

**Audit and Inspection report on the Accounts of Himachal Pradesh Computerization of the Police Society (HIMCOPS),  
Khalini, Shimla-2(HP)  
Period 1-04-2013 to 31-03-2015**

**1 Preliminary**

**(a)** 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 programmes/projects involving deploying of information and communication technology and E-Governance in the Police Stations as a tool across the administrative structure and to improve the internal efficiency and thus improving the quality of services to the general public. The whole of Himachal Pradesh is the area of operation of the society. 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.

**(b) The charge of the office of the Member Secretary-cum-DDO during the audit period was held by the following officers.**

Sr. No.	Name & Designation of the officer	Period
1	Sh. S.R. Mardi, IPS	1.4.2013 to 8.6.2014
2	Smt. Satwant Atwal Trivedi, IPS	9.6.2014 to 27.3.2015
3	Sh. Rakesh Aggarwal, IPS	1.4.2015 to 2.9.2015

**(c) The latest position of Paras of the previous audit report is as under:-**

**(i) Audit and Inspection note for the period 15.09.2009 to 31.03.2011**

Sr. No.	Para No.	Settled/Unsettled	Remarks if any
1	4(i)	Settled	The Receipt & Payment Accounts, Income & Expenditure Accounts and Balance Sheets for the year 2009-10 to 2014-15 have been prepared through Chartered Accountant.
2	4(ii)	Settled	Para updated in current audit report.
3	7	Settled	The contract with the agency terminated vide State Empowered Committee meeting held on 5.9.12. An amount of ₹467012/- out of Mobilization Advance of ₹730848/- has been adjusted on dated 27.9.12 against pending payment of ₹1310292/- due to the agency.

4	8	Settled	The HIMCOP Society invested an amount of ₹2.55 crore in Fixed Deposit Scheme on dated 5.6.2015.
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**(ii) Audit and Inspection note for the period 01.04.2011 to 31.03.2013**

Sr. No.	Para No.	Settled/Unsettled	Remarks if any
1	3	Settled	Audit fee of ₹7200/- deposited vide Cheque No. 103604, dated 24.5.2013
2	4	Settled	Para updated in current audit report.
3	4 (i)	Settled	The Receipt & Payment Accounts, Income & Expenditure Accounts and Balance Sheets for the year 2009-10 to 2014-15 have been prepared through Chartered Accountant.
4	4 (ii)	Settled	
5	4 (iii)	Settled	Para updated in current audit report.
6	5 (i)	Settled	Extension of CCTNS project up to 31.3.2015 approved vide Cabinet Committee on Economic Affairs in the meeting held on 14.6.2012 in the Conference Room (No.155), South Block, New Delhi
7	5 (ii)	Settled	Para updated in current audit report.
8	5 (iii)	Settled	Para updated in current audit report.
9	6	Settled	Grant-in-aid amounting to 34 lacs was meant for Forensic Science Laboratory, Junga and the same transferred to FSL Junga on dated 22.10.2014 vide decision taken at CCTNS State Empowered Committee in the meeting held on 10.6.2014.
10	7	Settled	Consultants deployed by the TCIL and quarterly performance reports are being obtained before releasing the payment to the agency.
11	8	Settled	The report submitted by the TCIL accepted by the HIMCOP Society.
12	9	Settled	All receipts obtained from the quarter concerned.

## **2 Present Audit**

The audit and inspection of accounts of Himachal Pradesh Computerization of Police Society (HIMCOPS), Khalini, Shimla-2 for the period 1-04-2013 to 31-03-2015 was conducted by Sh. Manjeet Bhatia, Section Officer w.e.f. 5.11.2015 to 7.11.2015 and 16.11.2015 to 17.11.2015. The months of 6/13, 3/15 were selected for detail checking of accounts of the Society.

This report has been prepared on the basis of records and information supplied by the controlling officer of the Society. The Local Audit Department disclaims any responsibility for any misinformation or non-submission of information on the part of the auditee.

### **3 Audit Fee**

The audit fee for conducting the audit of accounts of Himachal Pradesh Computerization of Police Society for the period from 1.4.2013 to 31.3.2015 is worked out for ₹ 5,000/- only. The Member Secretary, HIMCOPS, Khalini, Shimla-2 was requested vide Section Officer (Audit) letter No. 05 dated 17.11.2015 to remit the above mentioned audit fee in favour of Director, Local Audit Department, Himachal Pradesh, Shimla-171009.

### **4 Financial Position**

The financial position of the accounts of society for the period from 1.4.2013 to 31.3.2015 is given in **Annexure-“A to A-5”**

**The following audit observations may be attended to with respect to the preparation of financial position and maintenance of accounts by the society.**

#### **(i) Cash Book & Ledger**

The cash book of the Society has not been written in proper form and orders. The cash book has been written without Head of Accounts whereas it should be maintained by giving proper head of accounts according to nature of transactions. Further, the narration for the transactions have also not been given properly indicating there under the nature of all the transactions. In addition to this, Ledger has been maintained as a duplicate copy of cash book, which may be maintained individual head-wise of accounts. The society was advised in the previous audit notes in this regard also but nothing has done. Hence, it is once again advised that cash book & ledger accounts may be maintained as suggested above.

