

ANNUAL AUDIT REPORT
ON THE ACCOUNTS OF
MUNICIPAL CORPORATION

SONEPAT

FOR THE YEAR 2018-19

ISSUED BY:-

DIRECTOR, LOCAL AUDIT HARYANA
PANCHKULA.

ANNUAL AUDIT REPORT ON THE ACCOUNTS OF
MUNICIPAL CORPORATION, SONIPAT
DISTRICT SONIPAT.

PERIOD: 2018-19

PART-I

1. LAST AUDIT REPORT

The action taken on the last audit report was not satisfactory. Even its annotated reply was not prepared and sent to this office as required under rule XVII.17(2)(3) of the Municipal Account Code, 1930 read with Finance Department letter No. 28298(Fin. Gen.) dated 16.5.1951.

However, the position of the outstanding audit objections till the conclusion of current audit is given in appendix-"A" :-

PART-II

1. PERSENT AUDIT:-

Accounts of Municipal Corporation Sonipat during the period under report continued to be audited on day to day basis under the Resident Audit Scheme headed by Sh. Krishan Yadav Deputy Director (Audit) 01.04.2018 31.03.2019. The following Officer held the charge of the post of Commissioner, Municipal Corporation, Sonipat during the period under report.

<u>Sr No.</u>	<u>Name</u>	<u>Period</u>
1..	Sh. Sushil Malik, H.C.S	04.10.2018 to 04.09.2018
2.	Smt. Sunita Verma, H.C.S.	05.09.2018 to 31.01.2019
3	Vacant	01.02.2019 to 04.03.2019
4.	Sh. Sujan Singh Yadav, I.A.S.	05.03.2019 to 31.03.2019

2-A. Record not put up:-

The record as detailed in Annexure "A-I" relating to period since April 1969 onwards was again not put up despite repeated audit objection/Requisitions. In the event of Non-production of record, chances of misappropriations/ embezzlement of municipal fund, can not be ruled out. The matter, therefore, require attention of authorities for ensuring early production of record.

3. Finance:-

Financial position of the Municipal fund is exhibited below in a comparative form:-

	<u>2017-18(Rs.)</u>	<u>2018-19 (Rs.)</u>
Opening Balance	1,54,40,75,046	1,44,86,10,880
Income	2,29,51,01,931	2,34,32,25,255
Total	3,83,91,76,977	3,79,18,36,135
Expenditure	2,39,05,66,097	1,89,03,15,186
Closing Balance	1,44,86,10,880	1,90,15,20,949

Decrease in income & expenditure during the year 2018-19 as compared to that of previous year 2017-18 was mainly attributed to less receipt of miscellaneous income /grant and execution of less development works respectively. Closing Balance also includes an investment of Rs. 1,10,76,42,768/- as detailed below in term deposit as on 31.3.2019.

Sr. No.	Sr. No. of FDR	FDR Amount	Rate of interest	Date of maturity
1	45/124	3,88,163	6.60%	16.12.2019
2	34/103	21,00,768	7.25%	31.12.2019
3	44/111	5,00,00,000	8.05%	05.02.2020
4	1/105	5,00,00,000	8.05%	05.02.2020
5	2/106	8,00,00,000	7.60%	09.03.2020
6	10/110	15,00,00,000	7.11%	10.03.2020
7	5/109	2,00,00,000	7.60%	16.03.2020
8	38/116	10,00,01,000	7.23%	31.03.2020
9	39/117			
10	3/107	5,00,00,000	7.60%	16.03.2020
11	6/112	5,00,00,000	7.60%	22.03.2020
12	7/113	5,00,00,000	7.60%	22.03.2020
13	8/114	5,00,00,000	7.60%	22.03.2020
14	9/115	5,00,00,000	7.60%	22.03.2020
15	36/119	6,72,246	6.80%	25.03.2020
16	37/120	35,04,722	6.60%	25.03.2020
17	24/41	13,76,90,029	7.23%	30.03.2020
18	25/42			
19	33/102	1,05,529	6.60%	17.04.2020
20	27/96	12,97,029	6.60%	23.10.2020
21	28/97	12,97,029	6.60%	23.10.2020
22	29/98	12,97,029	6.60%	23.10.2020

