

**Audit and inspection report of HP Tourism Development Board, Shimla-171009.
Period 2007-08 and 2008-09.**

Part-I

The latest position of the audit paragraphs in respect of previous audit reports was as under :-

Audit Note for the period 2004-05 to 2006-07 :-

1	Para No.4	Settled
2	Para No.5	Settled
3	Para No.6	Settled. Para redrafted
4	Para No.7	Outstanding

Present Audit :- The audit of Tourism Development Board Shimla for the years 2007-08 and 2008-09 was conducted by Sh. Suresh Gupta, Section Officer and Sh. Anil Mehra, Jr. Auditor of Local Audit Department, Himachal Pradesh Shimla-9 from 4.7.09 to 10.7.09. The balance Sheet including Trail balance, Income and Expenditure account for the year 2007-08 and 2008-09 have been annexured with this report as Annexure-A and B. The following audit observations on the account may be attended to :-

Audit fee :- The audit fee for the period from 4-7-09 to 10-7-09 worked out to Rs.6600-00. The Secretary HP State Tourism Development Board Shimla-9 has been requested vide Section Officer letter No. 132 dated 10-7-09 to remit this amount of audit fee through A/C payee banker Cheque/draft drawn in favour of Director, Local Audit Department, Himachal Pradesh Shimla-9.

3. **Non-utilization of Destination Himachal Fund :-** As per clause 6.10 of Agreement with Himalyan Ski Village, the receipt/contribution towards the "Destination Himachal Fund" were required to be utilized for Media and Publicity purpose. During the Course of audit it was noticed that the "Destination Himachal fund" balance was Rs. 50 lacs as on 31.3.09 which has not been being utilized for the purpose for which it was created. Hence the above fund is lying unutilized/in-operational. This fund may be utilized for the purpose it was created and compliance may be got verified at the next audit.

4. A sum of Rs. 11,8,798-00 and Rs. 92860-00 were received during the financial year 2007-08 and 2008-09 under the head of account "Sale of Literature". In scrutiny it was noticed that the literature related to tourism development has been printed by the Tourism Deptt. and handed over the same to Tourism Development Board for further sale/publicity which was being sold to the public/institution. But no such stock account of these literature was prepared by the Board due to which the sale proceed could not be checked in audit.

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The stock account of this literature may be prepared now in accordance with instructions/rules if any.

FDR Register :- While checking the record it was noticed that the amount was being invested in FDR since 2004 but no connected record of FDR i.e. FDR certificate photocopies of FDR's, details was kept/prepared. In the absence of the said record necessary check to verify the correctness could not be exercised. So non keeping of such a important record requires suitable explanation and action may now be taken to maintain such an important record since 2004 and put ^{up} to audit for necessary checks.

While checking the record it was noticed that electricity charges of Kangra Fort were paid by the Tourism Development Board. A sum of Rs. 207849-00, Rs. 24007-00 and Rs. 65531.00 were paid on dated 13.3.08, 23.6.08 and 17.3.09 respectively. But the necessary bills and other relevant record were not maintained at the Board level. In absence of the original electricity bills issued by the HPSEB, the expenditure incurred could not be verified and it could ^{also} not ~~also~~ be ascertained whether the HPSEB authority has issued the actual bill or the payments were made on average bill basis. More over electricity charges bill register has also not maintained. The above irregularities requires suitable explanation and action may be taken to prepare such a important record and in future no such payment be made with out obtaining the original bill and after its proper verification.

7. Non release of payment of Rs. 1000-00 :- A sum of Rs. 1000-00 has been shown as payable to Sh. Manohar Lal, Cashier, this amount is being shown since inception of the Board. It has been explained during audit that this amount has been spent by the cashier out of own pocket to open the bank account of the Board. This liability required immediate settlement.

8. Non-recovery of rent of Godown from Tourism Department Amount to Rs. 321439-00 :- A sum of Rs. 321439.00 was shown rent recoverable from Tourism Department. As per previous audit report, this rent was lying outstanding for a Godwon which was hired at Bilaspur by the Tourism Department for its activities. The above amount of Rs. 321439.00 requires immediate recovery from the proper source and credited to the fund of Tourism Development Board. Although this irregularity was also pointed out in the previous audit but no action seems to have been taken for its settlement. Action may now be taken for its early settlement.

9. Maintenance of Record:- During the course of audit it was noticed that the books of accounts were not being maintained as per "Accounting Principles" and Accounting Procedures". The following observations may be attended to :-

- a) The head of account has not been properly mentioned in the record viz. in cash book ledger etc. It may be ensured to record proper and accurate head of account so that books of accounts itself ^{re-}present the fair view.
- b) The receipts are being issued for cash transactions only and receipt for the amount received through bank draft/cheques are not being issued. The discrepancy may be noted and ensure to issue the receipt for the amount received whether in cash or through demands draft/cheques.
- c) The payments/receipt vouchers are not being prepared and payments also being made without passing the original bill by the DDO/Competent authority. Needful may be done now.
- d) The stock register of receipt books was not put up to audit. Due to which it could not be verified that how many receipt books/with Sr. Nos) has been printed, issued for use and balance in stock. So the receipt books stock account may be ensured to be prepared and the same may be put up at the time of next audit.

10. Objection Statement :- No minor objection statement was issued separately.

11. Conclusion :- The accounts needs to be maintained as suggested in the audit report.

10.58.
Deputy Director

o/c
Local Audit Department
Himachal Pradesh Shimla-9

Encl. No. *Fin(LA) H(20CC)(15)(14) 254/07*

Detd 22 AUG 2009

Copy for information and necessary action :-

1. The secretary, HP State Tourism Development Board, Shimla-9.
2. The Secretary(tourism) to the Government of Himachal Pradesh, Shimla-2.