#### **(ii) Asset/Property Register**

Rule 10(9)(i) of By-law/Rule of the HIMCOP Society provides that the society shall maintain Asset Register (AR) and accounts as per the standard practice. But it has been observed that HIMCOPS has not maintained such asset register at all. It has maintained an ordinary register in which purchases of all type of material were entered. But no moveable and immovable property register were

maintained. The society was advised in the previous audit notes in this regard also but nothing has done. Hence, it is again advised to maintain the asset/property register in proper way in which immovable and moveable properties may be entered separately.

### **(iii) Physical verification of store/stock**

Rule 15.17 of the Himachal Pradesh Financial Rules, 1971 provides that a physical verification of all stores should be conducted at least once in every year. But it is noticed that no such physical verification of store/stock has been conducted by the society. Hence, needful may be done at regular intervals.

## **5 Grand-in-Aids**

(i) As per **Annexure "B to B-1"**, the opening balance of Grant-in-Aids as on 1.4.2013 was ₹491.48 lacs. Further, no amount has been received as grand-in-aid from the Ministry of Home Affairs, Govt. of India during the financial year 2013-14 and 2014-15. A sum of ₹280.32 lacs has been utilized for the Crime and Criminal Tracking Network and Systems (CCTNS) Project etc. and ₹211.16 lac remains unutilized as on 31.3.2015, excluding the "Interest Related Fund to MHA amounting to Rs. 98.83lacs, which has been shown as transferred to "Corps Fund" in the Balance Sheet as on 31.03.2015. All though no time period for utilization of grant-in-aid has been mentioned in the grant-in-aid sanctions but the Cabinet Committee on Economic Affairs, Govt of India has approved the extension of CCTNS project up to 31.3.2015 in the meeting held on dated 14.6.2012 at Conference Room No. 155, South Block, New Delhi. Therefore, the necessary approval from the competent authorities may be obtained for utilization of grant-in-aid in the next financial year in order to comply with the provisions of rules for utilization of grand-in-aid.

### **(ii) Release of payment to the stakeholders under CCTNS project**

The Ministry of Home Affairs, Govt. of India vide letter No. 22011/7/2010-SR(CCTNS) CF No: 55392, dated 25.11.2013 has intimated to all CCTNS Nodal Officers that the State/UT shall completely utilize funds available with them which were released till 31.3.2012 (released under any head, keeping the condition in mind that the total ceilings for any head as allocated by the Ministry, are not breached) and show nil balance before seeking any fresh releases. For achieving

nil balance, the States/UTs may make part payments also. However, the available balance of grant-in-aids received from MHA by the HIMCOP Society is ₹211.16 lacs under the CCTNS project as on 31.3.2015. Hence, it is advised that the balance amount may be utilized by the society before seeking additional funds from MHA keeping in view the ceiling of allocated heads of the project.

**(iii) Grant-in-Aids Register**

The society has not maintained Grand-in-Aid Register. The society was advised in the previous audit notes in this regard also but nothing has done. Hence, it is once again suggested that the above register may so far be maintained immediately in self explanatory form for ready reference.

**6 Creation of Interest Fund of ₹98,83,107 and reflecting Interest Fund under the head unspent Grants-in-aid in the balance sheet**

As per **Annexure- 'B-I'** the society has created 'Interest Fund related to MHA' amounting to ₹98,83,107/-, in the balance sheet as on 31.3.2015 which includes ₹79,39,635/- (balance interest of previous years) shown as transferred to this fund from Corps Fund,. But the detail of this amount in self explanatory form was not appended to in the record. The society was asked to supply the detail vide Audit Requisition No. 02, dated 7.11.2015 but no such detail has been provided till conclusion of current audit. On perusal of the record made available to audit, it has been observed that the society has earned net interest of ₹72,64,446/- upto 31.3.2015 as per detail given below:-

Year	Month	Interest earned on saving A/C (₹)	Yearly Total (₹)
2010-11	12/2010	102007	102007
2011-12	06/2011	474780	1020221
	12/2011	545441	
2012-13	06/2012	898226	2071758
	12/2012	1173532	
2013-14	06/2013	1088550	2141388
	12/2013	1052838	
2014-15	06/2014	1035858	2005148
	12/2014	969290	
<b>Total</b>			<b>7340522</b>
Expenditure during 2011-12			(-)7200

Expenditure during 2013-14	(-)7200
Expenditure during 2014-15	(-)61676
<b>Net balance as on 31.3.2015</b>	<b>7264446</b>

In this way an amount of (₹9883107-₹7264446=₹26,18,661) was wrongly transferred/shown as excess in the 'Interest Fund related to MHA. It appears that this difference of ₹26,18,661/- actually consists of interest figure of ₹20,05,148/- for the year 2014-15 as shown in the table above, which is taken twice plus ₹6,13,513/- taken as interest earned in the month of 6/2015. Hence, the factual position may be got checked from the record and the 'Interest Fund related to MHA' wrongly inflated by ₹26,18,661/- as on 31.3.2015 may be justified with reference to the factual position. Thereafter, the necessary adjustments may be made in the prospective financial statements of the society and compliance may also be shown to the audit.