Sr. No.	Sr. No. of FDR	FDR Amount	Rate of interest	Date of maturity
23	30/99	12,97,029	6.60%	23.10.2020
24	31/100	12,97,029	6.60%	23.10.2020
25	32/101	12,97,029	6.60%	23.10.2020
26	26/95	8,44,844	6.60%	23.10.2020
27	35/123	62,35,553	6.60%	22.11.2020
28	19/33	4,50,00,000	6.60%	24.11.2020
29	20/34			
30	21/35			
31	22/36			
32	23/37			
33	12/118	5,00,000	6.80%	30.03.2020
34	13/122	27,60,000	6.80%	21.05.2020
35	New FD	57,740	7.00%	04.11.2019
36	New FD	15,00,00,000	7.60%	25.05.2020
37	New FD	5,00,00,000	7.40%	28.03.2020
	Total	1,10,76,42,768		

Apart from the closing balance of Rs. 1,90,15,20,949/- as on 31.3.2019 Corporation held small investment to the tune of Rs. 2000/- in Haryana State Development Loan 1980 and Rs. 5000/- in the share of Sonipat Co-operative Sugar Mill, Sonipat. The relevant pass book/ share certificate were not shown to audit for physical verification nor any interest/ dividend was received by the Corporation date of maturity might have elapsed which may be checked and if due, got encashed to avoid further loss of interest.

Apparently, the financial position of the corporation from its own resources (House Tax, Stamp Duty, Rent, Development Charges, Advertisement Tax, Copying Fees, Composition/ Penalties & Fines, Fire Extinguishing & other Mis. Income etc) was quite lean and miserable which was Rs.26,76,81,794/- which is 7.06% of total income of the corporation. It even failed to maintain the minimum balance of one month's pay as required vide Rule XVII. 6 of Municipal Account code 1930 and D.L.B letter No. 2878/111/3765 dated 03.07.01 the corporation was not in a position even to pay the priority charges viz repayment of LIC Loans. There is urgent need

to augment income of the corporation by tapping all possible sources of income besides plugging leakage of revenue from the existing one and affecting economy in expenditure wherever warranted.

Corporation fund was kept in several bank /Post Office account instead of one in any scheduled Bank or Coop. Bank or Post Office as envisaged in section 59 of Municipal Act 1973. Moreover, approval of the Institutional Financial Deptt. and Deputy Commissioner, Sonipat in terms of instructions contained in Govt. Letter No. 15/1/78 dated 24.2.79 was also not obtained for keeping multiple bank account. It is advised to maintain only one bank/post office account as per provisions & rules. The other multiple account in operation may be closed by transferring the existing balance with upto date interest accrued there on in the bank account intended to be for facility of accounting and reconciliation of accounts.

Out of total expenditure of Rs.1,89,03,15,186/- a sum of Rs.20,40,69,206 (10.79%) was spent on the establishment. The breakup of which was as under :

S.No.	Name of the Department	Amount Rs.	Percentage
1.	Sanitation Establishment	9,83,95,022/-	5.21 %
2.	Work/Engineering branch Establishmemnt, Fire, Water Supply, General Br. etc.	10,56,75,184/-	5.58 %
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	Total	20,40,70,206/-	10.79%

The Corporation had to discharge liabilities to the tune of Rs.13,63,626.00 in addition to interest on account of repayment of loan LIC against water supply and sewerage scheme up to 31.03.20.

4.a) Audit Fee :

Actual audit fee for the year 2018-19 of Municipal Corporation, Sonapat amounting to Rs.17,17,111/- was deposited by Corporation under Head " 0070- Other Administrative Services -60- Other Services – B - Non Tax Revenue 110 fee for Govt. Audit by e-challan No.123557532 dated 04.02.2019, GRN No.0043996753 dated 04.02.2019 for Rs.17,46,292/-. However, Rs.29,181/- were deposited in excess, the same will be adjusted in the audit fees of next year.

5. Grants

(a) The position of grants received during 2018-19 & unspent balance thereof are shown in appendix 'B' to this report is commented as under :-

- (i) Grants at Sr. Numbers 1,3,5,9,10,12,13,14,15,17,20,22,23 & 25 were lying unutilized. These may be utilized within the stipulated period or refunded to the Government.
- (ii) Grants at Sr. Numbers 2,4,6,7,8,11,18,19,21 & 24 were spent partly. The unspent balances of grant may be utilized within the stipulated period or the period extended by the competent authority, if any, otherwise the same may be refunded to the Government and compliance shown to the audit.
- (iii) The grant shown at Sr. No. 16 & 26 were utilized fully but their utilization certificates were not put up to audit for verification. The same may be put up to audit for verification at the earliest.

