

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

**FOR THE YEAR 2013-2014**

**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.

SAO  
13/2/15

To

✓ The Commissioner,  
Municipal Corporation,  
Yamuna Nagar.



Memo No. V (193) LAD/2015/ 1096/

Dated: 13-2-2015

**Sub: Annual Audit Report on the Accounts of Municipal Corporation, Yamuna Nagar for the 2014-15.**

Enclosed please find the Annual Audit Report on the account of Municipal Corporation, Yamuna Nagar for the year 2013-14 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.

M. D. D. 13/2/15  
Dy. Director,  
Local Audit Deptt. Haryana,  
Chandigarh.  
Dated: 13/2/15

Endst. No. V(193) LAD/2015/

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

1. The . Principal , Secretary to Govt. Haryana, Finance Deptt. (Budget Branch), Chandigarh.
2. 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.

Sd/-  
Deputy Director,  
Local Audit Deptt. Haryana,  
Chandigarh.



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**ANNUAL AUDIT REPORT ON THE ACCOUNT OF MUNICIPAL CORPORATION,  
YAMUNA NAGAR FOR THE PERIOD 04/2013 TO 03/2014**

**PART - 1**

**1. Last Audit Note:-**

Action taken on the last Audit Report was not satisfactory. Annotated reply was not prepared and sent to this office as required vide Rule No XVII.17(2) of Municipal Account Code, 1930, which was irregular. Even the last audit report was neither laid before the Corporation for such action as may be deemed appropriate by the corporation as per provision of section 169(2) of Municipal Corporation Act, 1994 nor otherwise action taken under section 170 of the Act ibid by the Commissioner/ Corporation to settle the audit para embodied in the report. 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. The indifferent attitude towards this important task is defeating the very objective of 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 matter is 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 31-03-2013 in brief was as depicted in Appendix-'A' to this report.

**PART - II**

**2. Personnel:**

Accounts of Municipal Corporation, Yamuna Nagar during the year under report continued to be audited 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	01.04.2013 to 2.7.2013
2.	Sh. C.S. Mahna	2.07.2013 to 31.3.2014

The charge of the Office of Commissioner Municipal Corporation, Yamuna Nagar was held by Sh.Makarand Pandurang (IAS) from 01.04.2013 to 15.7.2013 and by Sh. Mandeep Singh Brar from 16.7.2013 to 31.3.2014. Whereas Sh.K.K.Jain held the charge of Executive Officer of Municipal Corporation, Yamuna Nagar from 1.4.2013 to 16.9.2013, Sh Vijay Pal Yadav from 17.9.2013 to 7.1.2014 and again Sh.K.K.Jain from 8.1.2014 to 31.3.2014

## 2-A Record not put up:

The record as detailed in Appendix "B" to this report was 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 mis-appropriation, tampering with the record could not be ruled out.

ALL  
Branches

## 3. Financial position:

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

	2012-2013(₹)	2013-2014(₹)
Opening Balance	108077395/-	75105296/-
Income	303044908/-	519031428/-
Total	411122303/-	594136724/-
Expenditure	336017007/-	383789714/-
Closing Balance	75105296/-	210347010/-

The increase in income and expenditure during the year 2013-2014 as compared to the year 2012-2013 was due to more collection of Taxes/ Development Charges and more execution of Development works, respectively.

1. Beside the above closing balance of ₹210347010/- grants worth ₹403559358/- were received (as detailed in appendix -C to this report) and spent for development works.
2. The Corporation has to discharge the liabilities of 85473055/- 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.	23255955.00



3. Repayment of Govt. Loan in addition to Interest	24205469.00
4. Repayment Of L.I.C. Loans In Addition to Interest	16473303.00
5. Govt. Loan Jagadhri Zone	3041697.00
6. Audit fee arrear ending 3/13	350000.00
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.	18078611.00
9. Pension Contribution	85473055.00
<b>Total</b>	

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 Competant authority 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.

