

# AUDIT AND INSPECTION NOTE ON THE ACCOUNTS OF OFFICE OF THE COMMISSIONER, MUNICIPAL CORPORATION, SHIMLA FOR THE PERIOD 2019-20

## Part-I Introduction

The Compliance Audit of office of the Commissioner, Municipal Corporation, Shimla was carried out for the period of 2019-20 during December, 2020 to January, 2021. 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 books, vouchers, pay bill register, service books, pass books, grant received under various schemes from central/state finance commission along with relevant documents maintained in the office have been test checked during audit for selected months. The month 11/2019 has been selected during audit on the basis of immense expenditure incurred in this month.

### 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. Wangchhug, Sr. Audit Officer, Prem Lal, Assistant Audit Officer, Praveen Sen, Suprvisor and Sukh Lal, Sr. Auditor w.e.f. 03-12-2020 to 15-01-2021.

#### Comment [Sr.AO1]: Vetting Summary:

1. Para no. 03 and half portion of para no. 1 are proposed for reconsideration.
2. Para no. 2 is shifted to para no. 1 in part II(A) due to serious nature.
3. Para nos. 1, 2, 4 to 9, 11, 13, 14, 16 and 18 are proposed to be included in ATIR.
4. Under review of old paras, para nos.-4, 5, 6, 11, 24, 25, 27/2018-19 have been updated in the current Audit and Inspection Note, hence proposed to be deleted from here. Para no. 26/2018-19 is proposed to be settled on the basis of compliance made by the MC.

#### Comment [Sanjeet2]: Vetting Summary:

5. This IR comprises total 20 paras
6. After vetting para no. 2 is proposed to be moved to Part II A.
7. Para no. 3 may be reconsidered and all other paras are proposed to be issued.
8. Under old objection, Latest position of para no. 27 of 2011-12, para no. 9 of 2013-14, para no. 4,5,6,11,24,25,26 & 27 have been updated in current IR in para no.18,14,7,9,11,13,16,17,18 and 19 respectively. hence, these paras have been deleted from old review.
9. Essential modifications wherever required have been done.

**Budget and Financial performance**

(Rs. in lakh)

Year	O.B. (a)	Grants Received (b)	Own Income (c)	Total (a+b+c)	Expenditure from own income	Total Expenditure incurred	Closing Balance
2018-19	9040.97	9502.31	4032.37	22575.65	4032.37	13584.09	8991.56
2019-20	8991.56	12083.91	2888.31	23963.78	2888.31	13580.99	10382.79

Details of Percentage of expenditure test checked during audit out of total expenditure in audit period:-

(Rs. in lakh)

Year	Amount of expenditure test checked	Total expenditure of the year	Percentage of expenditure test checked
2019-20	2530.69	13580.99	18.63

**Detail of bank Accounts as on 31.03.2020**

Sr. No.	Name of Bank	Bank A/c No	Balance as on 31.03.2020
1	State Bank of India, The Mall , Shimla	10835924882	38191788.99
2	UCO Bank, (ARTRAC), Shimla	. 18320110013533	67347.00
3	Indian Bank, Shimla (Property Tax A/c)	6001615160	3988106.77
4	P&SB Sanjauli (WW Hostel A/c)	. 02091000005227	2413784.42
5	H.D.F.C., The Mall, Shimla	O5241450000334	8467646.56
6	H.D.F.C., The Mall, Shimla (Gateway)	. 50100183084322	2568316.13
7	H.P. State Co.OP Bank Ltd., The Mall Shimla (MC Fund)	438022527	4845511759.00
8	HPSCB (Other A/c)	4380116331	71177860.45
9	P.L.A. Distt. Treasury, Shimla	PLA 8448-102	772780.00
10	Indian Bank, The Mall, Shimla Jnnurm Loan A/c	828450461	363254.50
11	State Bank of India, The Mall , Shimla (Escrow A/c)	30577614909	1395979.00
12	UCO Bank, The Mall Shimla	780100082686	197737.00

	(Beautification)		
13	Punjab National Bank, Near Lift	3383000100064284	2975941.29
14	State Bank of India, The Mall , Shimla	35023547118	349877.50
15	Punjab & Sind Bank, The Ridge, Simla	1711000016003	1472738.04
16	Indian Bank, The Mall, Shimla	6373872292	343154765.58
17	AXIS Bank	912010052171674	82367222
18	UCO Bank, ARTRAC (Biodiversity)	18320110027929	336323.00
19	H.P. State Co.OP Bank Ltd., The Mall Shimla (CLC NULM)	43810135067	10979.00
20	UCO Bank, ARTRAC (ICLEI)	18320110027219	1332009.69
21	UCO Bank, ARTRAC (SBM)	18320110030943	3019187.08
22	Central Bank of India, The Mall, Shimla	<b>3168739108</b>	733331.71
23	State Bank of India, Anaj Mandi, Shimla (EU Project)	32745624797	65508.25
24	State Bank of India, The Mall , Shimla (Pension)	30576178519	4678091.99
25	H.P. State Co.OP Bank Ltd., The Mall Shimla (GPF)	4380124944	14690345.03
26	Punjab National Bank, The Mall Shimla (CPS)	4270021005575009	3386249.35
	<b>Total:</b>		<b>5,43,36,88,929.33</b>
	<b>Details of FDRs</b>		
1	AU Small Finance Bank		3776336.00
2	AU Small Finance Bank		10157732.00
3	HPSCB		4234521.00
4	AU Small Finance Bank		21004136.00
5	AU Small Finance Bank		31506204.00
6	AU Small Finance Bank		21173337.00
7	AU Small Finance Bank		31760006.00
		<b>Total:-</b>	<b>12,36,12272.00</b>
		<b>Grand Total:-</b>	<b>5,55,73,01201.33</b>

Audit has been conducted in accordance with the applicable Auditing Standards of CAG. The inspection report has been prepared on the basis of information supplied and records made available by the auditee. The Principal Accountant General (Audit), H.P., Shimla disclaims any responsibility for misinformation and non-supply of information/ records by the auditee.

<b>Part II</b>	<b>Audit findings</b>
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The results of the current audit have been incorporated in the succeeding paragraphs.

**Part II-A: Significant Findings**

**Para:1 Irregular diversion of funds of Rs. 3.50 crore**

Under Secretary to the Govt. of India vide letter no. K-14012/151/2015-SC-II dated 22 December 2015 and time and again, it was categorically mentioned in point no.-3 that diversion of Central Grants under AMRUT for purposes other than the Mission projects shall entail levy of penal interest on the amount and any other action by the Apex Committee and may include adverse effect on the release of grants.

During the test check of the cash book of AMRUT mission, it was noticed that an amount of Rs. 3.50 crore was diverted from AMRUT funds to MC funds to meet out the payment for ongoing development works of MC with the approval of the house as detailed below:-

Sr.No.	Date of the transfer of fund	Amount	Remarks
1.	03-08-2019	10000000	Fund has been transferred to MC account
2.	06-02-2020	25000000	The fund has been transferred for the payment of the contractor bills of ongoing development works
	Total	<b>35000000</b>	

Thus, diversion of funds of Rs. 3.50 crore from AMRUT Mission to the MC account for its regular expenditure was in contravention to the instructions ibid.

In reply to audit memo 14 dated 30-12-2020, it was stated by the MC that an amount of Rs.3.50 crore had been diverted from AMRUT fund to meet out the payment of contractor bill with the approval of the Finance and Agreement Planning Committee. Reply of MC is not tenable as funds should have been utilized for the stipulated purpose only.

The amount diverted may be got regularized after obtaining approval from the competent authority under intimation to audit.

**Comment [Sr.A03]:** इस पैरे को जारी करने व वार्षिक तकनीकी निरीक्षण प्रतिवेदन में सम्मिलित किये जाने का प्रस्ताव है ।

**Comment [Sanjeet4]:** This para is proposed to be moved to Part II A

**Comment [Sanjeet5]:** Para is proposed to be issued

## Part II-B: Other Findings

### Para: 2 Irregular payment of Rs. 2.68 crore and non-levy on penalty Rs. 88.27 lakh for the delay in completion of work.

