

कार्यालय प्रधान महालेखाकार लेखापरीक्षा हिमाचल प्रदेश, शिमला -3

क्रमांक: सोशल सैक्टर II / ले0प0नि0डि0 2015-16 (346-50 दिनांक 3/5/2017

सेवा में,

आयुक्त
नगर निगम, शिमला
जिला शिमला, हि0प्र0

fcc
नवीन
3/5/17

विषय :- लेखापरीक्षा एवं निरीक्षण टिप्पणी ।

सहोदय,

मैं आपके कार्यालय के लेखाओं से सम्बन्धित 2015 से 2016 तक की लेखापरीक्षा एवं निरीक्षण टिप्पणी इस पत्र के साथ संलग्न कर रहा हूँ। इस लेखापरीक्षा एवं निरीक्षण टिप्पणी की प्रत्येक मद के सम्मुख यथाचित उत्तर लिखकर अपने विभागाध्यक्ष के माध्यम से प्राप्त के एवं पास के भीतर इस कार्यालय को भेजने की व्यवस्था करें।

इस लेखापरीक्षा एवं निरीक्षण टिप्पणी का पैरा सं0 11, 13, 14, 15, 16, 17, 19, 22 को वषि प्रशासनिक प्रतिवेदन (ATIR) में सम्मिलित करने का निर्णय लिया गया है। अतः इसका उत्तर पूर्ण टिप्पणी के उत्तर से पहले शीघ्रातिशीघ्र 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 नहीं कहना है तथा पैरे को रिपोर्ट में शामिल करने हेतु आगामी कार्यवाही की जाएगी।

The report has been prepared on the basis of the information furnished and made available by the (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
जीपा डी (सोशल सैक्टर - 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 ATIR को पैरा सं0 के ए0टी0आइ0आर0 में सम्मिलित करने हेतु प्रेषित है।
1, 13, 14, 15, 16, 17, 19, 22

वरिष्ठ लेखापरीक्षा अधिकारी
जीपा डी (सोशल सैक्टर - II)

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Audit and Inspection Note on the accounts of the Office of Commissioner, Municipal Corporation, Shimla for the period 2015-16

PART-I(A): INTRODUCTORY

(i) Party Composition and Period of Audit

Audit and inspection on the accounts of the Office of Commissioner, Municipal Corporation, Shimla for the financial year 2015-16 was conducted by an audit party comprising of Shri Ram Dass Bhawani Sr. Audit Officer, Shri Singha Tiu Assistant Audit Officer, Shri Inder Singh Sr. Auditor and Shri Avtar Singh Sr. Auditor from 04.01.17 to 23.02.2017.

(ii) Officers' in charge

The charge of the office during the period covered under audit was held by the following:-

Sr. No.	Name	Designation	Period
1	Sh. Pankaj Rai, HAS	Commissioner	03.11.2014 to till the date

(iii) Expenditure

The Detail of expenditure incurred by the office during the last three years ending March, 2015 is tabulated below:

(Rupees in Lakh)

Year	Budget Allocation		Establishment Expenditure	Non Establishment Expenditure	Total Expenditure
	Receipt	Expenditure			
2013-14	18477.58 (Estimated)	21631.77 (Estimated)	3831.33	3850.90	7682.23
2014-15	21652.75 (Estimated)	15664.86 (Estimated)	4362.82	3241.29	7604.11
2015-16	12172.30 (Estimated)	16612.30 (Estimated)	5013.63	6708.80	11722.43

(iv) Main Activities

The main function of the Corporation is urban planning including town planning, regulation of land use and construction of buildings, planning for economic and social development, roads and bridges, water supply for domestic, industrial and commercial purposes, public health, sanitation, conservancy and solid waste management, fire services etc.

(v) Sources of Funds for the year 2015-16

Sr. No.	Source	Amount (Rs. in Lakhs)	Remarks
(i)	State Funds	3420.85	Grants received from State Govt. under State Finance Commission, Sewerage Scheme, maintenance of ULB roads, MPLDs/MLALAD funds and other schemes.
(ii)	Central Funds, JNNURM funds	788.18	Funds received under 13 th Finance Commission, Slaughter construction Project & SJRY Scheme, Funds received under JNNURM Projects RAY.SWM, Beautification, PIU, Saintry landfill sites etc.
(iii)	Funds under European Union	323.96	Funds received under Zero Waste Project funded by EU through MUAN and Project funded by European Union for strengthening and Empowering ULBs in Delivery of Decentralized Sanitation Services.
(iv)	Own Receipts	5758.29	Income from Property Tax, Rent, fees, User Charges and other receipts.
(v)	Other Receipts	103.03	Miscellaneous Income and interest.
(vi)	Funds under ICLEI SA	7.68	Funds received under ICLEI-SA- Small grant fund under ACCCRN for Rejuvenating the traditional water source to augment water security in M.C. Shimla
(vii)	Funds AMRUT	2223.53	Funds received AMRUT
	Total	12625.52	

The results of the current audit and inspection are incorporated in the succeeding paragraphs:-

PART-I(B): Review of Old Objections

The year wise position of old Paras after review from the year 1982-83 to 2013-14 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 Balak Nath 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.	The approval of the above irregular expenditure has been obtained by the MC Shimla vide resolution No. 09 dated 21.09.98 and resolution No. 2 (ii) dated 27.11.04. But the approval of the administrative Department required under H.P. Finance Department letter No. Fin-1-2(1A) 1183 dated 06.09.95 was still awaited. 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.	The matter regarding levy of user charges on photographers working on the Ridge Maidan is still to be put up before the MC Shimla. Final outcome is 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)(ii i)	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.
	2	Non utilisation of funds Rs 1591.02 lakh under JNNURM for renewal and rejuvenation of WSS Shimla.	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 stands.	awaited.	Para
	29	Infructuous expenditure Rs 0.72 lakh.	Compliance stands.	awaited.	Para
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 stands.	awaited.	Para
	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 stands.	awaited.	Para
	3	Extra financial burden of service tax due to inaction of the MC Shimla Rs 57.74 lakh.	Compliance stands.	awaited.	Para
	4(a)	Unauthorized possession of MC immovable property worth Rs 1.45 crore with the HPSEB by the MC Shimla.	Compliance stands.	awaited.	Para
	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 stands.	awaited.	Para
	5	Avoidable surcharge on account of nonpayment of electricity bill in time Rs 4.28 crore.	Compliance stands.	awaited.	Para
	6	Improper functioning of LED streetlights installed in MC area involving Rs 75.56 lakh.	Compliance stands.	awaited.	Para
	7	Delay in implementation of property tax reform project under JNNURM Rs 49.71 lakh.	Compliance stands.	awaited.	Para
	8	Loss of revenue due to non levy of development of land fee Rs 13.69 lakh.	Compliance stands.	awaited.	Para
	9(a)	Development funds Rs 6.45 crore kept in fixed deposit and remained unutilized.	Compliance stands.	awaited.	Para
	9(b)	JNNURM project funds of Rs 39.05 crore kept in fixed deposit and remained unutilized.	Compliance stands.	awaited.	Para
	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 stands.	awaited.	Para
	11(a)	Undue benefit to contractor for carrying out advertisement hoarding even after expiry of contract period Rs 14.05 lakh.	Compliance stands.	awaited.	Para
	11(b)	Non completion of tax from contractor M/s Media Hype Chandigarh on account of advertisement hoarding Rs 10.80 lakh.	Compliance stands.	awaited.	Para
	14	Excess expenditure on establishment Rs 24.43 crore.	Compliance stands.	awaited.	Para

