

**Inspection Report on the accounts of the Chief Accounts Officer, Accountant Department, Ulhasnagar Municipal Corporation, Ulhasnagar for the year from 01.04.2016 to 31.03.2017.**

**Part-I-A**

**I) Introductory:-**

A test check on the accounts of the Chief Accounts and Finance Officer, Ulhasnagar Municipal Corporation, Ulhasnagar for the year from 01.04.2016 to 31.03.2017 was conducted locally during the period from 05.10.2017 to 13.10.2017 by audit team comprising of Shri Ratnesh Sinha, AAO, Shri S. K. Choudhary AAO, and Shri A. S. Kumbhar, Auditor under the supervision of Shri S.B.Patil, Sr. Audit Officer.

**II) Personnel:-**

Shri DadaSaheb Anandrao Patil continued held the charge of the post of Chief Accounts Officer, Account Department, Ulhasnagar Municipal Corporation, Ulhasnagar during the period covered by audit.

**III) Grants and Expenditure:**

The details of grants and expenditure during the period covered by audit are as shown below.

Sr. No.	Particulars of schemes	(Amt. in Rs)		
		O.B.	Grant	Expenditure
1	M. P. Fund Shrikant Shinde	4318150	12179000	2300000
2	M. P. Fund	4749507	999000	2092262
3	JNNURM (Water Supply)	911905	0	0
4	JNNURM (BSUP)	3081	0	0
5	JNNURM (E Gov)	904181	0	0
6	13 <sup>th</sup> Finance Commission	302726	0	0
7	Spl. Grant (Basic Amenities)	110235	0	0
8	14 <sup>th</sup> Finance Commission	5303673	185063155	190516523
9	Swatch M. Abhiyan	1566498	35224000	40288000
10	Nirmal MMR	20845508	0	5256374
11	Rajiv Awas Yojna	1077834	0	0
12	AMRUT Yojana	0	524704328	86996611
13	Dalit Vasti	40837012	89500000	49921933

(A) Details of Budget, receipts and expenditure for the 2016-17 are as shown below

(Amt. in lakh)		
Receipts	Budget	Actual
Revenue	32833	23391
Capital	8837	11102

Expenditure	Budget	Actual
Revenue	29588	23059
Capital	11871	5575

(B) The position of cash book balance and pass book balance as on 30.03.2017 is as under

Name of cash Book	Bank A/c Number	Cash book balance	Pass book Balance
General Municipal Fund	910020045288278	49408673	56517505
Nagrothan Yojna	915010016563834	10186967	10186967
13 <sup>th</sup> Finance	911010004433725	315018	315018
Dalit vasti Yojana	10931256767	80415079	82352586
RAY	221104000084853	1120868	1120868
Fire Fund	910020045249064	2675008	2688732
14 <sup>th</sup> Finance	60221449356	263782	263782
Tree Fund	909010043758048	659883	659883
Transport Fund	911010010735093	399318	401318
Diversion of Khemani Nalla	9150200004343	1977	1977
Nirmal MMR	605010200004343	15877791	15877791
MP Fund	909010043757757	3835949	3835949
MP Fund Shrikant Shinde	915020004618251	13285697	
JNNURM Water Supply	6050101000021164	948931	948931
JNNURM BSUP	909010043757948	3207	3207
Spl Grant	913010021735101	200163930	200163930
Swatch Bharat Abhiyaan	915010039486514	2256744	2256744
Sinking Fund	909010043757838	65880	65880
Depreciation Fund	909010043758187	122328	122328
Security Deposit	910020045246070	6638352	7145321
Rehabilitation of person with disabilities	912010046846836	2978654	2978654
Development Fund	910010028003444	292319	1565473
Infra Fund	10931256621	61336	61336

The reconciliation of the differences is up-to-date

#### **IV) Activity of the department:-**

Main function of the department is to

- Prepare budget every year and monitor account head wise income and expenditure.
- Maintain cash register for the daily income.
- Scrutinize the pay bills of salaries and allowances of UMC employees.
- Prepare the administrative report.
- Finalize the pension and family pension cases.
- Deposit UMC funds in various banks.
- Repay loans obtained from government and other financial institutions.

