

**ANNUAL AUDIT REPORT
ON THE ACCOUNTS OF
MUNICIPAL CORPORATION
YAMUNA NAGAR - JAGADHRI**

FOR THE YEAR 2012-2013

**Issued by :
Office of the Director
Local Audit,
Haryana Chandigarh**

**Through
RESIDENT AUDIT OFFICER,
MUNICIPAL CORPORATION
YAMUNA NAGAR- JAGADHRI**

From

The Director
Local Audit, Haryana,
Chandigarh.



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To

✓ The Commissioner,
Municipal Corporation,
Yamuna Nagar.

Memo No. V (193) LAD/2014/14182

Dated: 13-3-2014

6/11/14
24-4-14

Sub:

Annual Audit Report on the Accounts of Municipal Corporation,
Yamuna Nagar for the 2012-13.

Enclosed please find the Annual Audit Report on the account of
Municipal Corporation, Yamuna Nagar for the year 2012-13 for consideration and to
be laid before the Corporation for such action as may be deemed necessary as per
provisions of Section 169(2) of Haryana Municipal Corporation Act, 1994. An
annotated copy showing action taken on the report may also be sent to this office
through the Resident Audit Officer within the stipulated period of three months as
required under rule XVII-17 of Municipal Account Code, 1930.

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23/4/2014

Joint Director,
Local Audit Deptt. Haryana,
Chandigarh.

Endst. No. V(193) LAD/2014/

Dated:

Copy along with a copy of the report is forwarded to the following for
information.

1. The Additional chief Secretary to Govt. Haryana, Finance Deptt. (Budget
Branch), Chandigarh.
2. The Principal Secretary to Govt. Haryana Urban Local
Bodies Department, Chandigarh.
3. The Principal Accountant General (Audit), Haryana, Chandigarh.
4. Director, Urban Local Bodies, Haryana, Chandigarh.
5. Commissioner Ambala Division.
6. Resident Audit Officer, Municipal Corporation, Yamuna Nagar.

Joint Director,
Local Audit Deptt. Haryana,
Chandigarh.

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ANNUAL AUDIT REPORT ON THE ACCOUNT OF MUNICIPAL CORPORATION, YAMUNA NAGAR FOR THE PERIOD 04/2012 TO 03/2013

PART - 1

1. LAST AUDIT NOTE:-

Action taken on the last Audit Report was not satisfactory. Even its annotated replies were not prepared and sent to this office which was irregular. The Indifferent attitude of municipal authorities regarding disposal of audit objections despite strict instructions issued by the Govt. from time to time for disposal of outstanding audit objections is highly objectionable. The report still contained Audit Para's, besides Audit requisitions and audit Objections of various natures like embezzlement/ Misappropriation of Funds, shortage of Stock/Stores, Non/Short recoveries, loss of revenue, excess/irregular/avoidable expenditure including irregularities in establishment cases, irregularities in works accounts, Non/defective maintenance of record and many other acts of omissions and Commissions. Non-placement of report before the Corporation and non-compliance of audit objections even the serious ones, is a lapse on the part of the Officers of the Corporation. The indifferent attitude towards this important task is defeating the very objective of day to day audit and is resulting in accumulation of audit objections year after year, besides encouraging the defaulting officials to go on committing irregularities without any action against them. The seriousness of matter is again brought to the notice of the Govt. in the Urban Local Bodies Department for immediate action for early settlement of outstanding audit objections. The submission of annotated reply showing the action taken on the Audit Report to the Director, Local Audit, Haryana, within three months of its receipt may also be ensured.

However, the position of the outstanding objections as on 31-03-2012 in brief was as depicted in Appendix-'A' to this report.

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PART - II

2. PERSONNEL:

Accounts of Municipal Corporation, Yamuna Nagar during the year under report continued to be audited on day-to-day basis under pre audit system which remained headed by the following Resident Audit officers:-

Sr. No.	Name of the Resident Audit Officer	Period
1.	Sh. Anoop Malik	01.04.2012 to 6.07.2012
2.	Sh. Rajan Mittal	11.07.2012 to 23.10.2012
3.	Sh. Anoop Malik	30.10.2012 to 31.3.2013

The charge of the Office of Commissioner Municipal Corporation, Yamuna Nagar was held by Sh. Ashok Sangwan (IAS) from 01.04.2012 to 17.2.2013 and by Sh. Makrand Pandurang from 18.2.2013 to 31.3.2013. Whereas Sh.K.K.Jain held the charge of Executive Officer of Municipal Corporation, Yamuna Nagar .

2-A RECORD NOT PUT UP:

The record as detailed in Appendix "B" to this report was again neither traced out nor put up to audit. The non production of record to audit is a serious matter and is brought to the notice of Commissioner Municipal Corporation, Yamuna Nagar/ Director, Urban Development Haryana, Chandigarh for taking suitable steps for getting the relevant record produced in audit, in the absence of which, chances of embezzlement, fraud, temporary misappropriation, tampering with the record could not be ruled out.

3. FINANCIAL POSITION:

1. The Financial Position of the Corporation fund is exhibited below in a comparative form:-

	2011-2012(₹)	2012-2013(₹)
Opening Balance	6,04,79,210.00	10,80,77,395.00
Income	27,31,33,647.00	30,30,44,908.00
Total	33,36,12,857.00	41,11,22,303.00
Expenditure	22,55,35,462.00	33,60,17,007.00
Closing Balance	10,80,77,395.00	7,51,05,296.00

The increase in income and expenditure during the year 2012-2013 as compared to the year 2011-2012 was due to more collection of Taxes/ Development Charges and more execution of Development works respectively.