(b) The position of Grants received upto 31-03-2018 and balance thereof as on 31-03-2019 shown in Appendix "C" to this report is commented as under:-

- (i) Grant of Rs. 1237950/- , 1233775/- and Rs. 1700000 as detailed at Sr. No. 82, 86 & 87 of Appendix "C" were received for the improvement of urban slum and repair of damaged roads. Out of which Rs. 4.5 Lacs Rs. 393665/- and Rs. 340784/- respectively were paid for the payment of salary of Municipal staff and the

contractors for their pending bills of works executed out of Municipal Fund in the year 1992-93. The amount wrongly spent for the salary may be refunded out of municipal fund and utilized for the purpose for which these grants were received.

- (ii) Grant of Rs. 3,00,000/- shown at Sr. No. 88 of the appendix was received for the purchase of pesticides and other equipments for eradicating plague but Rs. 6720/- were only spent for the purchase of B.H.C. 1% and rest of the amount was spent for the payment of wages and for other purpose. This was irregular. The irregularity may be got regularised with the sanction of the funding authority or the amount refund besides taking action against the official at fault and compliance shown to audit. 5
- (iii) Grant Sr. No. 1 to 11,13,14,16 to 21,23,24,28 to 32,35 to 47,52,54,84, 85, 89, 90,99 to 136, 144,152,153,154, 157,158,159 of Appendix "C" were deposited with the P.W.D(P.H) Sonipat for execution of works under water supply and sewerage but the statement of expenditure duly verified by the Accountant General, Haryana Chandigarh were not obtained, these may be obtained now. Out of Grants at Sr. No. 10 of the Appendix "C" Rs. 1,00,000/- were utilised by the Municipal Corporation Sonipat and the balance amount of Rs. 12 Lacs were deposited with the P.W.D.(P.H). 6
- (iv) Grants as Sr. No. 12,15,22,33,34,49,51,56 to 59,61,62,64,66,67,70,94,95 of Appendix- "C" were shown as spent by Municipal Corporation but entries in the grant Register together with relevant voucher were not shown to audit in the absence of which these could not be considered to have been utilized for the purpose for which these were received. The record may now be shown to the Deputy Director (Audit) to verify the correctness of utilisation. 7
- (v) The partly unspent balance of grants mentioned at Sr.No.48,50,53,55,60,63,65,68,69, 71,72,74 to 82, 86,88,91,92,93,96,97,98,140, 141,142,143,145,146,155, 156,160 to 162,163 to 168, 169,170,171 to 175, 176,177,178,179,180,181,182,183, 185,186,188 to 199, 201, ~~204~~ to 208 of Appendix "C" should be refunded or spent with the sanction of the grants sanctioning authority. 8

- (vi) The amount of grants at Sr. No. 25 to 27 of Appendix "C" as pointed out in column No. 11 were utilized after the stipulated period without obtaining extension of time from Govt. It may be obtained now or the amount refunded to Govt. 8
- (vii) Where about of the amount Rs. 70,000/- at Sr. No. 104 of Appendix "C" as already pointed out in para 5(a) of the audit report 1995-96 was still not intimated. This need immediate action. 10
- (viii) The grant shown a Sr. No. 73,76,77,83 & 200 were spent but not admitted in audit. 11
- (ix) The grants shown at Sr. No. 147,148,149,150,151,184,187 were fully spent but their utilization certification not put up to audit fir verification. 12
- (x) Balances of grants in cash book were not reconciled with bank passbook upto the year 2018-19. 13

c) **Grants under Revenue Earning Scheme:-**

- i) No Grant under revenue earning scheme was received during the year 2018-19.
- ii) The position of grants received under the revenue the earning scheme prior to this report is given in "Appendix'D" to this report, it was noticed that separate account of revenue earned from the shops constructed under this scheme was not maintained. The details of expenditure incurred, month and number of shops construced was not shown in the grants register. As such proper utilization of grants and revenue earned could not be ascertained. Separate account of grant may be maintained now and register duly completed shown to audit for verification of factual position. 14

6. **Loans:**

- (i) The position of loans during the period under report and also of those received in previous year is exhibited in "Appendix E" to this report along with repayment position thereof. The loan received from Govt. and Life Insurance Corporation of India for the execution of water supply/sewerage scheme from time to time were deposited with Public Health Department Haryana but the utilization thereof were not admitted in audit for want of statement of expenditure duly verified by the Accountant General. Haryana Chandigarh as required vide article 230(Note 2) of Account Code Vol.III. the requisite 15

statement duly verified by the Accountant General Haryana Chandigarh may be obtained now to affect adjustment in the accounts book of corporation. In respect of the work not undertaken and completed by the Public Health so far, the corporation may claim refund along with interest thereon.