#### **V) Disclaimer:-**

The Inspection Report had been prepared on the basis of the information furnished and the records made available by Chief Accounts Officer, Account Department, Ulhasnagar Municipal Corporation, Ulhasnagar. The Office of the Principal Accountant General/Audit, Maharashtra, Mumbai disclaims any responsibility for any non-information and/or misinformation on the part of the Auditee organization.

#### **VI) Inspection/audit:**

All the bills, tenders, contracts etc. are pre-audited by the Municipal Chief Auditor.

#### **VII) Misappropriation:- Nil**

**Part - I C: Persistent Irregularities.**

--Nil--

**Part II: Audit Findings**

**Part II-A: Significant Audit Findings**

**Para 1 (A): In correct utilization of fund of Rs 3.30 crore from Dalit Vasti Scheme for crediting Education Cess and Employment Guarantee Cess.**

The Government of Maharashtra in Finance Department vide G.R.No. Misc/1002/CR-128/ Ways and Means dated 26.9.2005 prescribed the procedure in respect of unspent grants pertaining to Agency schemes and Transfer Schemes of Finance Department. Further, as per G.R. No. Sankirna 10.02/Pra.Kra128/Arthopay dated 06.06.2008 of Finance Department, the unspent grant of previous year could be further expended till the end of next financial year and then refunded to the Government Account.

On scrutiny of cash-book of Dalit Vasti Improvement Scheme Account Book (Account No. 10931256767) for the year 2016-17, it was noticed that vide Voucher No. 6704, 6705 and 6706, dated 29.03.2017 following payments were made:

Sr. No.	Vr. No./date	Particular	Cheque No./date	Amount (Rs)
1	5427/29.03.2017	Education Cess Repay (AE-III)	143322/29.03.2017	26938746
2	5427/29.03.2017	Employment Guarantee Cess Repay (AE-III)	143321/29.03.2017	4471516
3	5427/29.03.2017	Tax on Big Cmp Repay (AE-III) Residential complex	143320/29.03.2017	1637600
			<b>Total Rs</b>	<b>33047862</b>

The amount of Rs 3.30 crore was credited into Sub-treasury Ulhasnagar.

The above Education Cess, Employment Guarantee Cess and tax on Big CMP were leviable & recoverable from Property Tax, hence, was to be paid from the collected property tax. However, payment of Rs 3.30 crore was credited from the grant of Dalit Vasti Improvement Scheme, which was irregular and highly objectionable as the grant from Government scheme was mis-utilized for other purpose without obtaining permission of Government Scheme. Even, no action was taken for recoupment of grant from General Fund (property tax) to Dalit Vasti Improvement Scheme till the date of audit.

On this being pointed out in audit, the department accepted the lapse and stated that the cheques were drawn through oversight and the said amount would be recouped in the first week of the November 2017.

The reply is not convincing as drawing an amount of Rs 3.30 crore through oversight indicates that proper checks were not exercised. Further, no action was initiated for recoupment of the said amount.

Further compliance awaited.

**Para 1 (B): Non-utilization and non-refunding of grant of Dalit Vasti Improvement Scheme in the year 2016-17**

On scrutiny of cash book and ledger of Dalit Vasti Improvement Scheme for the year 2016-17, it was noticed that the opening balance of grant as on 01.04.2016 was of Rs 408.37 lakh. It means the grant was received during the year 2015-16 or earlier which was required to be utilized till the end of March 2017. However, out of the said amount, only Rs 168.74 lakh was utilized during 2016-17 for the work of Dalit Vasti Improvement. Unspent grant of Rs 239.63 lakh was required to be refunded after March 2017. However, the same was not refunded till date. The permission of utilizing the unspent grant was also not obtained from the Government

Further during 2016-17 two installments of grant were received first installment of Rs 595.00 lakh on 31.08.2016 and the second installment of Rs 300.00 lakh on 22.03.2017. Thus, total available grant under Dalit Vasti Improvement Scheme was Rs 1303.37 lakh. However, only Rs 168.74 lakh was utilized for actual work during the year 2016-17. The percentage of utilization worked out to only 12.95 which was very poor.

