

**Audit and Inspection report on the accounts of Himachal Pradesh  
computerization of Police Society (HIMCOPS), Khallini, Shimla-2**

**Period 15-09-2009 to 31-03-2011.**

**1. Preliminary :-**

The Himachal Pradesh Computerization of Police Society (HIMCOPS) was established/registered under the State Societies Registration Act, 2006. The objective of the Himachal Pradesh Computerization of Police Society (HIMCOPS) is to administer the implementation of programme/project involving deploying of information and communication technology and e-Governance as a tool across the administrative structure and Police Station to improve the interual efficiency then by improving the quality of services to the general public. The whole Himachal Pradesh is the area of operation. The capital cost and corpus fund for the smooth functioning of the Society is being contributed by the Govt. of India in shape of Grant-in-Aid. The Society is functioning under the Chairmanship of the Chief Secretary to the Govt. of Himachal Pradesh.

**During the audit period the charge of the office of the Member Secretary-cum-D.D.O was held by the following officers for the period mentioned against each.**

<b>Name &amp; Designation of Officer</b>	<b>Date from</b>	<b>Date to</b>	<b>Remarks</b>
Sh. J.R. Thakur, IPS, DIG/CTS	06-10-09	27-04-10	
Sh. S.R. Mardi, IPS, DIG/CTS	28-04-10	02-06-10	
Sh. N. Venugopal, IPS, DIG/CTS	03-06-10	31-10-11	
Sh. O.C. Thakur, IPS DIG/CTS	03-11-10	30-11-10	DIG/CTS was on leave during this period.
Sh. Prithvi Raj, IPS, IGP/CID	01-02-11	31-03-11	

**2. Present Audit :-**

The Test audit and examination of the accounts of Himachal Pradesh Computerization of Police Society (HIMCOPS), Khalini, Shimla-2 for the period

15-09-09 to 31-03-11 was conducted by Sh. Suresh Chand Gupta, Section Officer w.e.f. 19-07-11 to 01-08-11. The accounts for the month of 12/09 and 06/10 were selected for detail check of Income and expenditure respectively and the results there of are incorporated in the following paragraphs. This report has been prepared on the basis of information supplied by the controlling officer of the Society. The Local Audit Deptt disclaims any responsibility for any misinformation or non-submission of information on the part of the auditee. Responsibility of audit is confined to the months selected for detail check. All the relevant records required in audit except mentioned in the following paragraph was made available to the Audit Party.

### 3. **Audit Fee :-**

The audit fee for conducting the audit of accounts of Himachal Pradesh computerization of Police Society for the period from 15-09-09 to 31-03-11 is worked out for ₹7200/- only. The Member Secretary, HIMCOPS, Khalini was requested vide letter No. 156 dated 01-08-11 to remit the above mentioned audit fee by Banker Cheque drawn in favor of Director , Local Audit Deptt, Himachal Pradesh, Shimla-9.

### 4. **Financial Position :-**

The financial position of the accounts of Society for the period from 15-09-09 to 31-03-11 was as under :-

#### **Receipt and Payment Account of HIMCOPS for the period from 15-09-09 to 31-03-11 :-**

Receipt		Amount in (₹)	Payment		Amount in (₹)
1. Grant in Aid "Annex. 'B'		3,58,76,000.00	1. Computer & other Peripherals	Annex 'C'	54,20,513.00
2. Interest Receipt		1,02,007.00			
3. Tender Document Sale Fee		20,000.00	2. UPS	Annex 'C'	6,75,792.00
4. Sundry Creditors :-			3. Printers	Annex 'C'	2,62,080.00
(i) HP State Electronic Cooperation :	₹5,70,513		4. Photostat Machine	Annex 'C'	67,413.00
			5. LCD	Annex 'C'	9,24,000.00

			6. Elect. Fixture & Fitting	Annex 'C'	3,26,278.00
			7. Furniture	Annex 'D'	10,98,957.00
(ii) Naresh Electronics :	₹49,000				
	₹6,19,513	₹6,19,513.00	8. Advertisement (i) Tender Publication		19,862.00
			9. Society Registration		500.00
			10. Training Programme		7,50,000.00
			11. Mobilization Advances SPMC (i) 3 i Info tech		7,30,848.00
			12. Addition Alteration of Computer Room	Annex 'C'	2,51,277.00
			13. Stationery Account		4,053.00
			14. Bank A/C SBP Shimla East. No. 65072707331		2,60,86,290
		₹3,66,17,520.00			₹3,66,17,520.00

The following audit observations may be attended to :-

**(i) Non Preparation of Receipt and Payment, Income and Expenditure account & Balance Sheets :-**

While checking the records it has been noticed that the Receipt and payment account, Income and Expenditure & Balance Sheet was not prepared for the period ending 31-03-11. The rule No. 11(1) of the HIMCOPS rule, 2009 provides that the Society shall keep proper accounts of the receipt and payment, Income and expenditure and of the property Assets and Liability. The annual accounts shall be made up by the end of the Financial year. Therefore the society is advised to prepare, the receipt and payment, Income and expenditure accounts along with Balance Sheet for the period ending 31-03-11 and so on the compliance there of may be reported to audit please.

