amount recovered	Amount of tax recoverable
1.	Ritz cinema	2012-13	26080			0	
			(arrear)				
		2013-14	72000			0	
		2014-15	72000			0	
		2015-16	72000			0	
		2016-17	72000			0	
		2017-18	72000	446000		0	
	<b>Total</b>	<b>386080</b>	<b>446000</b>	<b>832080</b>	<b>0</b>	<b>832080</b>	
2.	Shahi cinema	2015-16	55150			32000	
			(arrear)			(R.No.629	
		2016-17	72000			997 dated	
		2017-18	72000	195003		6/7/17	
	<b>Total</b>	<b>199150</b>	<b>195003</b>	<b>394153</b>	<b>32000</b>	<b>362153</b>	
<b>GRAND TOTAL</b>			<b>585230</b>	<b>641003</b>	<b>1226233</b>	<b>32000</b>	<b>1194233</b>

In this regard audit memo No. 37 was issued but no reply was furnished by the corporation.

Steps may be taken to recover show tax as per rule under intimation to audit.

**PARA-27 Outstanding recovery of shop rent Rs 411.78 lakh.**

The Municipal Committee Corporation, Shimla has been leasing out the shops/ stalls and lands constructed by it to the private individual on rent basis.

During test check of records it was noticed that during the year 2017-18 an amount of Rs 4,11,78,075/- was outstanding on account of recovery of shops/ stalls rent as on March 2018 as detailed below:-

(Amount in Rupees)

Total number of shops registered with MC.	Opening balance	Current demand	Total demand	Collection	Outstanding as on 31-3-2018
987	4,24,24,457	2,35,00,000	6,59,24,457	2,47,46,382	4,11,78,075

However, an amount of Rs. 2,03,53,316/- had been recovered by the authority during 2018-19 (upto 17-11-18).

After confirming the facts and figures referred in memo No.45, the authority stated that notices are being issued to the defaulters for vacating the possession of shops/stall within 30 days or to deposit the due amount within stipulated period.

Needful may be done to recover outstanding shop rent and compliance in this regard be intimated to audit.

**PARA-28 Outstanding recovery of lease money amounting to Rs 7.67 lakh.**

The Municipal Committee Corporation, Shimla has been leasing out lands to be used by the private individual on rent basis.

During test check of records it was noticed that during the year 2017-18 an amount of Rs 7,67,066/- was outstanding on account of recovery of lease money as on March 2018 as detailed below:-

(Amount in Rupees)

Total number of lease land registered with MC.	Opening balance	Current demand	Total demand	Collection	Outstanding as on 31-3-2018
153	1,73,86,093	47,27,970	2,21,14,063	2,13,46,997	7,67,066

After confirming the facts and figures referred in memo No.47, the authority stated that notices are being issued to the defaulters for surrendering the leased out area or to deposit the due amount within 30 days.

Needful may be done to recover lease money and compliance in this regard be intimated to audit.

#### PARA-29 Outstanding recovery of tehbazari Rs. 0.40 Lakh.

As per letter no LSG-A(9)-8/81 dated 04.04.83 of Local Self Department, Govt. of Himachal Pradesh notified The Municipal Corporation Shimla (Control & Regulation) Hawkers Bye laws for assessing, regulating and recovery of licence fee from hawkers. Further vide proposal no 4 (4)38 dated 31.03.2008, the House fixed the rate of tehbazari @ Rs 300 per month.

During test check of records it was noticed that during the year 2017-18, tehbazari rent amounting to Rs. 40,000 was outstanding for recovery as on March 2018 as detailed below:

(Amount in Rupees)

Total number of tehbazari registered with MC.	Rent outstanding as on 1-4-17	Rent due for the period 2017-18	Total rent due	Rent realized during 2017-18	Tehbazari rent outstanding as on 31-3-18
163	80,000	5,90,400	6,70,400	6,30,400	40,000

Further, scrutiny of records revealed that no specific efforts were made by the MC to recover the outstanding amount of tehbazari.

After confirming the facts and figures referred in memo No.46, the authority stated that notices are being issued to the defaulters with the condition to deposit the due amount within 30 days or surrender the tehbazari space.

Needful may be done to recover tehbazari and compliance in this regard be intimated to audit.

**PARA-30 Outstanding recovery of renewal fee from Mobile Towers companies Rs. 12.76 Lakh**

As per the policy for setting up Mobile Communication Towers intimated by the Secretary (IT) to the Govt. of Himachal Pradesh vide their Letter No. DIT-Dev.(IT-2005(Misc) dated 22-8-2006 circulated vide Director Urban Development Letter No. UD-H (A)(7)-1/2006-10396-10444 dated 25.9.2006, every Municipality has been authorized to charge installation fee on account of installation of Mobile Communications Tower in MC area. The installation fee will be charged at the rate of Rs. 10,000 per tower and after every one year renewal fee will be charged at the rate of Rs. 5,000/- per tower. There will be 25% increase in renewal fees after every 5 years and 40% rebate can be allowed if 5 years fees are deposited in advance.

During test check of records it was noticed that during the year 2017-18 an amount of Rs 12, 75,875/- was outstanding on account of recovery of renewal fee from Mobile tower companies as on March 2018 as detailed below:-

(Amount in Rupees)

Total number mobile towers	Opening balance	Current demand	Total demand	Collection	Outstanding as on 31-3-2018
84	5,15,000	10,36,750	15,51,750	2,75,875	12,75,875

After confirming the facts and figures referred in memo No. 49, the authority stated that out of Rs. 12.76 lakh an amount of Rs. 10.33 lakh had been recovered from 44 defaulters and notices are being issued to the defaulters for clearing the due amount.

Needful may be done to recover renewal fee from mobile tower companies under intimation to audit.

#### **PARA-31 Non-production of records.**

After repeated requests, the sewerage department of MC Shimla failed to produce all necessary records for the year 2017-18 for audit checks.

In this regard audit memo No. 52 was issued but no reply was furnished by the corporation.

#### **PARA-32 Irregular reimbursement of medical claims Rs. 0.13 Lakh**

Under Rule 4 of medical attendance Rules, 1944 an employee who claims the medical reimbursement of their dependents should submit a dependency certificate to the effect that income from all sources of their parents is less than Rs. 3500/- per month in every calendar year and that they are wholly dependent upon them.

During test check of records, it was noticed that following officials had been paid Rs. 12,585/- on account of M.R. claims for their dependant parents without obtaining the dependency certificates from the concerned employees during the year 2017-18, moreover at serial number 02, the mother in law does not fall under the definition of family as such inadmissible and irregular which needs to be justified. The detail of claims is given below:-

Sr. No	Name of employees Smt./Sh.	BPV No & Date	Relation	Amount
1	Daulat Ram, c-iv	149to168, 1-1-2018 to 24-1-2018	Father	10,248
2	Sunita, c-iv	1306 to 1361, 20-11-2017to28-11-2017	Mother-in-Law	270
3	Rooplal, c-iv	92 to 103, 03-10-2017to12-10-2017	Mother	2,067
			Total	12,585

After confirming the facts and figures referred in memo No. 10, the authority stated that dependency certificates from the employees have been obtained in future.

Needful may be done as per rules under intimation to audit.

#### PARA-33 Inadmissible claim of medicines Rs. 0.04 Lakh.

Under Medical Attendance Rules, 1944 the claims of inadmissible medicines are not permitted.

