

**AUDIT AND INSPECTION REPORT ON THE ACCOUNTS OF HIMACHAL PRADESH
COMPUTERIZATION OF THE POLICE SOCIETY (HIMCOPS) KHALINI, SHIMLA-2
(HP) PERIOD 01/04/2015 TO 31/03/2016**

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 government of India in shape of Grant-in-Aid. The society is functioning under the chairmanship of the Chief Secretary to the Government 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. Rakesh Aggarwal, IPS	01/04/2015 to 02/09/2015
2	Sh. S.B. Negi, IPS	19/09/2015 to 02/01/2016
3	Sh. Daljeet Kumar IPS	14/01/2016 to 03/03/2016
4	Sh. B.N.S. Negi IPS	04/03/2016 to 31/03/2016

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

(i) Audit and inspection note for the period 01/04/2013 to 31/03/2015

Sr No	Para No	Settled/Unsettled	Remarks if any
1	3	Settled	Audit fee of Rs. 5000 deposited vide Cheque No. 269779 dated 19/04/16
2	4	Settled	Para updated in current audit report
3	4 (i)	Settled	The receipt and payment accounts and Balance Sheets for the year 2009-2010 to 2015-2016 have

			been prepared through chartered Accountant .
4	4 (ii)	Unsettled	
5	4 (iii)	Settled	The physical verification has been done by DSP(CTS) and certificate in this regard was record in the register.
6	5(i)	Settled	CCEA(Cabinet Committee on Economic Affair) has conveyed the extension of CCTNS Project up to 31/03/17 vide MHA D.O. No.22011/23 (2)/2010-SR-686 Dt. 2nd May,16 hence on the basis of reply submitted the para stands settled.
7	5(ii)	Settled	All the GIA received under CCTNS project has been utilized up to 31/03/16 and bal. of Rs. 33.11 lacs on account of interest accrued during the Financial year was to be utilized in the next financial year. The maximum payments have been released to the stakeholders under CCTNS Project and after receipt of New GIA under this project from MHA. Hence para stands settled.
8.	5(iii)	Settled	Grant in aid register has been maintained now.
9	6	Unsettled	
10	7	unsettled	
11	8	Settled	As per Reply submitted to audit by the HIMCOPS, all payment has been made as per schedule mentioned in the contract agreement and contract stands completed on 4/11/15 and no payments stated due/pending on the part of the both parties.
12	9	Unsettled	

2 Present Audit

The Audit and inspection of accounts of Himachal Pradesh Computerization of Police Society (HIMCOPS), Khalini, Shimla-2 for the period 01/04/2015 to 31/03/2016 was conducted by Sh. Anil kumar, Assistant Controller(Audit) w.e.f. 17/02/2017 to 20/02/2017. The month of October 2015 was 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 01.04.2015 to 31.03.2016 is worked out to Rs.3,000/- only. The member Secretary, HIMCOPS, Khalini, Shimla-2 was requested vide Assistant Controller (Audit) letter No. 02 dated 17.02.2017 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 01.04.2015 to 31.03.2016 is given in Annexure-“A-1 to A-4” 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 should be maintained by giving proper Head of Accounts according to nature of transactions. Further, the narration for the transaction has also not been given properly indicating there under the nature of all the transactions. The society was advised in the previous audit notes in this regard but only receipt and payment accounts and balance sheet has been got prepared through chartered accountant. Hence, it is once again advised that cash book and ledger accounts may be maintained as suggested.

(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 purchase 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 so far. Hence, it is again advised to maintain the asset/property register in proper way in which immovable and movable properties may be entered separately.

5. Investment in FDR amounting to Rs. 20.75 lakh as on 31.03.2016:-

An amount of Rs. 2075114 has been shown as invested in FDRs account as on 31.03.2016 as per Annexure-“B” of this report. The board has invested in FDRs in the year 2015-16 but no connected record i.e. FDR certificates , photocopies of FDRs and FDR Register etc. are being kept/prepared. In the absence of such important record, necessary check to verify the correctness could not be exercised.. As such this matter is brought to the notice of HIMCOPS authorities for suitable and prompt action to maintain such an important record from the period of investment and to put up the same for verification in the next audit.

5.1 Diffrence of Rs.0.75 lacs in FDR's as per actual and figures shown in balance sheet.

An amount of Rs.2075114 has been shown as invested in FDR's as on 31.3.2016 as per Annexure “B” where as in balance sheet Rs. 20 Lacs only has been shown in the shape of FDR's as on 31.3.2016 as per Annexure “A-I”. hance a diifernce of Rs.75114 needs to be reconciled and to put up the same for verification in the next audit.

