

20/c (17)

**DIRECTORATE OF AUDIT
GOVERNMENT OF N.C.T. OF DELHI
4TH LEVEL, C-WING,
DELHI SACHIVALAYA, NEW DELHI**

Sub: Audit Report on the Accounts of Registrar, Chit Fund Department, Bikri Kar Bhawan, I.P. Estate, New Delhi (1274/10) for the period 2015-16 to 2017-18.

INTRODUCTION:

The accounts of Registrar, Chit Fund Department, Bikri Kar Bhawan, I.P. Estate, New Delhi (1274/10) for the period 2015-16 to 2017-18, were test audited by the Audit Party No. VII comprising of Sh. Roy Chacko. P, Sr.AO/IAO, Smt. Neelam Bala Notra, AO, Sh. Rajiv Sachdeva, AAO and Sh. Satish Kumar,UDC.

Aims and objectives

The Chit Fund Department was set up by the Government with the main objective of controlling the activities of chit fund companies of Delhi through the Madras Chit Fund Act, 1961 extended to Delhi and the Delhi Chit Fund Rules, 1964. Chits commenced w.e.f. 1st April, 2007 shall be regulated under the provisions of The Chit Funds Act, 1982 and Delhi Chit Funds Rules, 2007. The main mission of the Department to safeguard the interests of subscribers,

Head of department / Head of Office

S.No.	Name	Designation	Period
1.	Shri A.K. Singh	Registrar	01/04/2015 to 05/11/2015
2.	Shri Abhishek Dev	Registrar	06/11/2015 to 05/01/2017
3.	Shri Ranjeet Singh	Registrar	06/01/2017 to 05/12/2017
4.	Shri Kuldeep Singh	Registrar	06/12/2017 to till date

Drawing & Disbursing Officer

S.No.	Name	Designation	Period
1.	Shri P.A. Raphel	AAO	01/04/2015 to 06/12/2015
2.	Shri G.S. Rawat	AAO	07/12/2015 to 23/10/2017
3.	Shri H.S. Asawal	AAO	24/10/2017 to till date

Cashier

S.No.	Name	Designation	Period
1.	Shri V.K. Sharma	UDC	01/04/2015 to 22/02/2017
2.	Shri Ravi	UDC	23/02/2017 to till date

BUDGET ALLOCATION AND EXPENDITURE FOR THE YEAR 2014-15

Year	Head	Budget Allotted (in Lakh)	Expenditure (in Lakh)	Balance (in Lakh)	%age of Saving
2015-16	Non Plan	56.00	53.18	2.82	5.03
2016-17	Non Plan	61.00	56.49	4.51	7.39
2017-18	Non Plan	64.00	48.39	15.61	24.39

VACANCY STATEMENT

DETAILS OF STAFF	SANCTIONED STRENGTH	FILLED	VACANT
Group A	0	0	0
Group B	4	4	0
Group C	12	5	7
TOTAL	16	9	7

Statutory Audit

The statutory audit of Chit Fund Department, Bikri Kar Bhawan has been conducted by the AG (Audit) upto 31.03.2013..

Maintenance of Records

The maintenance of records of Chit Fund Department, Bikri Kar Bhawan, I.P. Estate, New Delhi (1274/10) for the period 2015-16 to 2017-18, was found satisfactory subject to observations made in the Current Audit Report and in Test Audit Notes.

Old Internal Audit Report

There were 09 old outstanding in respect of Chit Fund Department, Bikri Kar Bhawan, I.P. Estate, New Delhi (1274/10) for the period 1979-2015 with recovery amounting to Rs. 5,725/-, out of which 01 para pertaining to the period 2012-15 has been settled and amount of Rs. 5,725/- recovered by the Department. Remaining 08 para have been incorporated in the current audit report.