During test check of records, it was noticed that the payment of medical reimbursement for the inadmissible medicines were made as detailed below:

Sr. No	Bill No & Date.	Name of the Medicines	Amount	Name of the Claimant
1.	16-05-06658 27.05.2016	ULTAR-CS-LOTION	294.38	Raj Kumar, c-iv
2.	16-05-06658 27.05.2016	PROTAR-K-LOTION	259.38	Raj Kumar, c-iv
3.	16-08-01019 03.08.2016	ALLSUTH LOTION	131.16	Davinder Singh, c-iv
4.	10180 15.11.2016	SIDHMAKARD WAJ RAS	1436.00	Khem Raj, c-iv
5.	14572 15.11.2016	SIDHMAKARD WAJ RAS	94.20	Mahboob Sheikh, JE
6.	27210 02.10.2016	CANDIAL SHAMPOO	194.00	Roshni Devi
7.	5242 26.09.2016	MAHABHRING RAJ TAIL	206.00	Roshni Devi

8.	2132 13.08.2017	SYSTAYLAM GEL	99.00	Kamlesh
9.	000832 23.09.2017	DIPROVATE LOTION	125.00	AshwaniKumar, Sr Asstt
10.	22539 06.06.2017	COCONUT OIL	68.00	AshwaniKumar, Sr Asstt
11.	00976762 15.02.2017	PBF GEL	106.55	Sukhbir
12.	0081008 03.04.2017	BUGESIC GEL	75.50	Rajesh Kumar, Masson
13.	17-06-02148 06.06.2017	RHEGESIC OIL	146.29	Kalash Chand, Forman
14.	0086861 19.06.2017	DICLOLENAL GEL	65.00	Gianchand
15.	0062333 17.05.2017	SUNGRACE LOTION	438.50	Amar Parkash
		Total	3728.96	

After confirming the facts and figures referred in memo No. 51, the authority stated that recovery on account of inadmissible claim will be made in the succeeding month.

Needful may be done now under intimation to audit.

**PARA-34 Non verification of service books and non production of service books**

Supplementary rule 198 provides that service book shall be maintained for a Government servant from the date of his first appointment to Government service. It must be kept in the custody of the Head of the Office in which he is serving and transferred with him from office to office. Rule 257 (1) of the General Financial Rules, 2005 further provides that Service Books maintained in the establishment should be verified every year by the Head of Office who, after satisfying himself that the services of Government servants concerned are correctly recorded in each Service Book shall record the following certificate "Service verified from .....(the date record from which the verification is made)..... upto .....(date)....."

During test check of records it was noticed that service books of the following test check cases had not been verified by the competent authority for the period

mentioned there against. This is in contravention of the rules ibid. Non verification of service books needs to be justified.

Sr. No	Name	Designation	Department	Period of services not verified
1.	Shashi Thakur	Senior Assistant	General Branch	01/3/2001 To 30/6/2014
2.	Smt. Veena Sharma	Senior Assistant	General Branch	1/3/2007 To 29/2/2008
3.	Neeraj Thakur	Clerk	General Branch	8/5/2002 To 30/9/2016
4.	Radhey Shyam	Jr. Assistant	General Branch	20/1/1998 To 30/9/2017
5.	Vijay Kumar	Clerk	General Branch	1/1/2009 To 31/12/2009, 1/1/2012 To 31/12/2013
6.	Ankur Khasiyap	DEO	General Branch	6/7/2016 To 30/6/2017
7.	Sh. Shaanti Swaroup Jindel	Senior Assistant	General Branch	1/10/2014 TO 30/9/2017
8.	Sunita	Sanitation worker	Health Branch	9/4/1997 to till date
9.	Jagroup	Sanitation worker	Health Branch	Service not verified till date
10.	satoo	Sanitation worker	Health Branch	1/4/1997 to till date
11.	Rajrani	Sanitation worker	Health Branch	Service not verified till date
12.	Usha	Sanitation worker	Health Branch	10/7/1996 to till date service not verified
13.	Surinder Kaur	Sanitation worker	Health Branch	Service not verified till date
14.	Sunil Kumar	Sanitation worker	Health Branch	Service not verified till date
15.	Radha	Sanitation worker	Health Branch	Service not verified till date
16.	Raj Kumar	Sanitation worker	Health Branch	Service not verified till date
17.	Pardeep	Sanitation worker	Health Branch	Service not verified till date
18.	Bimla	Sanitation worker	Health Branch	Service not verified till date
19.	Hemraj	Sanitation worker	Health Branch	Service not verified till date
20.	Bimmi	Sanitation worker	Health Branch	Service not verified till date
21.	Ashok	Sanitation worker	Health Branch	Service not verified till date
22.	Yogesh	Sanitation worker	Health Branch	Service not verified till date
23.	Sanjeev Kumar	clerk	Health Branch	Service not verified till date
24.	David	Sanitation worker	Health branch	Service not verified
25.	Rajinder	Sanitation worker	Health branch	1/6/1998 To 31/12/2017
26.	Padan Dev	Sanitation worker	Health branch	1/4/1997 To 31/12/2017
27.	Amrik	Sanitation worker	Health branch	24/7/1989 To 31/12/2017
28.	Ramesh Kumar	Sanitation worker	Health branch	20/4/2007 To 31/12/2017
29.	Beera Ram	Sanitation worker	Health branch	Service not verified
30.	Dilla Ram	Sanitation worker	Health branch	Service not verified Till Date
31.	Sh. Madan	Sanitation worker	Health branch	Service not verified
32.	Bry Lal	Sanitation worker	Health branch	Service not verified Till Date
33.	Tulsi Ram	Sanitation worker	Health branch	Service not verified Till Date
34.	Munish Kumar	Sanitation worker	Health branch	Service not verified Till Date
35.	Smt. Seema	Sanitation worker	Health branch	Service not verified Till Date
36.	Ucha	Sanitation worker	Health branch	Service not verified



37.	Rakech	Sanitation worker	Health branch	Service not Till Date verified
38.	Raksha Devi	Superintendent	B&R branch	1/4/2008 To 31/1/2011, 1/1/2012, 1/2/2013 To 31/1/2014
39.	Narain Dass	Mazdoor	B&R branch	1/1/12 To 31/12/2013
40.	Chuni Lal	Mazdoor	B&R branch	
41.	Smt. Sudma Devi	Mazdoor	B&R branch	1/1/2006 To 31/12/2007, 1/1/2009 To 31/12/2009, 1/1/2012 To 31/12/2013, 1/1/2015 To 31/12/2016
42.	Rattan Bahadur	Mazdoor	B&R branch	1/1/2017 To 30/5/2016
43.	Anil Kumar S/O Dass Ram	Sanitation worker	Health branch	Service not verified Till Date
44.	Surjit S/O Dassan	Sanitation worker	Health branch	Service not verified Till Date
45.	Mahant S/O Sadhu	Sanitation worker	Health branch	Service not verified Till Date
46.	Surendra S/O Preeto	Sanitation worker	Health branch	Service not verified Till Date
47.	Rattan Chand S/O Dita Ram	Sanitation worker	Health branch	Service not verified Till Date
48.	Raj Lal W/O Shyam Lal	Sanitation worker	Health branch	Service not verified Till Date
49.	Manohar Lal S/O Dass	Sanitation worker	Health branch	Service not verified Till Date
50.	Raghuvir S/O Rakha	Sanitation worker	Health branch	Service not verified Till Date
51.	Smt. Sarswati Devi W/O Lt. Sh. Birma	Sanitation worker	Health branch	Service not verified Till Date
52.	Harbans Lal S/O Sh. Dass	Sanitation worker	Health branch	Service not verified Till Date
53.	Vijay Kumar S/O Krishan	Sanitation worker	Health branch	Service not verified Till Date
54.	Suresha W/O Kuldeep	Sanitation worker	Health branch	Service not verified Till Date
55.	Kamla W/O Yaman	Sanitation worker	Health branch	Service not verified Till Date
56.	Amrita W/O Kamal	Sanitation worker	Health branch	Service not verified Till Date
57.	Nirmala W/O Hari krishan	Sanitation worker	Health branch	Service not verified Till Date
58.	Asha W/O Mohan	Sanitation worker	Health branch	Service not verified Till Date
59.	Shakti S/O Madan	Sanitation worker	Health branch	Service not verified Till Date
60.	Bimla W/O Baldev	Sanitation worker	Health branch	Service not verified Till Date
61.	Rajkumar S/O Ram	Sanitation worker	Health branch	Service not verified F P A
62.	Joginder S/O Ram	Sanitation worker	Health branch	Service not verified Till

