

Copy of Reso. No. 10(O-04)  
of  
Council's Ordinary Meeting  
Dated 30-1-2015

ITEM NO. 10 (O-04)

1. Name of the subject / project

Annual Report of the Standing Committee on Audit in NDMC for the year 2013-14.

2. Name of the Department / Departments concerned

Office of the Chief Auditor

3. Brief history of the subject / project

Section 59 of the New Delhi Municipal Council Act 1994 envisages that

- i) As soon as may be after the commencement of each year, the Chief Auditor shall deliver to the Council a report of the entire accounts of the Council for the previous year.
- ii) The power of the Chief Auditor with regard to the disapproval of, and the procedure with regard to the settlement of objections to expenditure from the revenues of the Council shall be such as may be prescribed by the Chairperson in consultation with Chief Auditor, and with the approval of the Council.

The Council in its meeting held on 8 February 2005, decided to evolve a suitable mechanism for expeditious settlement of outstanding paragraphs of AARs by appointing a Committee with appropriate representation.

In pursuance of above decision, a Standing Committee on Audit in NDMC was constituted under section 9 of the NDMC Act, 1994 vide Council Resolution No. 9(O-02) dated 27 May 2005 to consider the Annual Audit Reports of the Chief Auditor. The Committee in its first meeting decided that a consolidated report containing recommendations of the Committee will be presented to the Council annually by the Chief Auditor. Therefore, the Report for the year 2013-14 duly adopted by the Committee on 01.09.2014 is being presented in this Council meeting. (see pages 58 – 90)

Chief Auditor

4. Detailed proposal on the subject / project

The Standing Committee on Audit in NDMC in its meetings held during the year 2013 – 2014 considered follow up actions by Estate-I, Estate-II, Property Tax, Municipal Housing, Horticulture, Civil Engineering, Electrical Engineering, Enforcement, Public Health, Finance and Accounts, Architect and Environment, Commercial Department.

The Committee recommended settlement of 86 outstanding paragraphs and 91 Sub paragraphs of the above mentioned Departments pertaining to Annual Audit Reports for the years ended March 1997 to March 2011. Estate-I (3 paras), Estate-

ll (2 paras), Property Tax (16 paras + 21 sub para), Municipal Housing (14 paras + 1 sub para), Horticulture (2 paras + 11 sub para), Civil Engineering (2 paras + 5 sub paras), Electrical Engineering (6 paras + 12 sub paras), Enforcement (7 paras + 1 sub para), Public Health (8 paras + 4 sub paras), Finance and Accounts (16 paras + 35 sub paras), Architect and Environment (2 paras + 1 sub para), Commercial Department (8 paras).

5. Financial implications of the proposed project / subject  
NIL
6. Implementation schedule with timelines for each stage including internal processing  
Not applicable
7. Comments of the Finance Department on the subject with dairy no. & date  
Not applicable as the Draft Agenda Item relates to presentation of Report of the Standing Committee on Audit in NDMC .
8. Comments of the Department on comments of Finance Department  
Not applicable
9. Legal implication of the subject / project  
NIL
10. Details of previous Council Resolutions, existing law of Parliament and Assembly on the subject:

The details of previous Council Resolutions on the subject are as under:

- (i) Item No.8 Dated 10.02 1999
- (ii) Item No. 8 (0-4) Dated 08.02.2005
- (iii) Item No. 11 (0-8) Dated 03.03.2005
- (iv) Item No. 9 (0-8) Dated 27.05.2005
- (v) Item No. 4 (0-5) Dated 15.12.2005
- (vi) Item No. 7 (0-2) Dated 20.06.2007
- (vii) Item No. 09 (0-3) Dated 18.06.2008
- (viii) Item No. 08 (0-01) dated 21.08.2009
- (ix) Item NO. 09 (0-04) dated 31.01.2013
- (x) Item NO. 03 (0-02) dated 07.10.2013

11. Comments of the Law Department on the subject / project

Not applicable

12. Comments of the Department on the comments of Law Department

Not applicable

13. Certification by the Department that all Central Vigilance Commission (CVC) guidelines have been followed while processing the case.

Not applicable

14. Recommendation

The Report of the Standing Committee on Audit in NDMC may be presented to the Council

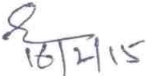
15. Draft Resolution

Information noted. The Council directed the concerned Departments that the compliance of recommendations of the Standing Committee on Audit in NDMC may be reported to the Chief Auditor for further examination by the Standing Committee on Audit in NDMC.

COUNCIL'S DECISION

This has already been adopted by the Standing Committee in its meeting of September, 2014.

Information noted.

  
16/2/15  
For Secretary  
New Delhi Municipal Council  
Palika Kendra, New Delhi

**Annual Report of 'Standing Committee on Audit in NDMC' for the year 2013-14**

A Standing Committee on Audit in NDMC was constituted under Section 9 of the NDMC Act, 1994 vide Council Resolution No. 9(0-2) dated 27 March 2005 to be chaired by the Chairperson of the Council, to consider the Annual Audit Reports. As per terms of reference, the Committee is required to meet at least once in every quarter for consideration of the follow up actions taken by the various departments on the outstanding paragraphs of Annual Audit Reports and Detailed examination of the outstanding paragraphs of some selected departments.

**(a) For the year 2013-14, the Standing Committee on Audit in NDMC, held three meetings on 27.08.2013, 19.12.2013 and 29.04.2014**

The minutes of these meetings duly approved by the Chairman are annexed.

**(b) Examination of outstanding paragraphs of various departments**

In the above meetings, the Standing Committee examined and discussed the outstanding paragraphs of following eight Departments:

- (i) Estate—II
- (ii) Municipal Housing
- (iii) Property Tax
- (iv) Architect & Environ
- (v) Commercial
- (vi) Public Health
- (vii) Estate-I
- (viii) Finance & Accounts

**(c) Settlement of Outstanding paragraphs**

Based on the Action Taken, Reply furnished and clarification given by the departments, 86 paragraphs and 91 sub-paragraphs of various departments were settled by the Committee. The list of paragraphs settled by the Committee in this meeting is annexed with minutes of the meetings.