The grant of Rs 350.00 lakh was invested in fixed as in 2015-16 instead of utilizing the grant of Dalit Vasti Improvement works. As pointed out earlier, the fund received in 2015-16 and earlier which remained un-utilized till the end of March 2017 was required to be refunded to Government. Instead the fixed deposit of 2015-16 was re-invested as Rs 365.40 lakh in 2016-17 on maturity.

This had resulted not only in violation of the prescribed procedures but also beneficiaries from the intended benefits of the scheme.

In reply the Department stated that most of the time the grants received in the fagend of the year. After receipt of grant, the procedure for calling for quotation/tender etc. is started. Thereafter issues were discussed at length in the standing Committee before according approval. This procedure takes long time for utilization of funds. Considering all these facts, the amount of grants was invested in fixed deposit.

The reply is not acceptable, as it is very clear that the amount of grants was unspent prior to 2015-16 also. The amount was reinvested in fixed deposits instead of utilizing for development works. The non-refunding the unspent grant after two years was against the instruction issued by the Government

**Para 2: Irregular transfer of funds of Rs 6.91 crore from one scheme/purpose to other scheme/purpose**

On scrutiny of cash book and ledger for the year 2016-17 for the various schemes it was noticed that there was a practice in UMC to divert the fund from one scheme to another scheme. Mainly General fund to Government & vice versa. The following are the cases where the fund received from Government for specific scheme/purpose was transferred to General Fund/other Government Scheme. This resulted in irregular divert of funds of Rs.6.91 crore from Government to General Fund/other Government schemes without obtaining permission of Government. The funds received for one purpose but utilized for other purpose was irregular and highly objectionable.

**Swachh Maharashtra Abhiyan**

Particulars	Vr. No./date	debit	credit
By DPDC Grant	1086/09.03.2017		1000000
<b>1. 14th Finance Commission</b>			
By Swachh Mah. Abhiyan	34/11.04.2016		5140000
By General Fund	10.02.2017		134616
<b>2. MP Fund</b>			
By General Fund	513/07.09.2016		1213142
<b>3. AMRUT/JNNURM</b>			
By General Fund	986/07.02.2017		60000000
<b>4. Dalit Vasti</b>			
By General Fund	494/31.08.2016		1597889
			<b>Total Rs.6,90,85,647/-</b>

When this was brought to the notice of Corporation, in reply it was stated that this was not transfer of funds. This is Municipal contribution as per norms.

The reply is not acceptable, as it was seen that the funds were transferred from the Government scheme to General Fund. The ledger does not support the departments claim. Therefore, the above amounts were grants received from the Government. Therefore, the transfer of fund from Government Scheme to General fund was irregular.

### **Part II B – Other observations**

#### **Para 3: Irregular capitalization of interest on loan resulting in loss of Rs. 37.02 lakh.**

Scrutiny of the records related to loans in Chief Accounts and Finance department of Ulhasnagar Municipal Corporation revealed that as per the agreement dated 10.01.2011 signed between the Ulhasnagar Municipal Corporation (UMC) and Mumbai Metropolitan Region Development Authority (MMRDA), the State Government (GoM) vide its Resolution No. NUR 2010/Case No. 10/UD-33 dated May 7, 2010 had allowed the UMC to raise a loan of Rs. 63.83 crore for the execution of Water Supply Distribution System including the works specified in Schedule – II to the agreement from the Mumbai Urban Development Project – Revolving Fund (MUDP-RF), established in MMRDA.

The Executive Committee of the MMRDA vide its Resolution dated 28.05.2009 sanctioned a loan of Rs. 63.83 crore to the UMC by exercising its power delegated in accordance with the MUDP-RF Regulations, 1988.