Part-I (Old audit report)

Sr. No.	Year	Total Paras	Para Settled	Paras Taken Afresh	Outstanding Paras
1.	1979-94	04	00	00	04
2.	2004-06	01	00	00	01
3.	2006-09	01	00	00	01
4.	2009-11	01	00	00	01
5.	2012-15	02	01	00	01
TOTAL		09	01	Nil	08

23-25
Reply
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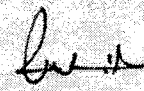
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MEMO DETAILS

S. No.	Memo No.	Brief of the Para's	Amount to be recovered (Rs.)	Remarks
01.	01	Record Memo	-----	Record provided
02	02	Record Memo	-----	Record provided
03	03	Record Memo	-----	Record provided
04	04	Record Memo	-----	Record provided
05	05	Record Memo	-----	Record provided
06	06	Record Memo	-----	Record provided
07	07	Stock Register Consumable/ Non Consumable		Compliance seen
08	08	Non release of security money	-----	Settled on the basis of reply submitted
09	09	Record Memo	-----	Record provided
10	10	Non-surrendering of savings under various Heads	-----	PARA NO. 01.


I.A.O., Audit Party No. VII

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PART - I

Para No. 2 (Para No. 12(b) of 79-94)
Para No. 1 (Para No. 12(b) of 1979-80)
Para 3 of 79-94
Submission of Dependency Certificate (76)
in support of claim of T.A. on transfer (A)

On his transfer from C.D.A, Jabalpur, Sh. R.P. Dixit, Chief and Auditor had claimed transfer T.A. for his mother. There was nothing available on records to show that his mother was depended on him. Necessary dependance certificate may be obtained from Sh. Dixit, and placed on record under intimation to Audit. In case Sh. Dixit does not produce a certificate to the effect that his mother is dependent on him, the T.A. claimed for his mother may be received from him and credited in Govt A/c.

Settled

~~Para No. 3~~
Para No. 3 (Para No 22 of 79-94)

~~Para No. 2~~
Para No. 2 of 1994 (Ref. Para No. 22 of 1993-94)

Para No. 2 Cont: Un-authorized expenditure on refreshment to guests during meetings with H.O.D.

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During the course of audit, it was not possible to find out how much expenditure was made on refreshment to guests during meetings with the H.O.D. during 1992-94, as no contingent register was being maintained.

GLSN No. 27 (b) of the Guard file on the Delegation of Financial Powers Rules states that the H.O.D. can spend Rs. 2.50 per head per meeting subject to maximum of Rs. 5000/- per year on A/c of refreshment to guests during meetings with the Head of the Deptt.

Such vouchers of refreshment expenditure revealed that the guests were generally served coffee costing Rs. 5/- per coffee, thus the Head of Deptt. exceeded the limit of Rs. 2.50 per head per meeting.

Irregular expenditure as stated above be got regularised by the competent authority under intimation to audit.

Para No 3
Para No 4 (Para 269 79-94)

22/4
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PARA NO
10979-94

(Ref. Para No. 2608 1979-94)

3. - Contingent Voucher No 21 dt 16.06.92

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a) Stainless steel utensil purchased from Shri Krishna Barton Stores vide Bill No. 13023 dt 28.05.92 for Rs. 260/- . The items purchased have not been entered in any stock Register. Audit may be elucidated the circumstances under which the items purchased were not entered in stock.

b) Board painted and repaired from M/S. Mangar Art Services vide Bill No. 114 dt 24-05-92 for Rs. 1200/- . The above work/repair was executed without observing prescribed local formalities required in GFR. This irregular/un-authorized repair/work may be got regularised after obtaining explicit sanction from competent authority.

4. The articles purchased vide following Bills were not entered in any stock Register. Notwith P. A.O has passed the Bills without recording of the stock entry certificate.

Contingent Bill No. 38 dt 24.08.93 vide
Bill No. 2008 dt 4.8.93 for Rs. 40,300.
Required Per purchased have not been entered
in any stock register.

ii) Cash memo No. NIL dt 13.05.93 for Rs. 930/-
from M/S. S. Kumar's Public Stamp.
These stamps have not been entered in any
stock register.

iii) Items purchased vide following cash
memos have not been entered in any
stock register: -

a) Bill No. 5895 and 5897 dt 20.5.93 from
M/S. Mahajan Gen. Store for Rs. 24/- and Rs. 12/-.
Holders purchased not entered in any
stock register.

b) Bill No. 94547 dt 23.09.93 for Rs. 487/-
Bill No. 94701 dt 5-10-93 for Rs. 54/-
not entered in any stock register.

