

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

**FOR THE YEAR 2015-2016**

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

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

From

The Director  
Local Audit, Haryana,  
Panchkula.

To

✓ The Commissioner,  
Municipal Corporation,  
Yamuna Nagar- Jagadhari.

Memo No. V(193)/284  
Dated: 6-12-16



S.A.O.  
G.M.M.  
9-12-16  
13.12.16

Sd/- Acct

**Sub: Annual Audit Report on the Accounts of Municipal Corporation, Yamuna Nagar- Jagadhari for the 2015-16.**

Enclosed please find the Annual Audit Report on the account of Municipal Corporation, Yamuna Nagar for the year 2015-16 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.

Deputy Director,  
Local Audit Deptt. Haryana,  
Panchkula.

Dated:

Endst. No. V(193)/

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. Chandigarh.
2. Financial Commissioner & Principal Secretary to Govt. Haryana Urban Local Bodies Department, Chandigarh.
3. The Principal Accountant General (Audit), Haryana, Chandigarh.
4. Director, Urban Local Bodies, Haryana, Panchkula.
5. Commissioner, Ambala Division.
6. Deputy Director (Audit), Municipal Corporation, Yamuna Nagar.

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



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**ANNUAL AUDIT REPORT ON THE ACCOUNT OF MUNICIPAL CORPORATION, YAMUNA NAGAR-JAGADHARI FOR THE PERIOD 04/2015 TO 03/2016.**

**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 and 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 31-03-2016 in brief was as depicted in **Appendix-'A'** to this report.

**PART - II**

**2. Personnel:-** Accounts of Municipal Corporation, Yamuna Nagar- Jagadhari during the year under report continued to be audited on pre audit system which remained headed by Sh Charanjeet Singh Mahna, Resident Audit officer.

The charge of the Office of Commissioner, Municipal Corporation, Yamuna Nagar-Jagadhari was held by Sh. S.S.Phulia (IAS) from 01/04/2015 to 8/2/2016, Sh. Dharambir Singh (HCS) from 9/2/2016 to 2/3/2016 and Sh. Girish Arora (HCS) from 10/3/2016 to 31/3/2016.

**2-A Record not put up:-** The record as detailed in **Appendix "B"** to this report were 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-Jagadhari/ Director, Urban Development Haryana, Panchkula 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:-** The Financial Position of the Corporation fund is exhibited below in a comparative form:-

	2014-2015(₹)	2015-2016(₹)
Opening Balance	198236473/-	99422272/-
Income	339862343/-	533229321/-
Total	538098816/-	632651593/-
Expenditure	438676544/-	471841004/-
Closing Balance	99422272/-	160810589/-

The increase in Income during the year 2015-2016 as compared to the year 2014-2015 was due to more collection of Taxes, fee, rent and Development Charges etc. and increase in expenditure due to mainly enhanced payment of salary and pension.

1. Beside the above closing balance of ₹160810589/-, grants worth ₹423909000/- were received during the period under audit and out of which ₹30905086/- spend for development work (as detailed in **Appendix -C** to this report).

2. The Corporation has to discharge the liabilities of 93529299/- 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	
5.	Govt. Loan Jagadhari Zone	16473303.00
6.	Audit fee arrear ending 3/15	2990941.00
7.	Pension Contribution	26535611.00
	<b>Total</b>	<b>93529299.00</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 Competent 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 2015-16 was incurred to the tune of ₹ 364351305/- against the total expenditure of ₹ 471841004/-. 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	47458745/-	10.06%
2.	House Tax, License & Light Branch, Teh Bazaari	4249499/-	0.90%
3.	Engineering Branch	36319832/-	7.70%
4.	Fire Section	23138898/-	4.90%
5.	Sanitation Branch	179840059/-	38.11%
6.	Pension of Retd. Employee	73344272/-	15.54%
	<b>Total</b>	<b>364351305/-</b>	<b>77.21%</b>

The above detail clearly indicates that the expenditure on establishment is on the very much 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 or concrete efforts be made to increase the income of the corporation to minimize the above said ratios. It is also pointed out that at the time of sanction of the posts of corporation some posts like clerks, fire men and sweeper were placed in diminishing cadre but the transfer as well as the posting against these post were given by the corporation. The same is brought to the notice of higher authority for taking suitable action.