	Parkach			Date
63.	Lakshmi Devi W/O Vikram	Sanitation worker	Health branch	Service not verified Till Date
64.	Sharda W/O Chaltee Dev	Sanitation worker	Health branch	Service not verified Till Date
65.	Balveer S/O Parao	Sanitation worker	Health branch	Service not verified Till Date
66.	Bholi W/O Jagdish	Sanitation worker	Health branch	Service not verified Till Date
67.	Mansa Ram S/O Durga	Sanitation worker	Health branch	Service not verified Till Date
68.	Somnath S/O kamr	Sanitation worker	Health branch	Service not verified Till Date
69.	Joginder Pal S/O Jagar	Sanitation worker	Health branch	Service not verified Till Date
70.	Jasveer W/O Naresh	Sanitation worker	Health branch	Service not verified Till Date
71.	Sunder	Mason	B&R branch	1/1/2017 To 31/12/2017
72.	Jagdish Chand	Mason	B&R branch	
73.	Smt. Kalawati	Mazdoor	B&R branch	19/6/2017 To 1/7/2017 (Medical) 13/11/2017 To 27/11/2017 (Medical)
74.	Sant Ram	Mason	B&R branch	1/1/2009 To 31/12/2009, 1/1/2011 To 31/12/2013
75.	Sohan Lal	Mazdoor	B&R branch	1/1/2012 To 31/12/2013
76.	Kishan Chand	Mazdoor	B&R branch	1/7/2014 To 31/6/2015, 1/7/2016 To 31/6/2017
77.	Pawan Kumar	Senior Assistant	B&R branch	1/10/2014 To 30/4/2015, 1/7/2012 To 30/9/2012, 1/7/2011 To 30/6/2012, 1/7/2009 To 30/6/2010, 1/7/2006 To 30/6/2007
78.	Vinod Kumar Sharma	Clerk	B&R branch	1/1/2016 To 30/6/2017, 1/1/2012 To 31/12/2013, 1/1/2009 To 31/12/2009
79.	Nokhi Ram	Mazdoor	B&R branch	1/7/2014 To 30/6/2015, 1/7/2016 To 30/6/2017
80.	Joginder Singh	Mazdoor	B&R branch	1/7/2016 To 30/6/2017, 1/7/2014 To 30/6/2015
81.	Shankar Lal	Mazdoor	B&R branch	1/7/2014 To 30/6/2015, 1/7/2016 To 30/6/2017
82.	Bimla Devi	Mazdoor	B&R branch	1/7/2014 To 30/6/2015, 1/7/2016 To 30/6/2017
83.	Muni Lal	Mazdoor	B&R branch	1/7/2014 To 30/6/2017
84.	Roop Lal	Mazdoor	B&R branch	1/7/2016 To 30/6/2017, 1/7/2014 To 30/6/2015
85.	Mehar Chand	Mazdoor	B&R branch	1/7/2016 To 30/7/2011, 1/7/2014 To 30/6/2015
86.	Devi Singh	Mazdoor	B&R branch	1/5/2015 To 31/12/2015
87.	Budhi Maya	Mazdoor	B&R branch	1/1/2012 To 31/12/2013

88.	Maest Ram	Mason	B&R branch	1/12/2015 TO 31/12/2016
89.	Ganga Ram	Mason	B&R branch	1/12/2015 TO 31/12/2017
90.	Kashmir Singh	Carpenter	B&R branch	1/3/2015 TO 28/2/2017
91.	Malkiat Singh	Carpenter	B&R branch	1/3/2015 TO 28/2/2017
92.	Jai Singh	Clerk	B&R branch	1/3/2015 TO 30/5/2017
93.	Laxmi Chand	Mate	B&R branch	1/4/2010 TO 3/12/2017
94.	Ramesh Kumar	Mazdoor	B&R branch	1/3/2015 TO 28/2/2017
95.	Jagdish KUMAR	Mazdoor	B&R branch	1/1/2009 TO 31/12/2009
96.	Tak Chand	Mazdoor	B&R branch	1/1/2012 TO 31/12/20
97.	Krishan Lal	Mazdoor	B&R branch	1/1/2012 TO 31/12/2013
98.	Budhi Singh	Sanitation worker	B&R branch	1/1/2012 TO 31/12/2013
99.	Raj Kumar S/O Rattan Chand	Sanitation worker	B&R branch	1/2/2013 TO 31/1/2014, 1/2/2015 TO 31/12/2016
100.	Babu Ram S/O I.T.Sh. Badru Ram	Sanitation worker	B&R branch	1/2/2013 TO 31/1/2014, 1/2/2015 TO 31/12/2016
101.	Hem Raj S/O Kedaru Ram	Mason	B&R branch	1/4/2009 TO 31/3/2011
102.	Sh. Bhagat Ram S/O Dhani Ram	Mali	B&R branch	1/2/2009 TO 31/1/2011, 1/2/2011 TO 31/1/2012, 1/2/2013 TO 31/11/2014, 1/2/2015 TO 31/1/2017
103.	Yashwant Singh	Senior Assistant	B&R branch	1/7/2010 TO 31/8/2011
104.	Prakasi Vir	Supervisor	B&R branch	1/1/2012 TO 31/3/2014
105.	Jamna Dass	Mate	B&R branch	1/7/1997 TO 30/6/2013, 1/7/2010 TO 30/6/2011, 1/7/2014 TO 30/6/2015, 1/7/2016 TO 30/6/2017
106.	Champa Thakur	Senior Assistant	B&R branch	1/4/2012 TO 30/9/2017
107.	Puran Chand	Mazdoor	B&R branch	1/1/2012 TO 31/3/2014
108.	Krishan Chand	Mazdoor	B&R branch	1/1/2013 TO 31/3/2014
109.	Jai Singh	Driver	B&R branch	1/4/2016 TO 31/12/2017
110.	Ratti Ram	Mate	B&R branch	1/1/2009 TO 31/12/2009, 1/1/2012 TO 31/12/2013
111.	Kachav Ram Kashyap	Supervisor	B&R branch	1/7/2001 TO 30/6/2011
112.	Naresh Kumar Malta	Mate	B&R branch	1/7/1997 TO 30/6/2003, 1/9/2008 TO 31/7/2011
113.	Lekh Raj	Supervisor	B&R branch	4/7/1996 TO 30/6/2003, 1/7/2010 TO 30/6/2011
114.	Ram Rattan	Supervisor	B&R branch	1/1/2009 TO 31/12/2009, 1/1/2012 TO 31/3/2014, 1/4/2016 TO 31/3/2017
115.	Amalak Ram	Supervisor	B&R branch	1/1/2009 TO 31/1/2009, 1/1/2012 TO 31/3/2014, 1/4/2016 TO 31/3/2017
116.	Surinder Kumar	Supervisor	B&R branch	1/1/2009 TO 31/12/2009, 1/2/2011 TO 31/3/2014, 1/4/2016 TO 31/3/2017
117.	Preeta Kumar Sharma	Supervisor	B&R branch	1/1/2009 TO 31/12/2009, 1/1/2012 TO 31/12/2013,