**(ii) Cash Book & Ledger :-**

The Cash Book of the Society has not been written in proper form & order. The Cash book has been written without Head of Account. According to accounting principle, the income and expenditure should be mentioned by giving the proper name/head of account according to the nature of the transaction. The narration for the transaction has also not been written in proper way. The objective/proposal should be indicated in all the transactions. Further, ledger is also not being maintained. The Cash Book and Ledger may be maintained as advised during the current audit.

**5. Grant -in-Aid :-**

(i) A sum of ₹358.76 lac have been received as Grant-in-Aid from the Ministry of Home Affairs. Govt of India as per Annexure 'B' and ₹105.30 has been utilized for the Crime and Criminal Tracking Network and Systems Project, ₹253.46 lac remains unutilized as on 31-03-11. Although no time period for utilization of grant-in-aid has been mention in the Grant-in-Aid sanction but necessary approval from the grantee for the utilization of the balance grant in the next financial year may be obtained in order to comply the provisions of H.P.F.R as amended from time to time.

(ii) The Grant-in-Aid register has not been prepared. The same may be prepared in self explanatory form for ready reference .

**6. ₹6,19,513/- lying outstanding for payment :-**

While checking of the record it is revealed that ₹5,70,513/- and ₹49,000/- are payable to M/S H.P. State Electronics corporation and M/S Naresh Electronics on accounts of with held amount of their bill No. 22438, dated 24-05-2010, bill No. 22513, dated 01-06-10 and bill No. 2586, dated 03-06-10 respectively. But no reference has been recorded in the Cash Book for its pendency. The payment may be released to the parties after verifying the work/supplies received satisfactory.

**7. Payment of Mobilization Advance :-**

A sum bo ₹7,30,848/- was paid to M/S B.i. infotech Ltd on account of mobilization advance vide voucher No. 13/13, dated 02-11-10 for their bill No. NV-MUM-6111003763, dated 20-08-10. The mobilization advance was released to the firm under clause 4.5 of the Agreement, dated 16<sup>th</sup> day of Aug, 2010. From the perusal of

agreement it has been noticed that under clause 10 the said firm had to provide the following C.V.R and information regarding their employment in the 3.i-infotech Ltd to the State Mission Team when requisitioned.

**Phase I & II :-**

Project Manager	1 No
Sr. Consultant	1 No
Technology Export	1 No
Consultants	2 Nos

**Phase III :-**

Project Manager	1 No
Technology Export	1 No
Consultants	2 Nos

It is clear that the above mentioned personal had to be deputed by the company. for the completion/execution of the Phase I of the Agreement. But no such record regarding their deployment in the State Mission Team has been found. In absence of the such record, it seems that the company has not deployed the proper team for the execution of the Phase I & II which has to be completed by 16-10-10 and 16-02-11 respectively. Under clause 4.5, it has been clearly mentioned that Pro-rated deduction shall be made from the payment due to the firm for non performance or non availability of any of the team members. Non maintenance of such a important record regarding deployment of the proper team may be intimated and future payment to the company. may be released after the proper verification of the presence of the above mentioned teams members.

**8. Non investment of the ideal money ₹2.53 crore in fixed deposits :-**

From the perusal of the Grant-in-Aid statement annexure 'B' it has been noticed that a sum of ₹253/- crore has been lying unutilized for 6 to 9 months. By investing this ideal money in short term fixed deposit the Society could have earned extra interest, which could be used for the activities of the Society. Therefore, in order to maintain healthy financial management. It is suggested that the society may utilize the idel money by investing in the short term fixed deposit.

**9. Minor Objection Statement :-**

All the minor objections have been settled at the spot as such no minor objection Statement was issued separately.

**10. Conclussion :-**

The maintainess of accounts needs more and closer supervision by the authority.

Sd/  
Deputy Director,  
Local Audit Department,  
Himachal Pradesh, Shimla-171009.

Endst No. Fin(LA)H(2)C(15)(14)272/11-Vol-1-5033-5035, dated, 29-08-2011 Shimla-171009.

Copy is forwarded for the information & necessary action to :-

- (1) The Director General of Police-cum-CEO, HIMCOPS, PHQ Shimla-2.
- (2) The Member Secretary HIMCOPS I.G.P(CID) Police Head Quarter Shimla-2.
- (3) The Superintendent of Police, Police comma technical services, Police Complex, Khalini, Shimla-171002.

Sd/-  
Deputy Director,  
Local Audit Department,  
Himachal Pradesh, Shimla-171009.

(Anoop Kumar Gharu)