

PREFACE

- 1. This Report for the financial year 2016-17 has been prepared for submission to the Standing Committee, North 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 Standing Committee vide Resolution No.36 dated 27.06.2018 resolved that as the total expenditure on the accounts of construction of Grade Separator at Rani Jhansi Road has already been increased/enhanced exorbitantly, the same should be got audited by the Municipal chief Auditor. The audit has been conducted by the office of the Chief Auditor and audit observations on "Construction of Grade Separator at Rani Jhansi Road" have been placed before the Standing Committee, North Delhi Municipal Corporation vide item No.26 dated 06.12.2018.*
- 4. 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.*

5. *Chapter 1 of this Report indicates an overview of North Delhi Municipal Corporation.*
6. *Chapter 2 of this Report indicates status of accounts & finance of North Delhi Municipal Corporation.*
7. *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, Advertisement, Engineering, Building, Department of Environment Management Services, Health & Medical, Horticulture, Remunerative Project Cell & Accounts .*
8. *The total money value of this Report containing 39 audit paragraphs is Rs. 3299.48 Crore. Major cases include “Non-reconciliation of funds released by pension cell for disbursement to pensioners of MCD/NDMC (Rs.2338.71 Crore)”, “Non-refund/diversion of fund from Escrow account (Rs.700.93 crore)”, “Outstanding arrears of property tax (Rs.192.24 Crore)”, “Outstanding dues of Licence Fee (Rs.15.26 crore)”, “Wasteful expenditure on construction of school building (Rs.38.08 lakh)”, “Non-recovery of Permission Fee in respect of Temporary Structure for Cellular Mobile Phone Services (Rs.15.21 crore)”, “Loss of revenue due to non/short deposit of one time car parking charges (Rs.1.80 crore)”, “Non-reimbursement of Salary/Wages of swatchhta karamcharies working in J.J. clusters from the Delhi Urban Shelter Improvement Board (Rs.16.16 crore)” and “Outstanding arrears of Ground Rent (Rs.1.00 crore)”.*
9. *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

North Delhi Municipal Corporation

Dated:

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OVERVIEW

1. Non-reconciliation of funds released by pension cell for disbursement to pensioners of MCD/NDMC - Rs. 2338.71 crore.

No reconciliation of funds released during 1998-99 to 2016-17 by Pension Cell to Punjab National Bank & UCO Bank for disbursement to pensioners was done.

(Para 2.8)

2. Non-refund/diversion of fund from Escrow account - Rs.700.93 crore.

An amount of Rs.700.93 crore from Escrow account was transferred to Non-plan account as temporary loan to clear the liabilities of salary, Pension & GPF etc. but this amount has not been refunded to Escrow account despite lapse of more than one to five years.

(Para 2.9)

3. Outstanding arrears of property tax – Rs.192.24 Crore.

The Assessment & Collection department of all zones –of North Delhi Municipal Corporation is yet to recover dues amounting to Rs. 192.24 crore towards property tax.

(Para 3.2)

4. Non-deposit/non-recovery of Service Charges - Rs.82.18 lakh.

Central Health Education Bureau, Ministry of Health & Family Welfare did not deposit Service charges amounting to Rs.82.18 lakh.

(Para 3.4)

5. Outstanding dues of Licence Fee Rs.15.26 Crore.

The Advertisement Department, North DMC is yet to recover dues amounting to Rs.15.26 crore.

(Para 4.2)

6. Payment of Ready Mix Concrete without pre-printed delivery tickets/challans - Rs.7.08 crore.

Payment amounting to Rs.7.08 crore was released to the contractors for providing & laying RMC without receiving pre-printed delivery tickets/challans.

(Para 5.2)

7. Wasteful expenditure on construction of school building - Rs.38.08 lakh.

The entire expenditure of Rs.38.08 lakh incurred on the construction of school building has become wasteful, as this incomplete building was not utilized by the Education department.

(Para 5.3)

8. Non-recovery of Permission Fee in respect of Temporary Structure for Cellular Mobile Phone Services - Rs.15.21 Crore.

In 1521 cases out of 2957 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 6.3)

9. Loss of revenue due to non/short deposit of one time car parking charges - Rs. 1.80 Crore.

21 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.1.80 Crore.

(Para 6.4)

10. Non-reimbursement of Salary/Wages of Swachhta karamcharies working in J.J. clusters from the Delhi Urban Shelter Improvement Board - Rs. 16.16 Crore.

An expenditure of Rs.16.16 crore incurred on salary during the period 01.04.2012 to 31.03.2017 has not been reimbursed to the Corporation by DUSIB as 161 SKs of North DMC have been rendering services in their areas.

(Para 7.2)

11. Outstanding arrears of Ground Rent - Rs.1.00 Crore.

Improper maintenance of Demand & Collection registers and non-issue of notices resulted in accumulation of arrears of ground rent and interest amounting to Rs.99,55,390/- against 108 owners of the building in Sanjay Gandhi Transport Nagar for the period 2004 to 2017.

(Para 10.2)