1. Beside the above closing balance of ₹7,51,05,296/- grants worth ₹42,76,09,606/- were received (as detailed in appendix -C to this report) and spent for development works.
2. The Corporation has to discharge the liabilities of ₹75695067/- as detailed below which warrants tapping of new resources of income on priority basis to augment revenue of the Municipal Corporation.

Sr. No.	Particulars	Amount (₹)
1.	Cess Amount to be paid to pollution Dept. Haryana	68020.00
2.	One % share of D.U.D.	18065641.00
3.	Repayment of Govt. Loan in addition to Interest	24205469.00
4.	Repayment Of L.I.C. Loans In Addition to Interest	
5.	Govt. Loan Jagadhri Zone	16473303.00
6.	Audit fee arrear ending 3/13	5254023.00
8.	Balance pension contribution share out of ₹8,27,949/- transferred from P.F. Account which was to be sent to DUD Hr. Chd., still pending.	350000.00
9.	Pension Contribution	11278611.00
	Total	7,56,95,067.00

The above position also alarms to pay the liability of even the first essential charge and to give preference to other payments in spite of clear Govt., instructions issued by the Director, Urban Development Dept. vide memo No. B/A/2004/4411-78, dated 03.02.2004 that priority charges should be paid first. The sanction of the Deputy Commissioner as required in ibid letter was not taken. The matter is being reported to the notice of Director, Urban Development Dept. Haryana for taking the necessary action against the D.D.O. for violation of the Govt. Instructions.

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The expenditure on establishment during the year 2012-13 was incurred to the tune of ₹24,52,78851/- against the actual income of ₹303044908/- earned by the Municipal Corporation during the year. The bifurcation of the same is as under:-

Sr. No.	Name of Branch	Expenditure	Percentage
1.	General Administration	15512544	5.11%
2.	House Tax, License & Light Branch, Teh. Bazaari	4641803	1.53%
3.	Engineering Branch	22391039	7.38%

4. Fire Section	14511953	4.78%
✓ 5. Sanitation Branch	132693810	43.78%
6. Pension of Rtd Employee	55527702	18.32%
Total	245278851	80.90%

The above detail clearly indicates that the expenditure on establishment is on the higher side and major part of the income of the corporation is being consumed on the establishment. The expenditure on sanitation establishment is very high and requires steps to be taken to downsize the establishment in a phased manner. The superfluous posts, such as maskies, spray belders, Road Gangmen and to some extend Safai Mazdoors may be weeded out and these officials may be adjusted against other vacant posts.

4. AUDIT FEE:

The Actual audit fees for the year 2012-13 worked out to ₹ 20,81,544/- and for the year 2010-2011 & 2011-2012 arrear of audit fee worked out to ₹ 33,68,621/- out of which only ₹ 325617/- were deposited out of funds of Improvement Trust Yamunanagar and Jagadhari as per detail given below :-

Year	Actual Audit Fee	Amt. Deposited/Adjusted	Balance (₹)	Remarks if any
2011-	2244224	(I.T.Jagadhari) 62287	--	Ch.No. nil dt. 21-11-2012
2012		(I.T.Yamuna Nagar) 263330/-	--	Ch. No.10 dt. 22-03-2013
Total		325617	--	

Actual and arrear of Audit fees of Rs. 5124548.00 (2081544+3043004) may be credited to the Govt. revenue under head " 0070- other administrative services - 60 - other - services - B. No. Tax revenue - 110 - fee for Govt. Audit " and treasury challan may be shown to Resident Audit Officer.

5. GRANTS:

(i) Yamuna Nagar Zone

- a) The position of grants received and utilized during the period under report are shown in appendix 'C' to this report. The unspent balances of grants shown at Sr. No. 1 to 3 and 5 to 27, and 29 to 34 may either be utilized within the stipulated period or refunded to Govt. without further delay. The grants shown at Sr. No. 7, 35 & 36, was transfer to PWD (B&R) and Railway, Ambala but

the utilization certificate of which may be obtained duly verified by the AG Haryana and put up to Resident Audit Officer.

- b) The position of grants received / utilized prior to the period of this report i.e. up to 31.03.2012 along with unspent balances as on 31.03.2013 is exhibited in appendix 'D' to this report and summarized as under:-

i. The unspent balance of grants shown at Sr. No. 124, 125, 127 to 135 & 138 may either be utilized or refunded to Govt. without any delay.

ii. The grants at Sr. No. 1 to 7, 9 to 17, 19 to 36, 41 to 48, 52 to 58, 61 to 77, 81 to 95, 97, 98 & 123 were transferred to PWD (PH) Dept. Yamuna Nagar by book transfer but utilization certificates from Public Health Dept. duly verified by Accountant General Haryana were still awaited. The same may be obtained at the earliest and shown to audit.

iii. The detailed estimate of work for which the expenditure of grant shown at Sr. No. 17 recorded was again not made available. Hence the expenditure was not admitted in audit. The requisite details may be put up to audit immediately.

iv. The grant at Sr. No. 38, 79, 101, 107, has been fully utilized but utilization certificate has still not submitted which should be furnished now

v. The grants at sr. No. 8, 18, 37, 39, 40, 49, 50, 51, 59, 60, 78, 80, 96, 99, 100, 102 to 106 & 108, 109, 112, 114, 115 to 121 are more than 3 years old but remained unspent. The same may be refunded to the concerned Institution / Govt. at the earliest and compliance shown to audit.