Clause 2 of the Works General Rules and Direction for the Guidance of Contractors stipulates that the time allowed for carrying out the work shall be strictly observed by the contractor, and in case of a breach, the contractor shall pay compensation an amount equal to one percent, or such smaller amount as the amount of the estimated cost of the whole work as shown by the tender for every day, provided that the amount of compensation to be paid shall not exceed ten percent on the estimated cost of the work. Clause 14 further stipulates that if it appears to the Municipal engineer or his subordinate in charge of work that any work executed with unsound, imperfect or unskillful workmanship or with material of any inferior description and not in accordance with the contract, the contractor shall, on demand in writing from the authority shall paid for, forthwith rectify or remove and reconstruct the work so specified in whole or in part, remove the materials or article and provide other proper and suitable materials or articles at his own proper charge and cost, and in the event of his failing to do so within a period to be specified by authority, the contractor shall be liable to pay compensation, at the rate of one per cent on the amount of the estimate for every failure, the authority may rectify or remove and re-execute the work, or remove and replace with other, the materials or articles complained of, as the case may be, at the risk and expense in all respects of the contractor.

During the test check of records, it was noticed that MC Shimla awarded the work with a tender cost of Rs. 8, 82, 67,465/- for "Construction of 88 dwelling units on location No.3 at Krishna Nagar" under Rajiv Awas Yojna on dated 08.11.2016 with the stipulated period of 18 months for completion. Payment of Rs. 4,69,95,427/- had been made to the contractor up to the 9th running bill of the contractor, whereas the work of only 16 dwelling units had been completed. MC Shimla vide resolution No.3(6) dated 27.05.2020 decided to complete the work of 48 dwelling units in six blocks by the existing contractor and the balance work of 40 dwelling units by the Ropeway and Rapid Transport Development Corporation. Thus for the construction of only 54%(48/88\*100) of the project, the payment made to the contractor was Rs. 4,69,95,427/- which was 53% of the total cost of 88 units. As the number of dwelling units was decreased by the MC, the tender cost was required to be revised accordingly as per actual work to be done.

**Comment [Sr.A06]:** इस पैरे को जारी करने व वार्षिक तकनीकी निरीक्षण प्रतिवेदन में सम्मिलित किये जाने का प्रस्ताव है।

**Comment [Sr.A07]:** The point regarding 'Irregular payment of Rs. 2.68 crore' is under reconsideration because as per reply of the MC, extension from 14.05.2018 to 31.03.2021 was approved on 15.01.2021 by the Executive Engineer after being pointed out by the audit party.

**Comment [Sanjeet8]:** Para is proposed to be issued

**Comment [Sanjeet9]:** As per verbal direction of worthy DAG (AMG-1), the point regarding "Irregular payment of Rs. 2.68 crore" is to be remained in this para as MC did not take any action regarding granting of extension before starting of audit.

Further, as per the award letter, stipulated time of completion was elapsed on 15.05.2018. The contractor continued the construction work at his will till 05/2020 without time extension. During the said period of two years, no action was initiated against the contractor for delay in work and also an amount of Rs. 2,67,60,946/- was paid which was irregular. The detail is given below:-

Sr.No	Running Bill No.	Date of payment	Amount
1.	IIIrd Bill	23-02-2019	6315193
2.	IV running bill	9-5-2019	5818195
3.	V running bill	1-8-2019	2680788
4.	VI running bill	27-9-2019	3481215
5.	VII running bill	5-12-2019	3647813
6.	VIII running bill	17-3-2020	4817742
		<b>Total</b>	<b>26760946</b>

Scrutiny of records further revealed that the Junior Engineer of the concerned site intimated on 23.08.2018 that substandard quality of material was being used for the work. A meeting was held on 12.05.2020 under the chairmanship of the Director (UD) and observed that the progress of work was very slow and directed MC Shimla to accelerate the execution and to complete the project by 31.10.2020. It was also decided in the meeting that MC would submit a timeline for the completion of 32 dwelling units, a stage-wise timeline for completion of the remaining 48 units, allotment process of these houses be completed by July 2020, and action be taken against the contractor for delay in execution as per contract agreement, but no compliance of the same had been made by the MC. Also penalty of Rs. **88,26,745/-** (one percent of tender amount) from the contractor as per clause-2 of the agreement for the delay in execution of work was levied.

The Junior Engineer of the concerned site had again complained to the Executive Engineer on 17.07.2020 that the contractor is using sub-standard material in the project site despite many warnings issued to him but the MC did not take any action against this complaint and the work was going on without any investigation.

The lackadaisical approach of the MC resulted in not only non-completion of work even after lapse of 4 years from the date of award of the work but also deprived from the intended benefit of the scheme to the beneficiaries.

In reply to audit memo no. 24 dated 08-01-2021, the MC supplied only the copy of extension letter in which extension for the previous period from 14-05-2018 to 31-03-2021 was granted to the contractor on 15-01-2021 on being pointed out in audit. Further, no detailed reply to the audit memo was furnished by the MC.

Needful may be done now under intimation to audit.

**Para:-3 Delay in execution of work due to non-adhering to the provision of AMRUT guideline and irregular expenditure of Rs.1.11 crore.**

**Comment [Sr.AO10]:** इस पैरे को जारी करने व वार्षिक तकनीकी निरीक्षण प्रतिवेदन में सम्मिलित किये जाने का प्रस्ताव है।

**Comment [Sanjeet11]:** Para is proposed to be issued

To rejuvenate and transform urban India, the Ministry of Urban Development, Government of India has rolled out a flagship mission i.e. Atal Mission for Rejuvenation And Urban Transformation (AMRUT) for the development and up-gradation of required infrastructure in the cities/ULBs. Components of the AMRUT consist of capacity building, reforms implementation, water supply, sewerage and septage management, storm water drainage, urban transport, and development of green spaces and parks. The period of the mission was to be over on 31st March, 2020 however it has been extended for one more year i.e. up to 31st March 2021 and as per proceedings of 10th State Level Technical Committee meeting, the AMRUT cities in Himachal Pradesh were directed to expedite the pace of progress so that all the works could be completed on or before March 2021 and no work should be extended beyond March 2021.

Further, as per conditions laid in the guidelines, no projects should be included which do not have land availability and no project work order should be issued if all clearances from all the departments have not been received by that time. Besides, inadmissible components not to be funded under the mission were (i) Purchase of land for projects or project related works, (ii) Staff salaries of both the State Governments/ULBs, (iii) Power, (iv) Telecom, (v) Health, (vi) Education and (vii) Wage employment programme and staff component.

During a test check of records related to AMRUT Mission in MC Shimla, it was noticed that vide resolution No-3(10) dated 29-09-2018 a work namely "Construction of foot over bridge at Sanjouli Chowk, Shimla" was projected under this mission. For this work, the technical sanction was obtained from the Superintending Engineer, 4th Circle Shimla with an estimated cost of Rs. 1,17,59,794/- on 21-05-2019. To execute the work an e-tender was called

by the MC Shimla on 08-02-2019 and work was awarded to a contractor on 01-03-2019 with a tender cost of Rs.87,48,636/-.

Audit scrutiny further revealed that the work was not started upto 03-09-2020 due to non-handing over the exact site to the contractor even after repeated request of the contractor and no overhead electric and telephone lines were cleared by the MC till the date of audit (12/2020). After joint inspection of the site by both the parties on 28-08-2020, it was observed that HT and LT lines that were passing over the proposed site needed to shift and hence the matter was taken up with HPSEB to shift the lines vide MC Shimla letter dated 29-08-2020. Further, the HPSEB intimated on 28.09.2020 that estimate for conversion of HT/LT line with underground XLPE cable had been approved for 1,10,92,000/- which may be deposited, and the MC had paid the same amount on 13-11-2020 whereas power is an inadmissible component as per the guideline of AMRUT. Hence all the expenditure incurred on the power is irregular. It was also noticed that a rain shelter and civil dispensary on one side of the plinth area of the project which was also not removed/dismantled before calling tenders/award of the work whereas these hindrances should have been removed before calling the tenders for the work which was in contravention to the provisions contained in AMRUT Guidelines. Due to non-adhering to the guideline, the work was not even started after the lapse of 22 months from the date of award, and people of the concerned wards were deprived of the intended benefits of the project. It is also possible that the work was awarded merely to receive the grant under this mission as provision laid down in the guidelines that the central assistance will be released only when contracts for all these projects have been awarded.