118.	Rajeev Chaudhary	Supervisor	B&B branch	1/1/2016 TO 31/3/2011 29/1/1998 TO 31/12/2003, 1/1/2009 TO 31/12/2009
119.	Sher Singh	Supervisor	B&R branch	1/1/2009 TO 31/12/2009, 1/1/2012 TO 31/12/2013, 1/1/2016 TO 31/3/2017
120.	Rishi Raj	Supervisor	B&R branch	1/7/2010 TO 30/6/2011, 1/7/2014 TO 31/3/2015, 1/4/2016 TO 31/3/2017
121.	Deep Ram Thakur	Supervisor	B&B branch	1/7/2013 TO 30/6/2014
122.	D.S. Parwar	Personal Assistant	General Branch	1/2/2009 TO 1/1/2010
123.	Durga Dass Thakur	Superintendent Grade - 2	General Branch	1/5/2008 TO 31/1/2009, 1/2/2014 TO 30/4/2015
124.	Dalip Singh Narwal	Senior Assistant (Tax Department)	General Branch	1/2/2008 TO 31/1/2009, 1/10/2014 TO 30/4/2015
125.	Smt. Geeta Thakur	Senior Assistant	General Branch	1/10/2014 TO 30/4/2015, 1/2/2012 TO 30/9/2012
126.	Ram Kumar Thakur	Senior Assistant	General Branch	1/8/2014 to 30/4/2015, 1/5/2016 To till date
127.	Devi Roop	Senior Assistant	General Branch	1/6/2011 TO 30/4/2015
128.	Smt. Santosh Kumari Kumari	Senior Assistant	General Branch	
129.	Smt. Seema Chauhan	Computer Assistant	General Branch	1/10/2014 TO 30/4/2015
130.	Sh. Parkash Sharma	Computer Assistant	General Branch	1/6/2011 TO 30/4/2015
131.	Suresh Kumar Sharma	Superintendent	General Branch	1/7/2011 TO 31/8/2012
132.	Suresh Kumar Rana	Senior Assistant	General Branch	1/4/2010 TO 31/8/2012
133.	Mahinder Singh	Senior Assistant	General Branch	Double Entry 1/3/2015 TO 30/4/2016, 1/7/2015 TO 30/6/2016
134.	Hem Chand	Senior Assistant	General Branch	Service not verified
135.	Sh. Ashwani Kumar	Senior Assistant	General Branch	1/10/2014 TO 30/4/2015
136.	Sanjay Narwal	Mazdoor	B&B branch	Service not verified 1/1/2011 TO 31/3/2011
137.	Roop Chand	Mazdoor	B&R branch	1/4/2015 TO 31/12/2017
138.	Amroo	Mazdoor	B&R branch	1/3/2011
139.	Ram esh kumar	Mazdoor	B&R branch	1/3/2011 TO 29/2/2012, 1/3/2015 TO 28/2/2017
140.	Paras Ram	Mazdoor	B&R branch	8/3/1999 TO 28/2/2003
141.	Shyam Lal	Mazdoor	B&R branch	1/1/2012 TO 31/12/2013
142.	Hari Singh	Mazdoor	B&R branch	F.P.A not entry 1/1/2009 TO 31/12/2009, 1/1/2012 TO 31/12/2014
143.	Krishana	Mazdoor	B&R branch	1/1/2009 TO 31/12/2009

Service books not produced

Sh. Rajeeb Sharma	A.P	B&R branch
Sh. Pardeep Gupta	A.A.E	B&R branch
Sh. Madan Chandhary		B&R branch
Sudir Gupta	XEN	B&R branch
Narender Kumar	E.E	B&R branch
Sanjay Kumar	J.E	B&R branch
Pankaj Kaushal	J.E	B&R branch
Rubal Sharma	Contract	B&R branch
Rakesh Kumar	J.E	B&R branch
Manoj Kumar	J.E	B&R branch
Rakesh Kumar	J.E	B&R branch
Saksham Upadhiaya	J.E	B&R branch
Neel Mani	J.E	B&R branch
Bachites Singh	J.E	B&R branch
Mohan Thakur	J.E	B&R branch
Ajay Kumar	J.E	B&R branch
Mohan Thakur	J.E	B&R branch

In this regard audit memo No. 39 was issued but no reply was furnished by the corporation.

#### PARA-35 Non-disposable of unserviceable articles

Rule 15.3 of Himachal Pradesh financial rule-volume 1971 provides that obsolete and unserviceable store articles should be disposed of at the earliest on their retention in the store involves unnecessary expenditure on their maintenance as well as wastage of labour and space is also involved.

Scrutiny of store/stock register and information furnished by department it was noticed that unserviceable store/stock material was lying in store for the want of disposal. The detail is given below.

Sr NO	Items Name	Quantity
1	Fax Machine	2No
2	Coffee Machine	1No
3	Mobile Phone	9No
4	Pertromax	2No
5	Duplicating Machine	2No
6	Photostat Machine	3No
7	Calculator	38No
8	Typewriter	27No
9	Telephone	46NO
10	Watch clock	10No

11	Computer	01No
12	Printer	09No
13	Computer Battery	08No
14	Unix Waste Trim anal	14NO
15	Recoding System	01No
16	speaker	02No
17	Cousin	20No
18	Vehicle Items Tyres	194 NO
19	Vehicle Battery	23 No
20	Vehicle Spare Parts	1277 NO

In this regard audit memo No. 40 was issued but no reply was furnished by the corporation.

Action may be taken to dispose of obsolete and unserviceable store articles under intimation to audit.

#### PARA-36 Non-conducting of physical verification of stores

As per Rule 15.17 of Himachal Pradesh Financial Rules, 1971, Vol.-I, a physical verification of all stores should be made atleast once in every year. Rule 15.18 further provides that in making a physical verification, the following instructions should invariably be observed:-

- Verification must always be made in the presence of the Government servant responsible for the custody of the stores or of a responsible person deputed by him;
- All discrepancies noticed should be properly investigated and brought to account immediately, so that the stores account may represent the true state of the stores; and
- Shortages and damages, as well as unserviceable stores, should be reported immediately, to the authority competent to write off the loss.

During test-check of the records maintained in the office of MC, Shimla, it was noticed that physical verification of stores had not been conducted as of March 99 to March, 2018 which was to be conducted at least once in every year in accordance with the provisions of the rules *ibid*.

Sr No.	Items	Date of purchase	Cost/Rs	Page No. of stock register
1.	Lap Top	March 1999	81600	25
2.	Lap Top	14-12-2006	59530	27
3.	Lap Top	15-12-2017	57950	Product No41ZOST2
4.	Camera Handy	17-12-05	32250	75
5.	Mobile Phone	20-01-1998	27564	48

6.	Mobile Phone	21-01-1999	97089	48
7.	Mobile Phone	08-09-1999	10500	48
8.	Mobile Phone	20-06-2000	12500	48
9.	Mobile Phone	24-05-2003	6900	48
10.	Mobile Phone	12-09-2003	5975	48
11.	Mobile Phone	09-03-2005	5350	48
12.	Fire Extinguisher	Till Date No refilling	0	
			Total	397208

In this regard audit memo No. 41 was issued but no reply was furnished by the corporation.

Part-III

Follow up on findings outstanding from previous reports  
Review of old objections.

The year wise position of old paras after review from the year 1982-83 to 2016-17 was as under:

Period	Para No.	Subject	Remarks
1982-83 to 1986-87	15	Shortage of store stock articles Rs 1.13 lakh.	Compliance awaited. Para stands.
	17	Unauthorized expenditure for trapping and exporting monkeys creating nuisance Rs 0.56 lakh.	The requisite ex-post-facto sanction awaited. Para stands.
	20	Infructuous expenditure Rs 40.00 lakh.	Compliance awaited. Para stands.
	21	Short receipt of material Rs 53,753/- Nonpayment of demurrage charges.	Compliance awaited. Para stands.
	23	Suspected misappropriation of stores Rs 1.72 lakh.	Compliance awaited. Para stands.
	26	Suspected misappropriation of Rs 4214.15.	Compliance awaited. Para stands.
	28	Theft of white metal Rs 10867/-.	Compliance awaited. Para stands.
	32	Non-recovery of TA advances Rs 0.53 lakh.	Compliance awaited para stands.
	33	Non-recovery of LTC advance and interest amounting to Rs 0.80 lakh.	Compliance awaited. Para stands.
	40	Unutilized register machine, wasteful expenditure Rs 0.35 lakh.	Compliance awaited. Para stands.
1993-94 to 1996-97	9	Irregular award of work exceeding Rs 5.00 lakh in each case without approval of the Govt. Rs 64.56 lakh.	Compliance awaited. Para stands.
	22	Irregular purchase of furniture/ fixture Rs 5.00 lakh.	Compliance awaited. Para stands.
	27 (b)	Theft of battery Rs 4063/-.	Compliance awaited. Para stands.
	29	Suspected/ non-adjustment of LTC advance amounting to Rs 67149/- (balance amount recovery Rs 65,849/-)	Compliance awaited. Para stands.