(d) Action taken report on the outstanding paragraphs

The Committee in its various meetings made recommendations on the outstanding paragraphs of following departments. As the ATRs on these recommendations were not received, the Committee in its meeting held on 29.04.2014 directed these departments to furnish the ATRs in the next SCAN meeting:

Department	No of Paras for which ATRs were required	Paragraph No.& Year
Municipal Housing	2	9.3 of 2006, 12.2 of 2009
Estate-I	3	7.1 of 2008, 35 of 1999 (1 para involves 2 issues)
Public Health	5	2.1 of 2003, 9.2 of 2010, 9.1 of 2010, 13.2 of 2007, 7.1 of 2004
Architect & Environ	6	5.2 of 2007, 2.7 of 2008, 60 of 1999, 5.1 of 2006, 3.1 of 2003, 2.1 of 2002
Commercial	3	3.3 of 2010, 3.2 of 2010, 3.4 of 2010
Property Tax	5	6.5 of 2001, 6.3 of 2001, 50 of 1999, 6.2 of 2001 & 6.3 of 2010
Total	31	

The details of the recommendations made by the Committee are as follows:

**Estate-I**

1.	02.04.2013	7.1 of 2008	<p><b>Non recovery of arrears of Licence fee from the ex.-allotees of the Commercial Units.</b> Chairperson directed the department to give a consolidated reply in respect of all such cases where defaulters are not traceable, so that a view can be taken by the Audit department. She also directed the department to give the status of reply as on 2008-09.</p>
2.	19.12.2013	7.1 of 2008	<p><b>Non recovery of arrears of licence fee from the ex-allotees of the commercial units</b> The Committee noted the reply of the Department that Assistant Collector has been notified only in October 2013. The department assured that the process of recovering the outstanding dues will be completed as early as possible.</p>
3.	19.12.2013	35 of 1999	<p><b>Non allotment and irregular recovery of licence fee relating to pucca tharas at Hanuman Mandir</b> The Committee directed the Department to examine the issue of delay of allotment of 89 tharas and bring out the facts in its revised reply.</p>

Public Health Department.

1..	02.04.2013	2.1 2003	of	<b>Manpower review of Health Department</b> The Chairperson directed that Health Establishment should ascertain the working strength of staff as on 31.03.2013 and reconcile the figures from acquaintance role maintained by CBS. Chairperson also directs Director (MS) to give details in respect of their staff.
2.	19.12.2013	9.2 2010	of	<b>(i) Non-levy of penalty of Rs. 20.82 lakh despite non-compliance of segregation benchmark of Municipal Solid Waste (MSW) by the contractor</b> It was assured that the Consultant had suggested for non-segregation of garbage as the segregation will hamper electricity generation in waste energy plant. As such penalty was not imposed. The Committee did not accept the plea of the department because due to reduction in the scope of work, the amount of tipping fee paid/being paid to the contractor needs to be reduced. The Department should, therefore, come up with a proposal to recover/consider reduction in payment commensurate time and money saved due to non-segregation of MSW.
3.	19.12.2013	9.1 2010	of	<b>(ii) Short recovery of concession fees</b> It was assured that there was some problem in timely handing over of sites to contractor resulting in change in COD. The Chairman directed the MOH to submit a detailed reply mentioning the reasons for revising the COD along with its approval by the competent authority.
4..	19.12.2013	13.2 2007	of	<b>(iii) Non-recovery of dues on account of monthly charges of garbage stations</b> The Committee directed that the outcome of arbitration case as and when finalized may be intimated to Audit.
5..	19.12.2013	7.1 2004	of	<b>(iv) Under utilization of Departmental trucks while incurring extra expenditure on hiring of private trucks for removal of garbage</b> The Committee advised the department to consider hiring of drivers instead of hiring trucks if the actual number of vehicles available is not sufficient to carry out the work. It was also desired that the Department evolve a system for effective deployment of departmental drivers by rotating their duties and weekly offs.

Property Tax Department

1.	27.08.2013	6.5 of 2001	<p>Loss of revenue amounting to ` 79.16 lakh due to non revision of tax on the basis of actual rent of the properties</p> <p>2. It was assured that status report indicating specific time bound action will be submitted and action will be taken by the department for revising the assessment order on basis of actual rent and recovering the dues/waiving any prior period dues.</p> <p>(ii) It was assured that action will be taken/proposed for timely issuing of section 77 assessment notices based on actual rentals.</p>
2.	27.08.2013	6.3 of 2001	<p>Less realization of House Tax amounting to ` 6.96 crore due to abnormal delay in finalization of ratable value of properties-</p> <p>It was assured that the department must recommend for Council's approval regarding the process of serving notices under section 72 and 77 to the passing of final assessment orders within a reasonable time frame.</p>
3.	27.08.2013	50 of 1999	<p>Abnormal delay in realizing `70.37 lakh from Government of NCT of Delhi on account of share of transfer duty collected by the Office of the Inspector General of Registration (IGR/Sub Registrar)</p> <p>It was assured to intimate the Audit regarding the action taken by the department to recover the outstanding amount from the Govt. of NCT of Delhi, the quantum of amount recovered so far and plans to recover the balance amount.</p>
4.	27.08.2013	6.2 of 2001	<p>Delay in finalization of pending remand cases involving tax assessment of ` 107.88 Crore</p> <p>It was assured that a clear picture of pending cases will be indicated and intimate to Audit department the action taken/ proposed to be taken for finalization of pending remand cases. It was desired by the committee that the issue raised should reach to a logical conclusion and a Status Report may be submitted before the next meeting of the Committee in October 2013.</p>
5..	27.08.2013	6.3 of 2010	<p>Non-recovery of Property Tax of ` 650.40 Crore from 7620 defaulting assesses as of March 2010-</p> <p>It was assured that necessary action will be taken for recovering the outstanding amount of property tax. It was desired that to begin with, the Department should pay intensive attention on all outstanding cases involving arrears of one crore and above which would ensure high value recoveries and submit a Status Report before the commencement of the next meeting.</p>

Municipal Housing

1.	27.08.2013	9.3 of 2006	<p>9.3 of 2006</p> <p>Non recovery of arrears of rent from retired / family of deceased employees retaining quarters unauthorisedly</p> <p>It was assured that a proposal will be moved to assign the powers of Assistant Collector so that recovery process may be initiated.</p>
2.	27.08.2013	12.2 of 2009	<p>12.2 of 2009</p> <p>Delay in allotment of Staff Quarters-</p> <p>It was assured that the corrective action taken to avoid delays in allotment of staff quarters will be intimated.</p>