In reply to audit memo no-12 dated 23-12-2020, it was stated by the MC that the construction foot over the bridge was taken up for execution to provide convenience to pedestrians and promote the use of such infrastructure which is one of the thrust areas of AMRUT Mission. Further, dismantling was to be done by HPSEB and revised estimate was submitted by their good office amounting to Rs 1.11 Cr., approval of same was taken by SLTC & SHPSC on 17.09.2020 and the said expenditure was a part of the foot-over-bridge at Sanjauli Chowk under Urban Transport Sector with adherence to mission guidelines and not individual project under power sector. The reply is not tenable because as per guidelines, no project should be included under the AMRUT mission which does not have all clearances from all the concerned departments.

Needful may be done now under intimation to audit.



**Para:4 Irregular allotment of work and inaction on part of the Corporation resulting in non-completion of work for Rs. 2.45 crore.**

**Comment [Sanjeet12]:** Para is proposed to be issued

During the test check of records, it was noticed that Municipal Corporation Shimla awarded the work for Rs. 2.45 crore to a contractor for the construction of car parking-cum-Commercial Complex at Dhalli on dated 07-03-2019 after approval of estimate for the said work for Rs. 4.25 crore from the State Level Technical Committee (SLTC) under Atal Mission for Rejuvenation And Urban Transformation (AMRUT) mission. The contractor intimated on 27-08-2019 that work could not be started as the sight had not been handed over to him and the already existing shop owners had not vacated the premises. The Executive Engineer, M.C. Shimla vide letter dated 10-10-2019 addressed to the contractor, requested him to carry out the work and complete the same in accordance with terms of the contract. The Joint Commissioner, MC vide letter dated 15-10-2019 requested the shop owners to vacate the shops.

The contractor again requested the Executive Engineer, MC Shimla on dated 17-10-2019 that sight had not been cleared which making it difficult to complete the work. Finally, the Executive Engineer, MC Shimla issued a notice on 29.06.2020 to the contractor stating to start the work before 04.07.2020 and complete the same immediately, failing which action as per the contract agreement will be initiated and further on 15-09-2020, it was intimated to the contractor that the work awarded to him was hereby rescinded with immediate effect and security amount of Rs. 4.90 lakh deposited for this work stands forfeited. Aggrieved by the action of the MC Shimla, the contractor filed a petition in the Hon'ble High Court for relief and interim measures. The case is pending in the Court to date.

As envisaged in the guidelines of AMRUT, no projects should be included which do not have land available and no project work order should be issued if all clearances from all the departments have not been received by that time.

Thus, inaction on part of the MC Shimla resulted in not only delay of the work and its completion but also indulging in the litigation process. The action of the MC Shimla thus was against the provisions of the guidelines of AMRUT.

In reply to audit memo no.15 dated 31.12.2020, it was stated by the Executive Engineer, MC Shimla that the awarded work could not be started as the site had not been handed over to the contractor and the shop owners not vacated the shops. The MC had time and again requested to the contractor to start the work where the suitable site is available, but the contractor failed to start the work and EMD of the contractor was forfeited on 15.09.2020 and present work awarded stand cancelled and presently the work had been approved to be awarded in favour of L1 bidder. It was further stated that MC Shimla is making its best effort for implementation of AMRUT

scheme as per their guidelines. But the reply is not acceptable as the work was awarded without a clear title of the site due to which the work could not be completed and due to irregular allotment of work the MC Shimla failed to fulfill the objective of the mission.

Needful may be done now under intimation to audit.

**Para:5 Non-start of works resulting into the blockade of funds- Rs. 99.92 lakh**

As per provisions of planning head scheme guidelines, works are required to be completed within the period of one year from the date of sanction.

During the test check of records, it was noticed that funds amounting to Rs. 645.44 lakh under two schemes (MLALAD and MPLAD) of Planning Head were sanctioned and released by the DC Shimla to MC Shimla for execution of 311 various works between the years 2003-04 to 2019-20 as detailed in **Annexure-" A "**. These funds have not been utilized by the MC office till the date of audit (December 2020 -January 2021). However, these works were required to be started immediately after receiving the approval/sanction and were to be completed within a stipulated period of one year. The detail of funds received by the MC is as below:

Name of Scheme	No of works	Month sanction of works	of	Amount sanctioned (Rs. in lakh)	Stipulated period of completion	Works pending for execution upto 3/2020	Balance	Delay in months
MPLAD	153	4/2005	to	39904200	One year	37	6138792	09 to 168
MLALAD	158	04/2003	to	24640000	One year	49	3853687	09 to 180
<b>Total</b>	<b>311</b>			<b>64544200</b>		<b>86</b>	<b>9992479</b>	

From the above, it is evident that 86 out of 311 works had either not been taken up for execution or lying incomplete till the date of audit (12/2020) whereas a period ranging between 09 to 180 months had elapsed from the date of sanction of works which has resulted into a blockade of public funds to the tune of Rs. 99.92 lakh besides depriving the public of the area of intended benefits.

In response to audit memo no.16 dated 04.01.2021, the MC stated that the fact and figure are confirmed to the extent that Rs. 6,45,44,200/- had been sanctioned under MPLAD scheme but no fund was kept in the bank account over 15 years. Almost all the amount sanctioned during the period 2005-06 to 2010-11 has been exhausted and there is meagre balance due to saving. The reply furnished by the MC is not satisfactory as the above figures had been extracted by audit from the MC records. The matter may be looked into and compliance may be done accordingly under intimation to audit.

**Comment [Sr.AO13]:** इस पैरे को जारी करने व वार्षिक तकनीकी निरीक्षण प्रतिवेदन में सम्मिलित किये जाने का प्रस्ताव है।

**Comment [Sanjeet14]:** Para is proposed to be issued

**Para:-6**

**Non-adjustment of advance Rs. 12.15 crore**

**Comment [Sanjeet15]:** Para is proposed to be issued

Rule 189 of the HP Financial Rule, 2009 provides that: (1) Head of the Office or any other authorized officer may sanction advances to a Government servant for purchase of goods or for hiring services or for any other special purpose, as the case may be, in the manner as may be prescribed for the management of the office affairs, subject to the following conditions:-

- (a) the amount of expenditure to be incurred is higher than the permanent advance available;
  - (b) the purchase or other purpose cannot be managed under the post-procurement payment system; and
  - (c) the amount of advance shall in no case exceed the limits for which he is empowered to accord the sanction.
- (2) Head of the Office or any other authorized officer in sub-rule (1) shall be responsible for timely recovery or adjustment of the advance as per sub-rule (3) below.
- (3) The adjustment bill, along with balance if any, shall be submitted by the concerned government servant within fifteen days of the drawal of advance, failing which the advance or balance may be recovered from his salary(ies).
- (4) Second advance shall not be granted until the concerned government servant has submitted the adjustment account of the first advance:

Provided that the further advance (s) may be sanctioned by Head of the Office or any other authorized officer even if the concerned government servant has not submitted the adjustment account of the earlier advance (s) under unavoidable circumstances.

- (5) The drawal of advances and their adjustment shall be submitted by the Drawing and Disbursing Officer to the treasury through abstract contingent and detailed contingent bills as specified in the Treasury Rules.