The expenditure on establishment during the year 2013-14 was incurred to the tune of ₹ 310254225/- against the actual expenditure ₹ 383789714/- of the Municipal Corporation during the year. The bifurcation of the same is as under:-

<u>Sr. No.</u>	<u>Name of Branch</u>	<u>Expenditure</u>	<u>Percentage</u>
1.	General Administration	95081885	24.77%
2.	House Tax, License & Light Branch, Teh. Bazaari	4711621	1.23%
3.	Engineering Branch	27370527	7.13%
4.	Fire Section	15137016	3.94%
5.	Sanitation Branch	109349114	28.49%
6.	Pension of Rtd Employee	58604082	15.27%
	<b>Total</b>	<b>310254245/-</b>	<b>80.83%</b>

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 spent on the establishment. The expenditure on sanitation establishment is very high and requires steps to be taken to downsize/ right sizing 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 2013-14 worked out to ₹ 2124201/- and the arrear of audit fee was worked out to Rs 5316310/- up to 31/3/2013 out of which Rs 4398814/- was deposited/ adjusted during the year as detailed below and Rs 917496 + 2124201/-=3041697/- still pending up to the year 2013-2014.

Year	Actual Audit Fee	Amt. Deposited/Adjusted	Balance (₹)	Remarks if any
Up to 3/2013	5316310/-	1124397/-	--	By B.T. dated 18/3/14
		2244224/-	--	By B.T. dated 18/3/14
4/13 to 3/14	2124201/-	1000000/-	--	Ch. No Nil dated 26/3/14
		30193/-		Ch. no 17390000 dated 13/5/14
<b>Total</b>	<b>7440511/-</b>	<b>4398814/-</b>	<b>3041697/-</b>	

Actual and arrear of Audit fees of Rs. 3041697/- ( 917496/- +2124201/-) 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 office name -0584- Director, Local Audit Haryana, Chandigarh 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 9 and 11 to 33 may either be utilized within the stipulated period or refunded to Govt. without further delay.
- b) The position of grants received / utilized prior to the period of this report i.e. up to 31.03.2013 along with unspent balances as on 31.03.2014 is exhibited in appendix 'D' to this report and summarized as under:-

- The unspent balance of grants shown at Sr. No. 139 to 141, 143 to 149, 151 to 152, 154 to 158, 160 to 161, 164 to 167 and 169 to 171 may either be utilized or refunded to Govt. without any delay.
- 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 as well as grants shown at Sr. No 162 was transferred to NBCC but utilization



certificates duly verified by Accountant General Haryana were still awaited. The grants shown at Sr. No 172 to 174 were transferred to Railway Deptt and the UC of the same are 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, 102, 104, 107 to 114, 118 to 120, 122, 126, 130, 132, 135 to 138, 150, 153, 159, 163 and 168 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, 103, 105, 106, 115 to 117, 121, 124, 125, 127 to 129, 131, 133 to 134 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.

**(ii) Jagadhri Zone**

- (a) The position of grants received/utilized prior to the period of this report i.e. up to 31-03-2013 along with unspent balances as on 31-03-2014 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. 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. 81, 82, 86, 87, 92, 95, 96, 101 to 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, 60, 67, 68, 69, 70(i), 71, 73, 74 to 79, 83, 85, 88 to 91, 93, 94 and 97 to 100 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 31.03.2014 and their repayment is depicted in Appendix "E" to this report, 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. 30.03.2014 along with repayment position thereof as on 31.03.2014 is exhibited in Appendix "E-II" to this report.
- (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 diary complex by the Municipal corporation and the loan is still outstanding:

762 (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 2013-14 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 2013-2014.

## 7. Arrear of Taxes:

270 (a) The position of arrears in respect of House tax, Rent, tehbazari and fire tax is given in appendix "F" 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.

Further the record of the House tax was lying incomplete as the total of demand and collection registers were not struck off since the year 2010-11 to 2013-14 as required as per Haryana Govt notification dt 11 October 2013 in the prescribed Performa as approved by the the Director Local Audit Haryana Chandigarh vide memo no. Misc/LAD/TA-1/2014/13074 Dt 10.2.2014, 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 under rule 1.6 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.

The posting of house tax received during the year 2012-13 to 2013-14 under the old policy 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.

- (b) Recovery of house tax is being realized by the corporation on the basis of Assessment for the year 2010-2011 which has yet not been put up to audit for necessary check. Thus, the demand on the basis of assessment of 2010-2011 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.