	32(a)	Excess expenditure Rs 0.61 lakh for purchase of three light vehicles.	Compliance awaited. Para stands.
	32(b)	Accident of vehicles No. 1363 loss to Corporation Rs 2.49 lakh.	Compliance awaited. Para stands.
	41	Loss of revenue due to non-reconciliation of cost of timber Rs 0.95 lakh.	Final compliance is still awaited. Para stands.
	44	Loss of revenue due to short receipt of timber Rs 36088/-.	Compliance awaited. Para stands.
1997-98 to 2000-01	2(i),to(iii)	Irregular award of work. Undue aid to contractor Rs 9.12 lakh. Non-levy of compensation Rs 7.47 lakh and payment without approval Rs 30.39 lakh.	Compliance awaited. Para stands.
	5(iii)	Blockade of Govt funds Rs 20 lakh.	Compliance awaited. Sub Para stands.
	23	Improvement of path from Baba BalakNath to Jakhu Temple Rs 2.90 lakh.	Compliance awaited. Para stands.
2001-02	6	Irregular and unjustified expenditure Rs 4.33 crore. Regularization of daily wage workers.	Compliance awaited. Para stands.
	14	Irregular expenditure Rs 27.57 lakh	Compliance awaited. Para stands.
	18(ii)	Shortage of stores Rs 0.69 lakh.	Compliance awaited. Para stands.
	26	Irregular expenditure Rs 3.45 lakh.	Compliance awaited. Para stands.
2002-03	2	Unfruitful expenditure of Rs 66.35 lakh.	Compliance awaited. Para stands.
	6	Unfruitful expenditure of Rs 7.28 lakh. Blockade of Govt funds Rs 22.72 lakh (staff quarters at Krishna nagar.)	Compliance awaited. Para stands.
	8	Outstanding advance Rs 63.86 lakh. Non handing of charge.	Compliance awaited. Para stands.
	13	Irregular expenditure on hospitality charges Rs 11.10 lakh.	Compliance awaited Hence para stands.
	14	Irregular purchase of pages and mobile phones Rs 4.99 lakh.	Compliance awaited Hence para stands.
2003-04	17(i)	Shifting of sale depot of HPSEFC from cart road (lift to kanlog).	Compliance awaited. Para stands.

	17(ii)	Non obtaining of permission for conversion of forest land for non forestry purpose.	Compliance awaited. Para stands.
	17(iii)	Non recovery of lease/ rent from the HDSFC resulting into loss of revenue of MC Shimla amounting to Rs 14.57 lakh.	Compliance awaited. Para stands.
	25	Avoidable expenditure Rs 14.60 lakh.	Compliance awaited. Para stands.
	27	Transfer of forest land for the construction of road. Non recovery of net present value and other related charges Rs 7.79 lakh (c/o dhalli bye pass)	Compliance awaited. Para stands.
	31(i)	Irregular purchase of mobile phone Rs 1.94 lakh and irregular payment of mobile batteries.	Compliance awaited. Para stands.
	31(ii)	Cost of batteries of mobile phones Rs 1080/-.	Compliance awaited. Para stands.
	31(iii)	Unauthorised payment of mobile phone bills Rs 26,197/-.	Compliance awaited. Para stands.
2004-05 to 2005-06	3	Leasing out of Ashiana and Goofa Restaurant. Non recovery of lease money amounting to Rs 58.33 lakh.	Matter is sub judice. Para stands.
	9	Irregular allotment of Ice cream parlour at Ridge Shimla.	Matter is sub judice. Para stands.
	11(a)	Non implementation of user charges for sewerage. Loss of revenue Rs 40.80 lakh.	Compliance awaited. Para stands.
	11(b)	Non implementation of decision of house relating to imposition of fees on photographers.	Compliance awaited. Para stands.
	15	Non revision of lease deeds.	Compliance awaited. Para stands.
	17	Shortage of stores of WS and SD Rs 5.60 lakh.	Compliance awaited. Para stands.
	22	Overpayment of salary and allowances.	Compliance awaited. Para stands.
	24(a)	C/o Car parking at Cart Road. Irregular payment without approval of deviation Rs 68.68 lakh.	Compliance awaited. Para stands.
	24(c)	Unfruitful expenditure on help up works Rs 2.21 lakh.	Compliance awaited. Para stands.

	24(d)	Unauthorized recovery of Rs 18079 from contractor.	Compliance awaited. Para stands.
	26(a)	Unauthorized occupation of corporation shops.	Matter is subjudice. Para stands.
2006-07	3(b)	Huge unspent amount Rs 17.47 lakh and issue of utilization certificate for unspent amount in r/o installation of signage.	Compliance awaited. Para stands.
	9	Shortage of store/ stock items Rs 7.80 lakh.	Compliance awaited. Para stands.
	10	Excess consumption of diesel Rs 0.43 lakh in running of incinerator plant.	Compliance awaited. Para stands.
	12	Unauthorized payment of telephone bills.	Compliance awaited. Para stands.
	14	Irregular award of works on disputed site Rs 3.62 lakh.	Compliance awaited. Para stands.
	20(a)	Blockade of funds Rs 12.41 lakh due to non-execution of works by contractors. Non forfeiture of earnest money Rs 24817/-.	Compliance awaited. Para stands.
	23	Irregular expenditure on surplus staff Rs 287.59 lakh.	Compliance awaited. Para stands.
	29	Non implementation of SISRY scheme.	Compliance awaited. Para stands.
2007-08	5(ii)(a)	Irregular payment of warm clothing advances Rs 2.48 lakh.	Compliance awaited. Para stands.
	16	Overpayment of Rs 2.68 lakh due to wrong promotion orders of employees.	Compliance awaited. Para stands.
	18	Encroachment cases.	Compliance awaited. Para stands.
	19	Non accountal of dismantle pipe to the tune of Rs 0.39 lakh.	Compliance awaited. Para stands.
2008-09	2	Blockade of funds due to non start of work Rs 1.10 crore. Avoidable loss of Rs 2.62 lakh.	Compliance awaited. Para stands.
	3	Blockade of funds Rs 41.80 lakh due to non-start of work of community centre in Shimla.	Compliance awaited. Para stands.
	5	Unjustified advance to HIMUDA for the construction of slaughter house Rs 11.76 lakh.	Compliance awaited. Para stands.
	6	Irregular expenditure under EIUS/ NSDP scheme Rs 93.17 lakh.	Compliance awaited. Para stands.