	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 GLA/ 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. Subhash Chander 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.
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	Elockade of funds due to excess purchase of material Rs 10.72 lakh.	Compliance stands.	awaited.	Para
	16	Non disposal of unserviceable articles Rs 10.33 lakh.	Compliance stands.	awaited.	Para
	17	Excess expenditure in respect of Petrol charges on attached vehicles Rs 12.88 lakh.	Compliance stands.	awaited.	Para
	18	Wasteful expenditure amounting to Rs 3.59 lakh.	Compliance stands.	awaited.	Para
	21	Injudicious payment made to the SEHB Society Shimla Rs 33.21 lakh.	Compliance stands.	awaited.	Para
	25	Non utilization of funds under SISRY for Rs 1.04 lakh.	Compliance stands.	awaited.	Para
	26	Non revision of slaughter house fee.	Compliance stands.	awaited.	Para
	27	Non conducting of Physical verification of store.	Compliance stands.	awaited.	Para
2012-13	1	Wasteful expenditure on the construction of houses for stray dogs Rs 63.99 lakh.	Compliance stands.	awaited.	Para
	4(i)	Wasteful expenditure Rs 13.08 lakh	Compliance stands.	awaited.	Para
	4(ii)	Loss of interest Rs 145.27 lakh	Compliance stands.	awaited.	Para
	5	Unfruitful expenditure on the construction of Ashiana-II Rs 408.55 lakh	Compliance stands.	awaited.	Para
	6	Non execution of MPLAD works Rs 74.10 lakh.	Compliance stands.	awaited.	Para
	7	Non recovery of Advances Rs 34.75 lakh.	Compliance stands.	awaited.	Para
	8	Outstanding recovery of parking fee for extended period from contractors Rs 3.19 lakh plus taxes.	Compliance stands.	awaited.	Para
	9	Loss of revenue due to non tendering of parking Rs 80,000/-.	Compliance stands.	awaited.	Para
	15	Outstanding liability on account of payment to SEHB Society Rs 197.82 lakh.	Compliance stands.	awaited.	Para
	16	Loss due to short receipt of water from IPH Department Rs. 4.82 lakh.	Compliance stands.	awaited.	Para
	19	Awaited Utilisation Certificates Rs 62.30 lakh.	Compliance stands.	awaited.	Para
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 Crere.	Compliance stands.	awaited.	Para

	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.
	3	(i) Failure of MC Shimla to implement Ashiana-1 project worth Rs. 999.07 lakh sanctioned by Government of India under JNNURM.	Compliance awaited. Para stands.
		(ii) Non-refund of unutilized amount of grant of Rs. 176.36 lakh with interest (Centre share) released against cancelled project to the Govt. of India.	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 operational.	Compliance awaited. Para stands.
6	Unsustainable procurement of water from IPH Deptt. Rs. 190.42 crore.	Updated position has been taken in current IR para no. 10. Hence para deleted from here
7	Non recovery of installation/ renewable fee of mobile towers Rs 11.10 lakh	Compliance awaited. Para stands.
8	Outstanding recovery of shop rent Rs. 405.76 lakh.	Updated position has been taken in current IR para no. 20. Hence para deleted from here
9	Outstanding recovery of tehbazari Rs 1.19 lakh.	Updated position has been taken in current IR para no. 14. Hence para deleted from here
10	Outstanding recovery of lease money Rs. 32.89 Lakh.	Updated position has been taken in current IR para no. 15. Hence para deleted from here
11	Reimbursement of inadmissible medical claims Rs. 0.03 lakh	Compliance awaited. Para stands.
12	(a) Non execution of MLALAD works Rs 30.18 lakh.	Updated position has been taken in current IR para no. 16. Hence para deleted from here
	(b) Non execution of MPLAD works Rs. 22.23 lakh.	Updated position has been taken in current IR para no. 17. Hence para deleted from here
13	Outstanding recovery of general taxes of land and buildings Rs 4.58 crore.	Updated position has been taken in current IR para no. 13. Hence para deleted from here
14	Non adjustment of contingent advances: Rs. 24.20crore	Updated position has been taken in current IR para no. 11. Hence para deleted from here
15	Non maintenance of Annual Accounts for the year 2014-15.	Updated position has been taken in current IR para no. 13. Hence para deleted from here

Part-I(C): PERSISTANT IRREGULATIES

—NIL—

Part-II: Current Audit Note

II (a) Serious Irregularities

Para :-1 Loss of revenue of Rs. 161.49 lakh due to non-collection of property tax from the properties belonging to Union of India

Section 89 of Himachal Pradesh Municipal Corporation Act 1994 provides that land and buildings being properties of the Union of India shall be exempted from the taxes on lands and buildings specified in section 86, provided that nothing in this section shall prevent the Corporation from levying any of the said taxes on such lands and buildings to which immediately before the 26th January, 1950 they were liable, or treated as liable, so long as that tax continues to be levied by the Corporation on other land and buildings as also enacted in the article 285 (2) of the Constitution of India. Moreover, letter no. 14(3)-P/53 dated 08.06.1954, from the Deputy Secretary of the Government of India, Ministry of Finance (Dept. of Economic Affairs), New Delhi to the Chief Secretaries of All Part A and Part B States except J&K, conveyed the decision of Govt. of India that :-

- (a) In the case of Part A states payment shall be from the date of actual increase of tax or from 1st April 1948, being the date representing the period of six years immediately prior to 1st April 1954, whichever is later.
- (b) In case of Part B States, payment shall be from the date of actual increase of tax or from 26 January 1950, being the date on which these States were brought into the present constitutional set-up, whichever is later.

Section 94 also provides that corporation shall cause an assessment list of all lands and buildings in the municipal area to be prepared in such form and manner and containing such particulars with respect to each land and building as may be prescribed by bye-laws.

During scrutiny of records of MC Shimla it was noticed that for the properties belonging to Union of India falling under the jurisdiction of MC Shimla, the property tax on these properties was being levied before independence till the financial year 2013-14 prior to the inception of taking into account the formula of property tax based on unit area method. Thereafter, the property tax of 186 properties (as per Annexure "A") of Union of India was not levied and recovered by the MC Shimla as of Dec 2016. These properties are situated in the heart of the city and having historical importance occupying large area of at least on an average 1000 square metre. The average calculation of pending property tax against these properties is detailed as under:

Year	2014-15	2015-16
No. of Properties	186	186
Average Unit Area	1000	1000
Factor	F1	5
	F2	3
	F3	1.5
	F4	7
	F5	2.5
Total Rateable Value (No. of properties * Average Unit Area * F1+F2+F3+F4+F5)	73237500	73237500
Maintenance Rebate (10% of Total Rateable Value)	7323750	7323750
Net Rateable Value (Total Rateable Value - Maintenance Rebate)	65913750	65913750
Net Tax (10% of Net Rateable Value)	6591375	6591375
Penalty (5% of Net Tax)	-	329569
Interest (1% of Net Tax of 2014-15 & 2015-16 per month for last 20 months)		2636550
Total Tax due (Net Tax + Penalty + Interest)		16148869

[1] It is evident from the above table that MC Shimla did not make the assessment of the property tax based on the unit area method as per section 94 of the Himachal Pradesh Municipal Corporation Act 1994. Non-levy of property tax of about Rs. 1,61,48,869/- on the properties pertaining to Union of India resulted in loss of revenue of Rs. 1,61,48,869/- to the MC Shimla for the period 2014-15 to 2015-16.