During the test check of the advance register, it was noticed that Municipal Corporation Shimla had been making contingent advances from time to time within various departments of the MC to meet their immediate requirements for different purposes without adjustment of prior advance, which was in contravention to the Financial Rule. It was further

noticed that advances of Rs.12,14,63,103/- were outstanding for adjustments as of 31.03.2020.  
The details are as under:-

Sr. No.	Head of Account	Head of Department	Period	Opening Balance as on 01.04.2019	Advance paid during the year 2019-20	Total	Advance Adjusted Upto 31.03.2020	Balance
1	460-40-01	Public Works	01.04.07 to 31.03.19	1018016	0	1018016	0	1018016
2	460-40-02	Store/material	1.4.07 to 31.3.19	2023159	2684058	4707217	490812	4216405
3	460-50-01	Permanent Advance	1.4.07 to 31.3.19	31565	0	31565	0	31565
4	460-50-02	Project	1.4.07 to 31.3.19	9026477	0	9026477	0	9026477
5	460-50-05	Temporary Advance	1.4.07 to 31.3.19	98013322	2216337	100229659	6809443	93420216
6	460-60-01	Street light	1.4.07 to 31.3.19	37809639	4693108	42502747	32915998	9586749
7	460-60-03	Water Supply	1.4.07 to 31.3.19	15881675	0	15881675	11728000	4153675
8	460-60-05	Others Water	1.4.07 to 31.3.19	10000	0	10000	0	10000
		<b>Total</b>		<b>163813853</b>	<b>9593503</b>	<b>173407356</b>	<b>51944253</b>	<b>121463103</b>

In reply to audit memo no.17 dated 03.01.2021, while confirming the facts and figures, the MC stated that the roconciliation work of old outstanding advance was in progress and as and when the same would be adjusted, compliance would be shown to audit.

Needful may be done now to adjust the pending amount of advance under intimation to audit.

**Para:7** Non- deduction of royalty resulted in a loss of revenue amounting to Rs.16.07 lakh.

**Comment [Sanjeet16]:** Para is proposed to be issued

As per Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of illegal mining, Transport and Storage) Rules 2015, the royalty amount shall be deducted from the contractors' bills in respect of any minerals to be removed by him from the work area at prescribed rates.

Clause 37 of Himachal Pradesh Government Public Works Department Tender Document further provides that the sales tax /VAT /H.P Entry Tax or any tax on the materials in respect of contract shall be payable by the contractor and Govt. shall not entertain any claim what so ever in this respect. The contractor shall deposit royalty and obtain necessary permit for supply of the Bajri, Kankar etc. from local authorities. (i) The contractor will produce a certified copy from the Industries Department that the royalty has been paid by him on account of excavation of stone and sand from other than P.W.D, roads or alternatively recovery of the material excavated and utilized in the construction as per the billed quantities shall be recovered by the Department. Otherwise the royalty at prevalent rate shall be deducted on the material consumed in the work.

During test check of records of the office of MC Shimla, it was noticed that the MC had executed various development works of construction and repair & maintenance through different contractors during the year 2019-20 and finalized the bills of the contractors without obtaining requisite M forms. Also no royalty charges was deducted from the bills while finalizing the running bills of the contractors, which was in contravention of the above rules and provision made under the Contract ibid. Thus, due to non-deducting of royalty charges from bills of the contractors resulted in loss of revenue to the tune of Rs. 16,06,601/- (Annexure "B").

As these cases are not exhaustive therefore, similar other cases may also be scrutinize and taken action accordingly.

In reply to audit memo no. 21dated 08.01.2021, the MC stated that the recovery as pointed out by audit would be made recovered from the concerned contractors and compliance would be shown to audit.

Needful may be done now under intimation to audit.

**Para:8** Outstanding recovery of house tax of Rs. 673.60 lakh

**Comment [Sanjeet17]:** Para is proposed to be issued

Section 258 (2) of the Himachal Pradesh Municipal Act, 1994 provides that any amount which is due to the municipality and remains unpaid for fifteen days after the same is due, the Executive Officer/Secretary, as the case may be, may serve a notice of demand upon the persons concerned. The act also provides that any sum due for recovery, shall without prejudice to any other mode of collection, be recovered as an arrear of land revenue.

During test check of the house tax register of Municipal Corporation Shimla, it was noticed that the MC had imposed house tax on total 28674 nos. of houses and collected Rs. 14,56,38,803/- against the total demand of Rs. 2129.98 lakh /-(including Rs. 453.54 lakh as opening balance as on 01-04-2019 + current demand of Rs. 1676.44 lakh).. Total outstanding amounting of house tax was Rs. 6,73,59,856/- as per detailed below:-

(Amount in Rs.)

Year	Opening balance as on April	Demand	Total	Collected	Rebate	Balance as on 31 <sup>st</sup> March
2019-20	45354503	167644156	212998659	145638803	--	67359856

It is evident from the above table that no sincere efforts were made by the MC to recover such a huge outstanding amount of house tax from defaulters. Further, it was also observed that house tax amounting to Rs. 56438557/- had been outstanding against 13 nos. of houses/buildings. However, there is a provision of imposing penalty @ 5% per month and interest @ one percent per month for delay payment of tax after one month of the due date.

In reply to audit memo no. 23 dated 08-01-2021, MC stated that due to covid the recoveries could not be effected but now outstanding amount shall be recovered by issuing necessary notices U/s 124 and U/s 121 of the HPMC Act, 1994 to effect the required recoveries immediately. It was further stated that sincere efforts were being made by the tax department to recover the outstanding amount as early as possible. Efforts may be made to recover the outstanding amount of house tax under intimation to audit.

**Para:9** Blockade of funds due to non-start of work under various schemes Rs. 26.66 crore

**Comment [Sanjeet18]:** Para is proposed to be issued

Director, Urban Development releases the funds to the Municipal Corporation Shimla on a routine basis every year under various centrally and state-sponsored schemes i.e. Maintenance of urban roads, construction of parking/parks, Atal Mission for Urban

Rejuvenation and Urban Transformation, Rajeev Gandhi Awas Yojna, Pradhan Mantri Awas Yojana etc. for creation of assets to increase the income, and execution of development works.

Scrutiny of records and information supplied by the Executive Engineer, Road and Building branch of the MC Shimla, it was noticed that for the execution of various development works, 304 works were awarded during the years 2018-19 and 2019-20. Out of which 200 works were not started, detail is given in Annexure " C" to this para, whereas all works should have been started after seven days from the date of issuance of the award letter and accordingly to be completed as per allowed stipulated period. Thus, these works had not been taken up for execution till the date of audit (01/2021), whereas a period ranging between 10 to 34 months had been lapsed from the date of award of works which resulted into blockade of government funds to the tune of Rs. 26,65,71,502/- besides depriving the public of the area from intended benefits.

**Comment [Sr.AO19]:** Annexure not signed by the party.

In reply to audit memo no. 25 dated 11.01.2021, the MC stated that the progress of the works under reference would be reviewed/monitored regularly and compliance would be shown to audit.

Needful may be done now under intimation to audit.

**Para: 10 Outstanding recoveries of shop rent of Rs. 357.27 lakh**

**Comment [Sr.AO20]:** इस पैरे को जारी करने व वार्षिक तकनीकी निरीक्षण प्रतिवेदन में सम्मिलित किये जाने का प्रस्ताव है।

Section 258 (2) of the Himachal Pradesh Municipal Act, 1994 provides that any amount which is due to the municipality and remains unpaid for fifteen days after the same is due, the Executive Officer/Secretary, as the case may be, may serve notice of demand upon the persons concerned. The act also provides that any sum due for recovery, shall without prejudice to any other mode of collection, be recovered as an arrear of land revenue.

**Comment [Sanjeet21]:** Para is proposed to be issued

During scrutiny of shop rent registers and information made available by the Municipal Corporation Shimla, it was noticed that the MC had rented out 997 shops under its jurisdiction to private individuals/parties on a monthly rent basis. It was further noticed that collection of Rs. 2,19,90,213/- during 2019-20 had been made against the total demand of Rs. 5,77,17,459/- (including opening balance of Rs. 1,21,59,699/- as on 1st April, 2019) in the year 2019-20. Thus, an amount of Rs. 3,57,27,246/- was pending for recovery from the tenants of shops as of March 2020 as detailed below:-

(Amount in Rs.)