All such other Bill which have
not been entered in any stock
register may be traced at your
end. Needful done required
to be reported to an audit.

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Para No. 5 E Para 25 9 99-94

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Para 4 (Para No. 11 of 1979-84)

Sub: Stock registers

Para No. 4

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while scrutinising the record of stores, following shortcomings and irregularities were noticed:

No action was taken for written-off or un-serviceable / condemned articles or non-consumable items under the audit period i.e. 1972-74. All the items be reviewed and all such type of un-serviceable / condemned articles may be written off after taking approval of the competent authority. Action taken in the matter may be intimated to audit.

All the discrepancies pointed-out may be rectified in the stock registers and compliances shown to audit.

Para No 5
Para no. 9, (para no. 7 of 2004-06)

Para 5
Para No. 15
of Book - 06

Ref. memo No. 12 dt. 22/8/2006

Para No 5

Inspection of Chit-Book & Records

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As per section 37(1) (a) of the madras Chit Fund Act, as extended to the Govt of N.C.T of Delhi, there is a provision that the Registrar or any officer authorised by the Registrar inspect the chit-books & all records. After giving due notice & every foreman shall be bound to produce the chit book & records for inspection.

Vide memo No. 12, dated 22/8/2006, the Chit Fund Dept. was requested to give details of Chit-Fund Companies, whose books have been checked during the audit period, and it has been revealed that, such provisions are not being followed, intimated by the Dept.

The Chit fund Dept. authorities are requested to make use of the Rule position, as referred above in public interest, under intimation to Audit.

Prof.
(B.D. JAIN)
Sr. Acct.

(RAJEEV KUMAR)
J.A.O

Jayshankar
(JAYSHANKAR)
JA

(KULDEET SINGH)
J.A.O.

Directorate of Audit-
2nd Level, Delhi Secretariat.

Para No - 10 (Para No. 1 of 2006-09)

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Para No. 6

PART - II

Para No. 1

CURRENT AUDIT REPORT (2006-2009)

Para No. 1
Ref Memo No. 9 Dated: 14-7-09

Sub: Non inspection of Chit Fund records

Section 46 of Chit Fund Act, 1982 envisages that "The Registrar or an officer authorized by the State Government on his behalf may inspect chit books and all the records of a chit during working hours on any working day at the premises of foreman with or without giving notice and if any defects are found the Registrar may bring such defects to the notice of foreman and may also make an order directing the foreman to take such action as may be specified in the order to remedy the defects within the time specified therein." But the department has not conducted any inspections during audit period. The said discrepancy was also pointed out by previous audit. Hence, department may take necessary action to put in use of Section 46 of Chit Fund Act under intimation to audit.

Para No. 7

Para No. 1

(Ref Memo No 03 dated 12-4-12)

Para No. 7

Para No. 1

Sub: Comprehensive Annual Maintenance Contract.

According to Rule 159 (1) of GFR, advance payment should not exceed 30% of the contract value to private firms. In case of maintenance contract the amount should not exceed the amount payable for 6 months under the contract. While making any advance payment adequate safe guards in the form of Bank Guarantee etc. should be obtained from the firm. The sealing may be relaxed in consideration with the Finance Department.

During the course of scrutiny of contingency bills revealed that an advance payment of Rs. 22060/- has been made to M/s HCL info-system Ltd vide bill No CB-108 dated 30-3-11 towards payment for the period 03/03/2010 to 03/03/2013 for comprehensive maintenance of Toshiba Digital Photocopier machine E-studio-200. In this connection the following observations have been made.