4. **Audit Fee:-** The Actual audit fees for the year 2015-16 worked out to Rs 2349805 /- and the arrear of audit fee was worked out to Rs5398480 /- up to 31/3/2015. Total audit fee Rs 7748285/- was pending up to 31/3/2016 out of which Rs 5000000/- were deposited vide challan no nil dated 11/4/2016 GR. No 0018556026 dated 8/4/2016.

Actual and arrear of Audit fees of Rs. 2748285/- (Rs 398480/- + 2349805/-) may be credited to the Govt. revenue under head " 0070- other administrative services - 60 - other - services - B. Non Tax revenue - 110 - fee for Govt. Audit "and office name -0584- Director, Local Audit Haryana, Panchkula and treasury challan may be shown to Resident Audit Officer.

#### 5. Grants:

A) The position of grants received and utilized during the period under report are shown in **Appendix 'C'** to this report only to grants shown at Sr.no.10 & 30 were fully utilized, the unspent balance of grants shown at sr. 1 to 9, 11 to 29,31 and 32 may either be utilized within the stipulated period or refunded to Govt. without further delay.

#### B) (I) Yamunanagar Zone:-

The position of grants received / utilized prior to the period of this report i.e. up to 31.03.2015 along with unspent balances as on 31.03.2016 is exhibited in **Appendix 'D-I'** to this report and summarized as under:-

(i) The grant at Sr. No. 97,101,104,105,108 to 110,112,116,117,124,125,128 to130,132,138 to 142,144,146 to 148,150 152 to 154156,158,169 to 172,174,



176, 183, 184, 191, 199 to 202 has been fully utilized and their utilization certificate were furnished and sent to govt.

(ii) The grants at Sr. No. 1 to 6, 8 to 15, 18 to 35, 39 to 46, 50 to 56, 59 to 74, 77 to 91, 93, 94, 103, 168, 180, 186 & 188 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 127 was transferred to NBCC but utilization certificates duly verified by Accountant General Haryana were still awaited. The grants shown at Sr. No 135 to 137 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. 16 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 grants at sr. No. 7, 17, 36 to 38, 47 to 49, 57, 58, 75, 76, 92, 95, 96, 98 to 100, 102, 106, 107, 111, 113, 114, 115, 118 to 123, 126, 131, 133 & 134 are more than 3 years old but remained fully/ partly unspent. The same may be refunded to the concerned Institution / Govt. at the earliest and compliance shown to audit.

(v) The unspent balance of grants shown at Sr. No. 143, 145, 149, 151, 155, 157, 159 to 167, 173, 175, 177 to 179, 181, 182, 185, 187, 189, 190, 192 to 198, 203 & 204 may either be utilized or refunded to Govt. without any delay.

#### **B) (ii) Jagadhri Zone:-**

(a) The position of grants received/ utilized prior to the period of this report i.e. up to 31-03-2015 along with unspent balances as on 31-03-2016 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 37, 40, 41, 43, 44, 48 to 52, 54 to 55, 60 to 65, 71, & 79 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 grants at Sr. No. 17, 38, 39, 46, 56, 57 were utilized without pre-audit and record was not put up. The grants at Sr. No. 23, and 24 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) The grants shown at Sr. No. 3, 25, 26, 27, 28 to 30(ii), 42, 45, 47, 53, 58, 59, 66, 67, 68, 69, 70, 72 to 78, 80, 81, 82 to 88, 89, 90, 91 to 94 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 & Advances:-

1. The position of loans received by the corporation up to 31.03.2016 and their repayment is depicted in **Appendix "E"** to this report, whereas no loan has been received during period under report. 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. Up to 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.