As per the agreement Clause no. 1.2, MMRDA shall disburse the promised loan in quarterly installments subjects to the first installment of ten percent of the loan amount being disbursed on the execution of the loan agreement. Every installment of loan, except the first installment shall be disbursed on reimbursement basis i.e. the expenditure incurred by the Borrower in the execution of the works described in Schedule-I of the agreement. Except in the case of first installment, the disbursement shall be based on submission of items, wise details certified quarterly expenditure statements and utilization certificate for loan already disbursed. As per the Clause no. 1.3 of the agreement, the MMRDA shall make all payments of loan installments to the UMC by bank cheques payable to the Borrower's special bank account called "Ulhasnagar Municipal Corporation Escrow Account Number 910020039742696 opened in Axis Bank, Ulhasnagar branch. No loan disbursement shall take place after the loan closing date, i.e.

36 months after the date of the agreement or the date on which full disbursement of the loan occurs, whichever is earlier.

As per the Clause no. 1.4 of the agreement, MMRDA allow a moratorium on the payment of loan and interest for a period of three years from the date of agreement.

Further, as per the Clause no. 1.5 of the agreement, the MMRDA shall capitalize the interest at the rate of 8% per annum on loan amounts disbursed to the borrower from time to time until the last date of the moratorium period from the MUDP-RF.

In this connection, it was noticed that MMRDA disbursed Rs. 61, 37, 41,000/- loan amount to the UMC till 17.03.2015 for execution of Water Supply Distribution System as detailed below: As per the agreement the moratorium period was from 10.01.2011 to 10.01.2014 (36 months) from the date of agreement and the interest was to be capitalized @ 8% during this period. It was noticed that Rs. 46, 50, 17,000/- only was disbursed within the moratorium period and Rs. 14, 87, 24, 000/- was disbursed beyond the moratorium period. It was noticed that interest on loan disbursed between 11.03.2011 and 08.11.2012 was capitalized @ 8% interest. however interest on loan disbursed from 08.11.2012 to 17.03.2015 was capitalized @10% (as detailed below) which was irregular as per the clause of the loan agreement.

Disbursement date	Capitalized date	No. of days	Loan amount	Interest was to be capitalized @ 8%	Interest capitalized @ 10%	Total loan amount after capitalizing interest	Excess interest capitalized
11.03.2011	31.12.2013	1027	114791000	25838982	0	140629982	0
30.6.2011	31.12.2013	916	76520000	15362700	0	91882700	0
30.08.2011	31.12.2013	855	58229000	10911955	0	69140955	0
22.11.2011	31.12.2013	771	40624000	6864900	0	47488900	0
29.03.2012	31.12.2013	643	22969000	3237056	0	26206056	0
08.11.2012	31.12.2013	419	17377000	1595828	0	18972828	0
8.11.2012	31.12.2013	419	23112000	2122505	2653131	25765131	530626
15.4.2013	31.12.2013	261	85949000	4916754	6145942	92094942	1229188
28.08.2013	31.12.2013	126	25446000	702728	878410	26324410	175682
<b>Total</b>			<b>465017000</b>	<b>71553408</b>	<b>9677483</b>	<b>538505904</b>	<b>1935496</b>
<b>Loan disbursed beyond the moratorium period</b>							
12.09.2014	31.12.2014	111	83532000	2032231	2540288	86072288	508057
17.03.2015	30.06.2015	106	65192000	1514598	1893247	67085247	378649
<b>Total</b>			<b>148724000</b>	<b>7741987</b>	<b>14111018</b>	<b>691663439</b>	<b>2822202</b>



It is evident from the table mentioned above that due to excess capitalization of interest of Rs. 28,22,202/- on the loan amount disbursed from 08.11.2012 to 17.03.2015 resulted in loss amounting to Rs. 37,02,370/- to the UMC till date as detailed below.:

Date of capitalization	Excess capitalized amount on loan	Interest paid	Period of interest up to June 17	(Amount in Rs.)	
				interest paid	total irregular payment
31.12.2013	1935496	@10%	3.5 years	677424	2612920
31.12.2014	508057	@10%	2.5 years	127014	635071
30.06.2015	378649	@10%	2 years	75730	454379
	<b>2822202</b>			<b>880168</b>	<b>3702370</b>

In reply the department stated that the MMRDA is charging interest on loan at the applicable rates during the charging period. Hence, from November onwards @ 10% was capitalized. However, as per the agreement interest on loan @ 8% was applicable for the capitalization. It was further stated that it would be brought to the notice of the MMRDA to reduce the rate of interest capitalization and should be capitalized at the interest rate as per the agreement. The decisions of the MMRDA would be complied accordingly.