- 1) While making the entire amount as advance payment the approval of Finance Department has not been obtained.
- 2) Against payment of Rs. 22060/- a Bank Guarantee of Rs 5000/- only has been obtained from the firm. The same can not be considered as adequate security to safe guard in interest of Govt.

Department reply/comments in this regard may be shown to next Audit.

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TAN No. 2

(Ref Memo No 5 dated: 16.04.2012)

TAN 1

TAN No 2 of 2009-11

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Sub: Maintenance of Service Books in duplicate.

As per GFR Rule 257 (2) the Service Book of a government servant shall be maintained in duplicate. First copy shall be retained and maintained by H.O.O. and second copy should be given to the government servant for safe custody. Compliance of the same may be shown to Audit.

Rajan

(RAJAN M.J.)

Inspecting Audit Officer
Party No. V

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Para No 8

Para No 8

ARA NO. 02

(Ref. Memo No. 07)

Sub: Unclaimed Security Deposit amounting to Rs.7,99,80,338/-.


Section 20 of the Chit Funds Act, 1982 states that " for the proper conduct of the chit, every foreman shall, before applying for a previous sanction under section 4-

- a. shall deposit in the name of the Registrar, and amount equal to:
 - (i) fifty percent of the chit amount in cash in an approved bank and
 - (ii) fifty percent of the chit amount in the form of bank guarantee from an approved bank; or
 - b. Transfer Government securities of the face value or market value (whichever is less) or not less than one and a half times the chit amount in favour of the Registrar; or
 - c. Transfer in favour of the Registrar such other securities, being securities in which a trustee may invest money under section 20 of the India Trusts Acts, 1882 of such value as may be prescribed by the State Government from time to time.
- Section 21(5) of the Chit Fund Act, 1982 provides that where the chit is terminated and the Registrar has satisfied himself that the claims of all the subscribers have been fully satisfied, he shall order the release of the security furnished by the foreman under such-section (1) or the security substituted under sub-section (3) as the case may be, and in doing so he shall follow such procedure as may be prescribed.

During the scrutiny of security register, it has been noticed that 2672 FDRs lying unclaimed and undisbursed with the O/o Registrar Chit Fund up to 2009 against the Madras Chit Fund Act, 1961. Further as per the information furnished to the audit, 9 FDRs for an amount of Rs.13,80,000/- is also lying unclaimed and undisbursed against the Delhi Chit Fund Act, 2007. The total amount as per the information furnished comes to Rs.7,99,80,338/- .A scrutiny of the FDRs reveals that some of these FDRs are lying since 1965 and have never been revalidated till date. In this connection, the audit has to point out the following provisions in the chit fund Act.


- a. Section 6(2) of the Chit Fund Act, 1982 says that the duration of the chit shall not extend beyond a period of five year from the date of commencement.
- b. Section 40 of the Chit Fund Act provides a chit shall deemed to have terminated:
 - (i) When the period specified therefor in the chit agreement has expired provided the payment of dues to all the subscribers has been completed; or
 - (ii) When all the non-primed and unpaid primed subscribers and the foreman consent in writing to the termination of the chit and a copy of such consent is filed with the Registrar as required under Section 41; or
 - (iii) Where a foreman dies or becomes of unsound mind or is otherwise incapacitated and the chit is not continued in accordance with the provisions of the chit agreement.

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As per the information furnished, all the chits commenced under the Madras Chit Fund Act, 1961 have already been completed and no case is pending with the department. The FDRs are lying since 1965 onwards without being revalidated, hence earning no interest or minimal interest on FDRs. Since action as prescribed in the Chit Fund Act has not been taken since long, action as laid down in Rule 189 of CGA (RP) Rules may be taken.