## 7. Arrear of Taxes:

(a) The position of arrears in respect of House tax, Fire tax, Rent, Tehbazari and fire Charges 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 incomplete. Though good recovery of these taxes except house tax, fire charges and rent 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 2014-15 as required as per Haryana Govt notification Dated 11 October 2013 in the prescribed Performa as approved by 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 unit 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:-

- (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:-** As detailed in audit requisition no 69 dated 31/3/2016 and the perusal of advance registers of Yamuna nagar zone, Jagadhari zone, improvement trust Yamunanagar Zone and Improvement Trust Jagadhari zone revealed that ₹ 164279744.06/- (144720946.80 Yamunanagar zone + 17816596 Jagadhari zone + 112390.26 I.T Jag. zone + 1629811/- I.T yamunanagar zone) on account of temporary advance were outstanding against the Municipal Employees / Govt. Department. Temporary advances to the tune of ₹ 178510 were pending against the Municipal Employees/Government Departments for the last 6 months, Rs. 121037 were pending against the Municipal Employees/Government department for the last more than six months but up to Three years and Rs. 151300147.06 were pending against Municipal Employees/Government department more than three years but no efforts have been made to get these advances adjusted. Most of the employees stand transferred/ retired from the Municipal Corporation 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. Deptt.	Firms	Employees	Total
1	Up to 6 month	-	-	178510/-	178510/-
2	More than 6 months but less than 3 years	9969266/-	4565880/-	212778/-	14747924/-
3	Exceeding 3years	120301937/-	1922401/-	7570174/-	129794512/-
4	-do-( jag. Zone)	10967388/-	127019/-	6722189/-	17816596/-
5	-do-( I.T YNR)	1320568/-	140903/-	168340/-	1629811/-
6	-do-( I.T Jag.)	84310/-	27310/-	770/-	112390/-
	Total	142643469/-	6783513/-	14852761/-	164279743/-

9. **Retrenchment and Recoveries:** ₹ 498596/- were retrenched and Rs.2749094/- 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 2015-16

11. **Temporary Misappropriation of fund:-** As detailed in Audit Requisition no.55 dt. 25/02/2016 in the following cases income received through G.8 and was late remitted by the concerned official which was not in order and huge amounts were kept in hand unauthorisly by the concern official thus funds were mis-appropriated temporarily. The same is brought to the higher authority for taking appropriation action.

Sr. no.	Receipt no.	Amount (Rs.)	Date when income realized	Date of deposit
1	30 to 42/3114	37411	15/12/2015	31/12/2015
2	20 to 23/3118	42891	08/01/2016	12/01/2016
3	24/3118	28935	12/01/2016	14/01/2016
4	25 to 50/3118	75309	27/01/2015	08/02/2016
5	46 to 50/3127	14496	08/02/2016	16/02/2016
6	10 to 45 /3127	96417/-	08/02/2016	10/02/2016

## 12. Excess, Irregular and Avoidable Expenditure:

(i) The expenditure as detailed below did not constitute a valid charge on the municipal corporation fund. The same may either be recouped from the appropriate source/ officer at fault or got regularized with the sanction of govt.



Sr. no.	Voucher no.	Amount (s)	Particulars
1	350 & 351 03/2014	9244/-	Cost. of foundation stone for Civil Hospital against IHSDP scheme
2	363 of 03/2014	6400/-	Cost of water Heater for E.O Residence
3	207 of 06/2014	15000/-	printing and writing of polling booth for Lok Sabha election (not recouped from election department has yet)
4	304 of 10/2014	19951/-	printing and writing of polling booth for election (not recouped from election department has yet)

(ii) 505 km Journey was performed by the municipal engineer and court clerk by jeep no. HR 02-E0154 and consumed 56 liters HSD of Rs.3000/- approximately as detailed in audit requisition no 57 dated 25/2/2016 without the approval of competent authority. The Ex-post-facto sanction may be obtained now and put up to audit.

(iii) Rs. 941117/- were paid to safai majdoor as arrear of pay vide voucher no 160 to 265 of 7/2014 instead of Rs 933193/- hence Rs 7924/- were paid in excess. The same is brought to the notice higher authority to taking necessary action besides recovery of excess payment from the official at fault and compliance shown to audit.

(iv) Payment of Rs.8548/- was made for cutting/removing the trees near the Ram Tirth Park and in Model Town, as detailed in Audit Requisition no.14 dt.22/05/2015 but neither the sale proceed of wooden of these trees were done nor shown in the concern stock register of the corporation. The same is brought to the notice higher authority to enquire the matter and recover of the wooden from the official at fault and compliance shown to audit.