Further 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:

- 270/
- (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 of by subcommittee if any. The same may now be maintained and brought up to 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 ₹ 109416152/- on account of temporary advance as detailed in Appendix "G-I" to this note were outstanding against the Municipal Employees / Govt. Govt Department. Temporary advances to the tune of ₹109416152/- (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 Employee	Misc.	Total
1	Up to 6 months	818000/-	--	1215000/-	--	2033000/-
2	More than 6 months but less than 3 years	30643858/-		420000/-	--	31063858/-
3	Exceeding 3 Years	67055921/-	1717693/-	7340972/-	204708/-	76319294/-
	<b>Total</b>	<b>98517779/-</b>	<b>1717693/-</b>	<b>8975972/-</b>	<b>204708/-</b>	<b>109416152/-</b>

(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 "G" 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 interalia 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.

X(12)  
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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:

₹683288/- were retrenched and Rs.6054/- 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 Payment:

No provisional payment was outstanding nor made during the period 2013-14.

#### 11. Excess, Irregular and Avoidable Expenditure:

- (1) Entries as detailed below were made during the period 30.9.2010 to 29.5.2012 as per bank statement of concerned bank for reconciliation purpose and at a later stage the concerned branch wind up the entries to adjust the amount shown in the reconciliation just by contra entries of income and expenditure as the case may be; without consulting the concerned bank or dealing branch of the corporation for final disposal of these entries that too without any voucher and G-8 receipt. This does not seems satisfactory. It is therefore requested that their the entries shown below may be suitably justified and recorded in the concerned D&C or be shown in the reconciliation statement of each month till the final disposal of these amount

Sr.no.	Date on which amount taken in the cash book	Amount in Rs	Particular
1.	30.09.2010	45821.00	Excess Amount shown by bank
2.	01.10.2010	99.00	Amount debited by bank
3.	01.10.2010	17.00	Less Amount debit by bank
4.	08.10.2010	49991.00	Amount credited in the bank but not shown in cash book
5.	31.12.2010	1344.00	Amount less shown bank
6.	31.12.2010	633.00	Amount less shown bank
7.	17.02.2011	27348.00	Amount not entered in cash book
8.	17.02.2011	4750.00	Excess shown by bank
9.	17.02.2011	2144.00	Debit by bank
10.	17.02.2011	7.00	Excess deposit by bank
11.	31.03.2011	2000.00	Deposit by bank
12.	27.05.2011	8000.00	Less debit by bank
13.	27.05.2011	2330.00	Excess Amount paid
14.	17.05.2011	450.00	Cheque book charges
15.	27.05.2011	510.00	Amount debit by bank
16.	12.09.2011	2300.00	Amount less debit by bank
17.	12.09.2011	2250.00	Amount not entered in cash book
18.	25.11.2011	2840.00	Amount excess debit by bank
19.	25.11.2011	108.00	Amount less deposit by bank
20.	25.11.2011	150.00	Amount less shown by bank
21.	25.11.2011	845.00	Bank charges
22.	27.02.2012	82622.00	Amount excess shown by bank
23.	27.04.2012	22461.00	Amount excess shown by bank
24.	29.05.2012	400.00	Amount excess credit by bank
25.	28.05.2012	280.00	Amount less deposit by cashier
26.	29.05.2012	3413.00	Amount less debit by bank
27.	28.09.2012	10072.00	Amount debit by bank
28.	28.09.2012	17.00	Amount excess debit by bank
29.	28.09.2012	147841.00	Security refunded
30.	28.09.2012	5364.00	Amount less debit by bank
31.	30.11.2012	27.00	Amount less debit by bank
32.	30.11.2012	10.00.000	Amount of Grant

- (ii) Dishonored cheques of Rs. 16,60,342/- as detailed in Requisition no.51 dated.28/03/2014 were issued by the individual on account of cess payable and account adjustment of these payment paid by such cheques and by issuing G-8 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. 1000325/- Need full should be done now and demand be reviewed and got checked up from Audit and sincere efforts be made for recoveries along with up to date interest.