- c) The position of grants received under revenue earning scheme, their utilization and revenue earned grant wise is shown in Appendix - 'E' to this report. Strenuous efforts should be made to increase the revenue by revising of rent after stipulated period being charged from the occupants.

(ii) Jagadhri Zone

- (a) The position of grants received/utilized prior to the period of this report i.e. up to 31-03-2012 along with unspent balances as on 31-03-2013 is exhibited in Appendix D (ii) to this report and summarized as under :-

- (i) The grants at Sr. No. 1, 2, 4 to 16, 18 to 22, 31 to 35, 37, 38, 41, 42, 44, 45, 49 to 53, 55, 56, 61 to 66, 72, 80 (i) to (iii) were deposited with P.W.D. Public Health Department for the execution of various

development works but expenditure statements/utilization certificates duly verified by the Accountant General, Haryana were still not obtained. The same may be obtained now to effect final adjustment of deposits in the books of the corporation.

- (ii) The Unspent balances of grants at Sr. No. 100, 105 & 106 may either be refunded to Govt. or utilized with the prior sanction of Govt. The grants at Sr. No. 17, 39, 40, 47, 57, 58 were utilized without pre-audit and record was not put up. The grants at Sr. No. 23, 24, 30 and 36 were spent after the lapse of stipulated period. ^{89 years} Sanction of Govt. may be obtained to regularize the matter or amount refunded to Govt. immediately.
- (iii) Grant at Serial No. 27 spent but not admitted in audit.
- (iv) Grants at Serial No. 36 & 70 (ii) were spent but their UC's have not been sent. Needful be done at the earliest.
- (v) Grant at Serial No. 102, 103, 104 was spent for the purpose it was sanctioned.
- (vi) The grants shown at Sr. No. 3, 23, 25, 26, 28 to 30, 43, 46, 48, 54 to 56, 59 to 83, 85 to 91 and 93 to 99 are more than 3 years old but remained unspent. The same may be refunded to the concerned Institution / Govt. at the earliest and compliance shown to audit.

6. LOANS:-

(i) Yamuna Nagar Zone.

The position of loans received by the corporation up to 31.03.2013 and their repayment is depicted in Appendix "F" to this report, ^{P-86} whereas no loan has been received during period under report. Installments of loan shown at Sr. No. 1 were paid up to 9/92. But no efforts were made to repay the balance amount of loan and interest thereon. Concrete efforts should be made for timely payment of repayment of loan/interest. Loan shown at Sr. No. 2 to 51 and 53 to 62 cannot be treated as utilized as the same were deposited with PWD (P.H.) Yamuna Nagar but statements of expenditure incurred against these loans duly verified by the Accountant General Haryana were still awaited which may be called for and shown to audit. Upto date balances of loans along with interest were not worked out by the Municipal authorities which is a serious lapse. Municipal authorities should make strenuous efforts to work out the balances of loan along with interest and liquidate the heavy amounts of loans lest the

Municipal corporation may not have to pay penal interest on delayed repayments of installments of loans.

(ii) **Jagadhri Zone.**

- (a) The loans received up to the last audit note i.e. 30.03.2013 along with repayment position thereof as on 31.03.2013 is exhibited in Appendix "F-II" to this report. *P-95*
- (i) The loans at Sr. No. 1 to 40 were paid by book transfer to P.W.D. Public Health Department for the execution of various development works but the statement of expenditure/utilization certificates duly verified by the Accountant General, Haryana were still not received which may be got expedited.
- (ii) The Deputy Excise and Taxation Commissioner, Jagadhri vide Memo No. 922/ Exn. dated 13.03.1992 had deducted Rs.4,80,126/- towards the repayment of loan out of amount becoming due to the corporation on account of control on liquor for the period 01.04.1991 to 31.12.1991 but was not adjusted as yet by the Accountant General, Haryana in its accounts. The matter stated to the under correspondence with the Director, Urban Development Department, Haryana and Life Insurance Corporation of India. This is again brought to the special notice of the Govt. for ensuring final adjustment of this heavy amount of Rs. 480126/- to reduce the chances of mistranslation.
- (iii) The loan at Sr. No. 41 was received from MC Ambala City vide memo no. 2241 dt. 11-11-2003 and spent for purchase of land for milk dairy complex by the Municipal corporation and the loan is still outstanding:
- (iv) Against loan at Sr. No. 42(i) to (xiv) vehicles were purchased by the DUD Haryana and supplied to the corporation but repayment of loan is still outstanding.
- (v) Loan shown at Sr. No. 43 amounting to ₹3,00,000/- were deposited with the Municipal Corporation, Yamuna Nagar for joint project under solid waste management scheme. The utilization is still awaited.
- (vi) The loan shown at Sr. No. 44 & 45 amounting to ₹6,89,500/- and Rs.18,62,700/- were utilized for the purpose for which these were sanctioned but its repayment was still not made.

- (b) No repayment of loan was made during the years 1995-96 to 2011-12 and corporation will have to pay penal interest which may be looked into for suitable action.
- (c) No loan was received during the financial year 2012-2013.

7. AREARS OF TAXES:

- (a) The position of arrears in respect of House tax, Rent, tehbazari and fire tax is given in appendix "G" to this report as such the totals and the balances column wise/month wise/year wise has not been struck by the concerned branches and the Demand and Collections Registers are lying in complete. Though good recovery of these taxes except house tax and fire charges was effected but still it could not touch the target of 90% fixed by the Government norms.