Commercial

1.	19.12.2013	3.3 of 2010	<b>Loss of Rs. 2.37 crore due to non-levy of MDI Surcharge</b> It was assured that detailed reply will be submitted indicating the reasons as to why the MDI charges of old period are not recoverable as per the NDMC Act.
2.	19.12.2013	3.2 of 2010	<b>Non recovery of arrears in respect of disconnected electricity and water connections Rs. 47.92 crore</b> The Department informed that an amount of Rs.6 crore out of total Rs. 47.92 crore, has already been recovered after implantation of Settlement Scheme 2013 which is effective till June 2014. Further, it was assured that efforts are being made to recover the balance amount of Rs. 42 crore (approx). The Committee noted and appreciated the efforts made by the Department and expected vigorous efforts to continue.
3.	19.12.2013	3.4 of 2010	<b>Non recovery of arrears of Rs. 118.45 crore on account of electricity/water charges against existing consumers</b> It was assured that after implementation of Settlement Scheme 2013 (effective till June 2014) remaining Rs 77 crore will have to be recovered. The Committee noted and appreciated the efforts made by the Department and expected vigorous efforts to continue.

Architect & Environ

1.	19.12.2013	5.2 of 2007 and 2.7 of 2008	<b>Irregularities in mobile tower installations</b> 1. It was assured that action taken note on the issues involved in the paras will be submitted latest by the end of 1 <sup>st</sup> week of January 2014. 2. It was assured that data base indicating actual numbers of towers installed and other parameters such as date of installation, renewal, permission, payment of licence fee/dues and other relevant information will be prepared.
2.	19.12.2013	60 of 1999	<b>Non recovery of demolition charges from parties</b> It was assured that a detailed proposal on available options indicating the most appropriate action in its view will be prepared on which legal opinion may be obtained.
3.	19.12.2013	5.1 of 2006	<b>Non-recovery of misuse charges and damages for unauthorized construction</b> The Chairman informed the Committee that he has plans to have a meeting with Secretary, Urban Development for resolving the issue and the outcome of the meeting will be conveyed to the Department and action may be taken accordingly.
4.	19.12.2013	3.1 of 2003	<b>Non-recovery of compounding charges from a Hotel</b> It was assured that inspection of Hotel Ashoka will be carried out to find out the quantum of unauthorized structure constructed by Hotel. The department also assured that compounding charges recoverable from the Hotel will be worked out and the demand will be raised before 26 <sup>th</sup> January 2014.



5.	19.12.2013	2.1 of 2002	Review on implementation of building regulations It was assured that detailed replies will be submitted latest by 24.01.2014 to Audit Department for examination before the next meeting of the Committee.
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The ATRs received from the departments will be examined and submitted before the Standing Committee.

*J.J. Arya*  
(J.J. Arya) 19/1/14  
Dy. Chief Auditor

Minutes of the meeting of 'Standing Committee on Audit in NDMC' held on 1 September 2014.  
The meeting of the 'Standing Committee on Audit in NDMC' was held on 1 September 2014 at 4.00 P.M. in the Council Room, Palika Kendra, New Delhi. The meeting was presided over by the Chairman, NDMC.

The following were present:-

- |    |   |                  |
|----|---|------------------|
| 1. | Sh. Jalaj Shrivastava, Chairman, NDMC   | Chairman         |
| 2. | Smt. Tajdar Babbar,                     | Vice Chairperson |
| 2. | Sh. Ashok Ahuja, Member, NDMC           | Member           |
| 3. | Smt. Varsha Tiwary, Chief Auditor, NDMC | Co-opted Member  |
| 4. | Sh. Kumar Hrishikesh, Financial Advisor | Co-opted Member  |
| 5  | Sh. V.C. Chaturvedi, Advisor (R&L)      | Special Invitee  |

The following officers also participated in the meeting:

- |   |   |   |  |
|---|---|---|--|
| 1 | Sh. Nikhil Kumar, Secretary, NDMC         | 6 | Smt. Geetika Sharma, Director (Commercial) |
| 2 | Sh. V.K. Pandey, Chief Engineer (Elect I) | 7 | Smt. Sonika Singh, Director (Property Tax) |
| 3 | Sh. A.K. Joshi, Chief Engineer (Elect II) | 8 | Sh. J.J. Arya, Dy. Chief Auditor           |
| 4 | Sh. A.K. Mishra, Director (Enforcement)   | 9 | Sh. Ram Gopal Dy. Education Officer        |
| 5 | Sh. A.M. Athale, Chief Architect          |   |  |

The agenda for the meeting was as under:

- (a) Confirmation of the minutes of the meeting of the 'Standing Committee on Audit in NDMC' held on 29.04.2014.
- (b) Adoption of Annual Report of SCAN for the year 2013-14.
- (c) Detailed Examination of outstanding paragraphs of Annual Audit Reports of Education, Electrical Engineering and Enforcement department selected by the Committee for examination in the last meeting held on 29.04.2014.
- (d) Detailed examination of ATRs of Estate-I, Public Health, Property Tax, Municipal Housing, Architect & Environment, Commercial and Finance & Accounts Departments.
- (e) Selection of Department(s) for the next meeting.

The meeting commenced with the Chief Auditor welcoming the Chairman, Members of the Committee and Heads of the Department/Officers present in the meeting. The Chief Auditor, with the permission of the Chair, placed the Agenda of the meeting before the Committee and briefed the Committee about the status of outstanding paragraphs of Annual Audit Reports.

The following decisions took place in the meeting:

- (a) Confirmation of the minutes of the meeting of the 'Standing Committee on Audit in NDMC' held on 29.04.2014.

The Committee confirmed the minutes of the last meeting held on 29.04.2014.

- (b) Adoption of Annual Report of SCAN for the year 2013-14

The Committee adopted the Annual Report of SCAN for the year 2013-14.

- (c) Detailed Examination of outstanding paragraphs of Annual Audit Reports of Education, Electrical Engineering and Enforcement department selected by the Committee for examination in the last meeting held on 29.04.2014.

The Committee discussed the outstanding paragraphs and made the following recommendations:

(A) Education Department

- (i) Functioning of Balbaries (Para 8.1 (I & III) of 2009)

Audit brought to the notice of Committee that the reply was received late (27.08.2014) which is under examination/verification.