Years	Opening balance	Demand	Total	Collection	Balance as on 31 <sup>st</sup> March
2019-20	12159699	45557760	57717459	21990213	35727246
<b>Total</b>				<b>21990213</b>	

		45557760			
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It is evident from the above table that the authority of Municipal Corporation had not taken effective/remedial steps to recover the outstanding shop rent, which was adversely affecting the financial position of the Municipal Corporation. Further, it was observed that shop rent amounting to Rs. 40,93,181/- had been outstanding against 16 firms/individual/department viz. Sh. Roop Singh Negi, Sh. Karnel Singh, Sh. Satbir Contractor, Smt. Shakuntla, Sh. Surinder Singh, Sh. Dharmender Tandan, M/s Partap Singh, Sh. Pankaj Sharma, Sh. Gian Chand, Sh. Rajeev Thapa, Sh. Deepak Barar, M/s IVP Company, Sh. Ramesh Panwar, Sh. Krishan Chand, Excise and Taxation Deptt., Sh. Harish Kashyap. However, there is no provision of imposing interest for the delay payment of rent, which may be proposed to higher authority/in the meeting of house to recover the outstanding dues in a timely manner.

In reply to audit memo no.13 dated 29.12.2020, the MC stated that most of the recovery was pending due to denial of paying the increased rate of rent (effective from 1<sup>st</sup> January 2019) by the shop owners as the rent was increased in compliance to Hon'ble High Court order dated 07.08.2018. However, effective steps are being made to recover outstanding arrear.

Needful may be done now to recover the pending shop rent under intimation to audit.

**Para:-11 Execution of agreements with contractors without securing Government interests**

**Comment [Sanjeet22]:** Para is proposed to be issued

As per conditions specified in the award letters of contracts related to various construction/repair works an agreement for the due fulfillment of the contract is required to be executed between MC and the concerned contractor within seven days from the date of issue of the letter. In case the agreement is not executed within the prescribed period, the award is to be cancelled and earnest money deposited by the contractors stands forfeited and credited into the account of MC Shimla without issuing any notice.

During test check of the records, it was noticed that in most of the cases of work contracts, the agreements was executed between MC and contractor either during work in progress or after the completion of the concerned work whereas these should have been executed within the period specified in the award letter which was in contravention to the above conditions. The detail of some of the work contracts in which such lapses were noticed is as under:-

Sr. No.	Name of the work	Date of Award	Date of execution of	Time allotted for completion	Actual Date of completion	Tendered Amount
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			agreement		of work	
1	C/o Various path in ward No. 15 (i)Improvement of path from Machiwali Kothi to Vohra niwas	03-01-18	20-02-19	2 months	12-07-19	898540
2	Construction of Ambulance road on MC path from Daulat Niwas to Bangali Bagicha Tuti Kandi	14-11-18	10-04-19	2 months	30-03-19	1282060
3	C/o Various path in ward No. 8 (i) Provision and up gradation of paths Tuti Kandi ward No.8 now ward No.10.	09-10-17	28-08-18	2 months	23-04-19	952600
4	C/o Car parking below proposed Community Centre tutikandi Ward No.10	27-10-18	13-09-19	One month	10-07-20	2375094
5	C/O Park at SDA complex Vikas nagar W No.29	23-02-18	29-05-18	two months	27-11-18	1863713
6	R/O rain damages on path from NH-22 Bye-pass to Kasumpti Bazar	02-02-19	24-05-19	One month	11-03-19	468507
	Development of Park near Oakover Shimla Phase-I in ward No.15	07-03-19	17-08-19	nine months	WIP	11727172

From the above table it is evident that the agreements were executed/signed merely for completing the formality and the Government property/work was handed over to contractor without securing Government interests. This position is always fraught with the risk of initiating any legal action against the contractor in case of breach of terms of contract by the contractor. Even in the case of big project in which tender cost was more than one crore, the agreement was executed after lapse of five months from the start of work.

In response to audit memos no -22 dated. 08.01.2021, no reply was furnished by MC Shimla.

Reason for non-execution of agreements in time may be intimated to audit and proper action be taken accordingly in this regard.

**Para:12 Outstanding amount of renewal fees on account of installation of Mobile Towers in MC area Rs. 9.06 lakh**

**Comment [Sanjeet23]:** Para is proposed to be issued

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 22-08-2006 circulated vide Director Urban Development Letter No. UD-H (A)(7)-1/2006-

10396-10444 dated 25.09.2006, every Municipality has been authorized to charge the installation fee on account of the 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, the renewal fee will be charged at the rate of Rs. 5,000/- per tower which were increased Rs. 50,000/- and Rs. 25,000/- per tower respectively as per notification no. DIT-Dev.(IT)-2005 (Misc) 96 dated 21-06-2017. There will be 25% increase in renewal fees after every five years and 40% rebate can be allowed if five years fees are deposited in advance.

Scrutiny of the records revealed that eighty-two towers of fourteen companies were erected in the Municipal Corporation Shimla area. The position of the demand and collection of tower fee outstanding from the following three telecom companies (20 towers) as on 31.03.2020 are as under:-

(Amount in Rs.)

Sr. No.	Name of company	Date of installation	Opening balance as on 04/2019	Demand / renewal fee	Total	Collection	Rebate	Balance amount for collection
1	CNIL 13 nos	2007-08	827234	418750	1245984	561753	Nil	684231
2	Videocon Telecommunications 1 nos	2010-11	99726	25000	124726	0	Nil	124726
3	BSNL 6 nos.	2016-17	437592	437592	875184	778077	Nil	97107
	<b>Total</b>		<b>1364552</b>	<b>881342</b>	<b>2245894</b>	<b>1339830</b>		<b>906064</b>

From the above table, it is evident that neither the aforesaid companies were paying nor the Municipal Corporation Shimla was collecting the renewal fee regularly. This resulted into accumulation of arrears amounting to Rs. 9,06,064/- as on 31.03.2020. .

In reply to audit memo no. 28 dated: 13.01-2021, it was stated by the Assistant Secretary, MC Shimla that the numbers of meetings had been conducted regarding outstanding amount and now the notices were being issued u/s 124 and u/s 121 of the HPMC Act for initiating the necessary action against the above defaulters.

Needful may be done now by taking the proper action in this regard under intimation to audit.

**Para:13 Outstanding recovery of Tehbazari fee- Rs. 01.01 lakh**

**Comment [Sanjeet24]:** Para is proposed to be issued

The Municipal Corporation (MC), Shimla had 162 numbers of individuals to whom tehbazari sites had been allotted on the basis of Rs. 3,600/- per year.

During the test-check of records of Municipal Corporation, Shimla it was noticed that an amount of Rs. 1,00,800/- was outstanding on account of tehbazari fee from the allottees of sites upto 31-03-2020. The details are as under:

Year	Opening balance as on 01.04.2019	Demand during the year	Total	Collection during the year	Balance outstanding as on 31.03.2020
2019-20	39600	547200	586800	486000	100800

From the above table, it is evident that against the total demand of Rs. 5,86,800/- (Current Demand Rs. 5,47,200/- + OB Rs. 39,600/- upto 01/04/2019), an amount of Rs. 4,86,000/- had been collected from the allottees of sites. An amount of Rs. 1,00,800/- was still recoverable from the defaulters as on 31-03-2020.

Further, scrutiny of the records revealed that except those individuals to whom the teh-bazari sites were allocated, 1065 numbers of other tehbazari vendors who do their business on various un-allotted sites, were identified by the MC but neither teh-bazari fee was being collected from these vendors nor specific efforts were made to register and bring them under the purview of teh-bazari fee. Thus, due to non-realization of teh-bazari fee from these vendors resulted in recurring loss of revenue to MC Shimla.