(ii) The repayment of principal and interest of loan were not being made since 1982 except Sr. Nos. 91,93 & 96. The installment of loans and interest should be paid regularly as the repayment of loans is priority charge on the municipal fund under section 57(i) (b) of the Haryana Municipal Act, 1973. The non payment of instalment of loans would ultimately result in accrual of penal interest. This is brought to the notice of Govt. for timely action in the matter. 16

(iii) Loan of Rs. 12611000/- was received as detailed at Sr. No. 93 of Appendix 'E' to this report for shifting of Milk Dairies. Land measuring 128 Kanal 11 Marla was purchased from Gram Panchayat Harsana Kalan on 24.3.03 for Rs. 4745781/- and land measuring 76 Kanal was also purchased from Gram Panchayat Devru on 7.9.04 for Rs. 30,63,750/- The entry of this land in property register, its sale account and amount received/refunded of loan be shown to audit. 17

(iv) Out of Loan of Rs. 6 Lacs mentioned at Sr. No. 36, Rs. 4 Lacs and 61395/- were deposited with the P.W.D (P.H) Branch in 1982-83 and on 19.02.1986 respectively, and the balance of Rs.1,38,605/- was utilized on other purpose. The same may be deposited to the P.W.D.(P.H) with proper sanction & shown to audit. 18

(v) Loan of Rs.2,50,000/- was received from Director Urban Development Haryana Chandigarh for payment of retrial benefits to Municipal Employees as detailed at Sr. No. 95 of Appendix 'E' to this Report. Out of Rs. 187850/- were paid. Unspent balance of Rs. 62,150/- should be refunded alongwith the instalments as per terms & Conditions of Loan & shown to audit. 19

7. (a) Arrear of House Tax

(i) Position of arrears in respect of House Tax, Fire Tax Could not be depicted in the Audit Report as the records i.e Demand and Collection register of House Tax were laying in complete since the year 1988-89. (The Executive Officer was requested again and again vide Requisition No.5 Dated 12-09-2012 and Requisition No 5 dated 16.06.2016 has been issued in this regard, to get the register completed.) The assessment of taxes, Receipts and posting therefore may be got checked from audit but municipal authorities paid no heed to the audit requests. The record of House Tax may be completed, brought upto date and arrears worked out and put up to audit for check. 20

(ii) The cuttings and over writings were noticed in the amount of arrears as well as in current demand and collection register of House Tax for the period upto 31.03.2016 which were also not attested by any competent authority nor any record and reason for change of amounts were put up/given. The old record /demands and collection register from which the balance carried over and the decision of the committee/Sub-committee for fixing current demand were also not shown. Page wise totals / balances were not worked out. This may be done now and record may be completed and shown to audit. Further, supplementary assessment of House Tax as required under the provision of Municipal Corporation Act, 1994 was also not made since last several years causing heavy loss of revenue to the corporation. Adequate steps may be taken. 21

Further the Demand & Collection register for the year 2003-2004 onwards were not maintained as yet and contract to complete the job of postings/ proving was not given to some computer agency for its preparations. These registers may be got prepared, postings made upto date and got checked from audit at the earliest possible, in compliance of audit requisition no 11 dated 06.03.2017

7.(b)(i) Other Register:

Similarly, the position of arrear of rent could not be ascertained as the demand and collection register of rent of Municipal shops, open land and properties given on lease was not properly maintained, the horizontal as well vertical totals were not worked out and lying incomplete since long. The old demand and collection register from which the balances were brought forward was not put up to verify the correctness of balance carried over. The posting of rent received were also not got checked from audit for the last 20 years. Requisition No.5 Dated 15.06.2016 has been issued in this regard. The relevant record duly completed may be produced in audit for necessary check. 22