Further cheques of Rs.495947/- were issued to firm/individuals/contractors but the same has not been encashed as yet. It is therefore requested that the same amount may be taken as income and cheques may reissued as when demanded as a later stage so as to avoid un-necessary blockage of corporation funds.

- (iii) Jeep no HRO2-0154 and jeep no HRO2-6666 has visited stations as detailed in requisition no 50 dt.28/3/14 and 49 dt 28/3/14 and consumed 334 litters and 1325 litters H.S.D. respectively without approval of the competent authority. The ex-post-facto sanction may be obtained now and put up to Audit failing which journeys so performed may be treated as private one and recovery effected accordingly.

*Done*

IV Checking of reconciliation of cash book for the period 6/2010 to 11/2010 has shown many unadjusted of excess or less debit by the bank as detailed below which required immediate action from corporation account section.

Sr no.	period	Particular.	Amount in Rs
1.	6/2010 to 11/2010	Less amont debit by the bank	40475/-
2.	-do-	Do-	299300/-
3.	-do-	Bank charges	300/-
4.	-do-	Less debit by the bank	1/-
5.	-do-	Amount of G,P In other cash book	200000/-
6.	-do-	Amount deposited in other account	270000/-
7	-do-	Less shown by the bank	3247/-
8.	-do-	Bank charges	54/-
9.	-do-	Interest on F.D.R	651444/-
10	-do-	Excess shown by the bank	10/-
11	-do-	Amount with S.O.B.P. Bank	2035/-
12	-do-	Excess deposit by bank	78452/-
13	-do-	Excess deposit by cashier	240/-
14	-do-	-do-	369/-
		TOTAL	1545927/-

V While reviewing the E.C.Rs of the Yamunanagar zone of the corporation it was noticed that 8 parks were given to self made societies/NGO 'S for maintenance of the parks @ Rs 1/-per sq. mtr i.e.at expenditure of Rs 31942/- which does not seems justified as such Corporation have at least 50 mallies on regular scales and lakhs of rupees are being incurred on the salaries and no progress being put up to Authorities, It is therefore, requested that mater may be looked into departmentally and discrepancies if any brought to books under intimation to Audit.

(vi)Checking of payment vouchers for the month of 6/2013 and 9/2013 has shown that Rs 13407/- as detailed in audit Requisition no 40 and 44 dated 28/3/2014 were excessively paid to the employees / Service providers and neither any action has still been taken to recover the above said amount nor justified suitably. The matter is brought to the higher authorities for issuing directions to make good the above said loss under intimation to audit.

## 12. : Short Recoveries, Non Recoveries and Loss of Revenue:

(i)Income realized through R-4 No 16 was late remitted by the concerned official which was objected vide requisition no 26 dt 22/11/2013 but no action has still been taken by the corporation authorities as yet. it is therefore, requested that the suitable action be taken against the official at fault besides recovering the interest on delayed remittance of corporation income as detailed below

Sr no	Receipt no/R-4 no	Deposit(Rs)	Date on which income realized	Date of deposit
1	96 to 98/16	5000/-	27/7/13	11/11/13
2	114 to118/16	22600/-	9/10/14	23/10/13
3	127 to140/16	28700/-	26/10/13	11/11/13

(ii) During the checking of register of composition of offences of Yamuna Nagar Zone for the year 2013-2014, it has been observed that 189 notices of offences u/s 261, 250 and 254 of Municipal Corporation Act 1994 and ..... 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 posting of house tax of Jagadhari Zone for the year 2010-11 it was noticed that undue benefits were given to the owners of house tax units due to wrong posting of house tax receipt as detailed below and cause loss to the tune of Rs 7289/- Suitable action may be taken against the erring official besides raising demands of these amounts

Sr.no	Property no	Name	G 8 Reciept no	Amount
1888	C-6-789	Sandeep kumar	26/972	822/-
2018	C-6-875	Durga singh	-45/2	173/-
2023	C-6-871/1	Kanjan singh	46/2	247/-
2046	C-6-877/A	Jawahar singh	16/10	198/-
2154	C-6-930	Ranjeet singh	1/10	244/-
2498	C-6-1575/A	Rajesh kumar	25/982	2907/-
0632	C-7	Vinod kumar	9/994	388/-
0837	C-7	Krishan kumar	17/939	426/-
1550	C-7	Vinod kumar, Ashok kumar	37/906	1550/-
1139	C-7	kamla	5/586	334/-
			TOTAL	7289/-