#### **7 Excess of expenditure over income (loss) of ₹36,17,533.25**

The HIMCOP Society has received specific grants-in-aid from Ministry of Home Affairs under different heads. The grants are meant for the purpose for which these have been received. Thus, the society has incurred expenditure out of these grants from time to time during the period under audit. But the Income & Expenditure Account for the year ended on 31.3.2015 shows a loss amounting to ₹36,17,533.25 by way of 'Excess of expenditure over income'. Since, there is sufficient amount under the different heads of grants-in-aid and interest income etc., therefore, the loss as shown above may be justified. The society was asked to clarify the position vide Audit Requisition No. 03, dated 7.11.2015, but no reference has been received till conclusion of current audit. Hence, the factual position on the above point may be elaborated in detail to audit.

#### **8 Adjustment of Mobilization Advance of ₹33,09,127**

A sum of ₹33,09,127/- was paid to Telecommunication Consultants India Ltd.(TCIL), vide their Invoice No. PJ-10812-13/1080, dated 26.12.2012 as mobilization advance against bank guarantee as per SC clause 10 along with reference number of GC 8.3 of the agreement. The agency is working as State Project Management Unit (SPMU) under the CCTNS project and required to provide assistance to ensure the successful implementation of the CCTNS project

along extensive coordination with H.P. Police as well as the MHA/NCRB. But it has been noticed that this advance was shown as an asset in the balance sheet as on 31.3.2014 and adjusted in the balance sheet as on 31.3.2015. Since, the CCTNS project is still in progress and it appears that some payments are still due to the above agency, therefore, it may be clarified as to how much more payments will be made to the above agency. Further, it may also be ensured that the bank guarantee against this advance is still intact so that it may be recovered/adjusted in case the agency violates the conditions of the agreement. The facts in this regard have also been brought to the notice of the society during discussion.

#### **9 Non-depiction of fixed assets of ₹84943 in the Balance Sheet**

As per para 9 of the previous audit note, an amount of ₹84943 was paid to all the Distt. Superintendents of Police in 3/2013 on account of purchase of almirahs under CCTNS project on the basis of bills/receipts submitted by them as per detail given below. As per accounting principle, the fixed assets shall be shown on the asset side of the balance sheet because above items are fixed asset of the society, but it is observed during audit that these items have not been taken as fixed assets on the asset side of balance Sheet as on 31.3.2015. Hence, it is advised that as per accounting principle, the almirahs purchased may be taken as fixed assets on the assets side of the balance sheet after up to date due deduction of depreciation:-

<b>Sr. No.</b>	<b>Name of the S.P.</b>	<b>Amount (₹)</b>
1	S.P.Kangra	5828
2	S.P.Nahan	5827
3	S.P. Bilaspur	5828
4	S.P.RekongPeo	8765
5	DIG/PTC Droh	11655
6	S.P.Baddi	4673
7	S.P. Solan	4672
8	S.P. Kullu	6248
9	S.P. Himarpur	5827
10	S.P. Mandi	4673
11	S.P. Shimla	4672
12	S.P. Chamba	5775
13	S.P. Una	5828
14	D.S.P. SCRB, Shimla	4672
<b>Total</b>		<b>84943</b>

**10 Minor objection Statement:-**All the minor objections have been settled at the spot as such no minor objection statement was issued separately.

**11 Conclusion:-**The maintenance of accounts needs more and closer supervision by the authority.

Sd/-  
Deputy Director,  
Local Audit Department,  
Himachal Pradesh, Shimla-9

Endst. No. No.- Fin(LA)H(2)C(15)(14)272/11-Vol-I-1241-1244, dated, 18-2-16, Shimla-09.

Copy alongwith Audit Report is forwarded for information and necessary action to:-

1. The Director General of Police-cum-CEO, HIMCOPS, Police Head Quarter Shimla-2.
2. The Member Secretary HIMCOPS I.G.P. (CID Police Head Quarter Shimla-2.)
3. The Superintendent of Police, Police Comm. & technical services, Police Complex-Khalini Shimla-171002.
4. Sh. Manjeet Bhatia, Section Officer.....

Sd/-  
Deputy Director,  
Local Audit Department  
Himachal Pradesh Shimla-9