- (ii) Creation of excess posts of teachers (Para 5.1 of 2003)

Education Department informed that all the excess posts created have been regularized. The Committee, however, directed the department to submit the documentary evidence alongwith written reply.

- (iii) Provision of transport facility to students (Para 45.5 of 2004)

The Committee agreed to the contention of audit that instead of ad-hoc provisions of transportation, the department should fix the explicit norms/criteria for providing transport facility to the students and make them available to Audit.

- (iv) Primary Education Enhancement Project (Para 45.7 of 2000)

The Committee desired that the issue may be re-examined in the department and justification for delay in execution of phase-I of UNICEF project; as a result of which funds of second phase were not received and the funds received (first phase) were not utilized.

- (v) Universalisation of elementary education (Para 2 of 2010 (Review))

Audit department brought to the notice of Committee that the reply was received late (27.08.2014) which is under examination/verification.

(B) Electrical Engineering Department

- (i) Blockage of fund due to injudicious purchases of stores

- (a) Para No. 91(c) (i) of 1999

The Committee desired to know the reasons for excess procurement of electrical (11 KV store) which led to blockage of funds. Electrical Engineering Department submitted that these were the spare parts which were

procured along with the main equipment which may be needed at any time. The Committee, however, directed the department to fix the minimum level of inventories and ensure that obsolete/ unserviceable items are disposed of promptly.

(b) Para No. 3.9.1.3 of 2009

The Committee, on the issue of purchase of stores by the maintenance divisions from the open market without obtaining NOC from the store department, directed that the instructions may be issued to all the concerned divisions that they should first approach their link store divisions before procuring from the open market.

(ii) Non recovery of excess expenditure incurred on deposit works (Para No. 8.1 of 2006)

Electrical Engineering Department informed the Committee that the matter was pursued with PWD, but the amount is yet to be received. It was added that the material used in shifting electrical services is the property of NDMC.

(iii) Non recovery of damage charges from the contractor (Para No. 5.1 of 2011)

The Committee instructed the department to recover the damage charges from the security deposit/final bill of the contractor immediately as it effects the capitalization of assets in the books of NDMC.

(iii) Delay in disposal of unserviceable stores (Para No. 3.9.6.1 of 2009)

The Committee directed Electrical Engineering Department to dispose of the unserviceable stores promptly and furnish the report along with supporting documents.

(c) Enforcement Department

(i) Careless and protracted tendering process led to loss of advertisement tax (Para No. 5.2 of 2005)

The Committee noticed shortcomings in the tendering process which led to delay of three years in finalization of fresh contract resulting in loss of Rs. 2.83 crore. The department may fix responsibility for non closure of first tender while floating the second and for non-co-ordination with Finance/Civil Engineering Departments.

(ii) Non recovery of arrear of licence fees (Para No. 47 of 1999, 5.5 of 2005 and 10.3 of 2007)

Enforcement Department informed the Committee that the matter is sub-judice in High Court and major portion of the arrears of licence fee amounting to Rs. 1.65 crore out of Rs 2.71 crore has been recovered. The Committee directed the department to submit a status report in this regard.

(iii) Short assessment of tax (Para No. 4.4 of 1997)

The Committee directed Enforcement Department to make extra efforts to trace the old record and furnish the status report to audit.

(iv) Non recovery/under recovery of licence fee for parking lots- Rs 2.34 crore (Para No. 4.7.6 of 2008R)  
Enforcement Department stated that due to frequent transfer of dealing assistants and 6 months time required were the reasons for non recovery of licence fee. However, the Committee was not convinced with the reply and directed the department to initiate action to recover the amount and status of recovery be intimated.

(v) Bhagidari Scheme (Para No. 4.7.8 of 2008 (R)  
As the reply was received late (29.08.2014) it is under verification.

(vi) Delay in reallocation of parking lots (Para No. 41 (A & B) of 1999 and Para No. 5 of 2010)

The Committee accepted the audit recommendation that Enforcement Department should take advance action in finalizing the tenders and hand over the lots in time bound manner so that any loss of revenue is avoided and directed the department to follow the recommendation.

(vii) Non maintenance of inventory register (Para No. 4.7.9.3 of 2008 (R)  
The Committee directed the department to maintain inventory register in proper form.

(viii) Loss of revenue due to charging of old rates for booking of parks (Para No. 32 of 2000)

Enforcement Department stated that the work for booking of park has been transferred to PR Department as such they are not pursuing the issue. However the Committee directed the department to follow/implement the decision of Council in coordination with P.R. Department and furnish a compliance report.

(ix) Non revision of licence/tehbazari fee after 1993 (Para No. 27 of 2000)

Enforcement Department informed that licence/tehbazari fee has not been revised after 1993, however, the department is recovering the fee enhanced by 10% every year. The department has also prepared the proposal to place before the Council for revision of licence/teh bazari fee. The committee directed the department to intimate the compliance of Council decision.

(x) Arrear of licence fee of taxi booths, teh bazari and stalls- Rs 60.16 lakh (Para No. 6.1 of 2008)

Enforcement Department informed that they have made some recovery on this account from the defaulters. The Committee directed the department to take action as per provision of NDMC act to recover the outstanding amount and updated reply may be furnish.

(xi) Improper maintenance of D & C registers (Para No. 44 of 1999)

Enforcement Department informed that D & C registers are now being maintained properly. However, the Committee directed the department to ensure that outstanding balances pertaining to earlier period had been brought forward and furnish the compliance report.

(xii) Non recovery of arrears of licence fee from allottees of Commercial Unit (Para No. 9.1 of 2009)  
Enforcement Department stated that after updating of D & C registers, action has been initiated against tehnbazari defaulters. The built up units have been transferred to Estate-I department, as such the amount could not be recovered from them. However, the Committee directed the department that in coordination with Estate-I, the amount should be recovered from built up units and from others. Compliance report may be given to audit.

### Action Taken Reports

#### Property Tax

1. Less realization of House Tax amounting to Rs. 6.96 crore due to abnormal delay in finalization of ratable value of properties. (Para No. 6.3 of 2001)

Property Tax Department informed that an administrative instruction had been issued for examining and finalizing the re-assessment in all remand cases. However, the Committee directed the department to finalize recovery in a time bound manner and submit the compliance report.