(SUNNY K.P.)
I.A.O.-XV

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PART - II
CURRENT AUDIT REPORT

Para No. 01:- Non-surrendering of savings under various Heads.
(Ref. Audit Memo No. 10 dated 03/05/2018)

As per Rule 56(2) of the GFR, the savings as well as provisions that cannot be profitably utilized should be surrendered immediately they are foreseen without waiting till the end of the financial year. Scrutiny of reconciliation statements for the period 2015-16 to 2017-18 of Chit Fund Department reveals that 100% balances are lying unutilized under various head of accounts at the end of concerned financial years, as detailed below:

2015-16

S.No.	Head of Account	Budget Allotted (in Rs.)	Expenditure as on 31.03.2016 (in Rs.)	Savings (in Rs.)	% of Savings
1	347500200970012 D.T.E.	10,000/-	Nil	10,000/-	100%
2.	347500200970014 Advertisement	90,000/-	Nil	90,000/-	100%
3	347500200970016 I.T.	2,00,000/-	Nil	2,00,000/-	100%

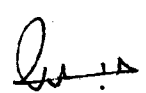
2016-17


S.No.	Head of Account	Budget Allotted (in Rs.)	Expenditure as on 31.03.2017 (in Rs.)	Savings (in Rs.)	% of Savings
1	347500200970012 D.T.E.	10,000/-	Nil	10,000/-	100%
2.	347500200970014 Advertisement	90,000/-	Nil	90,000/-	100%
3	347500200970016 I.T.	1,00,000/-	Nil	1,00,000/-	100%

2017-18

S.No.	Head of Account	Budget Allotted (in Rs.)	Expenditure as on 31.03.2018 (in Rs.)	Savings (in Rs.)	% of Savings
1	347500200970012 D.T.E.	10,000/-	Nil	10,000/-	100%
2.	347500200970014 Advertisement	1,00,000/-	Nil	1,00,000/-	100%
3	347500200970016 I.T.	7,00,000/-	Nil	7,00,000/-	100%

From the above, it has been observed that the department has not prepared the budget estimate as per requirement. Moreover, the department has neither utilized the budget nor surrendered the entire savings. Department is advised to remain careful in future and should prepare realistic budget.


I.A.O. Audit Party No. VII



Asstt. Accounts Officer
Chit Fund Department
Govt. of NCT of Delhi

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PART- II
CURRENT AUDIT REPORT
(01.04.2012 to 31.03.2015)

PARA NO. 01
(Ref. Memo No. 04,).

Sub: Irregular payment of Children Education Allowance.

As per Government of India, Ministry of Personnel, P.G. and Pensions (Department of Personnel & Training) O.M. No. 1201 111 612009-(Allowance) Dated 13th November, 2009, Children Education Allowance is admissible for the two eldest surviving children only, except when the number of children exceeds two due to second child birth resulting in multiple births.

During the test check of records, it is observed that following employee has been paid Children Education Allowance beyond two eldest surviving children as per Family details available in Service Book of the official concerned:-

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Name & Designation	C.E .A. paid for	Amount paid (Rs.)	Bill No. & Date	Name of 1 st and 2 nd child eligible for CEA as per Family detail form
Sh. Kishan Lal, Peon	<u>Himanshi (3rd child)</u>			
	(2012-13)	1,785/-	15/15.05.13	Yatinder &
	(2013-14)	3,940/-	18/02.06.15	Dhrup

Recovery of over payment of Children Education Allowance amounting to **Rs. 5,725/- (Rs. Five Thousand Seven Hundred & Twenty Five only)** may be recovered after due verification and shown to audit.

IN ADDITION, CLAIMS REIMBURSED PRE AND POST AUDIT PERIOD IN R/O 3RD CHILD OF THE OFFICIAL, IF ANY, MAY ALSO BE RECOVERED AFTER DUE VERIFICATION AND SHOWN TO AUDIT.

Similar type of cases may also be scrutinized at your level and recovery, if any, may be made under intimation to audit.

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Current Audit Report
2018-2019 to 2019-2020.