In reply to Audit memo no 7 dated 16.01.2017, the M.C. Shimla while confirming the facts and figure stated that the matter to take the tax is before the Tax Assessment Hearing Committee. The property tax shall be recovered as per decision of Assessment Hearing Committee.

Early steps to settle the case and recovery of property tax may be taken under intimation to Audit.

Para:-2 **Undue favour to contractor Rs. 178.00 lakh by making irregular advances before completion of awarded works.**

CPWD Works Manual 2014 sections 4.2.1 and 4.2.2 provide that the detail estimate should be complete and comprehensive as possible which should give broad detail for each item of work involved. The detail estimate shall consist of a report, plans, specifications and detailed statement of measurements, quantities and rates etc. with an abstract showing the total estimate cost of each item. Further, section -32 (1) & (2) provide that advance payments to contractors against on account bills received in the divisional office on receipt of an application from the contractor for financial aid in the shape of part payment subject to certain conditions and advances to the contractors are, as a rule, prohibited and payments to contractors should not be made until detailed measurement of the work has been taken and recorded.

During the scrutiny of records of MC Shimla it was noticed that for Resurfacing work of various roads in the vicinity of corporation, small estimates were made instead of making one detailed estimate, consequently 17 works were awarded to a single contractor named Sh. Naresh Kumar Vij as detailed in Annexure B. The contractor neither presented any account bills nor was any request made for the same; the contractor was paid advances to the tune of Rs. 1,78,00,000/- against the net payable amount Rs.2,16,75,172/- which would have been adjusted during the release of final payments as detailed below:

Advances paid to the Contractor				
Sr. No.	Voucher No.	Name of Contractor	Amount	Code of MC Shimla
1	BPV No. 10 dt 25.05.2015	Sh. Naresh Kumar Vij, Govt. Contractor	78,00,000	460-40-01 vide office order dt 25.05.2015
2	BPV No. 39 dt 24.06.2015	Sh. Naresh Kumar Vij, Govt. Contractor	50,00,000	460-40-01 vide office order dt 24.06.2015
3	BPV No. 51 dt 06.07.2015	Sh. Naresh Kumar Vij, Govt. Contractor	50,00,000	460-40-01 vide office order dt 04.07.2015
Total			1,78,00,000	

It is evident from the above table that though the MC Shimla had paid the advances during the month of May to June 2015, these advances were finally adjusted vide voucher no. 582 of 28.09.2016 with balance of Rs. 42,529/-. As such the contractor was almost fully paid without ensuring the standard, specifications and completion of the awarded works in the absence of which possibility of substandard and below-specification works could not be ruled out. Thus

MC Shimla failed to prepare detailed estimate of resurfacing work of roads and split the work in contravention of the provisions of Public Works Manual which resulted into extension of undue favour to the contractor of irregular advance payments of Rs. 1,78,00,000/- well before the completion of works as the adjustment of the advances was finally made after a lapse of 17 months.

In reply to audit memo no. 18 dated 27.01.2017, the Executive Engineer of MC Shimla while confirming the facts and figures stated that the advance was paid to the contractor after the awarded work was almost completely executed, but work done was not measured. The said advance however was paid after deducting all dues from the contractor. The work was split into many works, keeping in view the practical viability of execution of work. The reply of the department is not acceptable as the action of the department was against the procedures laid down in the public works account code.

The irregular advance payment of Rs. 1,78,00,000/- may be regularized from the competent authority and proper procedures as per the public works accounts code be followed

Para:-3 Non collection of property tax of Rs. 177.10 lakh from M/s CK Infrastructure Ltd, ISBT Tutikandi, Shimla

Section 90(1) of HPMC Act 1994 provides that the taxes on lands and buildings shall be primarily leviable upon the owner and in the absence of the owner, it shall be leviable and recovered from the occupier including tenants.

During the scrutiny of the records of MC Shimla it was noticed that project – site sub lease deed was made on 12.10.2011 between Himachal Pradesh Bus Stand Management & Development Authority (HPBSM&DA)(the lessor) and M/s CK Infrastructures Ltd, ISBT Tutikandi, Shimla to design, finance, construct, operate & maintain the Shimla Tutikandi bus terminal project at Shimla, on a build , operate and transfer basis. Clause 17 of the said deed stipulates that the lessee shall be liable to pay all taxes etc. imposed by the State Government, Municipal Committees during the lease period on the structure/ land. However, the liability of the lessee under this clause shall not be in derogation of clause 13.1(b), section II of the concession Agreement, and the contents of said clause 13.1(b), shall be read as part and parcel of clause 17 of this project site Sub lease deed.

Scrutiny of records further revealed that MC has raised the bills of property tax for the period 2011-12 to 2015-16 amounting to Rs. 1,77,10,712/- as detailed below in favour of M/s CK Infrastructure Ltd, ISBT Tutikandi, Shimla but MC failed to collect the said amount as of Dec 2016.

Sr. No.	Bill No. and Date	Period	Method	Bill Amount
1	69814 22.01.2016	29.08.2011 to 31.03.14	Value Based	1,03,03,736
2	201552432 23.01.2016	2014-15	Unit Area Method	37,03,488
3	201552433 23.01.2016	2015-16	Unit Area Method	37,03,488
Grand Total				1,77,10,712/-

In reply to audit memo No.9 dated 17.01.2017 the M.C. Shimla while confirmed the facts and figure stated that since the matter is pending before the Divisional Commissioner Shimla Division. Therefore the outstanding amount cannot be realized.

Early steps to ~~settle~~ settle the case and recovery of property tax may be taken under intimation to Audit. ~~Settlement~~

Para:-4 Irregular payment of Rs 56.00 lakh to partner (CDD) under European Union Project.

The project on Strengthening & Empowering Urban Local Authorities in the Delivery of Decentralized Sanitation Services in MC Shimla was started in September 2013 with the assistance of European Union with the objective of integrated action at Municipality level to reduce poverty and support inclusive and sustainable economic development, environmentally safe sanitation and improve the health situation of urban poor for a period of 3 years.

The project was to be run with the help of three partners of which MC Shimla was the leading partner, and Bremen Overseas Research and Development Association, and Consortium for Dewats Dissemination society (BORDA & CDD) would be other supporting partners. The CDD partner had to provide the staffing support at MC Shimla for maximum time of the project.

During the scrutiny of records of MC Shimla it was noticed that the partners CDD and BORDA during the year 2015-16, except for some meetings with MC Shimla, had not provided any specific staffing support (as available on record) whereas CDD had raised the full liability of their staff without furnishing the supporting documents and authentication of the accounts on the EU project. The detail of the payments made to the CDD is given below:

Sr. No	Particulars	Amount	Cheque No.	Date
1	Bills not received, yet to be submitted	35,00,057.25	729605	18.01.2016
2	Bills received, yet to be submitted	7,00,000.00	729610	28.01.2016
3	Bills not received, yet to be submitted	14,00,000.00	729621	02.03.2016
	Total	56,00,057.25		

It is evident from above the table that MC Shimla had made irregular payments of Rs. 56,00,057.25 to the CDD without taking the services as envisaged in the project documents.