Tax Supdt

Further the record of the House tax was lying incomplete as the total of demand and collection registers were not struck off during the year 2012-13, in the absence of which the accuracy of the same could not be verified in Audit. Moreover, the requisite register in form TS-1 and TS-5 were not maintained as prescribed under the provisions of Municipal Account Code 1930 nor their computerized record was available having horizontal/vertical total tallied with those of TS-1. The arbitrarily change/ replacement of TS-1/TS-5 by computer feed demand and collection, lists at their own accord was highly objectionable because the Director Local Audit Dept. Haryana was the only competent authority empowered to have any change in the prescribed forms of Municipal Account Code 1930 and codal provisions were deceived calling suitable explanation/justification for the same. Proper posting of Demand and collection lists so prepared also warrants looking into and there are more chances to de-fraud the funds / municipal revenue easily by vested interest / motivated employees and there could be no check of audit in case of pendency of the completion of relevant record. Even these figures of tax collections/ demands raised during the year and postings of recoveries made there from also never reconciled at any stage even at the end of a year. These omissions may receive proper attention in compliance of General instructions/ guide lines issued by Director Local Audit Dept. Haryana vide his No. III (212) misc/2006/4 dated 27.04.2006, Audit Requisition No. 4 dated 12.05.2006, audit requisition No. 25 dated 18.12.2007,

audit requisition No. 17, dated 11.02.2011 and Audit Requisition No. 8, dated 20.5.2011 in letter and spirit to streamline the accounting system for more effectiveness and clarity in self speaking manner.

The posting of house tax received during the year 2012-13 was not made in the respective demand and collection registers and the balances of each units were not worked out by the corporation at the end of the financial year. In absence of which actual picture of the House Tax balances was not visible. The instructions issued vide Director Local Audit Haryana Memo No. III (212) Misc / 2006/4 dated 27.04.2006 needs to be complied with in letter and spirit and the record as detailed in audit requisition No. 10 dated 31.12.2009 & Audit requisition no.1 dated 18.4.2012 may be completed and shown to audit.

- (b) Recovery of house tax is being realized by the corporation on the basis of Assessment for the year 2000-2001 which has yet not been put up to audit for necessary check. Thus, the demand on the basis of assessment of 2000-2001 could not be verified in audit. Further, arrears worked out by corporation could also not be checked in audit. The matter is brought to the notice of Municipal Commissioner, Yamuna Nagar for taking suitable action in the matter .

As already pointed out in the audit report for the year 2004-2005 and 2005-2006 of Erstwhile Municipal Council Yamuna Nagar & Jagadhri that in view of provisions section 63 of the Municipal Act 1973 an Assessment Register is to be maintained because of the reason that there were no prescribed monthly collection column as per computerized register, therefore horizontal/vertical totals could not be struck and page wise accuracy of demand and collection register could not be checked. There were cutting/over writing/additions/alterations etc. on the computerized Performa without proving the accuracy of demand and collection register. The concurrence of short/less realization even embezzlement cannot be ruled out.

Necessary certificate as detailed below has not been given:

- (a) Page count certificate that the register contained pages from _____ to _____;

- (b) That the entries in Registers have been correctly/accurately brought from the Assessment Register in Form TS-1 or the tax Register TS-3 or TS-5;
- (c) That the total demand agreed with the totals in the assessment Register or tax register;
- (d) That all arrears due on account of previous years have duly been included/accounted for in the tax demand and collection register.
- (e) That all the potential value G-8's vide which amount of house tax/rent of shops were realized had been posted in concerned Registers.

The supplementary assessment of newly constructed buildings in the subsequent years was also not conducted.

Objection register of House Tax assessment as required vide Rule VII of Municipal Account code 1930 in form TS-2 was not maintained to verify the accuracy, whether objections were received in time or not. How many objections were received and disposed off by sub committee. The same may now be maintained and brought upto date and shown to Resident audit Officer.

It is advised that balances of each page may be worked out individually so that corporation may be in position to know the actual demand/collection. Amount due to be recovered at the end of financial year. The above mentioned omissions may be rectified and record brought up to date and may be shown to Resident audit Officer.

8. TEMPORARY ADVANCES:

(i) Erstwhile Municipal Council, Yamuna Nagar.

The perusal of advance register revealed that ₹ 111493362/- on account of temporary advance as detailed in Appendix "H-I" to this note were outstanding against the Municipal Employees / Govt. Govt Department. Temporary advances to the tune of ₹ 7530082/- (as details given below) were pending against the Municipal Employees/Government Departments for the last more than three years but no efforts have been made to get these advances adjusted. Further ₹ 6895405/- were outstanding against the Municipal employees in which most of the advances were older than 3 years to 25 years back which have not been got adjusted as yet. Most of the employees stand transferred/retired from the Municipal Council's services without rendering the adjustment account and the issuance of N.O.C. to such employees at

the time of event was not looked into which was in contravention of instructions contained in Director Urban Development Haryana Chandigarh Memo No. 3 E-2007/680-6962 dt. 23.02.2007. The Matter involving Municipal revenue is brought to the notice of Govt. in Urban Development Department for taking the effective required early action against the official/officers facilitating for the faulty to go free without giving adjustment accounts. In view of such outstanding advances, recovery of the amount be made from the Officers/ officials responsible for issuing N.O.C. to such employees while making payments of their retiring benefits.