- (iv) Stock register of the electricity branch of Yamunanagar zone was checked and the following irregularities were noticed while calculating the balances after issuing the items or carry forwarding the balances of items in the next year. This is objectionable as items in the stocks register does not tally with the actual balance in the stock and it was not physically checked by supervising officers for years together. It is requested that any responsible officer may be deputed to check the store with stock register without any delay and justified the same.

Date	Items	Opening Balance	Issued	Closing Balance	C.B Taken	Difference
16/12/09	M.S.Clump	177	1	176	126	50
30/9/09	P.V.C.Wire	6600 mt	2060 mt	4540mt	3844mt	696mt
3/10/09	-do-	3242mt	370mt	2872mt	2742mt	130mt
10/11/09	-do-	2742mt	190mt	2552mt	2422mt	130mt
19/11/10	C.L.F 18 W	6	nil	6 ( Not C/f in 2011/12 Register)		
-do-	-do-	40	nil	40 ( Not C/f in 2011/12 Register)		
6/1/11	C.L.F.20 W	20	18	2 ( Not C/f in 2011/12 Register)		
26/5/11	P.V.C.Wire	400mt	nil	400 mt (Not C/f in 2011/12 Register)		
21/7/13	Bracket pipe	101	nil	101	nil	101

- (v) Tower fees Worth Rs.6,20,000/- of Jagdhari Zone/- and Rs. 2,75,000/- of Yamuna Nagar Zone of different mobile companies has not been recovered up-to the year 2013-14 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 register of shops of yamunanagar zone. It was noticed that shops as detailed below were vacated during the period 2/2013 to 3/2014 but the same has not been re-auctioned and corporation to bear loss of Rs 50780/-p.m approximately as such shops of w/shop road and kanhiya chowk were rented out earlier on these rates and in case of other shops in meat market other shops has been rented out @ 1200/- to 1400/- p.m, also Rs 151500/- of arrears are out- standing against the tenant of shop no 20 at 1<sup>st</sup> floor kanhiya chowk. 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/ register no	Rent P.M.	Arrears	Date of termination of tenancy.
1.	61,w/shop road	Vacant	72/1	3906		2/2013



2.	62,w/shop road	-Do-	72/1	3812		2/2013
3.	w/shop, road	-Do-	74/1	3812		10/2012
4.	19,1 <sup>st</sup> floor kanhiya chowk	-do-	96/2	12625		4/2013
5.	20,1 <sup>st</sup> floor kanhiya	-do-	97/2	12625	151500	4/2013
6.	11-meat market	-do-	65/4	1200 to 1400		Since long
7.	7/26	vacant	70/4	-Do-		-do-
8.	30	-do-	71/4	-do-		-do-
9.	36	-do-	73/4	-do-	--	-do-
10.	39	-do-	74/4	-do-	--	-do-
11.	42	-do-	75/4	-do-		-do-
12.	43	-do-	76/4	-do-		-do-
13.	51	-do-	78/4	-do-		-do-
14.	52	-do-	79/4	-do-		-do-
15.	57	-do-	80/4	-do-		-do-

(vii) While checking the vouchers file for the month of 8/2013 and 9/2013, it was noticed that Rs 19500/- approximately were excess paid to Sh N.K.Jindal Municipal Engineer on account of T.A/D.A as detailed below. The Journey was performed by own car and T.A were claimed @8 per K.m. without the prior approval of Head of the Department which required as per Finance Deppt. Letter no 5/27/98-1FR dated 31/12/10. The ex-post facto approval of the same may be obtained from competent authority or recovery worth Rs.19500/-may be effected from the concerned official.