In reply to audit memo no. 28 dated 06.02.2017, the MC Shimla while confirming the facts and figures stated that CDD is the technical partner which takes share from the fund money as is agreed in the grant or whenever the need arises in order to fulfill the activities under the deliverables which are monitored by EU and MC Shimla. The reply is not acceptable to audit as the funds were advanced to CDD without having record of activities undertaken at MC Shimla.

Record of activities undertaken done by the partner may be intimated to audit.

Para: -5 Non utilization of funds received under JnNURM Rs. 2517.74 lakh

Under the scheme of JnNURM the main thrust of the Sub-mission on Urban Infrastructure and Governance will be on major infrastructure projects relating to water supply including sanitation, sewerage, solid waste management, road network, urban transport and redevelopment of inner (old) city areas with a view to upgrading infrastructure therein, shifting industrial / commercial establishments, etc.

The funds were released as Additional Central Assistance to the state government or its designated state level nodal agencies as a soft loan or grant-cum-loan or grant. The first instalment of 25 percent of the sanctioned projects was released to the nodal agencies and the balance amount was to be released in three installments upon receipt of utilization certificates to the extent of 70 percent of the grants (Central/ State) and subject to the achievement of milestones set forth. The duration of the mission was 7 years which began from 2005-06.

During the scrutiny of records of MC Shimla it was noticed that funds received under different projects of JnNURM could not be utilized as of December 2016, whereas the projects under JnNURM were supposed to be completed by the end of 2012-13. The funds were either invested in the shape of FDRs or were lying in savings bank accounts of the MC as detailed Annexure "C" to this para. Thus, MC Shimla failed to utilize the funds of Rs. 25,17,73,848/- (original funds + interest) which resulted in non-execution of projects under JnNURM and the intended objectives of the scheme could not be achieved.

In reply to Audit memo no 11 dated 18.01.2017, the M.C. Shimla while confirming the facts and figures stated that the funds under JNNURM Projects are being utilized. Some amount of the funds received under JNNURM could not be utilized due to non-completion of nodal formalities. Efforts are being made to utilize the funds. The reply is not acceptable to audit as most of the projects under JNNURM are yet to be started or in a pending condition.

Necessary steps to start/complete the projects may be initiated under intimation to audit.

Para: [7]
6 Unauthorized occupants in Working Women's Hostel and less realization of rent Rs. 0.56 Lakhs

Municipal Corporation Shimla is running the Working Women's Hostel at Engineghar, Sanjauli having capacity of 46 Women since December, 1990. The Ministry of Women and Child Development Govt. of India, Scheme of Working Women Hostel guidelines stipulates that Working Women will be entitled to hostel facilities provided their gross income does not exceed Rs. 30000/- per month in Metropolitan Cities, or Rs. 25000/- consolidated (gross) per month. If the income of any working woman already residing in a hostel exceeds the prescribed limit, she will be required to vacate the hostel within a period of two months of crossing the income ceiling. The implementing organization will charge from the inmates of working women's hostel reasonable rent not exceeding 15% of their total salary in the case of single bed rooms, 10% in the case of double bed room etc.

During scrutiny of records of M.C. Shimla it was noticed that 14 inmates of the hostel were residing in the hostel for a period ranging from more than 3/1/2 years to 20 years by showing fake gross salary. Further, less than 10% of the given salary amount was being received (Annexure "D") from 6 inmates of the hostel which resulted in less realization of hostel rent of Rs. 65160/- thus, extending undue favour to the occupants.

In reply to audit memo No.4 dated 11.01.2017 the M.C. Shimla while confirming the facts and figures stated that notice had already been served to all inmates for necessary action in the matter. The reply of the department is not acceptable as no record of action taken under the guidelines of the scheme of Working Women Hostel, Ministry of Women & Child Development, Govt. of India was found / produced to audit.

Necessary action under the guidelines of the scheme of Working Women Hostel, Ministry of Women & Child Development, Govt. of India may be taken under intimation to Audit.

Para: ~~X~~⁷ **Diversion of funds from the Rejuvenation of Sewerage Network Project to Solid Waste Management Project of Rs. 19.42 crore.**

The guidelines of JnNURM prohibit the diversion of funds from one project to another project. Moreover, General Financial Rules also prohibit diversion of funds from one head to another head without prior approval of the government.

During the test check of the records of MC Shimla, it was noticed that the funds received under the Project for Rejuvenation of Sewerage Network were invested in the shape of FDRs in IndusInd bank amounting to Rs. 19,42,02,948/- as on 15.12.2014. Scrutiny of records further revealed that the said amount was diverted to Solid Waste Management Project as detailed below.

Sr. No.	Voucher no. & Date	Amount	Bank Account No.	Name of The Bank	Remarks
1	BRU no. 3/24.12.2015	16183579	4380127752	HP State Cooperative Bank	Pg. No. 56 of Investment Ledger
2	BRU no. 3/24.12.2015	16183579	4380127752	HP State Cooperative Bank	Pg. No. 57 of Investment Ledger
3	BRU no. 3/24.12.2015	16183579	4380127752	HP State Cooperative Bank	Pg. No. 58 of Investment Ledger
4	BRU no. 3/24.12.2015	16183579	4380127752	HP State Cooperative Bank	Pg. No. 59 of Investment Ledger
5	BRU no. 3/24.12.2015	16183579	4380127752	HP State Cooperative Bank	Pg. No. 60 of Investment Ledger
6	BRU no. 3/24.12.2015	16183579	4380127752	HP State Cooperative Bank	Pg. No. 61 of Investment Ledger
7	BRU no. 3/24.12.2015	16183579	4380127752	HP State Cooperative Bank	Pg. No. 62 of Investment Ledger
8	BRU no. 3/24.12.2015	16183579	4380127752	HP State Cooperative Bank	Pg. No. 63 of Investment Ledger
9	BRU no. 3/24.12.2015	16183579	4380127752	HP State Cooperative Bank	Pg. No. 64 of Investment Ledger
10	BRU no. 3/24.12.2015	16183579	4380127752	HP State Cooperative Bank	Pg. No. 65 of Investment Ledger
11	BRU no. 3/24.12.2015	16183579	4380127752	HP State Cooperative Bank	Pg. No. 66 of Investment Ledger
12	BRU no. 3/24.12.2015	16183579	4380127752	HP State Cooperative Bank	Pg. No. 67 of Investment Ledger
	Total	194202948			

It is evident from the above table that the funds meant for Rejuvenation of Sewerage Network Project were transferred in the saving account of the Solid Waste management Project due to non-utilization of funds for the execution of rejuvenation of sewerage network by the MC Shimla. Thus, the action of the MC Shimla for diversion of funds of Rs. 19,42,02,948/- was irregular.

In reply to Audit memo no 12 dated 19.01.2017, the M.C. Shimla while confirming the facts and figures stated that the funds from the account of Sewerage Network were transferred to Solid Waste Management keeping in view the urgency of funds subject to

adjustment the account of the funds in Rejuvenation of Sewerage network. The reply is not acceptable as diversion of funds from one project to another project was irregular.

Necessary action for regularization of diversion of funds may be taken under intimation to audit.