It is also pointed out that in the absence of complete record of rent it could not be checked as to whether the rates of rent chargeable from occupants were enhanced after 3 or 5 years as per instruction of local Govt. issued in this behalf from time to time. The record may be got completed and it also be ensured that the rent is charged after enhancing 20% after the lapse of five complete year & from the date of allotment to augment in the financial interest of the corporation.

ii) Similarly in a large number of other cases the tenancy right of Municipal Shop/lands were being transferred for the last mentioned time period recount to it 15-20 years but the relevant record i.e. agreement deeds, period, terms and conditions of transfers/lease, recovery of rent, transfer fees, orders of the authority for transfer and other connected records was not made available in audit. This was not in order and the matter, is again brought to the notice of the Commissioner, Municipal Corporation Sonapat / Director Urban Local Bodies Haryana for issuing directions for completion and production of record to avoid any chances of misappropriation/defrauding of Municipal fund and properties. 23

8. Temporary Advance:-

The temporary advances were often drawn in indiscriminate manners even when not required for immediate use. This depicts very sorrow state of affairs of the Municipal

Fund and in utter disregard to the provisions of instruction contained in Local Government Department Memo no. – 20/317-78-5C-III dated 3.11.79 and requisition no. 2 A dated 13.05.2016 has also been issued by audit. Action be taken forthwith to ensure adjustment of long outstanding advances without any further delay. The statement of expenditure in respect of advances deposited with Govt. Departments for execution of various development works duly audited / verified by the Principal Accountant General, Haryana, Chandigarh may be obtained and submitted to audit. in case of any balances or unspent balances, the amounts may be recovered with panel interest up to the date of refund and compliance shown to audit besides taking suitable action against the defaulters.

Sr. No	Name of Deptt.	Period Exceeding 3 Years. Current the year	period exceeding 6 months but not Exceeding 3 years	Period not exceeding 6 month	Total
1	2	3 Rs	4 Rs.	5 Rs.	6 Rs.
1.	XEN (P.H)	10,62,80,000	---	---	10,62,80,000
2.	M.C Sonipat	6,96,144	11,73,648	18,99,923	37,69,715
3.	Other Govt Deptt.	33,43,188	1,19,94,494	25,00,000	1,78,37,682
Total		11,03,19,332	1,31,68,142	43,99,923	12,78,87,397

9. **EMBEZZLEMENT / MISAPPROPRIATION OF MUNICIPAL FUNDS :-**

(a) Neither the amount of embezzlement in CFC Centre of the Corporation amounting to Rs. 22,343/- & 18570/- as pointed out vide Audit Requisition No. 3 dt. 06.04.208 and Audit Requisition No 5 dt. 11.07.18 was recovered from the official at fault nor responsibility has been fixed so far. Action may be taken up now to recover the loss as detailed below besides taking the action against the official at fault.

Sr. No.	G 8 Number	Actual amount collected	Amount deposited	Less deposit	Date of deposit
1	1-36/6567 39-46/6567 57-60/6567	19939/-	19879	60/-	12.04.17
2	1-90/6572	127727/-	109195/-	18532/-	20.04.17
3	4-43/6584 45-77/6584 79-98/6584	107184/-	103433/-	3751/-	26.04.17
4	31-100/6735	15580/-	15480/-		15.11.17
5	1-44/6945	20314/-	20069/-	245/-	29.01.18
6	1-100/6956	58599/-	58594/-	5/-	05.02.18
7	6/5991	17100/-	Nil	17100/-	30.08.16
8	7/5991	200/-	Nil	200/-	30.08.16
9	3/6115	10/-	Nil	10/-	02.02.17
10	52/6655	10/-	Nil	10/-	16.08.17
11	50/6115	300/-	Nil	300/-	03.03.17
12	79/6550	300/-	Nil	300/-	12.06.17
13	47/6655	300/-	Nil	300/-	04.08.17
Total less deposited				40,913/-	

10. SHORT RECOVERY/NON RECOVERIES AND LOSS OF REVENUE

(a) Notice under section 208 & 209 of Municipal Corporation Act, 1994 not put up in audit. So that Registration fee, malba fee, building application fee, etc. could be checked in audit. It has been observed that the revised registration fee Rs. 10,000 and renewal fee Rs. 2000.00 vide notification no. 95/h.24/1973 SS -200 and 214/2007 dated 11.11.07 under bye-laws 62 A of Haryana Municipal Building bye -laws 1982,

is not being realised from the architect who are dealing with the Municipal Corporation regarding approval of building plan etc. This is not satisfactory. The same may be realised along with composition fee at the earliest under intimation to audit.