(v) Rs. 224720/- were paid to M/S K.K Associates vide Voucher No 223 and 224 of 5/2014 for preparation of detail project report, preparation of tender document and meat market for slaughter house project but the voucher relating to adjustment of advance, report of concern branch regarding the completion of work as well as the report regarding the utility of that work not produced in audit. The same is brought to the notice higher authority to enquire the matter and recover of the wooden from the official at fault and compliance shown to audit.

(vi) 849.50 litter's diesel of amounting to Rs 43000/- approx. were consumed by the tractor trolly of sanitation branch driven on Sunday as detailed in audit requisition no 40 dt.15/12/2015 but the order of the competent authority for working on Sunday not forthcoming in the audit. The matter is brought to the notice higher authority to enquire the matter besides recovery of excess/ over payment from the official at fault and compliance shown to audit.

(vii) An amount of Rs 333741/- was paid to Shri Narender kumar clerk for the purpose of registration of land at village Kail. The land was purchased in 2012 by Municipal Council, Jagadhri. But the registration deed could not be executed despite an advance of Rs. 2,45,000/- was paid to Sh. Narinder Kumar on 9-11-2012 and the same was deposited to Corporation fund on 19-2-2014 after 15 month approximately which was irregular as such this not only lead to lose of interest for above 15 months but also Corporation had to pay more Rs. 88741/-



(333741-2,45,000) due to enhancement of stamp duty. This is highly objectionable and responsibility may be fixed and recovery affected accordingly under intimation to audit.

(viii) Cheques of Rs. 1242521/- were issued by the individuals on account of cess payable were dishonored as detailed in Requisition no.58 dated.8/3/2016 and account adjustment of these payment were made by issuing G-8 receipt by the Municipal Staff but 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. 1242521/-. Demand be revived and got checked from Audit and sincere efforts be made for recoveries along with up to date interest.

(ix) 50 litter's diesel of Rs 2700/- apprx. shown consumed excess by making wrong entries in log book of Dumper Placer No HR-58- 9805 as detailed in audit requisition no 18 dt.17/06/2015. The same is brought to the notice higher authority to taking necessary action besides recovery of excess payment from the official at fault and compliance shown to audit.

**13. Irregularities in purchases:-** In the following cases purchases were made in piece meal to avoid proper purchase procedure i.e e-tendring as well as to avoid sanction of higher authority which is highly irregular and the same are brought to the notice higher authority for taking appropriate action and work out the excess payment, if any, due to non adoption of proper purchase procedure, recovered from the concern officers/officials and compliance shown at the time of next Audit.

Sr. No.	Voucher no. / Month	Amount (Rs)	Particular
1	374 to 378 of 3/2014	52750/-	Cost of Kassi, Broom and Belcha etc.
2	381 to 390 03/2014	55825/-	Cost of stationery.
3	220 to 243 and 356 to 366 of 3/2014	172815/-	Cost of Tube Sets and Electricity Material.
4	175 to 183 06/2014	38593/-	Cost of stationery.
5	9 to 13 and 307 to 309 of 9/2014	72807/-	Cost of Kassi, Broom, Belcha, Ganti, and Talwar etc.
6	136 to 143 of 9/2014	72080/-	Cost of printing of various forms and stationery.
7	264 to 265 of 9/2014	28055/-	Cost of office chairs and tables.
8	282 to 285 of 09/2014	35374/-	Cost of Electricity Material.
9	132 to 137 and 305 to 310 10/2014	79803/-	Cost of Printing and Stationery.
10	237 to 241 10/2014	99200/-	Cost of fire extinguishers etc.
11	272 to 274 of	31870/-	Cost of Electricity Material.



	11/2014		
12	82 of 9/2014	28500/-	Cost of Air Conditioner.

(ii) The following purchases were made from the open market without calling quotation / e-tendering. This is not in order and brought to the notice of hire authority to verify reasonableness of the rates and if, any payments in excess may be worked out and recovered from official at fault and compliance shown to audit

Sr. no	Voucher no. / Month	Amount (Rs)	Particular
1	241 to 247 of 05/2014	9350/-	Repair of computer
2	174 TO 175 of 09/2014	5000/-	Repair of air an stand
3	176 to 184 of 09/2014	16950/-	Repair of computer, cost of anti varies and filing of curtains
4	270 to 272 of 10/2014	5640	Cost of key board, mouse and toner printing
5		259921/-	Cost of furniture
6	285&286 of 010/2014	45400/-	Cost of computer, printer and scanner
7			