2. Abnormal delay in realizing Rs. 70.37 lakh from Government of NCT of Delhi on account of share of transfer duty collected by the Office of the Inspector General of Registration (IGR/Sub Registrar). (Para No. 50 of 1999)

Property Tax Department stated that record being old, the details of the properties for claiming the transfer duty is not available with the department. The Committee directed the department to make extra efforts for tracing the record to furnish the status of recoveries to Audit Department.

3. Delay in finalization of pending remand cases involving tax assessment of Rs. 107.88 crore (Para No. 6.2 of 2001).

Property Tax Department informed that an administrative instruction has been issued for examining and finalizing the re-assessment in all remand cases. However, mere issuing of instructions is not enough. The Committee directed the department to examine and finalize the remand cases in a time bound manner and submit the compliance report.

4. Non recovery of 650.40 crore from 7620 defaulting assesses of March 2010 (Para No. 6.3 of 2010)  
Property Tax Department informed that a Committee had been constituted to look into the cases of arrears involving one crore and above. The Committee directed that a status report of recoveries made to Audit, be submitted every month.

#### Architect and Environment

1. Irregularities in mobile tower installation (Para No. 5.2 of 2007 and 2.7 of 2008).

Audit Department brought to the notice of Committee that as the action taken notes on the issues involved in the para was received late (22.08.2014) the same is under examination/verification.

2. Non recovery of demolition charges from parties (Para No. 60 of 1999).

Architect and Environment Department stated that this matter stands transferred to EBR Department. The Committee directed the department to make necessary recoveries in co-ordination with EBR Department and submit a compliance report.

3. Non recovery of misuse charges and damages for unauthorized constructions. (para No. 5.1 of 2006)  
The Committee directed the department to initiate the steps for holding the Chairman's meeting with the Secretary, Urban development to resolve this issue.

4. Non-recovery of compounding charges from Hotel Ashoka due to unauthorized construction and non-obtaining of completion certificate. (para No. 3.1 of 2003)  
As the Architect and Environment department had not conducted the inspection to find out the quantum of unauthorized structure constructed by Hotel Ashoka, the Committee directed the department to inspect the Hotel premises to verify the unauthorized construction and submit a status report in this regard.

#### Commercial Department

1. Loss of 2.37 Crore due to non-levy of MDI surcharge (Para No. 3.3 of 2010).
2. Non-recovery of arrears in respect of disconnected electricity and water connections Rs. 47.92 Crore. (Para No. 3.2 of 2010)
3. Non-recovery of arrears of Rs. 118.45 Crore on account of electricity/water charges against existing consumers. (Para No. 3.4 of 2010)

The Committee appreciated the efforts made by the Director (Commercial) to ensure recovery of pending arrears. However, as the action taken notes on the issues involved in these paras were received late (29.08.2014), the same are under examination/verification.

#### Finance and Accounts Department

1. Excess payment of pension, non deduction of commuted value and non-revision of family pension after stipulated period by bank. (Para No. 2.2 of 2005, 5.2 of 2009, 3.1 of 2011 and 3.2 of 2011)  
Finance & Accounts Department informed that the development of pension module is under process. The Committee directed the department to complete the pension module in a fixed time schedule.

2. Shortcomings in the investment of funds (Para No. 2 of 2011 (2.11.5)).  
Finance & Accounts Department informed that the proposal for change in the investment policy for empanelment of banks has been proposed for placement in the Council in ensuing meeting. The Committee desired that the Council's decision may be intimated to Audit.

3. Investment under 'New Pension Scheme 2004' without ensuring competitiveness of the rates. (Para No. 2.9 of 2011)  
Finance & Accounts Department informed that earlier there was no guidelines for investment of NPS fund. However, now the funds are invested in the PSUs like other funds of NDMC after fulfilling all the required codal formalities. The Committee directed the Department to give detailed reply regarding the details of

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investment i.e. selection of Bank, rate of interest, amount invested, period etc. made under 'New Pension Scheme' to Audit.

4. Excess Rates charged by private hospitals (Para 1.7.4.1, 1.7.4.3, 1.7.4.5 and 1.7.4.7 of 2008 Review)

Finance department informed that the major portion of excess payment made to the private hospitals had been recovered. The Committee directed the Department to submit a status report to Audit Department.

(C) Settlement of outstanding paragraphs

The Committee approved settlement of 14 paragraphs and 23 sub-paragraphs pertaining to various departments as recommended by the Chief Auditor (Annexure).

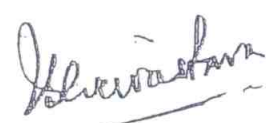
(d) Selection of department for detailed examination/ discussion in the next meeting:

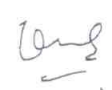
The Standing Committee selected the Civil Engineering Department for detailed examination/ discussion in the next meeting.

The ATRs on the recommendations of previous SCAN meetings will also be discussed in next meeting.

The meeting ended with vote of thanks.

Enclosure. : *Annexure*

  
(Jalaj Shrivastava)  
Chairman





Annexure

Paragraphs settled by 'Standing Committee on Audit in NDMC' in its meeting held on 01.09.2014

S. No.	Name of the Department	No. of paragraphs & Sub paras settled	Details of Paragraphs and sub-paras
1.	Education	02 paras 03 sub paras	Para No 9.1 of 2011 9.2 of 2011 Sub paragraphs 45.4 of 2000 45.5 of 2000 45.6 of 2000
2.	Electrical Engineering	05 paras 16 sub paras	Para 4.3 of 2010 11.1 of 2009 74(b) of 1999 8.1 of 2006 4.2 of 2005 Sub para 91(c)(iv) of 1999 3.9.4.1.2 of 2009 3.9.5 of 2009 3.9.2.1 of 2009 3.9.4.3 of 2009 3.9.4.2 of 2009 3.9.4.1.1 of 2009 3.10.1 of 2006 3.9.3.1 of 2006 3.12 of 2006 3.9.3.2 of 2006 3.12.1 of 2007 3.9.2 of 2006 3.9.1.1 of 2009 3.9.1.2 of 2009 3.9.1.3 of 2009
3.	Enforcement	02 paras	9.2 of 2009 9.3 (a) of 2009
4.	Property Tax	01 para	6.5 of 2001
5.	Estate-I	01 para	35 of 1999
6.	Public Health	03 paras	9.2 of 2010 13.2 of 2007 7.1 of 2004
7.	Finance & Accounts	04 Sub Paras	1.7.4.1 of 2008 (R) 1.7.4.5 of 2008 (R) 1.7.4.7 of 2008 (R) 2.6.1 (i & ii) of 2011
Total		14 paras 23 sub paras	

*Gao Sam*  
Dy. Chief Auditor

Minutes of the meeting of the 'Standing Committee on Audit in NDMC' held on 29 April 2014.