Besides, there was no provision of imposing penalty/surcharge for the delay in the payment of fee, which should have been proposed to higher authority/house to recover the outstanding dues timely.

In reply to audit memo no-27 dated 14.01.2021, it was stated by the MC that the balance amount in question pertained to the year 2019-20 and recovery of tehbazari amount is in under process. Due to spread of Covid-19 epidemic, most of the tehbazaries were out of station and resuming back now. Out of total 162 tehbazaries, 136 persons had deposited the amount and the matter regarding newly identified 1065 nos. of illegal tehbazaries were under process and after finalization of policy further action would be initiated as per

direction. Remedial action may be taken to recover the pending fee from the defaulters and results thereof may be shown to audit.

**Para: 14** Irregular reimbursement of inadmissible medicines Rs. 0.05 lakh.

Medical Attendance Rules, 1944 provide that cost of inadmissible medicines should not be reimbursed to the claimants. The cost of lab tests conducted at private labs should also be restricted with Government rates prescribed for each test.

During the Scrutiny of records related to the medical bills in the office of the MC Shimla, it was noticed that an amount of Rs. 5,402/- had been reimbursed to officer's/officials for in-admissible medicines during the period between 2018-19 to 2019-20 as per detail given in **Annexure-"D"**. Thus, the medical reimbursement for the inadmissible medicines made to the officer's/officials was irregular and resulted in a loss of Rs. 5,402 /- to the govt. exchequer.

In reply to audit memo no.30 dated 13.01.2021, the Account Officer, MC Shimla stated that recovery of the payment of inadmissible medicines made to the officials would be effected from the monthly salary of January in the next month.

Needful may be done now under intimation to audit.

**The cases mentioned in the Annexure were based on the test check conducted by Audit. The MC may initiate action to examine similar cases and take necessary corrective action.**

**Para:-15** Non-preparation of annual accounts

As per section 252 and 253 of the HP Municipal Act 1994, accounts of the income and 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

**Comment [Sanjeet25]:** Amount has been updated as per Key Documents.

**Comment [Sanjeet26]:** Para is proposed to be issued

**Comment [Sanjeet27]:** Para is proposed to be issued

Accounts have been finally passed by it, forward to the Director an account in the prescribed form in this behalf and shall furnish such detail and vouchers relating to the same as the Director may furnish from time to time.

During test check of records of Municipal Corporation, Shimla, it was noticed that the annual accounts for the period 2017-18 to 2019-20 were not prepared whereas these accounts were required to be prepared and approved by the elected house of the municipality, which was in contraventions of the provisions made under the Municipal Act. **This is in contravention to the provisions of the Act ibid. This point had also been raised by the audit party as para no. 24 in Audit and Inspection Note for the year 2018-19 but MC did not take any step for compliance and irregularity persists till date.**

In reply of memo no. 09 dated 18.12.2020 while confirming the facts, it was stated by the MC Shimla that the annual accounts/Balance sheet for the year, 2017-18, 2018-19 and 2019-20 was under finalization. It was further stated that the balance sheets were not prepared due to the vacant post of Accountant and Chief Accountant and lack of proper knowledge of the Double Entry System/accrual based accounting system. MC Shimla further stated that the work of preparation of Balance Sheet was awarded to M/s Rajeev Sood & Co. and same would be finalized by the March 2021 positively and compliance be shown to audit.

Needful may be done now under intimation to audit.

**Para:-16 Non-maintenance of fixed asset register of buildings/roads**

**Comment [Sanjeet28]:** Para is proposed to be issued

Rule 16.2 of HPFR, 1971 (Vol-I) provides that a constitutional work of which the estimated cost is to exceed Rs. 10,000/- should not be entrusted outside firms or contractors for execution by the department without previously consulting the Finance Department. Also, as per the instructions issued by the Himachal Pradesh Govt., assets register (Road and buildings register) containing full description of the assets/works should be maintained by every drawing and disbursing officer. Further, the final bill of the contractor should be passed for any new construction/assets creation till the entry is properly made in the relevant register and verified by the head of the executing department.

During test check of record maintained in Municipal Corporation Shimla, it was noticed that fixed asset register of roads, buildings and other relevant registers (R&B and Estate branch) were not being updated from the period 2016-17 to 2019-20.

It was further noticed that asset register for the assets created during the years 2016-17 to 2019-20 was also not maintained, in the absence of which verification of the assets created during the above period could not be ascertained during audit. **The point had also been raised by the audit party as para no. 25 in Audit and Inspection Note for the year 2018-19, but MC did not take any step for compliance and irregularity persists till date.**

In reply to audit memo no.20 dated 07.01.2021, the Deputy Controller, MC Shimla stated that the requisite records would be maintained and compliance of the same would be shown to audit.

Needful may be done under intimation to audit.

**Para:17 Non - conducting of physical verification of stores and stock and non-preparation of inventory of stores.**

According to rule 140(1) of the Himachal Pradesh Financial Rules 2009, the officer-in-charge of the stores shall cause to maintain the inventory for fixed assets, consumable goods and dead stock or unserviceable items. Rule 140(2) further stipulates that the head of the Department shall conduct the physical verification of fixed assets, consumable goods and dead stock or unserviceable items or cause it to be conducted through his subordinate officer(s) or through a committee constituted either by him or by the state govt. at least once in a year.

During scrutiny of records of the O/o Municipal Corporation Shimla, it was noticed that physical verification of stores and stock of the office, electrical stock register, sanitation stock register, laboratory stock, etc. had not been conducted for the year 2019-20. In the absence of the requisite physical verification of stores and non-preparation of inventory of stores, the very purpose of conducting of annual physical verification with regard to assess the shortages/damages, as well as unserviceable stores, was defeated.

In reply to audit memo no.19 dated 05.01.2021, the Executive Engineer (R&B) MC Shimla stated that after constituting the physical verification committee, the requisite work would be got done and compliance would be shown to audit.

Needful may be done under intimation to audit.

**Comment [Sanjeet29]:** Para is proposed to be issued

**Para:18** **Miscellaneous irregularities/Non-maintenance of records**

**Comment [Sanjeet30]:** Para is proposed to be issued

As per H.P. Govt. Municipal Account Code 1975, all the records should be maintained by the MC necessarily. During scrutiny of records of MC Shimla for the period 2019-20, it was noticed that

(A) the following records were not maintained:

1. Agreement Register
2. Site order book
3. General cash book.
4. Work register not updated properly
5. Advance Register
6. Co-oprative bank cash book not signed by the competent authority.

In view of the non-maintenance of these records as provided in 'National Municipal Account Code' and H.P. Govt. Municipal Account Code 1975, records could not be verified in audit and chances of misappropriation of govt. funds could not be ruled out.

(B) Apart from the above, the following irregularities were also found:-

1. No mandatory prescribed return (monthly/quarterly) was being submitted to Directorate Office which resulted in non-monitoring of the same.
2. Non conducting of physical inspection of deposit works.
3. Non-reconciliation of balances of cash book and pass book on monthly basis.

In reply to audit memo no.29 dated 13.01.2021, the Account Officer, MC Shimla stated that requisite records would be maintained and compliance would be shown to audit.

Needful may be done under intimation to audit.

**Para:19 Short-comings in the maintenance of Service Books of non-Gazetted Government Employees.**

**Comment [Sanjeet31]:** Para is proposed to be issued

Service Book is a document to record all the events of a Government servant in his/her entire service period and career, recording each and every administrative action concerning the Government servant right from the stage of his recruitment till his retirement to reflect the history of service of a Government employee. The entries regarding date of birth, photo of the employee, verification of service, receipt of nomination for DCR Gratuity and Family Pension, Increment Certificates, and Pay fixation statements and leave in the leave account must be maintained and attested for each Government servant (Gazetted or Non-Gazetted) by the Head of Office.