#### 14:- Short Recoveries, Non Recoveries and Loss of Revenue:

(i) Many irregularities were noticed in the stock register of electricity branch of yamunanagar zone, such as actual balances of different items as detailed below were not carried over to the next date. This is objectionable and the actual balances in the store were not physically checked by the supervising officers of years together. Needful may be done now and compliance shown to audit

Date	Items	Openin g balanc e	Receive d	Tot al	Issue d	Closin g balanc e	Closin g balanc e taken	Differen ce
25/11/14	Tube rod	16	50	66	---	66	56	10
28/8/14	M.S.Clu mb	47	---	47	10	37	31	6
27/8/14	Tube rod	123	---	123	5	118	98	20

(ii) Many theater/ Cineplex falls under the jurisdiction of Municipal Corporation and significant income in shape of show tax can be realized from these theatres / Cineplex , but the show tax has not been realized for the last many years. Even their up to date demand has not be raised in their respective demand and collection registers. This shows the casual approach of the municipal authorities to augment the corporation revenues. The matter is brought to the notice of higher authorities to look in the matter and issue necessary directions to realize the up to date show tax under intimation to audit

(iii) As per posting of house tax for the year 2012-13 of yamunanagar zone, benefits were given to the owners of the house tax units due to wrong postings of the g-8 receipts as detailed below. This has caused the loss to Municipal Corporation to the tune of Rs.35489/-This not in order. Therefore requested that matter may be investigated departmentally and suitable action may be taken



against the defaulter besides raising the demands proper property under intimation to Audit.

Property no & block no	Name of the property owner where posting done	g-8 no and date	Amount (Rs)	Name whose favour the G-8 was actually issued
1027	Snehlata	33/2238 dt.12-12-2012	4697/-	Smt Sita Devi # 2470 Block 6
1327	Joginder Singh	43/2339 dt.7-1-13	365/-	Sh Radhy shyam # 145 Block 9
1293	Shiksha Rani	14/1705 dt.10-2-11	472/-	Sh Jai Ram Chutani # 1293 Block 5
1606	Ashok Kumar	50/2117 dt.30-12-12	2182/-	Smt Dharshan Devi
1920	Ramji Lal	8/2655 dt.20-12-13	270/-	Sh Ashok Kumar
2241	Sita Ram	10/1909 dt.22-6-12	562/-	Sh Om Parkash # 403 Block 4
3521B	Kumar Singh	37/2343 dt.1-10-13	379/-	Smt Sheela Rani # 2030A Block 5
4638	Krishan Lal	12/2088 dt.17-9-12	981/-	Sh Vinod Kumar
4673	Parvati	34/2917 dt.4-2-13	243/-	Sh Kharoj Singh # 1112C Block 6
5115	Baldev Singh	11/2663 dt.4-4-13	420/-	-----
5146	Sahdev Singh	10/2383 dt.6-1-13	3111/-	Sh Sohan Lal # 5164 Block 9
5870	Joginder Pal	28/2519 dt.28-12-13	1210/-	-----
		Total	35489/-	

(iv) Huge Arrears were outstanding against the tenants of corporation shops at both the zones and even a single penny was not recovered during the current financial year from some tenants as detailed in the Requisition no.45 dt. 4/3/15 and Requisition no.50 dt. 11/3/15. This is a serious matter as it not only resulted into accumulation of arrears of Rent, But also lead to litigacy in the long run and further losses in shape of legal expenses. The matter is brought to your special notice for appropriate action in the matter.

(v) As per register of composition of offences of Municipal Corporation for the year 2015-16, it was observed that nor notices in Yamunanagar zone issued u/s 261, 250 and 254 of Municipal Corporation Act 1994 were issued neither a single case was 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.

(vi) As detailed in audit requisition no.59 dt.08/03/2016 as per govt. notification 19 Feb. 2016. Some colony's of (approx.168 area) were regularized but demand notice for development charges has not prepared and served upon. This is causing loss of Corporation fund. The same is brought to the notice higher authority to issue necessary direction to recover the development charges.