0.8

Vr. No.and month	T.A/D.A claimed	T.A/D.A Calculated (Appro.)	Excess Drawn (Appro.)
28 of 8/2013	5320/-	1020/-	4300/-
29 of 8/2013	3560/-	660/-	2900/-
30 of 8/2013	7912/-	1912/-	6000/-
316 of 9/2013	3700/-	400/-	3300/-
317 of 9/2013	3620/-	620/-	3000/-
		<b>Total</b>	<b>19500/-</b>

VII. Checking the stock register of general store of corporation office after carry forwarding the balances of item in the next year /dates, the following irregularities were noticed. This is objectionable as items in the stock register dose not tally with the actual balances in the stock register and it was not physically checked by the

supervising officers for years together. Any responsible officer may be deputed to check the store with stock register without any further delay.

Date	Items	OpeningBalance taken	OpeningBalance taken	Difference
1/4/2011	01/4/20 Large note pad	188	Nil	188
1/4/2006	01/4/20 Glass	3	Nil	3
2008	01/4/20 Lathi, Challa & Baans	30 each	Nil	30 each
2008	01/4/20 Coffee mug	40	Nil	40
2008	01/4/20 Spoons	36	Nil	36
2008	01/4/20 Cup, plates	44	Nil	44
2011	27/6/20 File Cover	2015	2000	15
2011	01/4/20 Ink botal	11	Nil	11
2011	01/4/20 Blank Register	8	Nil	8
2012	01/4/20 Stapler pin	7	Nil	7

VIII. While Checking the Demand and collection Register of Rent of Jagadhari Zone, it was noticed that 2 Shops at village Bhatuli and 4 Shops at village Bhagwanpur were auctioned on 09/01/2013 @2300 to @ 2600 pm. but the possession of these 6 shops were given on 30/10/2013 after the 10 months of the auction, which dose not seem satisfactory as such the corporation had to bear the loss of rent for 10 months amounting to Rs. 150000/- (App.) due to delay in giving the actual possession. It is therefore requested that concerned officer /official may be directed either to justify the loss or made good the loss under intimation to Audit.

13. **Non Maintenance/ Non Complétion /Défective 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.

Sr. No.	Particulars	Since when not maintained/ defectively maintained
1.	Reconciliation of G.P.F. A/c	4/89 to 3/93 and 9/05 to 3/14
2.	Record relating to Municipal Tax on electricity consumption.	6/2002 to 3/2014
3.	House tax	2010-11 to 2013-2014
4.	Show tax	2003-04 to 2013-2014
5.	Slaughter house	9/2011 to 3/2014
6.	Lease of agricultur land	4/2010 to 3/2014
7.	Chest book	10/2012 to 3/2014



#### 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) While checking the misc contingent vouchers of the different branches, it has been noticed that the purchase of stock/store have been made in a piece meal manner from open market. Petty purchases have been made to meet immediate requirements of different branches which does not seem to be in order as such the petty purchase can not fetch the benefit of competitive market. Though the quotations have been obtained in many cases, It seemed that petty purchase were made just to avoid tenders and sanctions from the higher authorities. It may also be a case of inclusion of some motivated employees with the shopkeepers or other material providers or printing material providers as the case may be because it has been noticed that purchase or supply orders are being given to the same firms/ shopkeepers for years together. It is therefore requested that expected demands for stationery, computer parts, ink, various tool for gardening and departmental works, Electric materials required frequently may be taken from various branches and may be purchased after following due procedures to minimise the middlemen profits.

(iii) The record regarding Municipal 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) It has been noticed that Monthly Accounts in form G-4 and Annual Accounts in form G-5 has not been maintained by the corporation as required vide Rule III.6 and III.7 respectively of Municipal Account Code 1930. The concerned officer/official may be directed to maintained the same now and put up to Audit without any further delay.

(vi) 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 was not in order particularly of Jagadhri zone as such the potential value of G-8 receipt books has not been returned to the stores after their utilization and can cause misuse of the same and may lead to embezzlement.. It is advised that record may be completed now and put up to audit to point out discrepancies if any.

(vii) 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.

(viii) The following byelaws were not enforced to augment the income of corporation the same may be implemented forthwith and compliance shown to



Audit i)

ii)

Cow bye laws 1978.

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); Temporary 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 need of more improvement and closer supervision.

Compared by one  
S. K. Sharma

-Sd-

( B.K.Sharma )

Director,  
Local Audit, Haryana,  
Chandigarh