During test check of Service Books maintained in the office of Municipal Corporation Shimla, following irregularities were noticed:

Sr No.	Name of Government employee (Non-Gazetted)	Irregularities found in Service book
1	Sh. Satpal (Safai Karmchari)	<ul style="list-style-type: none"><li>• Nomination not attached.</li><li>• HPL not updated &amp; verified.</li></ul>
2	Sh. Nanak (Safai Karmchari)	<ul style="list-style-type: none"><li>• Nomination not attached.</li><li>• HPL not updated &amp; verified.</li></ul>
3	Smt. Suresh Kumari (Safai Karmchari)	<ul style="list-style-type: none"><li>• EL&amp; HPL not updated &amp; verified.</li><li>• Nomination not attached.</li></ul>
4	Sh. Sushil (Safai Karmchari)	<ul style="list-style-type: none"><li>• EL&amp; HPL not updated &amp; verified.</li><li>• Nomination not attached.</li></ul>
5	Sh. Mangi Ram (Safai Karmchari)	<ul style="list-style-type: none"><li>• Nomination not attached.</li><li>• EL&amp;HPL not updated &amp; verified.</li><li>• Photo not attach &amp; verified.</li></ul>
6	Sh. Vinod Kumar (Safai Karmchari)	<ul style="list-style-type: none"><li>• EL&amp;HPL not updated &amp; verified.</li><li>• Nomination not attached.</li><li>• No Signature of Government Servant was recorded.</li><li>•</li></ul>
7	Sh. Pawan Kumar (Peon)	<ul style="list-style-type: none"><li>• Nomination not attached.</li><li>• EL&amp;HPL not updated &amp; verified</li><li>• Photo not attach &amp; verified.</li></ul>
8	Smt. Rani (Safai Karmchari)	<ul style="list-style-type: none"><li>• Nomination not attached.</li><li>• EL&amp;HPL not updated &amp; verified.</li></ul>
9	Sh. Ranjeet (Safai Karmchari)	<ul style="list-style-type: none"><li>• Nomination not attached.</li><li>• EL&amp;HPL not updated &amp; verified.</li></ul>



		•
10	Sh. Surinder Pal (Safai Karmchhari)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• EL&amp;HPL not updated &amp; verified.</li> </ul>
11	Sh. Tinku (Safai Karmchhari)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• EL&amp;HPL not updated &amp; verified.</li> </ul>
12	Sh. Daleep Kumar (Driver)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• EL&amp;HPL not updated &amp; verified</li> </ul>
13	Sh. Amar Singh (Driver)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• HPL not updated &amp; verified.</li> </ul>
14	Sh. Satpal (Safai Karmchhari)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• HPL not updated &amp; verified.</li> </ul>
15	Sh. Ravi Kumar (Safai Karmchhari)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• HPL not updated &amp; verified.</li> </ul>
16	Sh. Bhart Bhushan (Sanitary Inspector)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• EL&amp;HPL not updated &amp; verified.</li> <li>• Photo not attested &amp; verified.</li> </ul>
17	Sh. Narinder Kumar (Driver)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• EL&amp;HPL not updated &amp; verified.</li> </ul>
18	Dr. D.P Singh (Project Coordinator)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• EL&amp;HPL not updated &amp; verified.</li> </ul>
19	Sh. Vijay Kumar (Safai Jamadar)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• HPL not updated &amp; verified.</li> <li>• Photo not attach &amp; verified.</li> </ul>
20	Sh. Kulwant Singh (Majdoor)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• No Thumb impression of the Govt. Servant</li> <li>• Photo not attested &amp; verified.</li> </ul>
21	Sh. Shadi Ram (Majdoor)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• HPL not updated &amp; verified.</li> <li>• Photo not attach &amp; verified.</li> </ul>
22	Sh. Chet Ram (Rat Mat)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• EL not updated &amp; verified.</li> <li>• Photo not attach &amp; verified.</li> </ul>
23	Sh. Pardhan Singh (Safai Jamadar)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• EL&amp;HPL not updated &amp; verified.</li> <li>• Photo not attach &amp; verified.</li> </ul>
24	Sh. Yashwant Singh (Sr. Assistant)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• EL&amp;HPL not updated &amp; verified.</li> <li>• Photo not attested &amp; verified.</li> </ul>
25	Smt. Dayawati (Safai Karmchhari)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> </ul>

		<ul style="list-style-type: none"> <li>• Photo not attested &amp; verified.</li> </ul>
26	Sh. Vinod Kumar (Mazdoor)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• EL&amp;HPL not updated &amp; verified.</li> <li>• Photo not attested &amp; verified.</li> <li>• No Thumb impression of the Govt. Servant</li> </ul>
27	Sh. Pawan Narwal (Sr. Assistant)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• HPL not updated &amp; verified.</li> <li>• Photo not attested &amp; verified.</li> <li>• No Thumb impression of the Govt. Servant</li> </ul>
28	Sh. Roshan Lal (Mazdoor)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• HPL not updated &amp; verified.</li> <li>• Photo not attested &amp; verified.</li> </ul>
29	Sh. Keshav Ram Kashyap (Mate)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• HPL not updated &amp; verified.</li> <li>• Photo not attested &amp; verified.</li> <li>• No Thumb impression of the Govt. Servant</li> </ul>
30	Sh. Ram Rattan (Mate)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• HPL not updated &amp; verified.</li> <li>• No Thumb impression of the Govt. Servant</li> </ul>
31	Sh. Amolak Ram (Mate)	<ul style="list-style-type: none"> <li>• Nomination not attached.</li> <li>• EL&amp;HPL not updated &amp; verified.</li> <li>• Photo not attested &amp; verified.</li> <li>• No Thumb impression of the Govt. Servant</li> </ul>

In reply to Audit memo no.31 dated 13.01.2021, it was stated by MC Shimla that compliance would be shown to audit after making requisite corrections in the service books of the concerned employees.

Needful may be done now under intimation to audit.

**Part-III: Review of old objections.**

The year wise position of old paras after review from the year 1982-83 to 2018-19 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.
<b>1997-98 to 2000- 01</b>	2(i)to(i ii)	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.
<b>2001-02</b>	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.
<b>2002-03</b>	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 hospitability 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.
<b>2003-04</b>	17(i)	Shifting of sale depot of HPSFC 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.
<b>2004-05 to 2005-06</b>	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.
<b>2006-07</b>	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.
<b>2007-08</b>	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.

<b>2008-09</b>	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)(i) ii)	Loss of Rs 0.04 lakh due to suspected pilferage of diesel.	Compliance awaited. Para stands.
	16(a)	Non accountal of cement in Zonal JE 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.	
<b>2009-10</b>	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 BoileuganjRs 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 JNNURM 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 JNNURM 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 6.45 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 283.82 lakh for the year 2009-10 and 2010-11.	Compliance awaited. Para stands.
27	Recovery of penal rent/ license fee from Sh. SubhashChander on account of unauthorized permission of MC 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.
<b>2011-12</b>	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 lakh.	Compliance awaited. Para stands.
	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.
<b>2012-13</b>	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
<b>2013-14</b>	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
	10	Irregular payment of salary to the Municipal Corporation Employees amounting to Rs 2.26 lakh.	Compliance awaited. Para stands
<b>2014-15</b>	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 Ra. 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 operation.	Compliance awaited. Para stands.
	11	Reimbursement of inadmissible medical claims Rs. 0.03 lakh	Compliance awaited. Para stands.
<b>2015-16</b>	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 Rs.19.42 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.
	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.
	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.
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	Compliance awaited. Para stands.