Sr. No.	Period	Govt. HSEB	Firms/ Bharat Petroleum	Municipal Employees	Misc.	Total
1	Upto 6 months	25664258	--	441610	--	26105868
2	More than 6 months but less than 3 years	21036400	759796	193067	--	21989263
3	Exceeding 3 Years	55340221	957897	6895405	204708	63398231
	Total	102040879	1717693	7530082	204708	111493362

(ii) Jagadhri Zone.

Temporary advances aggregating to ₹1,78,16,596/- as per detail given below were outstanding against the PWD & PH Deptt. and the Municipal Employees. The perusal of advance register revealed that ₹1,78,16,596/- on account of temporary advance as detailed in Appendix "H" to this note were outstanding since 1956 against the Municipal Employees most of whom left the services/ retired or transferred since long. No progress was made in the adjustment of advances in spite of clear orders of the commissioner and secretary to Govt. Haryana Urban Development deptt. letter No. 3E/2001/Local 9602-54 dated 27.02.2001 which inter alia says that the pay of the official who failed to get their advances adjusted should be withheld. The non adjustment of advances for such a long time amounts to embezzlement of corporation funds. The Executive Officer is advised to take personal interest to get the long outstanding advances adjusted in view of ibid Govt. orders and also from those who issued no dues certificates at the time when concerned employees left Municipal Service or transferred or on retirement and got last/final payments without recovery/adjustment of outstanding advances.

Statement of expenditure duly verified by the Accountant General Haryana may also be obtained from the PWD (PH) Deptt. in respect of Municipal Deposits held by them and the same should be shown to RAO for adjustment in the books of the corporation.

Period	Govt. Deptts.	Officials Persons/ Firms	Private	Total
(a) Exceeding 3 Years	10967388.00	6722189.00	127019.00	17816596.00
Total	10967388.00	6722189.00	127019.00	17816596.00

9. RETRENCHMENT AND RECOVERIES:

₹ 358058/- were retrenched and Rs.394958/- were recovered from the bills of the payments produced in audit during the period under report owing to wrong calculations and excess claim. The internal check may be strengthened to avoid excess payments and suitable action may be taken against the official at fault.

10. PROVISIONAL PAYMENTS:

No provisional payment was outstanding nor made during the period 2012-13.

11. EXCESS IRREGULAR AND AVOIDABLE PAYMENTS:

- (i) Two Nos. of post of section officer were sanctioned in Municipal Corporation Yamuna Nagar in the Pay Scale of 9300-34800+3600 G.pay vide Financial Commissioner & Principal Secretary to Govt. Haryana Urban Local Bodies Department Memo No.18/7/210-3CI dated 7/3/2011. Accordingly two section officers were posted by Govt. Both are drawing pay in the Scale 9300-34800+4600 GP (Pay scale of their own cadre). As per provision of rule 4.1(1) of C.S.R Vol 1 part-1 Where in it has been provided that pay of an employee shall not be so increased as to exceed. The pay sanctioned for his post without the sanction of the authority competent to create a post. The post has been created by the govt. in the pay scale of 9300-34800+3600 G.pay vide memo above. so the payment if higher pay scale was irregular. The matter is brought to be notice of higher authorities with the request to get the scale modified with the sanction of the competent authority under the provision of rule 4.1 of C.S.R Vol.1 part 1 or the pay be fixed and paid as sanctioned pay scale of the post vide memo dt.7.03.2011 as above besides affecting the recovery of excess payment. ✓

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- (ii) Dishonored cheques of Rs. 933925/- as detailed in Audit Requisition no. 29 dt 29-03-2013 were issued by the individual on account of cess payable and account adjustment of these payment paid by such cheques and by issuing G8 receipt by the Municipal Staff but not neither the Corporation could get the credit of these bounced cheques nor the amount of demand got revived in the concerned demand and collection register against each concerned unit to recover the amount of Rs. 933925/- Need full should be done now and demand

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be reviewed and got checked up from Audit and sincere efforts be made for recoveries along with up to date interest.

- (iii) The pension to the retired employees is being distributed by the corporation @ approximately 35 lacs per month w.e.f. 01.09.2011. But the pension fund already existing with the Director Urban Development Department, Chandigarh has not been received/demanded so far where as lacs of ₹ has been deposited as pension contribution since 16.04.1992. Moreover the Municipal Corporation also failed to maintained the own pension fund w.e.f. 01.09.2011 as such pension contribution has not been deposited in any separate bank account so as to discharge the liability of future pensions and commutation. Non maintenance of separate bank account for the pension fund has caused loss to the Municipal Exchequer in shape of interest. The matter is brought to the notice of Financial Commissioner and Principle Secretary to Govt. Haryana Urban Development Department, Chandigarh for appropriate action in the matter.

- (iv) An Impellor of priming pump of the Fire Engine no.HNX.6128 was purchased for Rs.12659/- from Multani, Motors Shop no.39 Industrial Area Yamuna Nagar vide bill no. 302 dt. 27/6/2012 and paid vide vouchers no.204 of dt.7/2012. However it was noticed that 3 quotations attached with the said bill i.e. M/S Lucky Motor, Bye pass chowk camp Yamuna Nagar, Pawan Motors, Bye pass chowk Yamuna Nagar and even Multhani Motors Shop no.39 Industrial area YNR i.e. supplier itself were procured on 20/7/2012. Which is highly objectionable as such quotation has been collected after the purchase was effected which needs to be justified. Further old impellor, received back after the replacement was not entered in the unserviceable stock register. Needful may be done now under intimation to Audit failing Which recovery be effected from he delinquent officer/official and credit pointed out to Audit

- V. The budget provisions of advances to govt employees has been exceeded by Rs.27500/- also the expenditure on the repair of municipal building was exceeded by Rs 409284/- which is irregular and needs reappropriation of the budgets for the period under report. under intimation to Audit.