Further compliance is awaited.

**Para 4: Non finalization of annual accounts in double entry accounting system and non-certification of annual accounts by DLFA**

Accounts of urban local bodies are being maintained on cash basis. Ministry of Urban Development and Poverty Alleviation, Government of India and Comptroller and Auditor General of India had formulated (December 2004) the National Municipal Accounts Manual (NMAM) with double entry system, for greater transparency and control over finances and requested (May 2005) the State Governments to adopt NMAM. The Govt. of Maharashtra, Urban Development Department (UDD) had, vide GR dated 06/07/2005 instructed to follow guidelines given in NMAM until finalization of accounting policy by GOM. The Govt. of Maharashtra, Urban Development Department (UDD) vide GR dated 18-10-2010 sent the Maharashtra Municipal Account Code 2010 for adoption and instructed all the municipal corporation to switch over to double entry accounting system with effect from financial year ending 31 March 2011.

Further Clause 31.2 under Chapter 31 of National Municipal Accounts Manual (NMAM) governing the Urban Local Bodies (ULBs) stipulates preparation of the Annual Administrative Report and Statement of Accounts by the ULB every year. The report shall be in such form and shall obtain such information as the Standing Committee may from time to time direct. Further according to Clause 31.3 of NMAM, preparation of Financial Statements comprising of various reports is the responsibility of the Head of the Accounts Department. However, other reports such as Auditors Report and Municipal Commissioner's Report on the Financial Statement shall be prepared by the Municipal Auditor and the Municipal Commissioner respectively.

As per Clause 31.4 under Chapter 31 of NMAM, the Annual Report of the ULB shall include the following:

- a) Financial Statement consisting of (i) Balance Sheet (ii) Income and Expenditure Statement (iii) Statement of Cash Flow (iv) Receipt and Payment Account (detailed as per the Account Heads) (v) Notes to Accounts (vi) Financial Performance indicators.
- b) Report of the Municipal Chief Auditor (MCA).
- c) Municipal Commissioner's (MC) Report on the Annual Financial Statement and the qualifications and comments made in the Report of the MCA.
- d) Standing Committee's Action Taken Report on the qualifications and comments made in the Report of the MCA and the Report of the MC.

As per Clause 31.6 under Chapter 31 of NMAM, the ULB shall also prepare the Financial Statements like the Balance Sheet, Income and Expenditure Statement, Statement of Cash Flow and Receipt Payment Account at the end of each Quarter. Balance Sheet shall disclose figures as on date for the current year. Income and Expenditure Statement, Statement of Cash Flow and Receipt Payment Account shall disclose Quarterly Figures and progressive year-to-date totals and the Figures of the Corresponding Quarter of the previous year and Quarterly movements in various Accounts. In addition, the Income and Expenditure Statement shall also disclose the Annual Budget Figures. In respect of the Accounting Year, the ULB shall prepare all the Statements and report specified in Clause 31.3 of Chapter 31 of the NMAM.

In this connection, the status of preparation of annual accounts in double entry accounting system and whether the same was audited by the MCA approved by the Standing Committee was called for in audit. The annual accounts in double entry prepared for the year 2016-17 in Tally

ERP-9 software was shown to audit by the department. However, copy of the annual accounts audited by the MCA and approval of the Standing Committee have not been furnished to audit so far and the same is awaited.

Further, the Chief Auditor in UMC was carrying out pre-audit of the transactions on revenue aspects and the Director, State Audit (DLFA) is a statutory auditor for UMC who conducts post audit. The status of compilation and certification of annual accounts by the Director of Local Fund was called for in audit. Municipal Commissioner's report on the Annual Financial Statement and qualifications and comments made in the MCA's report was also called for in audit. However, copy of the above reports has not been furnished to audit so far and the same is awaited.

Annual accounts were not found uploaded on the web portal of UMC.

