

PREFACE

- 1. This Report for the financial year 2016-17 has been prepared for submission to the Standing Committee, South 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 Report 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 South Delhi Municipal Corporation.*
- 5. Chapter 2 of this Report indicates status of accounts & finance of South 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 Accounts , Property tax, Advertisement, Licencing, Engineering, Building, DEMS, Land & Estate and Health & Medical.*
7. *The total money value of this Report containing 39 audit paragraphs is Rs.1678.45 Crore. Major cases include “Non-reconciliation of funds released by pension cell for disbursement to pensioners of MCD/SDMC (Rs.366.16 Crore)”, “Outstanding arrears of property tax (Rs.1177.47 Crore)”, “Short recovery/deposit of property tax due to wrong application of rates (Rs.4.50 Crore)”, “Short deposit of vacant land tax and property tax due to wrong application of rates of tax (Rs.3.37 Crore)”, “Outstanding dues of Licence fee (Rs.4.83 Crore)”, “Undue favour to the advertiser leading to non recovery of licence fee (Rs.4.47 Crore)”, Cost overrun due to delay in completion of project “Construction of 100 bedded Purnima Sethi Multispecialty hospital at Kalkaji (Rs32.08 Crore)”, Wasteful expenditure on covering of nallah from Pushp Vihar to Ring Road behind police station, Defence Colony (Rs.26.90 Crore)”, “Diversion of fund (Rs.1.75 Crore)”, “Non-recovery of permission fee in respect of temporary structure for Cellular Mobile Phone Services (Rs.10.13 Crore)” and “Non-recovery of outstanding dues of Licence fee from the commercial units (Rs.10.63 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
South Delhi Municipal Corporation

Dated:

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OVERVIEW

1. Non-reconciliation of funds released by pension cell for disbursement to pensioners of MCD/SDMC - Rs. 366.16 Crore.

No reconciliation of funds released during 2013-14 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.1177.47 Crore.

The Assessment & Collection department of four zones of South Delhi Municipal Corporation is yet to recover dues amounting to Rs. 1177.47 crore towards property tax.

(Para 3.2)

3. Short recovery/deposit of property tax due to wrong application of rates - Rs.4.50 Crore.

Property tax amounting to Rs.4.50 crore was short deposited due to wrong application of rates.

(Para 3.3)

4. Short deposit of vacant land tax and property tax due to wrong application of rates - Rs.3.37 Crore.

Vacant land tax and property tax amounting to Rs.3.37 crore was short deposited due to wrong application of rates.

(Para 3.4)

5. Non-recovery of outstanding Monthly Licence Fee - Rs.4.83 Crore.

The advertisement department South DMC is yet to recover monthly licence fee amounting to Rs.4.83 crore from the advertiser.

(Para 4.2)

6. Undue favour to the advertiser leading to non-recovery of licence fee - Rs.4.47 Crore.

Inaction on the part of the advertisement department and extending undue favour to the advertiser resulted in non-recovery of licence fee amounting to Rs.4.47 crore.

(Para 4.3)

7. Cost overrun due to delay in completion of project “Construction of 100 bedded Purnima Sethi Multispecialty Hospital at Kalkaji”- Rs.32.08 Crore.

Delay in completion of project “Construction of 100 bedded Purnima Sethi Multispecialty Hospital at Kalkaji” not only resulted in cost overrun (Rs.32.08 crore) & time overrun (more than 10 years) but also deprived the people from getting health services from this hospital.

(Para 6.2)

8. Wasteful expenditure on covering of Nallah from Pushp Vihar to Ring Road behind Police Station, Defence Colony – Rs.26.90 Crore.

The entire expenditure of Rs.26.90 crore incurred on the project of covering of Nallah from Pushp Vihar to Defence Colony became wasteful as the purpose of covering of Nallah, providing parking/road cum parking was defeated.

(Para 6.3)

9. Cost overrun due to delay in completion of project “Construction of Multilevel underground car parking at New Friends Colony, Jungpura & Kalkaji” – Rs.14.27 Crore.

Delay in completion of project “Construction of Multilevel underground car parking at New Friends Colony, Jungpura and Kalkaji” not only resulted in cost overrun (Rs.14.27 crore) & time overrun (more than 07 years) but also deprived the people from the getting parking facility.

(Para 6.4)

10. Diversion of fund - Rs.1.75 Crore.

The payment of CUG mobile services, HSD cards amounting to R.1.75 crore out of plan fund was irregular and against the provision of GFR.

(Para 6.6)

11. Non-recovery of permission fee in respect of Temporary Structure for Cellular Mobile Phone Services – Rs.10.13 Crore.

In 1013 cases out of 1672 cases neither permission to erect temporary structure for Cellular Phone Services was granted to Cell Phone Companies nor action to seal the unauthorized erection of temporary structure taken.

(Para 7.3)

12. Loss of revenue due to non/short deposit of one time car parking charges - Rs. 1.45 Crore.

Nine owners of the properties have either short deposited the car parking charges or did not deposit one time car parking charges at all. This resulted in loss of revenue amounting to Rs.1.45 Crore.

(Para 7.4)

13. Non-reimbursement of pay & allowance of Swachhta karamcharies working in J.J. clusters from the Delhi Urban Shelter Improvement Board - Rs. 3.19 Crore.

An expenditure of Rs.3.19 crore incurred on salary during the period 01.04.2016 to 31.03.2017 has not been reimbursed to the Corporation by DUSIB as 119 SKs of South DMC have been rendering services in their areas.

(Para 8.2)

14. Non-recovery of outstanding dues of licence fee from the commercial units - Rs.10.63 Crore.

Land & Estate Department, South DMC is yet to recover the dues amounting to Rs.10.63 crore towards licence fee.

(Para 9.2)