Para# 8 Unsustainable cost of procurement of water from IPH Department Rs. 22247.64 lakh and outstanding amount of water bill Rs. 505.40 lakh

As per the provisions of HPMC Act, 1994 water supply for domestic, industrial and commercial purposes is an essential function of the MC. The MC Shimla receives water from the State Irrigation and Public Health Department (IPHD). The operation and maintenance of water supply schemes was also being done by IPHD. The MC was responsible for distribution of water for domestic and commercial use and raises the bills to consumers according to category of the consumers according to rates prescribed by the MC time to time.

During scrutiny of record of MC Shimla it was noticed that for the year 2015-16 outstanding liability to IPH department for the purchase of water and outstanding amount of water bills are as detailed below:-

Outstanding liability of water charges to IPH

Year	Opening Balance	Bill raised by IPH during the year 2015-16	Total payable	Payment done during the year	Balance
2015-16	1,90,42,23,799	32,05,40,058	2,22,47,63,857	Nil	2,22,47,63,857

Detail of revenue from the sale of water to consumers.

Year	Outstanding amount of water bills as on 01.04.2015	Water bills raised during 2015-16	Total amount of water bills	Bills realized during 2015-16	Outstanding amount of water bills as on 31.03.2016
2015-16	2,32,60,828	22,06,86,780	24,39,47,608	19,34,07,380	5,05,40,228

It is evident from the above tables that the cost of procurement of water bills from IPH department for the year 2015-16 was Rs. 32,05,40,058/- and the bills raised to the consumers for selling of water during the year 2015-16 was Rs. 22,06,86,780. Thus MC had accrued a liability of Rs. 9,98,53,278 which works out 31.15% $(32,05,40,058 - 22,06,86,780 = 9,98,53,278 / 32,05,40,058 * 100 = 31.15\%)$ higher on cost of procurement of water. The outstanding liability to be paid to IPH department at the end of March, 2016 was Rs. 2,22,47,63,857/- whereas outstanding water bill amount to be collected from the consumers as on 31.03.2016 was 5,05,40,228/-. As such MC has been bearing an unsustainable cost of procurement of water from IPH Department Rs. 2,22,47,63,857 and outstanding amount of water bill Rs. 5,05,40,228.

In reply to audit memo no. 29 dated 08.02.2017, the MC Shimla while confirming the facts and figures stated that the purchase of water from the IPH department as per their prescribed rates and

the sale of water made to the end consumers as per the rate passed in the House of Municipal Corporation Shimla being a local government. The GrantinAid is expected from the HP Govt. to pay the outstanding water bills of the IPH department and notices are being served to the defaulter consumers for recovery of outstanding water bills.

Necessary steps may be taken to reduce the liability of purchase of water and outstanding water bills from the consumers.

Para 9 Non adjustment of advances: Rs. 26.49crore

Municipal Corporation Shimla has been making contingent advances from time to time to various Departments to meet their immediate requirement for different purposes. These advances were required to be adjusted as soon as possible but it was noticed that an amount of Rs. 26,49,49,366/- was still outstanding as on 31.03.2016. Advances are lying unadjusted even since 1963 as detailed below:

(Amount in Rupees)

S. NO.	HEAD OF ACCOUNT	DETAIL. HEAD DESCRIPTION	PERIOD	OPENING BALANCE AS ON 31.3.15	ADVANCE PAID DURING THE YEAR 2015-16	Total	ADVANCE ADJUSTED DURING THE YEAR 2015-16	BALANCE
1	460-40-01	Public Works	1.4.07 to 31.3.16	11,29,241	1,78,00,000	1,89,29,241	1,78,00,000	11,29,241
2	460-40-02	Store/material	1.4.07 to 31.3.16	1,37,67,911	31,03,695	1,68,71,606	0	1,68,71,606
3	460-50-01	Permanent Advance	1.4.07 to 31.3.16	35,775	26,360	62,135	30,570	31,565
4	460-50-02	Project	1.4.07 to 31.3.16	91,26,477	0	91,26,477	0	91,26,477
5	460-50-03	Scheme	1.4.07 to 31.3.16	49,68,820	0	49,68,820	0	49,68,820
6	460-50-05	Temporary Advance	1.4.63 to 31.3.16	16,20,43,187	1,56,06,750	17,76,49,937	51,41,325	17,25,08,612
7	460-60-01	Street light	1.4.07 to 31.3.16	3,48,41,672	93,54,546	4,41,96,218	0	4,41,96,218
8	460-60-03	Water Supply	1.4.07 to 31.3.16	1,61,16,827	0	1,61,16,827	0	1,61,16,827
		TOTAL		24,20,29,916	4,58,91,351	28,79,21,261	2,29,71,895	26,49,49,366

In reply to audit memo 15 dated 21.01.2017, the MC Shimla while confirming the facts and figures stated that instructions have been issued to adjust the outstanding advances with the concerned department the outcome of which will be intimated to audit accordingly.

Efforts for adjustment of outstanding advances may be made under intimation to audit.

Para : - ¹⁰ ~~11~~ Outstanding recovery of installation/ renewable fee of mobile towers Rs 18.84 lakh.

The Govt. of H.P. Department of Information and Technology vide letter no DIT Dev-(IT) 2005 (Misc) 2317 dated 22.08.2006 framed the policy for setting up mobile communication towers. As per the policy prior permission of the local body/ SADA (as the case may be) will be obtained for raising any construction including tower installation and renewal fee was to be charged from the mobile companies at the following rates. Installation fee @ Rs 20,000/- per tower and Annual renewal @ Rs 10,000/- per annum per tower. Fee in following Special areas falling within Shimla Planning Area namely, Dhalli, New Shimla (Kasumpti) and Totu will also be levied at the same rates. Besides, an option for lump sum payment of renewal fee may also be given in block of 5 years (with 40 % discount for upfront payment of the entire amount including renewal fees for 5 years). There will be periodic increase in renewal fee by 25% after every 5 years.

During scrutiny of records of MC Shimla it was noticed that 162 towers of different mobile companies have been installed in the jurisdiction of MC Shimla; the renewal fees of mobile towers installed more than 5 years were also not worked out.

Records further revealed that during the year 2015-16 there was an outstanding amount of Rs.18,84,110 from the different companies for renewal of mobile tower fees as detailed below:

Total number of mobile towers sanctioned within the MC Area.	Opening balance of outstanding amount as on 01.04.2015	Current demand during the year 2015-16	Total amount	Collection during the year	Balance as on 31.03.2016
162	11,09,500	17,32,500	28,42,000	9,57,890	18,84,110

It was also not known to audit whether any additional antennas were shared with the same tower by the companies.

In reply to audit memo No.6 dated 13.01.2017 the M.C. Shimla while confirming the facts and figure stated that the recovery of outstanding installation/renewal fees at the end of financial year is a gradual process which would be recovered in due course of time. The reply of the department is not acceptable as the process for recovery of due fees should have been

processed well in advance so that outstanding amount does not remain outstanding at the end of the financial year.

Necessary process for affecting recovery of outstanding fee may be initiated under intimation to audit.

Para: 22 // Outstanding recovery of different taxes Rs. 271.89 lakh

As per rule 84 of Himachal Pradesh Municipal Corporation Act 1994, the Corporation shall, for the purpose of this Act, levy the following taxes:

- (a) Taxes on buildings and lands
- (b) Such other taxes, at such rates as the State Government may, by notification, in each case direct.