	9(a)	Overpayment of Rs 0.44 lakh due to wrong promotion orders of employees.	Compliance awaited. Para stands.
	9(b)	Excess drawl of salary Rs 2.84 lakh.	Compliance awaited. Para stands.
	10(a)(iii)	Loss of Rs 0.04 lakh due to suspected pilferage of diesel.	Compliance awaited. Para stands.
	16(a)	Non accountal of cement in Zonal IE stock registers amounting to Rs 2.28 lakh.	Compliance awaited. Para stands.
	16(b)	Non receipt of APRs Rs 1.45 crore.	Compliance awaited. Para stands.
	17	Excess expenditure on establishment Rs 2.34 crore.	Compliance awaited. Para stands.
	23	Non production of records.	Compliance awaited. Para stands.
2009-10	1	Non setting up of solid waste management plant Rs 1604 lakh.	Compliance awaited. Para stands.
	3	Unused loan Rs 36.64 lakh.	Compliance awaited. Para stands.
	4	Irregular/ unauthorized purchase of vehicles worth Rs 99.94 lakh.	Compliance awaited. Para stands.
	5	Irregular expenditure under EIUS Rs 23.53 lakh.	Compliance awaited. Para stands.
	8	Irregular expenditure under solid waste management project Rs 29.60 lakh.	Compliance awaited. Para stands.
	9	Blocking of funds Rs 5.00 crore due to non-construction of modern abattoir at Boileuganj Shimla.	Compliance awaited. Para stands.
	10	Unfruitful expenditure on the C/o Modern Abattoir at Boileuganj Rs 53.19 lakh.	Compliance awaited. Para stands.
	12	Non levy of penalty amounting to Rs 4.05 lakh.	Compliance awaited. Para stands.
	13	Non coverage of all house holders of Shimla town under door to door garbage collection scheme Rs 54.00 lakh.	Compliance awaited. Para stands.
	14	Non providing of ambulance roads Rs 71.81 lakh.	Final compliance awaited. Para stands.
	15(a)	Unnecessary retention of funds after completion of works Rs 22.63 lakhs.	Compliance awaited. Para stands.

	17	Deficiencies in receipt of material worth Rs 29.78 lakh.	Compliance awaited. Para stands.
	19	Overpayment of Value Added Tax (VAT) amounting to Rs 95,114/-	Compliance awaited. Para stands.
	20	Loss of interest due to late deposit of cheques in the bank Rs 66675/-	Compliance awaited. Para stands.
	21	Purchase of sub standard water meters work Rs 4.91 lakh.	Compliance awaited. Para stands.
	22	Short deduction of standard license fee from the MC employee Rs 1.35 lakh.	Compliance awaited. Para stands.
	29	Infructuous expenditure Rs 0.72 lakh.	Compliance awaited. Para stands.
2010-11	1	Loss of revenue due to non levy of General tax on land and building on the newly merged area in the Municipal Corporation Rs 15.73 crore.	Compliance awaited. Para stands.
	2	Unutilized fund Rs 2.64 crore under INNURM on account of basic services to the urban poor due to ill planning of the implementing agency.	Compliance awaited. Para stands.
	3	Extra financial burden of service tax due to inaction of the MC Shimla Rs 57.74 lakh.	Compliance awaited. Para stands.
	4(a)	Unauthorized possession of MC immovable property worth Rs 1.45 crore with the HPSEB by the MC Shimla.	Compliance awaited. Para stands.
	4(b)	Non reconciliation of rent/ lease money Rs 72.30 lakh by the MC Shimla from the HPSEB on account of unauthorized occupied land/ immovable property.	Compliance awaited. Para stands.
	5	Avoidable surcharge on account of nonpayment of electricity bill in time Rs 4.28 crore.	Compliance awaited. Para stands.
	6	Improper functioning of LED streetlights installed in MC area involving Rs 75.56 lakh.	Compliance awaited. Para stands.
	7	Delay in implementation of property tax reform project under INNURM Rs 49.71 lakh.	Compliance awaited. Para stands.

8	Loss of revenue due to non levy of development of land fee Rs 13.69 lakh.	Compliance awaited. Para stands.
9(a)	Development funds Rs 645 crore kept in fixed deposit and remained unutilized.	Compliance awaited. Para stands.
9(b)	JNNURM project funds of Rs 39.05 crore kept in fixed deposit and remained unutilized.	Compliance awaited. Para stands.
10	Irregular payment of pay and allowances amounting to Rs 2.81 crore during the period 2010-11 due to filling of posts in excess of sanctioned strength.	Compliance awaited. Para stands.
11(a)	Undue benefit to contractor for carrying out advertisement hoarding even after expiry of contract period Rs 14.05 lakh.	Compliance awaited. Para stands.
11(b)	Non completion of tax from contractor M/s Media Hype Chandigarh on account of advertisement hoarding Rs 10.80 lakh.	Compliance awaited. Para stands.
14	Excess expenditure on establishment Rs 24.43 crore.	Compliance awaited. Para stands.
15	Irregular payment of VAT and income tax amounting to Rs 18.32 lakh.	Compliance awaited. Para stands.
19	Deviation in purchase worth Rs 11.65 lakh.	Compliance awaited. Para stands.
20	Non-refund of GIA/ PLA fund Rs 18.42 lakh.	Compliance awaited. Para stands.
21	Irregular purchase of water meter worth Rs 9.24 lakh.	Compliance awaited. Para stands.
23	Over payment of pay Rs 2,09,927/- allowances.	Compliance awaited. Para stands.
24	Injudicious payment of permit fee Rs 2.04 lakh to the Mayor/ Dy. Mayor/ Counselors on account of plying their personal vehicle within the sealed/ restricted area of the Shimla town.	Compliance awaited. Para stands.
26	Non-deposit of penal interest amounting to Rs 0.48 lakh on account of late credit of pension & gratuity fund contribution of Rs	Compliance awaited. Para stands.

	283.82 lakh for the year 2009-10 and 2010-11.		
	27	Recovery of penal rent/ license fee from Sh. SubhashChander on account of unauthorized permission of MG residence Rs 7.26 lakh.	Compliance awaited. Para stands.
	29	Purchase of material worth Rs 17.64 lakh in anticipation of requirement.	Compliance awaited. Para stands.
2011-12	2	Non-recovery of rent from M/s Shimla Poly Clinic & Tara Hospital Rs 47.20 lakh.	Compliance awaited. Para stands.
	3	Short realization of penalties amounting to Rs 3.48 lakhs.	Compliance awaited. Para stands.
	4	Non-recovery of fine on account of polythene/ carry bags Rs 1.03 lakh.	Compliance awaited. Para stands.
	5	Infructuous expenditure on abandoned works Rs 15.20 crore.	Compliance awaited. Para stands.
	6	Blockade of fund due to non start of works Rs 675.54 lakh.	Compliance awaited. Para stands.
	7	Blockade of funds Rs 115.78 lakh and unfruitful expenditure of Rs 238.40 lakh.	Compliance awaited. Para stands.
	8	Blockade of funds Rs 80.80 lakh due to non start of work.	Compliance awaited. Para stands.
	11	Overpayment of pay and allowances due to wrong fixation of pay Rs 0.54 lakh.	Compliance awaited. Para stands.
	12	Less deduction of standard license fee Rs. 1.40 lakh.	Compliance awaited. Para stands.
	13	Wasteful expenditure on construction of car parking Rs. 25.60 lakh.	Compliance awaited. Para stands.
	15	Blockade of funds due to excess purchase of material Rs 10.72 lakh.	Compliance awaited. Para stands.
	16	Non disposal of unserviceable articles Rs 10.33 lakh.	Compliance awaited. Para stands.
	17	Excess expenditure in respect of Petrol charges on attached vehicles Rs 12.88 lakh.	Compliance awaited. Para stands.
	18	Wasteful expenditure amounting to Rs 3.59 lakh.	Compliance awaited. Para stands.
	21	Injudicious payment made to the SEHB Society Shimla Rs 33.21	Compliance awaited. Para stands.