(b) Income from show tax from various Cinemas/ multiplex in the area of Municipal Corporation, Sonapat for the period under audit was not shown to audit. Neither D & C Register of show tax showing the Shows displayed was maintained. The loss of revenue to Municipal Corporation fund is brought to the notice of higher authorities for appropriate action.

(c) Tax on electricity consumed by inhabitants within the limits of corporation @ .01 paisa per unit imposed vide Government letter No. 23/3/87-5 C1 dated 13.05.92 read with Director, Urban Development memo No. 5-A/93/6169 dated 08.02.93 w.e.f. 01.07.92 which was further revised to 5 paisa per unit w.e.f. 16.5.2000 vide notification No. 9/ 26/2K-5 C1 dated 16.5.2000 which was prevalent upto 21.11.17. Thereafter further revised w.e.f. 22.11.2017 by UHBVN vide Sale Circular No.U-01/2018 dt. 17.01.18 (Hr. Govt. Gazette Notification No. Leg. 34/2017 & Leg. 35/2017 both dt. 23.11.2017) and directed by DULB Hr. to implement vide Memo No: BA-1/2018/92693-770 dt. 21.09.2018. The details of amount of electricity bill (Energy Charges + Fixed Charges+ FSA) were not obtained for recovery of 2% amount of M Tax on sale of electricity revised w.e.f. 22.11.17. Therefore, the accuracy of the amount of tax due and recovered / adjusted in the bills could not be checked in audit. Requisite details of consumption of electricity units may be obtained from the office concerned and put up to audit at the earliest.

11. **Retrenchments and Recoveries :-**

Rs.96,65,123/- were retrenched in audit during the period under report. The retrenchments were mainly attributed to arithmetical errors, wrong totaling and

excessive rates etc. due to lack of internal checks which needs to be strengthened to avoid such recurrences in future.

12. **Provisional Payments :-**

Provisional payments to the tune Rs. 11,90,826/- as per details given in the Register of Provisional Payment were awaiting for settlement on 31.03.2019. No efforts of any sort were even made to obtain the requisite sanction from the Govt. All such payments should be got settled now failing which responsibilities be fixed.

New
29

13. **Provident Fund:**

i) Provident fund reconciliation statement was not prepared since very long. Nomination forms were also not obtained from the subscribers and P.F 1-A register is not maintained. P.F Requisition No.6-A Dated 27-06-2016 has been issued in this regard. The needful should be done now and shown to audit.

New
30

ii) On retirement/death or transfer of the employees, the final payment of provident fund at the credit of the employees was made out of combined account of P.F.-3. But their individual accounts were not closed and balance amounts were not transferred to (P.F.-3) combined accounts. This was not in order. Individual account of all the employees who were paid the final payment out of P.F. -3 combined accounts may be dealt under the laid down procedure of accounting to avoid any chance of misappropriation by withdrawal of the amount from their individual later on. Requisition No.5 Dated 15.06.2016 & dated 06.03.2017 has been issued in this regard.

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14. **Miscellaneous**

i) Physicals verification of corporation property head was not been since long whereas it should have been verified at least once in three years as required under rule XII.12 of the Municipal Account Code 1930. This may be given due consideration to watch the interests of Municipal Prosperities /Assets.

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ii) The corporation provided tractors for sanitation/ horticulture branches but none of these was provided with Kilometer/ hour meter. Log Book of each tractor was also not prepared in the prescribed form, certificate of mileage per hour and scale of consumption of diesel etc. per km/per hour was also not recorded in the Log book.