The meeting of the 'Standing Committee on Audit in NDMC' was held on 29 April 2014 at 11.00 A.M. in the Council Room, Palika Kendra, New Delhi. The meeting was presided over by the Chairman, NDMC.

The following were present:-

- |    |   |                 |
|----|---|-----------------|
| 1. | Sh. Jalaj Shrivastava, Chairman, NDMC   | Chairman        |
| 2. | Sh. Ashok Ahuja, Member, NDMC           | Member          |
| 3. | Smt. Varsha Tiwary, Chief Auditor, NDMC | Co-opted Member |
| 4. | Sh. Kumar Hrishikesh, Financial Advisor | Co-opted Member |
| 5. | Sh. V.C. Chaturvedi, Advisor (R&L)      | Special Invitee |
| 6. | Sh. J.J. Arya Dy. Chief Auditor         |                 |

The agenda for the meeting was as under:

- (a) Confirmation of the minutes of the meeting of the 'Standing Committee on Audit in NDMC' held on 19.12.2013.
- (b) Detailed Examination of outstanding paragraphs of Annual Audit Reports of Finance & Accounts and Enforcement department selected by the Committee for examination in the last meeting held on 19.12.2013.
- (c) Selection of Department(s) for the next meeting

The meeting commenced with the Chief Auditor welcoming the Chairman, Members of the Committee and Heads of the Department/Officers present in the meeting. The Chief Auditor, with the permission of the Chair, placed the Agenda of the meeting before the Committee and briefed the Committee about the status of outstanding paragraphs of Annual Audit Reports.

As regards Enforcement Department, the Chairman divulged that Director (Enforcement) could not attend this meeting as he has been dispatched for some other important assignments. Thus, it was proposed to defer the discussion/examination of outstanding paragraphs of Enforcement Department to next meeting which was agreed to by the members.

The Chairman also directed that a detailed presentation on issues relating to allotment of parking lots is to be made by Enforcement Department in the ensuing Council meeting to be held on 10 May 2014. The Enforcement Department, as per Chairman's advice will again be asked to submit all the pending replies.

In addition, the following decisions took place in the meeting:

- (a) Confirmation of the minutes of the meeting of the 'Standing Committee on Audit in NDMC' held on 19.12.2013.

The Committee confirmed the minutes of the last meeting held on 19.12.2013.

- (b) Detailed Examination of Outstanding Paragraphs of Annual Audit Reports of Finance & Accounts department.

The Committee discussed the outstanding paragraphs and made the following recommendations:

- (i) Settlement and disbursement of pensionary benefits in NDMC (Para 2.2 of 2005, 5.2 of 2009, 3.1 of 2011, 3.2 of 2011)

While discussing the delays in settlement and disbursement of pension cases, the Chief Auditor suggested that the department should have automation of system to reduce delays. The Committee agreed with the suggestion and directed the department to develop a suitable computerized system to monitor the timely settlement of pension cases.

As regards overpayments due to non deduction of commuted value and non revision of family pension after the stipulated period by the Banks, the Department clarified that they had series of meetings with SBI to resolve the problem. The Chief Auditor stated that the cases pointed out in Audit should be taken by the department as 'Red Flags' and the Department should evolve some suitable monitoring mechanism to check the overpayments made by the Banks on the behalf of NDMC. The Department replied that the Banks were providing the data only in hard copies as there is a problem in electronic transmission of data due to compatibility problem.

The Chairperson directed the department to consult the IT Department for solving the problem of compatibility. He desired that issue should be resolved by the end of May 2014.

- (ii) Excess Rates charged by private hospitals (Para 1.7.4.1, 1.7.4.3, 1.7.4.5 and 1.7.4.7 of 2008 Review)

The Department stated that in some cases where audit has pointed out excess rate charged by Private Hospitals, clarifications from Director ( MS) has been sought which is awaited.

The Committee suggested that the representatives of Audit, Finance and Director ( MS) should have a across the table meeting and should resolve issue and furnish the report thereof to the Committee.

- (iii) Investment decisions (Para 2 of 2011), (Para 2.11.5 of 2011)

The Chief Auditor pointed out that the criteria regarding credit rating was not being followed strictly, Investible funds were not being apportioned amongst banks quoting same rates and rescheduling of investments were not being done to avail the maximum returns.

The Chairman directed that the Department should either strictly follow the rating criteria for empanelment of banks or review its investment policy to protect the interest of the Council. He further suggested that the capping limit be increased by 15 to 20 % as value of dollar has been increased by about 25% in the last four years.

As regards the loss of interest of Rs. 16.51 crore due to non-rescheduling of investments (para 2.11.5 of 2011), Committee desired that the Department should furnish the detailed reply to justify non scheduling of investments.

#### Investments under New pension scheme-2004 (Para 2.9 of 2011)

On the issue of investments without ensuring competitiveness of rates in respect of funds under "New Pension Scheme-2004", the Department informed that there was no policy for investment under the scheme which was formulated in the year 2011 and the same is being followed.

The Committee advised the Department to furnish a written reply in this regard.

#### ATR on past recommendations of the SCAN

The Chairman directed that ATR on the decisions of the Committee from earlier meetings may be put up. Audit informed that Action Taken Reports from the concerned departments are still awaited. The Chairman asked the Audit Department to take up the issue with all the concerned departments immediately. The ATR's status may be placed before the next SCAN meeting.

#### (c) Settlement of outstanding paragraphs of Finance & Accounts and Enforcement departments.

The Committee approved the settlement of 06 paragraphs and 34 sub-paragraphs pertaining to Finance & Accounts and Enforcement departments recommended by the Chief Auditor.

#### (d) Selection of departments for detailed examination/ discussion in the next meeting:

The Standing Committee selected the following Departments for detailed examination/ discussion in the next meeting which may be held in Mid June.

- (a) Enforcement Department – deferred in this meeting for next meeting
- (b) Electricity Department
- (c) Education Department

The meeting ended with the vote of thanks.