6 Grand-in-Aid

(i) As per Annexure “A-4”, the opening balance of Grant-in-Aid as on 01.04.2015 was Rs. 211.16 lacs. Further, no amount has been received as Grant-in-Aid from the Ministry of Home Affairs, Govt. of India during the Financial Year 2015-16. A sum of Rs. 210.57 lacs has been utilized for the Crime and Criminal Tracking Network and Systems (CCTNS) Project etc. and RS.0.59 lacs remains unutilized as on 31.03.2016, excluding the “Interest Related Fund to MHA amounting to Rs.98.83 lacs out of which an amount of Rs. 26,18,661 has been transferred to

corpus fund and shown as transferred to "Corpus Fund" in the Balance Sheet as on 31.03.2016. 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 31.03.2016 in the meeting held on dated 14.06.2012. Therefore, the necessary approval from the competent authorities may be obtained for utilization of grant-in-aid for 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 31.03.2012(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, States /UTs may make part payments also . However , the Balance available grant-in-aids received from MHA by the HIMCOP Society is Rs 211.16 lacs under the CCTNS project as on 31.03.2015 . Out of which Rs. 210.57 lacs was utilized during the financial year 2015-16 now the grant in aid has mostly been utilized and bal grant is merely to be nil. Hence, it is advised that the society may take up the matter for seeking additional funds from MHA for the next financial year keeping in view the ceiling of allocated heads of the projects.

7	Depiction of Rs. 14.35 lac as interest fund related to MHA instead of 26.90 lac. In the balance sheet, a sum of Rs. 1435440 has been created as interest fund related to MHA (Annexure-"A-4") whereas it comes to Rs. 2690095 as detailed	
	Bal. as on 31/03/15	9883107
	Add:-Interest earned during the S/B Account No. 65099689387 of SBP Dt. 1/06/15	613513
	Dt. 1/12/15	99537
	Interest earned on FDR's after TDS deduction (Rs.697928- 156323/-)	541605
	Total interest up to 31/03/16	11137762
	less Expenditure 1/04/15 to 31/03/16	8447667

Balance on 31/03/16

2690095

Reasons for provisioning of ₹14.35 lac instead of ₹26.90 lac in the above head of account be recorded in detail and difference of ₹1254655 (₹2690095 (-) ₹1435440) needs to be reconciled and justified.

8 Difference in the balances shown in The balance sheet and in the HIMCOPS books.

During the scrutiny of the Income and Expenditure, Receipt and Payment Statement, Balance Sheet and Statement of G.I.A received and utilization as per Annexure "A-C", it has been noticed that head wise expenditure shown in the statement of Grant in aid and Receipt and Payment was not tallied as the expenditure in the head of system integrator in Grant- in- aid statement enclosed in Annexure "A⁴" shows ₹1,61,23,651/- and in the Statement of Receipt and Payment enclosed in Annexure "A" it is ₹1,72,35,597/- whereas balance in the books HIMCOPS in this Head is Rs.1,61,36,508(16123651/-+12857. Now difference in the balances and excess expenditure over Unspent bal. in this head may be reconciled and compliance be shown in next audit .

(9) Relating to Stock Entries:-

During perusal of Vr. no. 17 of 10/2015 amounting to ₹7895528/-on account of 40% payment were paid to M/s Tech. Mahindra limited, New Delhi against Invoices No. TML/1415/189355, 189356,189357,189358,189359 & 189360 dated 31/03/15 and No.TML/1314/124166 &124167 dated 12/03/14 on account of supply of various material of Hardware i.e. Printers, UPS'S Generators, HDD'S digital cameras, e-Pens, Network Switches and Desktops amounting to Rs. 21762758/- but these material supplied by the firm directly to Thanas, Distt. office , Training Centers , S.P. Offices, head quarters and other polices offices etc. As per direction of the police head quarters or as per demand of the relevant police offices . The material received by concerned police office has given receiving challan and the copy of the same were send to the police head quarter vide which the payment were realised .Now during checking the entries of these material in the relevant stock register it has been noticed the material of bills of the Co. and relevant copy of receiving challan of material directly supplies by the co. to State Thanas and police offices etc. was

entered in the stock register Thaness/office wise whereas this stock entry may be entered in the stock register by item wise and not station wise so the every item of material could be tallied with Co's. bills on which the payment was made. So it suggested to maintain item wise register instead of station wise, so that the every item can be get tallied with company's bill.

10 Minor objection Statement:- All the minor objections have been settled at the spot and minor objection statement was not issued separately.

11. Conclusion:- The maintenance of accounts needs close supervision by the authority.

sd/-

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Endst:-No.Fin(LA)H(2)C(15)(14)272/11-Vol-1,4211-4213 Dated 10-07-17... Shimla-09
Copy along with audit report is forwarded for information and necessary action to:-

- 1 The Director General of Police-Cum-CEO, HIMCOPS, Police Head Quarter Shimla-02
- 2 The Member Secretary HIMCOPS I.G.P. (CID Police Head Quarter Shimla-2)
- Registered:** 3 The Superintendent of Police Comm. & technical services, Police Complex Khalini Shimla-171002.

sd/-

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