10.58.
Deputy Director

o/c
Local Audit Department
Himachal Pradesh Shimla-9

HP STATE TOURISM DEVELOPMENT BOARD SHIMLA-9

Balance Sheet as on 31-3-2008

Liabilities			Assets	
(1) Capitals A/C	12948956		Fixed Deposits	14900000
Excess of Income over Expenses	<u>601309</u> 13550265		Rent recoverable from Tourism Department	321439
Less amount transfer To destination Himachal Fund (Amt. wrongly taken as income instead of this fund A/c in previous Years)	<u>2500000</u> 11050265	11050265	Bank A/c	829676
(2) Destination Himachal Funds (2006-07)	2500000		Cash in hand	150
Do (2007-08)	<u>2500000</u> 5000000	5000000		
(3) Amount payable to Sh. Manohar Singh	1000	1000		
Total		16051265		16051265

M. Nanda

Secretary,
H.P. State Tourism Dev. Board,
Shimla-9.

Certified that we have audited the accounts for the year 2007-08 to the best of our knowledge & information provided to us. The accounts represents true & fair view of Tourism Development Board subject to audit observations contained in the audit report for the year 2007-08.

Suresh Gupta

(Suresh Gupta)
Section Officer,
LAD, Shimla-9.

HP STATE TOURISM DEVELOPMENT BOARD SHIMLA-9

Income and expenditure account for the year 2007-2008

Income		Expenditure	
Sale of literature	118798	Legal Expenses	8400 ✓
Advertisement receipts in Monal	55000	Elect. Expenses of Kangra Fort	207849 ✓
On line Hotel Booking Commission	617945		
Trakers fee	62200	Toll free charges	81271 ✓
		Travel Expenses	6120 ✓
Interest receipts	51006	Excess of Income over Expenditure	601309 ✓
Total	904949 ✓		904949 ✓

HP STATE TOURISM DEVELOPMENT BOARD SHIMLA-9


Trial Balance as on 31-03-2008 Year 2007-2008

Item	Debit	Credit
Sale of Literatures		1,18,798 ✓
Advertisement in Monal and other		55,000 ✓
Legal Expenses	8,400	-
On Line Hotel Booking Commission		6,17,945 ✓
Destination Himachal funds (Skii Village, Manali)		25,00,000 ✓
Electricity Charges Kangra Fort	2,07,849	
State bank of Patiala A/c	8,29,676	
BSNL Toll Free Service	81,271	
Trekkers Hostel fee , Janjehali		62,200
Travelling Expenditure	6,120	
Interest Receipt A/c		51,006
F.D.R. A/c	1,49,00,000	
O.B. Capital fund		1,29,48,956 ✓
Amount payable to Sh. Manohar Lal		1,000 ✓
Rent recoverable from Tourism Deptt.	3,21,439	
Cash in hand	150	
Total	16354905	1,63,54,905 ✓


HP STATE TOURISM DEVELOPMENT BOARD, SHIMLA-9

Balance Sheet as on 31-03-2009

Liabilities			Assets	
Capital Account	1,1050,265		F.D.R. A/C	1,69,78,509
Excess of income over expenses	25,28,283	1,35,78,548		
Destination Himachal Fund		50,00,000	Rent recoverable from Tourism Deptt.	3,21,439
			Bank Account	12,79,440
Amount payable to Sh. Manohar Singh		1,000	Cash in hand	160
Total		1,85,79,548		1,85,79,548


Secretary,
H.P. State Tourism Dev. Board,
Shimla-9.

Certified that we have audited the accounts for the year 2008-09 to the best of our knowledge & information provided to us. The accounts represents true & fair view of Tourism Development Board subject to audit observations contained in the audit report for the year 2008-09.


(Suresh Gupta)
Section Officer,
LAD, Shimla-9.

HP STATE TOURISM DEVELOPMENT BOARD, SHIMLA-9

Income and expenditure account for the year, 2008-2009

Income		Expenditure	
Sale of literature	92,860	Legal expenses	14,400 ✓
Advertisement receipt in Monal	25,000 ✓	Toll Free Charges	60,669 ✓
		Advertisement expenses	75,750 ✓
On Line Hotel Booking Commission	3,60,228 ✓	Electricity Charges Kangra Fort	89,538 ✓
Rent (Café Complex at Bhakhra)	66,900 ✓	Water Sports Activity	7,500 ✓
Interest Receipt A/c	21,11,152 ✓	Excess of Income over expenses	25,28,283 ✓
Trekkers Hostel Fee Janjehli	1,20,000 ✓		
Total	27,76,140		27,76,140 ✓

HP STATE TOURISM DEVELOPMENT BOARD, SHIMLA-9

Trial Balance as on 31-03-2009 Year 2008-2009

Item	Debit	Credit
Sale of Literature		92,860
Advertisement receipt in Monal		25,000
Legal Expenses	14,400	-
On Line Commission		3,60,228
State Bank of Patiala O.B.	8,29,676 4,49,764	
Café Complex at Bhakhra, Bilaspur		66,900
Lease amount Trekkers Hostel, Janjehali		1,20,000
BSNL Toll Free Service	60,669	
Advertisement Expenses	75,750	
Kangra Fort Electricity	89,538	
Water Sports Activity	7,500	
Interest receipt A/C		21,11,152
F.D.R. A/c	1,69,78,509	
O.B. Capital A/c		1,10,50,265
Destination funds		50,00,000
Amount payable to Sh. Manohar Lal		1,000
Rent recoverable from Tourism Deptt.	3,21,439	
Cash in hand	160	
Total	1,88,27,405	1,88,27,405