During test check of records and information furnished by the M.C. Shimla it was noticed that during the year 2015-16, recovery on account of different taxes were outstanding to the tune of Rs 27189102/- as detailed below:-

(In Rupees)

Sr no.	Name of the tax	Outstanding amount as on 1-04-2015	Demand raised during 2015-16	Total demand outstanding during 2015-16	Tax realized during 2015-16	Outstanding tax as on 31.03.2016
1	Property tax	4,57,87,724	23,52,01,924	28,09,89,648	26,09,06,979	2,00,82,669
2	Fee/Tax on electricity Cess	0	2,25,89,252	2,25,89,252	2,25,89,252	0
3	Tax on liquor	53,86,904	64,83,803	11,8,70,707	53,86,904	64,83,803
4	Show Fee	5,38,630	2,88,000	8,26,630	2,04,000	6,22,630
5	Professional tax	0	0	0	0	0
	Total	5,17,13,258	26,45,62,979	31,62,76,237	28,90,87,133	2,71,89,102

It is evident from the above table that recovery of an amount of Rs 2,71,89,102/- was pending.

In reply to Audit memo no 8 dated 17.01.2017, the Assistant Secretary (Tax) furnished the above information and during discussion it was stated that due to shortage of staff, lack of stringent law to recover dues, the tax dues outstanding could not be recovered.

Needful may now be done for early recovery of the tax dues under intimation to the Audit.

Para: ~~12~~ 12 Outstanding recovery of tehbazari Rs 1.51 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 31.03.08, the House fixed the rate of tehbazari @ Rs 300 per month.

During test check of records it was noticed that during the year 2015-16, tehbazari rent amounting to Rs 1.51 lakh was outstanding for recovery as on March 2016 as detailed below:

(Amount In Rupees)

Total number of tehbazar registered with MC.	Rent outstanding for realisation as on 01.04.15	Rent due for realisation during the year 2015-16	Total Rent due for realisation during the year 2015-16.	Rent realised during the year 2015-16.	Rent outstanding for realisation as on 31.03.16
148	1,19,000	5,36,000	6,55,000	5,04,000	1,51,000

Further, scrutiny of records revealed that no specific efforts were made by the MC to recover the outstanding amount of tehbazari and matter was also not raised in the house of MC.

In reply to Audit memo no 13 dated 19.01.2017, the M.C. Shimla while confirming the facts and figures stated that notices have been served to recover the Tehbazari rent from the Tehbazaris. The reply is not acceptable to audit as no prior notices to deposit the tehbazari rent were found on record.

Effort for making the recovery of tehbazari rent by establishing an effective system may be made under intimation to audit.

Para : ~~14~~ 13 Outstanding recovery of lease money Rs. 53.64 Lakh.

MC Shimla has been leasing out shops/stalls constructed by it and lands to private individuals on rent basis.

During test check of records it was noticed that 153 shops/stalls were rented out on lease basis by the M.C. Shimla to private individuals and an amount of Rs. 53.64 Lakh was lying outstanding as of March, 2016. The position of recovery was as under:-

(Amount in Rupees)

Year	Total number of shops/ Stall/registered with MC.	Opening balance as on 01-04-15	Rent due for realisation during the year 2015-16	Total Rent due for realisation during the year 2015-16	Rent Collection during the year 2015-16	outstanding Amount as on 31.03.16
2015-16	153	32,89,000	67,88,091	1,00,77,091	47,13,399	53,63,692

Further, scrutiny of records revealed that no specific efforts were made by the MC to recover the outstanding lease money and matter was also not raised in the house of MC.

In reply to Audit memo no 10 dated 18.01.2017, the M.C. Shimla while confirming the facts and figures stated that efforts are being made to recover the outstanding arrears of lease money despite the fact that shortage of staff is the main reason for the shortcoming in the recovery process. The reply is not acceptable to the audit as no prior notices to recover the lease money from lessees were found on record.

Necessary action for effecting recovery of lease money may be taken under intimation to the Audit.

Para:-15 **Blocking of funds due to non-execution of MLALADS works Rs 52.78 lakh.**

14

Member Legislative Assembly Local Area Development Scheme (MLALADS) is a state sponsored scheme launched in 1999-2000. The main objective of this scheme is to enable MLAs to recommend works of development nature with emphasis on the durable community assets based on the locally felt needs to be taken up in their constituencies. Initially each MLA was granted Rs. 15 lakh under MLALADS which was later increased to Rs one crore. The funds allotted under the scheme should be utilized within one year from the date of sanction.

During test check of records of MC Shimla, it was noticed that the funds sanctioned under MLALADS could not be utilized within one year from their sanction, and consequently balance amount of Rs52,28,368 against 27 incomplete works remained blocked during the period 2012-13 to 2015-16 as detailed in Annexure ' F ' to this Para. Thus non-completion of these works had resulted not only in blocking of Govt. funds but the people of area had also been deprived of the intended benefits of these works.

In reply to audit memo no. 20 dated 30.01.2017, the MC Shimla while confirming the facts and figures stated that efforts are being made to utilize the funds against these works. The reply is not acceptable to audit as no record of efforts for utilization of the funds under MLALADS works was found / produced to audit.

Necessary action for utilization of funds may be taken under intimation to audit.

Para: -16 **Blocking of funds under MPLADS due to non-start of works Rs. 89.75**

15

lakh & non completion of works Rs. 32.75 lakh

Member of Parliament Local Area Development Scheme (MPLADS) is a centrally sponsored scheme launched in the country during 1993. The main objective of this scheme is to enable MPs to recommend works of development nature with emphasis on the durable community assets based on the locally felt needs to be taken up in their constituencies as well as in the whole country. Under this scheme funds are being released to the district authorities by the Govt of India for the execution of works recommended by the respective MPs

through various executing agencies as per the establishment procedure of works. Rule 4.10.1 of the guidelines further provides that MPLADS works should be completed within 18 months and in no case any extension will be given and the concerned authorities should be held responsible in case of any lapse in this regard.

During test check of records of MC Shimla it was noticed that funds amounting to Rs. 89,75,000/- sanctioned during the period 2005-06 to 2015-16 under MPLADS could not be utilized due to non-start of 26 works and due to non-completion of 22 works against which Rs. 32,75,393/- were lying unspent as detailed in Annexures 'G&H' to this para. Thus, non-start / non completion of these works had resulted not only in blocking of govt. funds but the people of area had also been deprived of the intended benefit of these works.

In reply to audit memo no. 21 dated 30.01.2017, the MC Shimla while confirming the facts and figures stated that for some of the works the execution of which are in progress and some are pending due to not fulfilling the codal formalities. Periodic meetings for undertaking these works were being held with the staff to complete the work/other formalities. The reply is not acceptable to audit as no record of efforts made for utilization of the funds under MPLAD works was found / produced to audit.

Necessary action for utilization of funds may be taken under intimation to audit.

Para 16 Non start of works earmarked under SDRF/DCP Rs. 75.44 lakh

All State Government Departments, Boards, Corporations, PRIs and ULBS will prepare their DM plans including the financial projections to support these plans. The necessary financial allocations will be made as part of their annual budgetary allocations, and ongoing programmes. They will also identify mitigation projects and project them for funding in consultation with the State Disaster Management Agency/District Disaster Management Agency (SDMA/DDMA) to the appropriate funding agency. The District Revenue Officer & District Planning Officer time to time releases the funds under State Disaster Response Fund (SDRF) and other schemes like DCP etc. to the MC Shimla.