33

The consumption of diesel of each tractor was not got checked from competent Technical Authority, which may be got done now and compliance shown to audit.

iii) The return of used up receipt books of potential value was not watched. It was not in order and may result in misuse of any book(s) causing loss to Municipal revenue. The receipt books should be issued under the order of proper authority and return thereof be recorded in the stock register of each issue entries. Further on last receipt a certificate of deposit of amount realized may also be recorded. 34

iv) The monthly and progressive totals of income and expenditure entries booked in the classified abstract register for the period 02/10 to 11/10 and thereafter were not put-up in audit as pointed out in Audit Requisition 22 dated 23-12-2010. As such the excesses of expenditure over the budget provision and abnormal fall of income from the budget targets could not be verified in audit. The registers should be completed forth with and all the excess as over the expenditure be got regularized as required under Rule 11-9(3) of the Municipal Account code 1930 and the abnormal fall of income under various heads also be investigated to ensure that there was no leakage of revenue. 35

v) Realisation of unspecified income through computerized generated receipts (G-8) was noticed / found deposited in M.C fund out validity and authority for generating such invalid receipts (G-8) were not made available in audit, even after posting out of the error vide audit requisition no. 8 dated 08.08.2016. moreover, neither any stock taking / any other authentic account / record of the such receipts (G8) were maintained. These receipts are also not machine numbered as per provisions of Municipal Account code-1930. It also pointed out that date wise deposit challan (G-9) for revenue realization are not put up in audit since feb, 2016. It may leads to embezzlement of any considerable amount can not be ruled out. This may be looked immediately and results of action taken pointed out to audit. 36

vi) Annual accounts were not prepared since 4/2000. These may be prepared immediately and always in future. ✓ 37

vii) The consumption & balance of each item of stock register of engineering branch since 4/91 were not worked out. This may be got expedited. ✓ 38

viii) Inventory register showing total numbers of registers being maintained in each branch/ department of the corporation since 4/1998 was not maintained, this may led to misappropriation of the cost of stores/property of the corporation. This register may be started forthwith & all the registers be got maintained properly in the corporation. ✓ 39

ix) Chest book register was not put up in audit in referred Requisition no. 9 dated 08.08.2016. ✓ 40

x) Tree register was not maintained since 4/2000. The requisite register may be started now and all the trees growing /standing on the Municipal Land mentioning their age, girth and kinds etc. be entered and showing to audit. ✓ 41

xi) Immovable property register in form R-1 required to be kept and maintained under Rule 11.1 of the Municipal Account code, 1930 was again not put up to audit despite Audit Requisition No. 27(A) dated 30.3.2012. In the absence of which actual land/property vested with the corporation could not be known and possibility of its adverse possession/ unauthorized construction and encroachment there on could not be ruled out. No-maintenance/Non-completion of this register was a serious lapse on the part of the Municipal Administration. The registers may be now be completed and Municipal Properties be identify and physically verified to ensure that there was no case of adverse possession/ encroachment and compliance shown to audit. ✓ 42

(x) Record relating to advertisement contract during the year 2013-14 to 2018-19 may be put up to audit for necessary verification of record of advertisement income. ✓ 43

- xiii (xi) Relevant record of lease of agriculture land as already pointed out vide AR No. 6 dt. 13.08.18 still not shown to audit. The same may be put up to audit.

15. **Conclusion:**

Disposal of old objections were utterly neglected (Part-1). The record as detailed in "Annexure-A" was still not produced (Part 2-A). The record related to Rent, Rate and Taxes was lying incomplete /inverified(Para-7). Temporary advances were awaiting for adjustment (Para-8). Cases embazzlement were noticed (Para-9), Cases of Non-recoveries/ shirt recoveries were noticed^(Para 10) Provident fund record was incomplete and un-reconciled (Para-12)

In a nut -shell, the maintenance of corporation record was far from satisfaction and required considerable improvement, closer supervision and strict control at all levels of the administration.

Sd /
(Rakesh Sharma)
Director
Local Audit Haryana,
Panchkula.

Endst. V (27) 2020/1869 dated: 03/07/2020

Copy of above is forwarded to the following for information and necessary action please:-

1. Commissioner, Municipal Corporation, Sonipat with the request that an annotated copy showing the action taken on this audit report may please be sent to this office at an early date.
2. Additional Chief Secretary to Govt. Haryana Finance Deptt. (FA branch) Chandigarh.
3. The Secretary to Govt, Haryana Urban Local Bodies Deptt, Chandigarh.
4. Principal Accountant General Haryana (Audit), Chandigarh.
5. Commissioner, Rohtak Division, Rohtak .
6. Director General , Urban Local Bodies, Haryana, Panchkula.
7. Deputy Director (Audit), Municipal Corporation, Sonipat.

Copy 3/7/2020
Dy. Director
Local Audit Haryana,
Panchkula.
21/7/20
DD, MC Sonipat