Encl. : Annexure



(Jalaj Shrivastava)  
Chairman

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Annexure

Paragraphs settled by Standing Committee on Audit in NDMC in its meeting held on 29.04.2014

S. No.	Name of the Department	No. of paragraphs & Sub paras settled	Details of Paragraphs and sub-paras
1.	Finance Department	03 paras 34 sub paras	1.7.1.2 of 2008 1.7.2 of 2008 1.7.4.4 of 2008 1.7.4.6 of 2008 1.7.4.8 of 2008 1.7.4.9 of 2008 1.35 of 1997 2.2(iii) of 2005 1.25 of 1997 1.8 to 1.16 of 2010 2.6.1 of 2011(iii & iv) 2.7.2 of 2011 2.8 of 2011 2.10 of 2011 & 2.10.1 of 2011 2.11 & 2.11.1 of 2011 2.11.2 of 2011 2.11.4 of 2011
2.	Enforcement Department	03 paras ( including 02 paras transferred to Estate-I)	31 of 2000 37 of 1999 39 of 1999 Point no ii, 1 &2 of iii of 44 of 1999
Total		06 para 34 sub paras	

*Janoo Janoo*  
Dy. Chief Auditor 7/5/17

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Minutes of the meeting of the 'Standing Committee on Audit in NDMC' held on 19 December 2013.

The meeting of the 'Standing Committee on Audit in NDMC' was held on 19 December 2013 at 11.00 A.M. in the Council Room, Palika Kendra, New Delhi. The meeting was presided over by the Chairman, NDMC.

The following members were present:-

- |  |                  |
|--|------------------|
| 1. Sh. Jalaj Shrivastava, Chairman, NDMC     | Chairman         |
| 2. Smt. Tajdar Babar, Vice Chairperson, NDMC | Vice Chairperson |
| 3. Sh. Ashok Ahuja, Member, NDMC             | Member           |
| 4. Smt. Nila Mohannan                        | Member           |
| 5. Smt. Varsha Tiwary, Chief Auditor, NDMC   | Co-opted Member  |
| 6. Sh. Kumar Hrishikesh, Financial Advisor   | Co-opted Member  |

The following officers also participated in the meeting:

1. Sh. Vikas Anand, Secretary, NDMC
2. Ms. Geetika Sharma, Director (Commercial)
3. Ms. Sonika Singh, Director (Estate-I)
4. Dr. P.K. Sharma, Medical Officer of Health
5. Sh. Rajeev Sood, Dy. Chief Architect
6. Sh. J.J. Arya, Dy. Chief Auditor

The agenda for the meeting was as under:

1. Confirmation of the minutes of the meeting of the 'Standing Committee on Audit in NDMC' held on 27.08.2013.
2. Detailed Examination of outstanding paragraphs of Annual Audit Reports of Architect & Environment, Public Health, Commercial and Estate-I Departments selected by the Committee for examination in the last meeting held on 27.08.2013.
3. Settlement of Paragraphs of other Departments recommended by Chief Auditor.
4. Selection of Department(s) for the next meeting

The meeting commenced with the Chief Auditor welcoming the Chairman, Members of the Committee and Heads of the Department/Officers present in the meeting. The Chief Auditor, with the permission of the Chair, placed the Agenda of the meeting before the Committee and briefed the

Committee about the status of outstanding paragraphs of Annual Audit Reports, replies/ action taken notes received from the departments and the Audit recommendations on these paragraphs.

The following decisions took place in the meeting:

- (a) Confirmation of the minutes of the meeting of the 'Standing Committee on Audit in NDMC' held on 27.08.2013.

The Committee confirmed the minutes of the meeting held on 27.08.2013.

- (b) Detailed Examination of Outstanding Paragraphs of Annual Audit Reports of Architect & Environment Department, Public Health Department, Commercial Department and Estate-I Department selected by the Committee in the last meeting.

The Committee discussed the outstanding paragraphs of four Departments namely Architect & Environment Department, Public Health Department, Commercial Department and Estate-I Department in detail and made the following recommendations:

#### 1. Architect & Environment Department

- (ii) Irregularities in mobile tower installations (Para 5.2 of 2007 and 2.7 of 2008)

The Committee noted the contents and expressed its concern on the issues raised in the Audit paras viz. installation of antennas without permission, continuance of antennas without renewals, permission granted to install antennas in schools in violation of Council resolution of August 2002, discrepancy in number of total antennas as per the Architecture and Estate Departments, absence of checks on unauthorized installation, accumulation of arrears of licence fees, etc.

As the tower installations involve financial implications and health hazards, the Chairman directed the Department to submit the action taken note on the issues involved in the paras latest by the end of 1<sup>st</sup> week of January 2014.

The Chief Auditor suggested that a database indicating actual number of towers installed and other parameters such as date of installation, renewal, permission, payment of licence fee/dues and other relevant information be prepared.

Sh. Ashok Ahuja, Member of the Committee suggested review and revision of penalty charges of Rs.20000/- per annum on defaulter companies which fail to get the licenses of tower renewed in time. This was also agreed to by the Committee.

- (iii) Non recovery of demolition charges from parties (Para 60 of 1999)

The Committee did not agree with the opinion of Advisor (L&R) to write off outstanding dues and closure of the case in the absence of any headway. The Committee directed the Department to prepare



a detailed proposal on available options indicating the most appropriate action in its view on which legal opinion may be obtained.

- (iv) **Non-recovery of misuse charges and damages for unauthorized construction (Para no. 5.1 of 2006)**

The Chairman informed the Committee he has plans to have a meeting with Secretary, Urban Development for resolving the issue and the outcome of the meeting will be conveyed to the Department and action may be taken accordingly.

- (v) **Non-recovery of compounding charges from a Hotel (Para 3.1 of 2003)**

The Committee directed the Department to carry out the inspection of Hotel Ashoka to find out the quantum of unauthorized structure constructed by Hotel and work out compounding charges recoverable from the Hotel and to raise the demand before 26<sup>th</sup> January 2014.

- (vi) **Review on implementation of building regulations (Para 2.1 of 2002)**

The Committee directed the Department for submission of detailed replies latest by 24.01.2014 to Audit Department for examination and to get the para settled before the next meeting of the Committee.

## 2. Public Health Department

- (i) **Non-levy of penalty of Rs. 20.82 lakh despite non-compliance of segregation benchmark of Municipal Solid Waste (MSW) by the contractor (Para 9.2 of 2010)**

The Department stated that the Consultant had suggested for non-segregation of garbage as the segregation will hamper electricity generation in waste energy plant. As such penalty was not imposed.