During scrutiny of records of MC Shimla, it was noticed that funds amounting to Rs. 75,44,400/- were released to MC Shimla but could not be utilized as of January 2017 as detailed in the Annexure "I" to this para. Thus non start of the works earmarked under the schemes had resulted not only in blocking of Govt. funds but the people of area had also been deprived of the intended benefits of these works.

In reply to audit memo no. 22 dated 31.01.2017, the MC Shimla while confirming the facts and figures stated that for some of the works the execution is in progress and some are pending due to not fulfilling the codal formalities. The periodical meetings for undertaking these works were being held with the staff and to complete the work/other formalities. The reply is not acceptable to audit as no record of efforts made for utilization of the funds under SDRF/DCP works was found / produced to audit.

Effective steps may be taken to start these works and further progress made in this regard be intimated to audit.

Para-18 (7) Blocking of funds under 13th Finance Commission Rs. 258.46 lakh

The 13th Finance Commission allocates proceeds to the states by way of Grant in Aid to augment the consolidated fund of State to supplement the resources of the Panchayats and Municipalities on the basis of recommendations made by state finance commission. The Director of Urban Development time to time allots the funds under 13th Finance Commission to the Municipal Corporation in the form of Grant in Aid the UCs of which was required to be submitted to the Govt. of India.

During the scrutiny of records of MC Shimla it was noticed that the funds received under 13th Finance Commission amounting to Rs. 2,58,46,091/- as detailed below could not be utilized as of Jan 2017.

Sr. No.	Particulars	Amount (Rs.)		
		Received	Expenditure incurred	Balance
1	Release of 1st installment of General Performance Grant for the year 2013-14 under 13th Finance Commission	92,94,600	81,40,485	11,54,115
2	Release of 1st installment of General Basic Grant for the year 2014-15 under 13th Finance Commission	1,36,09,500	0	1,36,09,500
3	Interest on delayed release of 2nd installment of basic grant under 13th FC for 2013-14	56,476	0	56,476
4	Performance Grant under 13th FC for FY 2013-14 released during 2014-15	1,10,26,000	0	1,10,26,000
	TOTAL:	3,39,86,576	81,40,485	2,58,46,091

Thus non utilization of funds under 13th Finance Commission had resulted not only in blocking of Govt. funds but the intended objectives could not be achieved.

In reply to audit memo no. 23 dated 31.01.2017, the MC Shimla while confirming the facts and figures stated that for some of the works the execution is in progress and some are pending due to non fulfilling the codal formalities. Periodical meetings for undertaking these works were being held with the staff to complete the work/other formalities. The reply is not acceptable to audit as no record of efforts made for utilization of the funds under 13th Finance Commission works was found/ produced to audit.

Necessary action for utilization of funds may be taken under intimation to audit.

Para:- 18 Outstanding recovery of shop rent Rs 415.64 Lakh.

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

During test check of records it was noticed that during the year 2015-16, an amount of Rs 4,15,64,457/- was outstanding on account of recovery of shop rent as on March 2016 as detailed below:

(Amount in Rupees)

Total number of shops registered with MC.	Opening balance	Rent due for realisation during the year 2015-16	Total Rent due for realisation during the year 2015-16	Rent realised during the year 2015-16	Rent outstanding for realisation as on 31.03.16
987	4,05,76,000	2,20,10,923	6,25,86,923	2,10,22,466	4,15,64,457

Further, scrutiny of records revealed that no specific efforts were made by the MC to recover the outstanding shop rent and matter was also not raised in the house of MC.

In reply to audit memo No.2 dated 11.01.2017 the M.C. Shimla while confirming the facts and figures stated that efforts are being made to recover the outstanding arrears despite the fact of shortage of staff due to which there were shortcomings in the recovery process. However notices have been issued to all the defaulters for effecting recovery. The reply of the department is not acceptable as no such record of efforts made by the MC were found / produced to audit.

Action may be taken to recover the outstanding shop rent from defaulters under intimation to Audit.

Para: 20¹⁹ Irregular reimbursement of medical claims Rs:- 1.19 Lakh.

Under Rule 4 of medical attendance Rules, 1944 employees who claim 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. 1,18,654/- on account of M.R. claims for their dependent parents without obtaining the dependency certificates from the concerned employees during the year 2015-16 which was irregular. The detail of claims is given below:-

Sr. No	Name of employees Smt./Sh.	Bill No & Date	Relation	Amount
1	Madhav Singh, c-iv	429 Dt. 9-6-2015	Father	3226
2	Manohar Lal, c-iv	429 Dt. 9-6-2015	Father	2204
3	GopalDass, c-iv	429 Dt. 9-6-2015	Mother	13100
4	Balkrishan, c-iv	429 Dt. 9-6-2015	Mother	2399
5	Sita Ram, c-iv	429 Dt. 9-6-2015	Father	1658
6	Sita Ram, c-iv	429 Dt. 9-6-2015	Mother	97
7	Chinta Mani, c-iv	435 Dt. 9-6-2015	Father	1976
8	Harpal, c-iv	953 Dt 25-8-2015	Mother	4683
9	Roshanlal, c-iv	953 Dt 25-8-2015	Father	1836
10	Roshanlal, c-iv	1800-03 Dt 1/2016	Mother	2065
11	Roshanlal, c-iv	1800-03 Dt 1/2016	Father	412
12	Laxmi Singh, c-iv	953 Dt 25-8-2015	Mother	1725
13	Daulat Ram, Fitter	953 Dt 25-8-2015	Father	3590
14	Daulat Ram, Fitter	1803-03 Dt 1/2016	Father	7181
15	Mohan Lal, c-iv	953 Dt 25-8-2015	Mother	2821
16	Salig Ram, c-iv	953 Dt 25-8-2015	Father	5386
17	Kashav Ram Kashyap	954 Dt 25-8-2015	Mother	502
18	Laxmi Chand, c-iv	954 Dt 25-8-2015	Mother	796
19	Ganesh, c-iv	954 Dt 25-8-2015	Father	6705
20	Ganesh, c-iv	1806 Dt 13-1-2016	Father	930
21	Ganesh, c-iv	1806 Dt 13-1-2016	Father	1902
22	Ganesh, c-iv	1806 Dt 13-1-2016	Father	1662
23	Sanjay Kumar, c-iv	955-74 Dt 8/2015	Mother	4718

24	Sanjay Kumar, c-iv	955-74 Dt 8/2015	Mother	480
25	Sanjay Kumar, c-iv	955-74 Dt 8/2015	Mother	316
26	Ram Singh, c-iv	955-74 Dt 8/2015	Father	2589
27	Ram Singh, c-iv	955-74 Dt 8/2015	Father	1483
28	Laiq Ram, Inspector	955-74 Dt 8/2015	Father	10832
29	Dr Arun Sarkeck	955-74 Dt 8/2015	Mother	4730
30	Dr Arun Sarkeck	955-74 Dt 8/2015	Mother	460
31	Dr Arun Sarkeck	955-74 Dt 8/2015	Mother	2680
32	Dr Arun Sarkeck	1594-96 Dt 12/2015	Mother	4071
33	Dr Arun Sarkeck	1805 Dt 13-1-2016	Mother	1750
34	Dr Arun Sarkeck	1805 Dt 13-1-2016	Mother	5486
35	Bharat Bhushan	955-74 Dt 8/2015	Mother	8605
36	Bachiter Singh, JE	1037-69 Dt 9/2015	Father	398
37	Hem Raj	1037-69 Dt 9/2015	Father	596
38	Laxmi Chand	1037-69 Dt 9/2015	Mother	1261
39	Sunita Devi	1594-96 Dt 12/2015	Mother-in-Law	1343
			Total	118654

In reply to audit memo 16 dated 23.01.2017, the MC Shimla while confirming the facts and figures stated that dependency certificates will be obtained from the concerned officers/officials. Needful may be done under intimation to audit.