		lakh.	
	25	Non utilization of funds under SISRY for Rs 1.04 lakh.	Compliance awaited. Para stands.
	26	Non revision of slaughter house fee.	Compliance awaited. Para stands.
	27	Non conducting of Physical verification of store.	Compliance awaited. Para stands.
2012-13	1	Wasteful expenditure on the construction of houses for stray dogs Rs 63.99 lakh.	Compliance awaited. Para stands.
	4(i)	Wasteful expenditure Rs 13.08 lakh	Compliance awaited. Para stands.
	4(ii)	Loss of interest Rs 145.27 lakh.	Compliance awaited. Para stands.
	5	Unfruitful expenditure on the construction of Ashiana-II Rs 408.55 lakh	Compliance awaited. Para stands.
	6	Non-execution of MPLAD works Rs 74.10 lakh.	Compliance awaited. Para stands.
	7	Non-recovery of Advances Rs 34.75 lakh.	Compliance awaited. Para stands.
	8	Outstanding recovery of parking-fee for extended period from contractors Rs 3.19 lakh plus taxes.	Compliance awaited. Para stands.
	9	Loss of revenue due to non-tendering of parking Rs 80,000/-.	Compliance awaited. Para stands.
	15	Outstanding liability on account of payment to SEHB Society Rs 197.82 lakh.	Compliance awaited. Para stands.
	16	Loss due to short receipt of water from IPH Department Rs. 4.82 lakh.	Compliance awaited. Para stands.
	19	Awaited Utilization Certificates Rs 62.30 lakh.	Compliance awaited. Para stands.
2013-14	1	Non-fixing the liability of the Operator of the Solid Waste Management Project through Insurance under Project Public Liability Insurance Act, 1991 for Rs. 5.00 Crore.	Compliance awaited. Para stands.
	2	Suspected misappropriation of Rs. 1.57 Crore and blockade of funds Rs. 2.26 Crore.	Compliance awaited. Para stands.



	5	Slow pace of implementation of the Challenge Fund Project resulted in blockade of fund Rs. 1.25 Crore.	Compliance awaited. Para stands
	6	Blockade of funds due to non-start of works under various schemes amounting to Rs. 86.52 lakh.	Compliance awaited. Para stands
	7	Irregular payment of retainer-ship fee to the Standing Council amounting to Rs. 14.17 lakh.	Compliance awaited. Para stands
	9	Non-Outstanding recovery of Show Tax, Rs. 3.94 lakh.	Compliance awaited. Para stands
	10	Irregular payment of salary to the Municipal Corporation Employees amounting to Rs 2.26 lakh.	Compliance awaited. Para stands
2014-15	1	(i) Failure of MC Shimla to secure the sanctioned grant amounting to Rs. 8.06 Crore due to non-implementation of e- Governance Project under JNNURM.	Compliance awaited. Para stands.
		(ii) Wasteful expenditure on The Preparation of DPR of the e-Governance project amounting to Rs 10.11 Lakhs for want of implementation.	Compliance awaited. Para stands.
		(iii) Blocking of funds amounting to RS. 214 lakh lying unutilized.	Compliance awaited. Para stands.
	2	Idle retention of funds of Rs.44.99 crore received under JnNRUM for Rehabilitation of water supply distribution and Rejuvenation of Sewerage network in Shimla.	Compliance awaited. Para stands.
	4	(i) Failure of MC Shimla to start sanitary landfill site project resulted into declaring it as non-starter project by GOI and lapse of GIA amounting to Rs. 840.50 lakh.	Compliance awaited. Para stands.
		(ii) Non-refund of ACA amounting to Rs. 210.13 lakh released against this project to GOI.	Compliance awaited. Para stands.
		(iii) Unfruitful expenditure amounting to Rs. 191.40 lakh incurred on land acquisition for the project.	Compliance awaited. Para stands.

	5	Idle investment on construction of Rest House Rs.67.37lakh and loss of revenue Rs.26.25lakh due to non-putting in operational.	Compliance awaited. Para stands.
	7	Non-recovery of installation/renewable fee of mobile towers Rs 11.10 lakh	Compliance awaited. Para stands.
	11	Reimbursement of inadmissible medical claims Rs. 0.03 lakh	Compliance awaited. Para stands.
2015-16	1	Loss of revenue of Rs.161.49 lakh due to non-collection of property tax from the properties belonging to Union of India	Compliance awaited. Para stands.
	2	Undue favour to contractor Rs. 178.00 lakh by making irregular advances before completion of awarded works.	Compliance awaited. Para stands.
	4	Irregular payments of Rs.56.00 lakh to partner (CDD) under European Union Project.	Compliance awaited. Para stands.
	5	Non utilization of funds received under JnNURM Rs.2517.74 lakh	Compliance awaited. Para stands.
	6	Unauthorized occupants in Working Women's Hostel and less realization of rent Rs.0.56 lakhs	Compliance awaited. Para stands.
	7	Diversion of funds from the Rejuvenation of Sewerage Network Project to Solid Waste Management Project of Rs19.42 crore	Compliance awaited. Para stands.
	8	Unsustainable cost of procurement of water from IPH Department Rs.22247.64 lakh and outstanding amount of water bill Rs.505.40 lakh	Compliance awaited. Para stands.
	10	Outstanding recovery of installation/renewable fee of mobile towers Rs.18.84 lakh.	Compliance awaited. Para stands.
	14	Blocking of funds due to non-execution of MLALADS works Rs.52.28 lakh.	Compliance awaited. Para stands.
	15	Blocking of funds under MPLADS due to non-start of works Rs.89.75 lakh & non completion of works Rs.32.75 lakh	Compliance awaited. Para stands.
	16	Non start of works earmarked under SDRF/DCP Rs.75.44 lakh	Compliance awaited. Para stands.

	17	Blocking of funds under 13 <sup>th</sup> Finance Commission Rs.258.46 lakh.	Compliance awaited. Para stands
1	19	Irregular reimbursement of medical claims Rs.1.19 lakh.	Compliance awaited. Para stands.
	TAN-I	Non-preparation of Monthly Abstracts of Log Books and not authentication of mileage covered by the vehicle.	Compliance awaited. Para stands.
	TAN-II	Non-maintenance of important statistics	Compliance awaited. Para stands.
2016-17	1	Non-rehabilitation of water supply distribution system for Shimla city under (JNNURM) resulted in lapse of GoI grant (Rs.43.40 crore) and idle parking of funds (Rs.25.34 crore)	Compliance awaited. Para stands.
	2	Non recovery of Annual Concession fee (Rs.158.35 lakh) and non-levy of damages for completion of car parking complex at Sanjauli (Rs.57.40 lakh)	Compliance awaited. Para stands.
	3	Lapse of GoI grant sanctioned for housing scheme for urban poor (Rs.5.30 crore), idle parking of fund (Rs.2.75 crore) and irregular diversion of GoI funds (Rs.1.15 crore).	Compliance awaited. Para stands.
	4	Unfruitful expenditure on incomplete Vending Zone Complex (Rs.181.75 lakhs) and lapse of GoI Grant (Rs.125.00 lakh)	Compliance awaited. Para stands.
	5	Unfruitful expenditure on incomplete Housing complex at Krishna Nagar slum area under RAY (Rs.4.93 crore) and likely lapse of remaining GoI grant due to non-completion of houses during Mission period 2013-17 (Rs. 23.50 crore)	Compliance awaited. Para stands.

6	Non providing permanent solution to sinking of Ridge resulted in infructuous expenditure on temporary restoration - Rs.6.66 lakhs	Compliance awaited. Para stands.
7	Unfruitful Non-completion of expenditure on work of refurbishment of labour hostels under Shelter for Urban Homeless (after expenditure of Rs.71.62 lakh) and non-levy of compensation to contractor (Rs.8.00 lakh)	Compliance awaited. Para stands.
8	Non adjustment of advances: Rs. 31.02crore	Latest position has been incorporated in the current audit note. Hence deleted from here.
9	Non condemnation of vehicle worth Rs 29.12 lakh	Compliance awaited. Para stands.
10	Non disposal of unserviceable dumpers/dumpers containers worth Rs.7.29 lakhs	Compliance awaited. Para stands.
11	Lack of responsiveness of the department to Audit	Compliance awaited. Para stands.
12	Irregularities in the maintenance of cash book (i) Non-verification of cash balance in the Cash Book (ii) Non-totalling of the cash book (iii) Non-recording of particulars of receipt in Cash Book (iv) Cutting and use of fluid in cash book (v) Other irregularities	Compliance awaited. Para stands.
13	Outstanding recovery of different taxes Rs.735.79 lakh	Compliance awaited. Para stands.
14	Outstanding recovery of shop rent Rs 424.24 lakh	Latest position has been incorporated in the current audit note. Hence deleted from here.
15	Non collection of property tax of Rs.209.59 lakh from M/s CK Infrastructure Ltd, ISBT Tutikandi, Shirnla.	Compliance awaited. Para stands.