(vii) S.C.F.No. 41 measuring area 91.66 sq. mt. was allotted to Sh. Naveen Inder Singh of Sarojni Colony Part-1 for 575000/- Vide letter No. YIT/2004/8528 dt. 2-3-2004. As per term and condition all dues of the plot were to be clear within 3 years at 12% interest. But the same has not been cleared as yet as such Rs. 20723/- are still outstanding. Similarly S.C.F. no. 25 of same area as above was allotted to Sh. Karnail Singh S/o Sh. Bachan Singh Vide letter no. YIT/2004/8512 dt. 2-3-2004 for Rs 695000/- but dues still not been cleared as such Rs. 21242/- are still outstanding. The matter has been reviewed in Audit and was found that these cases are not being sent in Audit through Account section which is not satisfactory and in future all such cases should be sent through Account section besides depositing the dues of above said plots and other such like cases under intimation to Audit.

(vii) Solid waste management plant was earmarked for Yamunanagar-Jaadhari during the year 2009-2010 estimated cost of which was about 1874 lacs. A piece of land about 8.5 Acres was provided by the corporation for the above said project at village Kail (Ambala road Jagadhari). The project through the N.B.C.C (National Building Construction Corporation of India) was handed over to P.D.C Company Mumbai for maintenance and operation of the project for next 30 years for which an agreement was signed on 03.08.2012 by the authority of Corporation and representative of the said company. According to the agreement, wages of the labour/officials were to be paid by the company, a comprehensive insurance of the project was to done by company and besides others a bank guarantee of 65 lacs was to be given by the said company. It is pertinent to point out here that performance of the project/maintaining agency was not up to the mark in first 2-3 years of the agreement, moreover the project stop functioning since 12/2014 consequently as has been revealed from the paper /files and discussion with the official of the corporation. The corporation was bound to take a decision of forfeiting the bank guarantee of 65 lacs which does not seems enough to match the huge cost of the project ibid. It is, therefore requested concrete steps may be taken to run the project smoothly as the expenditure of project not becomes the wasteful expenditure besides sufficient measures may be made to match the actual cost of the project to avoid any future loss also the responsibility of concerned may be fixed for failure of the project.

(viii) 24 shops constructed for meat market has not been either rented out or has been vacated by the tenants without depositing the due rent. These shops has been lying vacant since long which in not desirable on the part of concerned officer/official as such vacant shops are causing loss to tune of Rs.302000/- approx. per annum being other shops in the same locality has been rented out @1050/- or more by the corporation. Though the matter has been brought to the



notice of authorities time and again but no fruitful results has been seen as yet. It is therefore once again requested to take concrete steps for letting out these vacant shops.

**15. Non Maintenance/ Non Complétion /Défective Maintenance of Record-**  
: The following records were not maintained/ defectively maintained by the official/ officer of the corporation in spite 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 3/16
2.	Record relating to Municipal Tax on electricity consumption.	6/2002 to 3/2016
3.	House tax	2010-11 to 2015-16
4.	Show tax	2003-04 to 2015-16
5.	Slaughter house	9/2011 to 3/2016
6.	Lease of agriculture land	4/2010 to 3/2016
7.	Chest book	10/2012 to 3/2016
8.	Assessment of House Tax	4/2010 to 3/2016

**16. Irregularities in works accounts:-**

I) Community centre at village Ratauli and Garhi Gujraan costing Rs. 20 lacs and 25 lacs were constructed by the Corporation through contractors Sh. Vikas Garg and Sh Rajnish Talwar @H.S.R.+10.90% Now bills of the same contractors on the same rates and also of same work were put-up in audit for estimated cost of Rs.5.80 lacs and Rs 7.50 lacs respectively for the balance work of said community centres which is highly objectionable as such either the original estimates were not prepared considering all the items of the works ibid or the estimates were prepared for lesser value to avoid sanctions of the higher authorities Moreover allotment of work on the already approved rates may cost higher as such corporation failed to take benefit of the competitive market. It is therefore requested matter may be investigated departmentally and loss, if any, may be made good from the defaulters in the above said cases and other cases which were allotted to contractor for completion of works or even for allotting original work for on prevailing rates to avoid tender procedures.

II) Huge materials were purchased by the engineering wing Yamuna Nagar zone as detailed in audit request ion No. 43 dated 28-12-2015 but consumption thereof was not pointed out. Which is not satisfactory as non utilization may lead to misappropriation of building material and other valuable items. Compliance of audit observation may be made without any further delay to avoid any loss to this valuable materials.