Para-21²⁰ **Non preparation of Monthly Abstracts of Log Books and not authentication of mileage covered by the vehicle.**

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 besides no authenticity of mileage covered by the vehicle was found recorded in the log books by the concerned controlling officers during the period 2015-16. The vehicle wise detail is as under:-

Sr. No	Vehicle No.	Description of vehicle	Log books not signed by the responsible officer.
1	HP07B-0730	Dumper	2015-16
2	HP03D-1571	Compector	2015-16
3	HP03D-1572	Compector	2015-16
4	HP07B-0732	Dumper	2015-16
5	HP07B-0734	Dumper	2015-16
6	HP07B-0735	Dumper	2015-16

24	Sanjay Kumar, c-iv	955-74 Dt 8/2015	Mother	480
25	Sanjay Kumar, c-iv	955-74 Dt 8/2015	Mother	316
26	Ram Singh, c-iv	955-74 Dt 8/2015	Father	2589
27	Ram Singh, c-iv	955-74 Dt 8/2015	Father	1483
28	Laiq Ram, Inspector	955-74 Dt 8/2015	Father	10832
29	Dr Arun Sarkeck	955-74 Dt 8/2015	Mother	4730
30	Dr Arun Sarkeck	955-74 Dt 8/2015	Mother	460
31	Dr Arun Sarkeck	955-74 Dt 8/2015	Mother	2680
32	Dr Arun Sarkeck	1594-96 Dt 12/2015	Mother	4071
33	Dr Arun Sarkeck	1805 Dt 13-1-2016	Mother	1750
34	Dr Arun Sarkeck	1805 Dt 13-1-2016	Mother	5486
35	Eharat Ehusan	955-74 Dt 8/2015	Mother	8665
36	Bachiter Singh, JE	1037-69 Dt 9/2015	Father	398
37	Hem Raj	1037-69 Dt 9/2015	Father	596
38	Laxmi Chand	1037-69 Dt 9/2015	Mother	1261
39	Sunita Devi	1594-96 Dt 12/2015	Mother-in-Law	1343
			Total	118654

In reply to audit memo 16 dated 23.01.2017, the MC Shimla while confirming the facts and figures stated that dependency certificates will be obtained from the concerned officers/officials. Needful may be done under intimation to audit.

Para:-20 Non preparation of annual accounts

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 them to the Director.

During test check of the records of MC Shimla, it was noticed that the annual accounts for the years 2014-15 & 2015-16 were not prepared whereas these accounts were required to be prepared and approved by the elected house of the municipality.

In reply to audit memo no. 14 dated 20.01.2017 the MC Shimla while confirming the facts stated that the annual accounts/ balance sheet for the year 2014-15 & 2015-16 are under finalization.

PART-III TEST AUDIT NOTE

Para-1 Non preparation of Monthly Abstracts of Log Books and not authentication of mileage covered by the vehicle.

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 besides no authenticity of mileage covered by the vehicle was found recorded in the log books by the concerned controlling officers during the period 2015-16. The vehicle wise detail is as under:-

Sr. No	Vehicle No.	Description of vehicle	Log books not signed by the responsible officer.
1	HP07B-0730	Dumper	2015-16
2	HP03D-1571	Compector	2015-16
3	HP03D-1572	Compector	2015-16
4	HP07B-0732	Dumper	2015-16
5	HP07B-0734	Dumper	2015-16
6	HP07B-0735	Dumper	2015-16
7	HP07A-2365	TC Tipper	2015-16
8	HP07A-0646	Mazda Tipper	2015-16
9	HP07B-0746	Mahindra Pick Up	2015-16
10	HP07B-0747	Mahindra Pick Up	2015-16
11	HP07B-0748	Mahindra Pick Up	2015-16
12	HP07B-0749	Mahindra Pick Up	2015-16
13	HP07B-0750	Mahindra Pick Up	2015-16
14	HP07B-0751	Mahindra Pick Up	2015-16
15	HP07B-0752	Mahindra Pick Up	2015-16
16	HP07B-0753	Mahindra Pick Up	2015-16
17	HP07B-0755	Mahindra Pick Up	2015-16
18	HP07B-0756	Mahindra Pick Up	2015-16
19	HP07B-0757	Mahindra Pick Up	2015-16
20	HP07B-0758	Mahindra Pick Up	2015-16
21	HP07B-0759	Mahindra Pick Up	2015-16

In the absence of which authenticity/ genuineness of plying of vehicle and average achieved with reference to mileage covered and consumption of diesel could not be ascertained in audit.

In reply to audit memo no. 19 dated 28.01.2017, the MC Shimla while confirming the facts stated that all the concerned drivers have been directed to make the monthly abstract for consumption of fuel with reference to coverage mileage duly authenticated by the Controlling Officer.

The reply is not acceptable to audit as the directions of the proper officers should have been made time to time to know the authenticity and genuineness of plying of vehicles. Needful may be done under intimation to audit.

The reply is not acceptable as in the absence of annual accounts the true financial position of the organization could not be ascertained.

Early efforts may be made to finalize the annual accounts for the year 2014-15 and 2015-16 under intimation to audit.

Para:- 21 Non-maintenance of important statistics

Section 42 A (XVI) of Himachal Pradesh Municipal Corporation Act 1994 stipulates that the Govt. of Himachal Pradesh may entrust the function of vital statistics including registration of births and deaths. As per the provision envisaged in the MC Act maintaining the record of the households, family members, births and deaths registration and marriage registration and detail of outside migrants becomes a basic function of the Municipal Corporation being an ULB.

During the scrutiny of records of MC Shimla, it was noticed that the record of households, family members, births and deaths registration, marriage registration and flow of population coming from outside was not maintained.

In reply to audit memo no. 30 dated 09.02.2017, the MC Shimla while confirming the facts stated that the audit observation pertains to a policy matter of the MC which requires to be placed before the General House of MC Shimla for implementation of section 42 of HPMC Act 1994.

Action may be taken by the MC in this regard under intimation to audit.

The reply is not acceptable as in the absence of annual accounts the true financial position of the organization could not be ascertained.

Early efforts may be made to finalize the annual accounts for the year 2014-15 and 2015-16 under intimation to audit.

Para:- 21 Non-maintenance of important statistics

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During the scrutiny of records of MC Shimla, it was noticed that the record of households, family members, births and deaths registration, marriage registration and flow of population coming from outside was not maintained.

In reply to audit memo no. 30 dated 09.02.2017, the MC Shimla while confirming the facts stated that the audit observation pertains to a policy matter of the MC which requires to be placed before the General House of MC Shimla for implementation of section 42 of HPMC Act 1994.

Action may be taken by the MC in this regard under intimation to audit.

Seen, discussed and facts verified.

Sd/-
Commissioner
Municipal Corporation, Shimla

Sd/-
Sr. Audit Officer
Camp at MC Shimla

Attested by

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Asstt. Audit Officer