		(iv)Cutting and use of fluid in cash book  (v)Other irregularities	
	13	Outstanding recovery of different taxes Rs.735.79 lakh	Compliance awaited. Para stands.
	15	Non collection of property tax of Rs.209.59 lakh from M/s CK Infrastructure Ltd, ISBT Tutikandi, Shimla.	Compliance awaited. Para stands.
	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.
	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.
2017-18	1	Non recovery of concession fee and damage charges in respect of Car Parking Complex at Lift, ShimlaRs.190.11 lakh (Concession fee Rs. 130.41 lakh and damage charges Rs. 59.70 lakh)	Compliance awaited. Para stands.
	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)	Compliance awaited. Para stands.
	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	Compliance awaited. Para stands.
	5	Suspicious expenditure on repair and and maintenance vehicles Rs. 6.67 lakh	Compliance awaited. Para stands.
	6	Lack of responsiveness of the department to Audit.	Compliance

			awaited. Para stands.
	7	Inadmissible expenditure toward salary of employees under Basic Service to the Urban Poor (BSUP) Mission Rs. 6.30 lakh	Compliance awaited. Para stands.
	8	Awarding of work to single contractor without obtaining sanction from the Govt. and amount paid over and above from the tender amount Rs. 0.99 lakh	Compliance awaited. Para stands.
	9	Blocking of funds under ICLEI-SA Rs. 12.40 lakh and inadmissible expenditure of funds Rs. 1.25 lakh	Compliance awaited. Para stands.
	10	Irregular / inadmissible expenditure of funds under component of SBM Rs. 1.00 lakh	Compliance awaited. Para stands.
	11	No Non-utilization of funds received under Pradhan Mantri Avas Yojana (PMAY) Rs. 29.87 lakh.	Compliance awaited. Para stands.
	12	Non reconciliation of figures of bank pass book and cash book resulted in difference of Rs. 2.82 lakh	Compliance awaited. Para stands.
	13	Irregular maintenance of two cash books under head-beautification account	Compliance awaited. Para stands.
	14	Irregular/inadmissible expenditure under NULM Rs. 0.84 lakh	Compliance awaited. Para stands.
	15	Non obtaining the bills from contractors on account of goods purchased from open market Rs. 14.24 lakh	Compliance awaited. Para stands.
	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	Compliance awaited. Para stands.
	17	Non preparation of Annual Action Plan, Development P Annual Administrative Report, Annual Account/Bala Sheet for the year 2017-18	Compliance awaited. Para stands.

18	Non-obtaining of utilization certificate from Technical Support Group Rs. 0.65 lakh	Compliance awaited. Para stands.
19	Non-maintenance of cash book under IHHL component SBM	Compliance awaited. Para stands.
20	No Non-maintenance/completion of cash book pertaining to MC funds	Compliance awaited. Para stands.
21	Non execution / renewal of lease of stalls/shops, loss of revenue to MC	Compliance awaited. Para stands.
22	Non auction of condemned vehicles and irregular expenditure on vehicles declared condemned by condemnation board Rs. 0.45 lakh	Compliance awaited. Para stands.
23	Non condemnation/disposal of vehicle	Compliance awaited. Para stands.
24	Non preparation of Monthly Abstracts of Log Books.	Compliance awaited. Para stands.
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	Compliance awaited. Para stands.
31	Non-production of records.	Compliance awaited, hence para stands.
32	Irregular reimbursement of medical claims Rs. 0.13 Lakh	Compliance awaited, hence para stands.
33	Inadmissible claim of medicines Rs. 0.04 Lakh.	Compliance awaited, hence para stands.

	34	Non verification of service books and non production of service books	Compliance awaited, hence para stands.
	35	Non-disposable of unserviceable articles	Compliance awaited, hence para stands.
2018-19	1	Irregular expenditure under NDRF and SDRF amounting to ₹ 3.97 crore	Compliance awaited, hence para stands.
	2	Wasteful expenditure Rs. 269.85 lakh due to installation of rendering machine without assessment of its impact.	Compliance awaited, hence para stands.
	3	Delay in completion of works resulting in unfruitful expenditure of Rs. 505.87 lakh and blockade of funds Rs. 733.24 lakh	Compliance awaited, hence para stands.
	4	Non- adjustment of advances Rs. 1638.14 lakh	Latest position has been updated in para no. 06 of the current Audit and Inspection Note . Hence, the para is deleted from here.
	5	Outstanding recovery of house tax of Rs. 453.55 lakh	Latest position has been updated in para no. 09 the current Audit and Inspection Note . Hence, the para is deleted from here.
	6	Outstanding recovery of shops rent of Rs. 281.00 lakh	Latest position has been updated in para no. 10 of the current Audit and Inspection

			Note . Hence, the para is deleted from here.
	7	Awaited Utilization Certificates Rs. 87.64 lakh	Compliance awaited, hence para stands.
	8	Loss of revenue due to non-obtaining performance security amounting to Rs. 102.47 lakh.	Compliance awaited, hence para stands.
	9	Idle parking of fund amounting to Rs. 116.42 lakh in a different bank account.	Compliance awaited, hence para stands.
	10	Loss of Rs. 22.43 lakh in respect of Chemicals & Equipments due to non-functioning of MC Laboratory	Compliance awaited, hence para stands.
	11	Non recovery of renewal fees on account of installation of MobileTowers in MC area resulting into loss of revenue Rs. 09.46 lakh	Latest position has been updated in para no. 12 the current Audit and Inspection Note . Hence, the para is deleted from here.
	12	Non recovery of electricity cess -Rs. 93.34 lakh	Compliance awaited, hence para stands.
	13	Non recovery of the liquor fee of Rs. 127.95 lakh	Compliance awaited, hence para stands.
	14	Non recovery of show tax from the owner of cinema hall resulted into loss of revenue amounting to Rs. 11.14 lakh	Compliance awaited, hence para stands.

15	Loss due tonot claiming the agency discount of 15% to DAVP foradvertisement in different newspapers amounting to Rs. 0.69lakh	Compliance awaited, hence para stands.
16	Pilferage of Journeys	Compliance awaited, hene para stands.
17	Overpayment of the salary of Rs. 1.54 lakh due to wrong calculation of annual increment	Compliance awaited, hence para stands.
18	Loss of revenue due to non-renewal of lease deeds	Compliance awaited, hence para stands.
19	Suspicious expenditure paid as Pollution fee, green tax and late fee due to late passing of vehicle of Rs. 0.75 lakh	Compliance awaited, hence para stands.
20	Suspected mis-utilization of government vehicle	Compliance awaited, hence para stands.
21	Outstanding recovery of Tehbazari fee- Rs. 0.40 lakh	Compliance awaited, hence para stands.
22	Irregular Re-imbusement of Medical claims of Rs. 0.37 lakh	Compliance awaited, hence para stands.
23	Defective implementation of database of property tax	Compliance awaited, hence para stands.
24	Non preparation of annual accounts	Latest position has been updated in para no. 15of the current Audit and Inspection

			Note . Hence, the para is deleted from here.
	25	Non maintenance of fixed asset register of buildings/roads	Latest position has been updated in para no. 16 of the current Audit and Inspection Note . Hence, the para is deleted from here.
	26	Non - conducting of physical verification of store and stock	On the basis of compliance made by the MC, the para is settled.
	27	Miscellaneous irregularities/Non maintenance of records	Latest position has been updated in para no. 18 of the current Audit and Inspection Note . Hence, the para is deleted from here.
	28	Overpayment of pay and allowance of Rs. 25,674/- to Sh. Joginder Singh Chauhan, Addl. Commissioner (legal)	Compliance awaited, hence para stands.



**Part-IV: Best practices**

No best practices were observed at the instance of audit.

**Part-V: Acknowledgement**

The O/o MC Shimla extended all possible co-operation and the records called for audit were produced. The environment of audit was very cordial and professional on the either sides. At the time of audit, the following officials were holding leadership positions in the office of MC Shimla;

- (a) Sh Ashish Kohli, Commissioner
- (b) Sh. Amar Dutt Bhardwaj, Deputy Controller
- (c) Sh. Sandeep Kumar, Accountant

**Seen, discussed and facts verified.**

Sd/-

**O/o The Commissioner,  
Municipal Corporation,  
Shimla, H.P.**

Sd/-

**Sr. Audit Officer  
(Audit Party)**

**Attested By**

Sd/-

**Assistant Audit Officer**