

## **PREFACE**

- 1. This Report for the financial year 2016-17 has been prepared for submission to the Standing Committee, East Delhi Municipal Corporation under Section 206 (3) of the Delhi Municipal Corporation Act, 1957 as amended by the Delhi Municipal Corporation (Amendment) Act, 2011.*
- 2. It is worth mentioning that audit of transactions pertaining to a financial year is conducted during the succeeding financial year. The departments are informed of the preliminary audit observations through Audit Memorandum/Half Margin. This is followed by Inspection Reports issued after completion of each audit. The irregularities which are likely to be included in the Audit Report are brought to the notice of the Commissioner through Draft Audit Paragraphs. The departments are requested to confirm the facts & figures stated in the Draft Audit Paragraphs and offer their comments within four weeks of their receipt. On receipt of satisfactory reply from the department, the Draft Audit Paragraph is settled and in case the reply is not found satisfactory, the same is suitably incorporated in Audit Para. Accordingly the audit of transactions pertaining to the financial year 2016-17 was conducted during 2017-18 and process of issue of draft paras and finalization of Audit Report commenced during 2018-19.*
- 3. The Report presents the significant audit findings of test check conducted by the office of the Chief Auditor. Matters relating to earlier years and later years have also been included, wherever necessary.*
- 4. Chapter 1 of this Report indicates an overview of East Delhi Municipal Corporation.*
- 5. Chapter 2 of this Report indicates status of accounts & finance of East Delhi Municipal Corporation.*

6. *Chapters 3 to 14 of this Report contain introduction of each chapter and audit observations on matters arising from the audit of the financial transactions relating to Property tax, Licencing, Engineering, Building, Health & Medical, and Education.*
  
7. *The total money value of this Report containing 24 audit paragraphs is Rs.379.87 Crore. Major cases include “Non-reconciliation of funds released by pension cell for disbursement to pensioners of MCD/EDMC (Rs.265.29 Crore)”, “Outstanding arrears of property tax (Rs.101.33 Crore)”, “Payment of ready mix concrete without pre-printed delivery tickets/challans (Rs.3.85 Crore)”, “Irregularities in execution of work “Improvement/Development/ Strengthening of road in Nand Nagari (Rs.1.69 Crore)”, “Excess payment due to non deduction on account of decrease in price of steel re-inforcement bars under clause 10 CA (Rs.46.35 lakh)”, “Loss of revenue due to non/short deposit of one time car parking charges (Rs.54.45 lakh)”, “Irregular payment on account of deployment of Cook-cum-Helper under Mid-day-Meal Scheme (Rs.93.18 lakh)”, “Blockage of fund due to non-utilization of multipurpose block at Swami Dayanand Hospital (Rs.2.10 Crore)”.*
  
8. *The Annual Audit Report for the year 2016-17 has been prepared on the basis of records/ information furnished and made available by the auditee units. The office of the Chief Auditor disclaims any responsibility for any mis-information or non-information on the part of the departments.*

**(VINITA MISHRA)**  
Chief Auditor  
East Delhi Municipal Corporation

Dated:

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## OVERVIEW

### **1. Non-reconciliation of funds released by pension cell for disbursement to pensioners of MCD/EDMC - Rs. 265.29 Crore.**

No reconciliation of funds released during 2012-13 to 2016-17 by Pension Cell to Punjab National Bank & UCO Bank for disbursement to pensioners was done.

(Para 2.7)

### **2. Outstanding arrears of property tax - Rs.101.33 Crore.**

The Assessment & Collection department of East Delhi Municipal Corporation is yet to recover dues amounting to Rs.101.33 Crore towards property tax.

(Para 3.2)

### **3. Payment of Ready Mix Concrete without pre-printed delivery tickets/challans – Rs.3.85 crore.**

Payment amounting to Rs.3.85 Crore was released to the contractor for providing & laying RMC without receiving pre-printed delivery tickets/challans.

(Para 5.2)

### **4. Irregularities in execution of work “Improvement/Development/ Strengthening of road in Nand Nagari – Rs.1.69 Crore.**

- (i) No recovery on account of decrease in price of bitumen in execution of the work was made from the bills of the contractor. This resulted in excess payment of Rs.44.09 lakh.
- (ii) 10874 bags of cement procured from local distributor instead of manufacturer and used in the execution of different items of work costing Rs.1.25 crore.

(Para 5.3)

### **5. Excess payment due to non deduction on account of decrease in price of steel re-inforcement bars under clause 10 CA Rs.46.35 lakh.**

No recovery on account of decrease in price of steel re-inforcement bars used in execution of the work was made from the bills of the contractor. This resulted in excess payment of Rs.46.35 lakh.

(Para 5.5)

**6. Loss of revenue due to non/short-deposit of one time car parking charges - Rs.54.45 lakh.**

15 owners of the properties either did not deposit or short deposited one time car parking charges which resulted in loss of revenue amounting to Rs.54.45 lakh.

(Para 6.3)

**7. Outstanding demolition charges – Rs.45.98 lakh.**

The Building department of two zones of East DMC is yet to recover dues amounting to Rs.45.98 lakh towards demolition charges.

(Para 6.4)

**8. Blockage of fund due to non-utilization of multipurpose block at Swami Dayanand Hospital – Rs.2.10 Crore.**

An amount of Rs.2.10 crore incurred on the construction of multipurpose block at Swami Dayanand Hospital has been blocked due to non utilization by the Hospital Authority.

(Para 7.2)

**9. Irregular payment on account of deployment of Cook-cum-Helper under Mid-day-Meal Scheme – Rs.93.18 lakh.**

Before releasing the payment of Rs.93.18 lakh to voluntary organizations for deployment of Cook-cum-Helper under Mid-day-Meal Scheme, the education department did not mention on the undertaking & on the bill about checking of the CCH registers and verification report from the schools.

(Para 8.2)