III) 2,45,427/- No bricks were recovered from dismantling of brick paving the work named const. of various streets in ward no. 12,17,18 and 20 estimated cost of which was Rs. 3.54 crores the same bill was recorded at page 20-21 of MB 430 and page 139-166 of MB 399. However the consumption of above bricks has



still not been shown to audit which does not seem satisfactory as such misuse of these unutilized bricks cannot be ruled out. The matter is brought to the notice of Higher authority for taking appropriate action in the matter.

#### 17. 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 could not be exercised in audit. Similarly, the total No. of Immoveable Properties Registers on R-I neither pointed out nor could be ascertained

(ii) 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 thereof 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.

iii) The demolition operation are carried out in almost every zone with the help of 2 nos. 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.

(iv) The 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 same is brought to the notice of higher authorities to look in the matter and issue necessary directions to do the needful and compliance shown to Audit.

(v) Defined contributory Pension Scheme has been implemented on the Municipal Corporation employees. But necessary compliance of the above said matter is not done by the corporation as yet. It is therefore, requested to direct the concern/officials to make sincere efforts on this matter and compliance shown to Audit.



(vi) The renewal of Architects licenses for the year 2013 to 2016 has not got done and the building applications are being submitted/ prepared by the non approved Architects and accepted by the corporation. The same is brought to the notice of higher authorities to look in the matter and issue necessary directions to do the needful and compliance shown to Audit.

vii) The return of potential value books specially the G-8 after the use is not watched. As such the same lying with the concerned officials / branches since a long period (instances given in requisition no 22 dated. 07/08/2015, requisition no.36 dt.26/10/2015 and Requisition no.39 dt.03/12/2015 this has been viewed seriously in audit as such the same were to be return to the store immediately after realizing and depositing the income against each leaf of the G-8. But the same has not been done. The same is brought to the notice of higher authority to issue necessary direction for the same and compliance shown to audit.

(viii) Triennial verification of properties moveable or immoveable of the Corporation 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 literacy in this regard.

(ix) As detailed in audit requisition no.53 dt.04/2/2016 the income of corporation realized through computerized printed receipt and not through the traditional G.8 receipt as mandated vide rule no.(iv)4 of municipal account code 1930. Though the format of the cumputer printed receipts is same as that of G-8 but the authenticity of receipt is highly doubtful. The traditional G-8 receipts bound in book form serially no, taken in stock of potential value books, issued for use by the secretary by recording a certificate of page account and returned to stock after recording "full credit in M. C fund" certificate on last receipt. But non of the above safety measures were applied in computer printed receipts. No sufficient proofs was forthcoming about fool- proofness, inalterability/ unchangability of contents, amount and sr.no of the receipts/ receipts book. The same is brought to the notice of higher authority for ensuring a mechanism comprising of above said qualities to avoid any embezzlement/ misappropriation of corporation fund.

(x) Three Jeeps were purchased by the Corporation and the expenditure was sanctioned by the govt. with the condition that old vehicle will be condemned at a later stage. But no action was taken as yet as such all the old vehicle are being used by the Corporation officials. This is highly objectionable. The expenditure on such vehicles has already been objected by the Audit. The same is brought to the notice of higher authority to issue necessary direction for the same and compliance shown to audit.

**18. Conclusion:** The disposal of last Audit note was not satisfactory (Part-I); Huge record was again not put up (Para-2A); Loan and Advances were outstanding (Para-6); Arrear of Taxes (Para-7); Temporary advances (Para-8); Temporary Misappropriation of Fund (Para-11); Excess/ Irregular and avoidable Expenditure (Para-12); Irregularities in Purchases (Para-13); Short Recoveries,



Non Recoveries and, Loss of Revenue (Para-14); Non Maintenance/ Non Completion /Defective Maintenance of Record (Para-15); Irregularities in works accounts (Para-16); and Miscellaneous irregularities (Para-17) were noticed . The accounts stand in need of more improvement and closer supervision.

-sd-  
(Anand Sawrup)  
Director,  
Local Audit, Haryana,  
Panchkula  
*Compared by me  
Anand Sawrup*