In reply the accounts department stated that the copy of the annual accounts would be produced to audit.

Further compliance is awaited.

**Para 5: Non-compliance of provisions related to Maharashtra Suvarna Jayanti Nagorotthan Mahabhiyan.**

As per GR No. NUR-2008/pk/kavi 33 dated 22.02.2010 of Urban Development Department Government of Maharashtra, Suvarna Jayanti Nagorotthan Mahabhiyan Scheme was implemented for making available infrastructure facilities for upgradation of urban areas of the state.

The UMC had submitted proposal of Rs 126.92 crore through Directorate of Municipal Administrative to the State Approval Committee. The technical approval was accorded by E.E., Road Project Department, Kokan Bhavan, Navi Mumbai. State Level Committee awarded the proposal in the meeting held on dated 22.08.2014 for the following two-works suggested by Committee, UMC.

1. 'C' Block Chowk to Katkeshwar Mandir and 'C' Block chowk to UMC

The Urban Development Department granted Administrative Approval for the above two works amounting to Rs 17.0243 crore vide GR dated 06.09.2014 in which the share of the State Government was 70% of the project i.e. Rs 11.9170 crore and share of the UMC was 30% ieRs 5.1073 crore.

Funds were to be released in the following manner:

1. The Government share of the approved project would be released in two installments
2. The first installment 50% of the projects would be released after approval of the project.
3. The separate Bank Account was to be opened in the Bank for consolidated fund of Government share and ULB share after obtaining permission of Directorate of Municipal Administration only the procedure of tendering was started.
4. The 2<sup>nd</sup> installment can only be released after submitting certificate of the utilization of 1<sup>st</sup> installment (state share and ULB share) to the Government through Directorate.
5. The proposal of 2<sup>nd</sup> installment should be submitted through Directorate of Municipal Administration.
6. While implementing the sanctioned project under Maharashtra Suvama Jayanti Nagrotthan Mahabhiyan, the Third Party Technical Audit from Govt./semi Govt. Engineering College was to be made from time to time. Further the fund of 2<sup>nd</sup> installment shall be released after submitting of certificate of quality of Third Party technical audit.

The Government sanctioned the funds of Rs 11,91,70,000 as share of Government in the year 2015-16 and released Rs 5,95,85,000 (50% of the sanctioned amount). The details of share of the ULB deposited in Bank account as well as the cash book were not furnished to audit.

The CAO furnished the details of 5<sup>th</sup> RA bill submitted on 22.05.2017 and it was seen that accordingly an expenditure of Rs. 6 crore was incurred.

On scrutiny of records, it was observed that the UMC had not furnished the utilization certificate of the expenditure incurred in respect of the 1<sup>st</sup> installment, the third party technical audit was not conducted by Govt./semi Govt. Engineering college due to which certificate of quality of the work was not obtained. The process for sanction of 2<sup>nd</sup> installment was also not submitted through the Directorate as required. It was also noticed from the RA bills that 10% of the expenditure incurred on work was deducted on the ground of third party technical audit even though, this fee is payable from the ULB's fund.

In reply the Corporation stated that the Works Department had issued orders for Third Party Technical Audit and the Utilization Certificate would be issued after Third Audit Party. Further, in respect of deduction of 10% for Third Audit Party the department stated that it was related to works Department.

The reply of the department is not tenable as no Third Audit Party was conducted and neither were Utilization Certificate submitted.

Further progress is awaited.

**Para 6: Non-consideration of Rs. 11.00 lakh in the UMC budget for 2016-17**

Scrutiny of Budget for the year 2017-18 revealed that the opening balance for the year 2016-17 was Rs. 2642 lakh. However, the opening balance of Rs. 2631 lakh only was carried forward instead of Rs. 2642 lakh (as detailed below) which resulted in an amount Rs. 11 lakh not being carried forward by the UMC.