Sr no.	Head	Budget sanctioned Rs.	Expenditure Rs	Excess Expenditure Rs
1.	Marriage/scooter loan	2500000	2527500	27500
2.	Repair of corporation building	nil	409284	409284

- V1 While reviewing the E.C.Rs of the Jagadhari zone of the corporation it was noticed that a Generator set has been hired for Rs.5000/- P.M. for office use

also the H.S.D & lubricants required for operating the Gen set has been paid by the Corporation approximately Rs 3000/-P.M Which does not seems justified as such expenditure of Rs.96000/-annually was almost equal to the cost of a medium size Generator set. The matter is brought to the notice of Commissioner Municipal Corporation to take immediate suitable action under intimation to Audit.

12. : SHORT RECOVERIES, NON RECOVERIES AND LOSS OF REVENUE:

- 2 TO (S)
- (i) Two Shops were rented out in open auction at village Bhattuli(Jagadhari Zone) on dated .28/5/2009 for three year to Sh. Sant Ram S/ o.Data Ram and Kashmir Lal S/o. Jandu Ram at Rs. 780/- and Rs.600/- per month respectively. Only Rupees 2780/-and Rupees 2600/-were deposited by the tenants for each shop and no demand was raised in any demand &collection register. Thus Rupees 19000/- for each shops was to be recovered up-to the period of tenancy i.e. 27/5/2012.

Further the Shops were to be reaucted after the period of three year as per conditions of auction but no action has been taken to rented out the shop and for recovery of pending arrears. This has been viewed serious in Audit and it is requested that suitable action may be taken against the tenants and concerned official for recovery of rent and auction of shops.

- (ii) During the checking of register of composition of offences of Yamuna Nagar Zone for the year 2012-2013, it has been observed that 125 notices of offences u/s 261, 250 and 254 of Municipal Corporation Act 1994 and 162 cases of Ibid sections of Jagadhri Zone were entered in the above said register but only two case of each Zone were settled during the period under audit. Even most of the cases were not prepared for prosecution in the Hon'ble Courts as has been shown in the respective registers. It is the matter of great concern because settlement of offences can fetch good income in the shape of development charges, malba fee, building application fee and composition fee etc. The matter is brought to the notice of learned commissioner Municipal Corporation Yamuna Nagar to initiate suitable action in the matter besides taking stern action against the defaulters.

Moreover, the composition register under various sections/by laws of Municipal Corporation as required under rule XVII-9-A of Municipal Account code 1930 has not been maintained by the corporation which is a serious matter and requires stern action against the defaulters for maintaining composition register and compliance shown to audit.

- (iii) Checking of building plans of Jagadhari Zone has showed that development charges was charged less as detailed in the list below which has caused loss to the corporation to the tune of Rs.195231/-. It is therefore requested that the same may be made good from the concerned parties or the official at fault under intimation to Audit. Further the malba fess has been charged for six months in all most all the building plans and was not charged as per duration of the project. It is highly objectionable. alba fees may be charged as per duration of the projects/houses in future besides getting the completion certificates after construction of such projects/houses and revised fees may be charged if any under intimation to Audit.

Sr.no	B.A.no.	Name	Amount	Particulars
1.	10/2012	Sushil Gupta	18000-	Malba fees
2.	11/2012	Uma Gupta	14400-	--do--
3.	24/2012	Sandeep Kumar	17910-	Dev.&Malba fees
4.	35/2012	Savita Devi	4566-	--do--
5.	38/2012	Vikas Kaushik	19116	--do--
6.	39/2012	Gyan Chand	554	--do--
7.	126/2012	Jag Mohan	21610	--do--
8.	136/2013	Kamlesh Gupta	9600	Malba fees
9.	142/2013	Sat. Goel	Cess fees not charged	--
10.	188/2012	Rishi Pal	42395+1200=42595	Dev.&Malba fees
11.	195/2012	Renu Garg	3294+1200=4494	-do-
12.	156/2012	Ashok Kumar	19173+1200=22013	-do-
13.	157/2012	Shashi	20813+1200=22013	-do-
			G. Total=195231	

- (iv) 25 Shops at Village Buria (Jagadhari Zone) were rented out and Rs.65892/- were outstanding against the tenants. Neither the arrears were recovered in time nor interest were charged on these arrears and thus the corporation has to bear loss of Rs.80000/- app. It is therefore requested that demand may be raised along with interest and recovered from the tenants under in intimation to Audit.

- (v) The Tower fees Worth Rs.666000/- of Jagdhari Zone &Rs.900000/- of Yamuna Nagar Zone of different mobile companies has not been recovered up-to the year 2012-13 as detailed in Appendix -I and has been viewed seriously as

corporation had to bear loss of interest on the recoveries if not received within the stipulated period. It is also observed that no demand has been raised against the towers installed in different villages falling under the jurisdiction of Municipal Corporation Yamuna Nagar. Survey may be got done immediately and demand raised /recovered accordingly.

- (VI) While checking the rent of shops at village Pansara (yamunanagar zone). It was found that shops as detailed below were to auctioned during the period 1/2012 to 9/2012 but the same has not been re-auctioned as yet also huge amount of arrears are standing against the tenants. Which is quite unsatisfactory. Concrete steps may be taken to recover the balance rent besides re-auctioning the shops.