PART-II

During the course of current audit, 07 audit memos were issued including 08 record memos, highlighting various irregularities with a recovery of **Rs. 3,88,861/-** Based on the replies provided by the unit 04 memo were fully settled on the spot on the basis REPLY. Out of remaining 03 Audit Memo(s) were converted into 02 PARAs and 01 TAN- I as per details given below:

Me mo No.	Subject	Amount pointed out	Amount Recovered	Amount dropped on the basis of reply/ document	Balance	Remarks
01 to 08	Record Memo					
03	Non-Utilization of funds allotted for " Advertisement & Publicity"					PARA-I
04	Non surrender of saving in different Head of Account					PARA-II
02	Discrepancies in maintenance of Service Book					TAN-I

The Internal Audit Report has been prepared on the basis of information/records furnished and made available by **REGISTRAR, CHIT FUND DEPARTMENT, Govt. of NCT of Delhi, 13th Floor, Vyappar Bhawan, I.T.O, New Delhi for the period from 2018-19 to 2019-20.** The audit disclaims any responsibility for any misinformation and/or non-information on the part of Audit.

Pl. Show all audit memos & their status of disposal & pendency.


(R.K.SINGH)
IAO/Sr. A.O.
Audit Party No. XXV

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PART II
CURRENT AUDIT REPORT
2018-2019 to 2019-2020.

PARA No. 1 (Ref: Audit Memo No.03, dated 02/03/2021)

Sub : Non-Utilisation of funds allotted for "Advertisement & Publicity"

During the test check of records it is seen that probably since the inception of the deptt. Funds are being allotted in the HEAD OF ACCOUNT – "Advertisement & Publicity" every year ,

From further test check it is also seen that the funds allotted for the same get lapsed/not utilized every year even in 2018-19 and 2019-2020. This is the sheer wastage of Govt. Money.

Reason for the same may be elucidated to the next audit for the same.

PARA No. 2 (Ref: Audit Memo No.04, dated 03/03/2021)

Sub : Non- Surrender of Saving in different Head Of Account

During the test check of Budget/Reconciliation Records , it is observed that in most of the Head of Accounts , funds have not been utilized fully showing the savings of 25% to 100%. Moreover, the funds have not been surrendered also on time.

Whereas As per GFR Rules,56(2), the savings as well as provisions that cannot be profitably utilized should be surrendered immediately they are foreseen without waiting till the end of the financial year.

The details of the budget/expenditure position is detailed below: .

2018-19

S.NO.	Head of Account	Budget Allotted(2018-19) in rupees	Expenditure (31-03-2019)	Savings (in Rs.)	% of savings
1.	D.T.E	20,000	3000	17000	85%
2.	O.E	170000	93000	77000	45%
3.	ADVERTISEMENT & PUBLICITY	50000	NIL	50000	100%
4.	MEDICAL	200000	171000	29000	17%
5.	I.T.	350000	195000	155000	55%

2019-2020

S.NO.	Head of Account	Budget Allotted(2019-20) in rupees	Expenditure (31-03-2020)	Savings (in Rs.)	% of savings
1.	D.T.E	30000	20000	10000	33%
2.	O.E	260000	194000	66000	25%
5.	I.T.	150000	NIL	150000	100%

From the above cited figures, it is concluded that the deptt. should be realistic in its approach while asking the BE as well as RE. The utter carefullness should be adopted in future.



PART-III
TEST AUDIT NOTE

TAN-I

(Ref: Audit Memo No.02, dated 02/03/2021)

Subject : Discrepancies in maintenance of Service Books

On perusal of Service Book of staff of **Deptt. of Chit Fund ,Delhi-91**

- 1) It has been found that **entry of Aadhaar Number** has not been made in the Service Book of staff as per instructions circulated by the Pr. Secretary (Finance), Finance Department, Govt. of NCT of Delhi vide letter No.F.3(03)/2015/T-I/Pr. AO/2017-26 dated 10/09/2015. It has further been advised that detail of Aadhaar Number of employee in pension papers of the retirees should invariably made so as to enable the Pay & Accounts Office to mention the details of Aadhaar number in Pension Payment Orders.

- 2) The **Recent Photograph** is to be pasted in the Service Books. E.g. Sh.Ravi Kumar, Sh. Kishan Lal.

- 3) Acknowledgement of showing the service data to the officials every year should be made.

The above requirement may be completed shown to the next audit at the earliest.