(Rs. In lakh)

Year	Opening balance		Income including O.B		Expenditure	Actual Closing balance
	Actual	Shown in the budget	Actual Should be	Shown in the budget	Actual	
2014-15	2990	2990	29223	29223	25498	3725
2015-16	3725	3724	32186	32185	29544	2642
2016-17	2642	2631	38033	38022	29613	8420

In reply the department sated that during financial year budget expenditure shown as Rs. 29544 lakh instead of showing Rs. 29554lakh and it's just a printing error the same would be rectified accordingly.

Further compliance in the matter is awaited.

**Para7: Outstanding Departmental advances Rs 2, 98,284/-**

Under Rule 189 of Maharashtra Municipal Account Code, 1971 an account of advances shall be maintained in Form 147. The advances should be settled in time in proper manner to close the pending account of advances.

On scrutiny of relevant records and registers, it was noticed that advances to the extent of Rs.2,98,284/- were outstanding against various departments of the Corporation as on 31.03.2017 as detailed below:

Sr. No.	Advance given to	Vr. No./date	Amount (Rs)	Department
1	P. D. Doiphode	938/28.05.2013	25000	Water Supply
2	B. Y. Kumawat	1839/04.03.2015	18434	Store
3	B. Y. Kumawat	1337/14.12.2015	50000	Store
4	H. T. Sabhagani	1306/01.03.2016	10000	Water Supply
5	R. L. Thakare	394/21.04.2016	50000	Water Supply
6	R. N. Vankhede	360/18.04.2016	50000	Water Supply
7	R. N. Vankhede	781/16.05.2016	10000	Water Supply
8	B. T. Mirpgare	653/10.11.2016	24850	Fire
9	G. P. Sundaram	731/16.11.2016	10000	Water Supply
10	B. S. Patil	10/15.02.2017	50000	Water Supply
		<b>Total Rs</b>	<b>2,98,284</b>	

From the above, it could be seen that the advances are outstanding for the period 2013-14 onwards. This indicated that the advances given to the employee for attending the various works have not been cleared promptly and therefore, these have accumulated over the years.

In reply the Department stated that notices would be issued to concerned staff for recoupment for adjustment. In this regard action would be taken and report would be submitted to audit.

### **Part III: Follow up on findings outstanding from previous Inspection Reports**

#### **Inspection Report for the year 1997-02**

#### **Para 2: Irregular Maintenance of Cash Book lead to Misappropriation of Government**

**Funds to the tune of Rs.29 lakh in Swarana Jayanti Shahri Rozgar Yojana.**

Since the cash books were not maintained in the accounts department and the bills were paid by them. Hence para retained.

#### **Inspection Report for the year 2006-07**

#### **Para 6: Irregularities in continuation of tender of Transport caused unfruitful expenditure of Rs.17.13 lakh.**

Para retained for further compliance.

#### **Inspection Report for the year 2007-10**

#### **Para 5: Over payment of service tax of Rs.49440/- and other observation on E-Government contract awarded to KDMC.**

Para retained for further compliance.

**Inspection Report for the year 2012-16**

**Para 1: Fund lying idle Rs.47523679/-**

Reason for showing unspent amount of Rs 1120868/- under Rajiv Awas Yojana may be furnished. Para retained for full and final compliance.

**Para 2: Irregular payment to contractor for testing of materials amounting Rs21487/-**

Para retained for full and final compliance.

**Para3: Avoidable interest payment liability of Rs 40 lakh.**

The step proposed to be taken by the Corporation may be furnished. Para retained.

**Para 4: Unrealistic Budget and less-utilization of budgetary provisions.**

Para retained for full and final compliance.

**Para 5: Non-implementation of Government Guidelines By Ulhasnagar Municipal Corporation regarding budget and expenditure on Mahila Bal Kalyan & on amenities of Weaker Sections.**

Department may furnish the progress in the matter with supporting documents. Para retained.

**Part IV: Best Practices**

--Nil--

**Part V: Acknowledgement**

All requisite records called for by Local audit party were produced by the concerned staff of O/o Chief Accounts Officer, Accounts Department, Ulhasnagar Municipal Corporation, Ulhasnagar Shri Harish Idnani, Dy. Accounts Officer and Shri Deepak Khemani, Clerk played an important role in producing the records.

  
Sr. Audit Officer/SS-I