Sr. no.	Shop no.	Name	D&C	Rent P.M.	Arrears	Date of termination of tenancy.
1.	4	Nitin Goyal S% Ashok Kumar	51	2300	82800	30/4/2012
2.	7	Raj Bhatia	51	1250	3250	4/2/2013
3.	1-A	Sudarshan S% Ram Vilas	51	5850	66600	3/9/2012
4.	5	Rajesh Kumar	52	2000	72000	31/3/2013
5.	6	Sandeep Kumar	52	1850	66600	9/2012
6.	1-B	Bhawati devi	52	700	25200	7/2012
7.	2	Mahinder S% Sher singh	52	2350	84600	7/2012
8.	3	Jasmer Singh S% Laxman Singh	53	2350	84600	7/2012
9.	5	Rajesh Kumar	47	Datail not given in	--	---
10.	6	Sandeep Kumar	47	-do-	--	---

- vii) Rs.5000/- were paid vide vouchers no.119 of 4/2012 as cost./penalty for not making the payment in time to Yasin Khan A.F.S.O. besides the T.A. bill of

342 Power Rs. 241
12/11

Rs.42868/- to above employee. This is not satisfactory as such cost /penalty may be recovered out of the pockets of delinquent official and responsibility may be also be fixed for delaying the payment of T.A.bill to Sh.Yasin Khan which resulted in legal proceeding and further financial loss to the Corporation such as legal fees ect. Similarly Rs.15000/- as penalty were paid vide voucher no. 195 of 9/2012 imposed by state consumer from vide order no.23019-20 sic /2012/4-1A dt. 11/9/2012.Which is not fit charge on corporation fund and may also be recovered out of the pocket of delinquent officer/official under intimation.

VIII Certain contract relating to works were made and work order were issued to the Agencies (some instances given below) But the same were not executed by the said agencies and at a later stage the said works were executed by the corporation departmentally without risk & cost of the earlier tendering agencies. This is not in order and may be justified suitably. It is also requested that other such like cases may also be find out departmentally and such agencies, Which have not completed /executed the works may be penalized by the amounts of excess of cost caused due to non execution of works

Sr. no.	Name of agency	Name of work	Estimated of cost.	Work order/tender date.	Particular
1.	The Shasi co-operative	Drain & pavement of street from chawla karyana store	450000/-	982/M.E dt.2 1/2011	DDR. of earnest money dt.19/4/2011Rs. 2000/-of central co-operative bank forfeited & deposited vide receipt no.4/2079dt.11/9/20 12
2.	The Nisha co-operative	Payment of shamshan ghat road in jammu colony	10,00000/-	988/M.E dt.2 1/2/201	DDR. No.04483of earnest money dt.19/4/2011Rs. 2000/-of central co-operative bank forfeited & deposited vide receipt no.5/2079dt.11/9/20 12
3.	The vijay lakshmi co-operative	Pavement of street in shiv puri B-colony near kansa pur	10,00000	993/M.E dt.21/2/2011	Rs.2000 vide g-8 no.19/1000 dt.27/12/2010 forfeited
4.	Shree bala ji co-operative	Construction of pacca- passage/way in ganganagar colony from near public	638000/-	996/m/M.E dt21/2/2011	D.D.R no 0338267 dt19/4/2010 of co-operative bank forfeited& deposited in corporation fund vide receipt no

					6/2079 dt11/9/2012
5.	The vijay Lakshmi co-operative	Cost of drain and c.c. pavement from Duhan general store to Rameshwar in ram nagar	41,8000/-	999/M.E.21/2/2011	G-8no22/1000 dt.27/12/2010 for Rs2000/-Forfeited vide. Commissioner order dt.3/9/2012
6.	The vijay lakshmi co. operative	Construction of drain pavement in gali no. 5Azad nagar	50,0000/-	924/M.E. dt.9/2/2011	G-8no34/1025 dt.6/1/2011 for Rs2000/-Forfeited vide. commissioner order dt.24/8/2012
7.	The vijay lakshmi co. operative	Construction of drain pavement in gali no.8 Azad nagar	40,0000/-	925/M.E.dt.9/2/2011	G-8no35/1025 dt.6/1/2011 for Rs2000/-Forfeited vide.commissioner order dt.24/8/2012
8.	The garima co.operative	c.c pavement of street from Khullar aryana shop to back gate of D.A.V Public school in professor colony	70,0000/-	933/M.E.dt.9/2/2011	DDRNO,045331 dt.16/8/2010 FOR Rs 2000/- of cooperative bank forfeited & deposited vide receipt no 9/2079 commissioner order dt.24/8/2012
9.	The Nisha co. operative	Payment of street from camp main bazaar to H/o Ram Sharma Govt.Sen.Sec. School camp	10,00000/-	937/M.E.dt.9/2/2011	DDRNO,045316 dt.16/8/2010 FOR Rs 2000/- of cooperative bank forfeited & deposited vide receipt no 7/2079 dt11/9/12 vide commissioner order dt.24/8/2012
10.	The Ranjeet pur cooperative	Payment of street from Radha swami sat sang bhawan to back gate of saubhagya resort	70,0000/-	939/M.E.dt. 9/2/2011	DDRNO,042001 dt.6/1/2011 FOR Rs 2000/- of cooperative bank forfeited & deposited vide receipt no 8/2079 dt11/9/12 vide commissioner order dt.24/8/2012

13. NON MAINTENANCE/NON COMPLETION/DEFECTIVE MAINTENANCE OF RECORD:

The following records were not maintained/ defectively maintained by the official/ officer of the corporation inspite of repeated audit requisition in this

regard. The matter is brought to the notice of higher authorities for issuing directions to Municipal Administration to comply with the observations of audit so that discrepancies if any, could be brought to the notice of Municipal authority without any further delay.