16	Outstanding recovery of lease money Rs. 173.86 Lakh	Latest position has been incorporated in the current audit note. Hence deleted from here.
17	Outstanding recovery of tehbazari Rs. 0.80 Lakh	Latest position has been incorporated in the current audit note. Hence deleted from here.
18	Irregular reimbursement of medical claims Rs. -0.57Lakh	Compliance awaited. Para stands.
19	Non-preparation of Annual Action Plan & Development Plan and Non-preparation of Annual Administrative Report.	Compliance awaited. Para stands.
20	Non preparation of annual accounts for the period 2015-16 and 2016-17	Compliance awaited. Para stands.
21	Non recording of entries in the service books.	Compliance awaited. Para stands.
22	Non preparations of Monthly Abstracts of Log Books.	Compliance awaited. Para stands.

Part-IV Best Practices

Part-V Acknowledgement

The Commissioner, Municipal Corporation, Shimla extended his co-operation during the audit and also directed the staff under his control for early production of record and reply of audit memos during audit. The audit observations were discussed in the audit meeting concluded on 04-12-2018 and all minor points noticed during the course of audit were also discussed and settled on spot. The Commissioner assured an early compliance of the audit observations raised by the Audit Party. The meeting held in cordial manner.

Detail of charge held by the Commissioner, Municipal Corporation, Shimla:

Sr. No.	Name	Period from	Period to
1.	Shri Pankaj Rai, HAS	03-11-2014	04-04-2017
2.	Shri Gian Chand Negi, HAS	05-04-2017	28-12-2017
3.	Shri Rohit Janwal, HAS	28-12-2017	29-06-2018
4.	Shri Pankaj Rai, HAS	9-7-2018	Till date

Sd/-  
Commissioner, Municipal Corporation, Shimla

Sd/-  
Sr. Audit Officer

**ANNEXURE-A**

Vr. NO	Bill NO & Date	Vehicle NO	Name of workshop	Amount	Audit observation	
354 to 432	0265 27.03.2017	HP07A-0714	Shakti Automobile Dhali Shimla	17,500	Bill No. 0265 issued on 21-03-2017 whereas bill No. 0263, 0264, 0260, 0262, 0257 and 0256 issued on later on dates. Similarly bill no. 0262 issued on 09-05-2017 whereas bill no. 00266, 0267, 0268 and 0269 issued on earlier dates. As such all the bills were suspicious and irregular and needs justification.	
354 to 432	0263 09.05.2017	HP07C-1064	Shakti Automobile Dhali Shimla	9,500		
354 to 432	0264 08.05.2017	HP07B-0732	Shakti Automobile Dhali Shimla	18,500		
354 to 432	0267 21.04.2017	HP07A-1067	Shakti Automobile Dhali Shimla	10,000		
354 to 432	0260 08.05.2017	HP07C-0760	Shakti Automobile Dhali Shimla	21,200		
354 to 432	0268 21.04.2017	HP07B-0758	Shakti Automobile Dhali Shimla	5,900		
354 to 432	0269 21.04.2017	HP07B-0735	Shakti Automobile Dhali Shimla	10,650		
354 to 432	0266 21.04.2017	HP07B-0716	Shakti Automobile Dhali Shimla	5,800		
354 to 432	0262 09.05.2017	HP07B-0648	Shakti Automobile Dhali Shimla	16,500		
354 to 432	0257 08.05.2017	HP07B-0647	Shakti Automobile Dhali Shimla	7,000		
354 to 432	0256 20.04.2017	HP07B-0747	Shakti Automobile Dhali Shimla	11,500		
1463 to 1567	0277 28.09.2017	HP07B-0741	Shakti Automobile Dhali Shimla	29,100		Bill No. 0288 issued on 4-09-17 whereas bill No. 0277 issued on later on date. Similarly bill no. 0285 issued on 02-09-17 whereas bill no. 0284 issued on later on date. Bill no. 293 issued on 29-09-17 whereas bill no. 0292 and 0289 issued on later on date. Bill No. 276 issued on 19-8-17 whereas bill no. 274 issued on later on date. As such all the bills were suspicious and irregular and needs justification.
1463 to 1567	0274 02.09.2017	HP07B-0715	Shakti Automobile Dhali Shimla	9,200		
1463 to 1567	0285 02.09.2017	HP07B-0754	Shakti Automobile Dhali Shimla	19,400		
1463 to 1567	0284 04.09.2017	HP07B-1065	Shakti Automobile Dhali Shimla	10,700		
1463 to 1567	0293 29.09.2017	HP07B-0745	Shakti Automobile Dhali Shimla	4,000		
1463 to 1567	0292 30.09.2017	HP07B-0734	Shakti Automobile Dhali Shimla	11,010		
1463 to 1567	0289 02.11.2017	HP07B-0749	Shakti Automobile Dhali Shimla	13,200		
1463 to 1567	0288 04.09.2017	HP07B-0742	Shakti Automobile Dhali Shimla	25,350		
1463 to 1567	0276 19.08.2017	HP07B-0745	Shakti Automobile Dhali Shimla	15,500	Bill No. 0232 issued on 4-10-17 whereas bill No. 0234, 2035 issued on later on dates. Similarly bill no 0232 issued on 4-10-17 whereas bill No. 0233 and 0236 issued on earlier dates. Bill No. 0239 issued on 8-11-17 whereas bill no. 0237 and 0238 issued on later on dates. As such all the bills were suspicious and irregular and needs justification.	
1463 to 1567	0235 04.11.2017	HP07B-0644	Maruti Repair & works Dhali Shimla	5,000		
1463 to 1567	0234 08.11.2017	HP07B-0752	Maruti Repair & works Dhali Shimla	14,300		
1463 to 1567	0233 30.09.2017	HP07B-0752	Maruti Repair & works Dhali Shimla	94,700		
1463 to 1567	0232 04.04.2017	HP07B-1063	Maruti Repair & works Dhali Shimla	21,300		
1463 to 1567	0236 03.10.2017	HP07B-0644	Maruti Repair & works Dhali Shimla	11,500		
2033 to 2079	238 07.12.2017	HP07B-0644	Maruti Repair & works Dhali Shimla	58,000		
2033 to 2079	239 08.11.2017	HP07B-0746	Maruti Repair & works Dhali Shimla	10,200		
2033 to 2079	237 09.11.2017	HP07B-0732	Maruti Repair & works Dhali Shimla	31,000		
1463 to 1567	006 13.09.2017	HP07B-0733	Lucky Auto Bhtakufar Shimla	21,000		Bill no. 008 issued on 20-8-17 whereas bill no. 006 and 007 issued on later on dates. Similarly bill No. 012 issued on 28-2-18 whereas bill no. 013 issued on earlier dates. As such all the bills were suspicious and irregular and needs justification.
1463 to 1567	008 20.08.2017	HP07B-0737	Lucky Auto Bhtakufar Shimla	28,750		
1463 to 1567	007 13.09.2017	HP07B-0737	Lucky Auto Bhtakufar Shimla	11,500		
208 to 2210	012 28.2.18	HP07B-0748	Lucky Auto Bhtakufar Shimla	49,600		
208 to 2210	013 20.02.2018	HP07B-0733	Lucky Auto Bhtakufar Shimla	38,500		
Total				666,860		

  
SR. AUDIT OFFICER