Correct Particulars		Since when not maintained/ correctly maintained
1.	Reconciliation of G.P.F. Ac	4/08 to 3/90 and 5/05 to 3/13
2.	Report relating to Municipal Tax on electricity consumption.	4/2002 to 3/2013
3.	Register of license in form L-2	4/2008 to 3/2013

14. MISCELLANEOUS

- (i) It has been observed that several stock registers (G-29), moveable Property registers (G-31) and Repair Registers and other registers were being maintained and in-use in different Branches/Works Divisions/Zonal Offices of the Corporation but Inventory Registers at the level of each Branch/works division/zone were not maintained and the Sr. No./page No. of Inventory Register at which a particular stock register/property register/repair register/other register entered were not recorded on these registers. In absence of which proper check over the maintenance of stock registers is could not be exercised in audit. Similarly, the total No. of Immoveable Properties Registers on R-I was neither pointed out nor could be ascertained. The triennial physical verification of the balances of items as per stock registers and property registers as required vide rule XVII.12 of Municipal Account Code, 1930 was not carried out since long. This being a serious matter, is brought to the special notice of the Corporation/Commissioner/each Head of Branch for getting the needful done now and ensuring proper maintenance of stock record in future besides pointing out the results of physical verification of stock.
- (ii) Stock register of the sanitation branch has revealed that the following material was lying unutilized since the period mentioned against each. This is not desirable on the part of concerned official. It is there-fore requested that the concerned official may directed to utilized the material for the purpose it was purchased least the expenditure incurred so may not turn in-to waterfall expenditure.

Sr. no.	Date.	Name of item	Quantity	Page no. of old stock register	Page no. of new stock register
1.	1/4/2005	Tawa panga	88	190	140
2.	9/5/2011	Dustbin refuse collector	11	127	95
3.	10/3/2010	Dustbin 1000 litre	23	141	102
4.	26/5/2011	Dumper placer/container	-	163	114
5.	20/12/2011	Rickha rehri	11	Given to jindal contractor without any justification	--

- iii) The record regarding M.Tax @5paise per unit on electricity bills had not been maintained since long by the Municipal council as was required under clause VII of Municipal act. 1973. Non maintenance of record is a serious matter as such and can lead to loss of Municipal exchequer in shape of payment of adjustment of penalty in street light electricity bills which are being paid/adjusted against the recovery of 5paise per unit Municipal Tax on electricity bill recoverable from H.V.P.N. Ltd. The matter has been pointed out to Municipal administration through Audit requisition and periodical reminders there of but hardly any action was taken on the part Municipal Authority. The requisite record may be maintained now and compliance shown to Resident Audit Officer.
- iv) The demolition operation are carried out in almost every zone with the help of JCB being maintained by the Corporation, but such charges were never worked out and recovered during the period under report. Thus huge loss on account of non-recovery of such charges is being sustained by the Corporation. The

attention of the Municipal Corporation /Commissioner is drawn to provisions made u/s 261(6) of the Municipal Corporation Act wherein it has been provided that demolition charges of buildings erected/constructed in-contrary to the sanctioned plan under section 254 of the said act are to be recovered from the person concerned as arrear of Tax. These charges includes hire charges of JCB, Crane, Compressor and other miscellaneous charges etc. incurred during the demotion operation. It is, therefore, suggested that charges on this account may be worked out simultaneously as and when such operations are carried out and demands be raised against the person responsible to such erection which are in-contravention to the sanction accorded by the Commissioner and recovery effected as arrear of taxes now and always in future.

V) The issue and return of potential value books has not been controlled in the corporation's Head Office. Whereas the books were issued from the separate stores i.e. Yamuna Nagar and Jagadhri which is not in order and free of audit particularly of Jagadhri zone as such the potential value books has not been returned to the stores after their utilization and can cause misuse of the same. It is advised that record may be completed now and put up to audit to point out discrepancies if any.

vi) Triennial verification of the Corporation properties moveable or immoveable including investment as provided in clause XVII.12 Municipal account code 1930 was to be done by a member or members of the corporation specially appointed for this purpose. but no action has been taken by the corporation as yet and there are every chances of encroachment on valuable corporation land besides lot of litigacy in this regard.

(vi) The following byelaws were not enforced to augment the income of corporation the some may be introduced forthwith and compliance shown to Audit

- i) Cow bye laws 1978.
- ii) Piggery byelaws 1976.
- iii) Making compost bye laws 1976.
- iv) Import of meat bye laws 1976.

15. CONCLUSION:

The disposal of last Audit note was not satisfactory (Part-I); Huge record was again not put up (Para-2A); Temprrory advances worth crores of rupees were lying un-adjusted (Para-8); Excess/ Irregular and avoidable payments were pointed out (Para-11); Cases of short recoveries/ Non recovery and loss of revenue were pointed out (Para-12); Record not maintained/ defectively maintained (Para-13); and miscellaneous irregularities were noticed (Para-14). The accounts stand in a miserable condition and in need of considerable improvement and closer supervision.

Compared by me
[Signature]

—sd—
(SUBASH CHOKRA)

Joint Director
For Director Local Audit,
Haryana,
Chandigarh