The Committee did not accept the plea of the department because owing to reduction in the scope of work, a reduction in the tipping fee paid/being paid to the contractor was called for. The Department should, therefore, come up with a proposal to recover/consider reduction in payment commensurate to the time and money saved due to non-segregation of MSW.

- (ii) **Short recovery of concession fees (Para 9.1 of 2010)**

The Department informed that there was some problem in timely handing over of sites to contractor resulting in change in Commercial Operation Date (COD). The Chairman directed the MOH to submit a detailed reply mentioning the reasons for revising the COD along with its approval by the competent authority.





- (iii) Non-recovery of dues on account of monthly charges of garbage stations (Para 13.2 of 2007).

The Committee directed that the outcome of arbitration case as and when finalized may be intimated to Audit.

- (iv) Under utilization of Departmental trucks while incurring extra expenditure on hiring of private trucks for removal of garbage (Para 7.1 of 2004)

The Committee advised the department to consider hiring of drivers instead of hiring trucks if the actual number of vehicles available is sufficient to carry out the work. It was also desired that the Department evolve a system for effective deployment of departmental drivers by rotating their duties and weekly offs.

### 3. Commercial Department

- (i) Loss of Rs. 2.37 crore due to non-levy of Maximum Demand Indicator (MDI) Surcharge (Para 3.3 of 2010)

The Committee directed the Department to submit the detailed reply indicating the reasons as to why the MDI charges of old period are not recoverable as per the NDMC Act.

- (ii) Non recovery of arrears in respect of disconnected electricity and water connections Rs. 47.92 crore (Para 3.2 of 2010)

The Department informed that an amount of Rs.6 crore out of total Rs. 47.92 crore, has already been recovered after implantation of Settlement Scheme 2013 which is effective till June 2014. Further, efforts are being made to recover the balance amount of Rs. 42 crore (approx). The Committee noted and appreciated the efforts made by the Department and expected vigorous efforts to continue.

- (iii) Non recovery of arrears of Rs. 118.45 crore on account of electricity/water charges against existing consumers (Para 3.4 of 2010)

The Department informed that after implementation of Settlement Scheme 2013 which will be effective till June 2014, Rs 77 crore remain to be recovered. The Committee noted and appreciated the efforts made by the Department and expected vigorous efforts to continue.

### 4. Estate-I Department

- (i) Non recovery of arrears of licence fee from the ex-allottees of the commercial units (Para 7.1 of 2008)

The Committee noted the reply of the Department that Assistant Collector has been notified only in October 2013 and the process of recovering the outstanding dues will be completed as early as possible.

- (ii) Non allotment and irregular recovery of licence fee relating to pucca tharas at Hanuman Mandir (Para 35 of 1999)

The Committee directed the Department to examine the issue of delay of allotment of 89 tharas and bring out the facts in its revised reply.

Settlement of outstanding paragraphs of Architect & Environment, Public Health, Commercial and Estate-I departments.

The Committee approved the settlement of 15 paragraphs and 05 sub-paragraphs pertaining to Architect & Environment, Public Health, Commercial and Estate-I departments recommended by the Chief Auditor.

- (c) Settlement of outstanding Paragraphs of other Departments.

On the recommendations of the Chief Auditor, the Committee agreed to settle 04 paragraphs and 27 sub paragraphs of four other departments. In total 19 paragraphs and 32 sub-paragraphs as indicated in Annexure were settled by the Committee.

- (d) Selection of departments for detailed examination/ discussion in the next meeting:

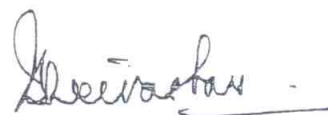
The Standing Committee selected the following Departments for detailed examination/ discussion in the next meeting:

- (a) Enforcement
- (b) Finance & Accounts
- (c) Water Supply

At the conclusion of the meeting, the members appreciated the work done by Audit Department in arranging/ holding the recent SCAN meetings in a very efficient way.

The meeting ended with the vote of thanks.

Encl. : Annexure



(Jalaj Shrivastava)  
Chairman


Annexure

Paragraphs settled by 'Standing Committee on Audit in NDMC' in its meeting held on 19.12.2013

454

S. No.	Name of the Department	No. of paragraphs & Sub paras settled	Details of Paragraphs and sub-paras
1.	Architect and Environment	01 paragraph 01 sub paragraph	1) 5.1 of 2007 <u>Sub para</u> 1) 5.2 (a) of 2007
2.	Public Health	03 paragraph 04 sub paragraph	1) 38 of 2000 2) 9.3 of 2010 3) 90(3) of 1999 <u>Sub para</u> 1) 2.1.5 (III)(vi) of 2003 2) 2.1.5 (III) (vii) of 2003 3) 2.1.5 (III) (x) of 2003 4) 2.1.5 (III) (xi) a & b of 2003
3.	Commercial	08 paragraphs	1) 2.1 of 2004 2) 5.2 of 2002 3) 4.1 of 2008 4) 4.2 of 2008 5) 7.2 of 2007 6) 28 (a& b) of 1999 7) 3.1 of 2010 8) 3.5 of 2010
4.	Estate-I Department	03 paragraph	1) 2.3 of 1997 2) 2.8 of 1997 3) 2.13 of 1997
5.	Horticulture Department	11 sub paragraphs	<u>Sub para</u> 1) 4.8.2.1 of 2009 2) 4.8.5.2 of 2009 3) 4.8.5.3 of 2009 4) 4.8.6 of 2009 5) 4.8.7.1 of 2009 6) 4.8.7.2 of 2009 7) 4.8.7.3 of 2009 8) 4.8.8.1 of 2009 9) 4.8.10 of 2009 10) 4.8.11.1 of 2009 11) 4.8.11.2 of 2009
6.	Finance and Accounts Department	04 paragraphs	1) 95 (a) of 1999 2) 3.1 of 2004 3) 3.2 of 2004 4) 1.8 to 1.16 of 2009
7.	Electricity Department	11 sub paragraphs	<u>Sub para</u> 1) 3.9.4.4 of 2009 2) 3.9.4.5 of 2009 3) 3.9 of 2007 4) 3.10 of 2007 5) 3.11 of 2007

			6) 3.12.2 (1) of 2007 7) 3.12.2 (3) of 2007 8) 3.12.2 (4) of 2007 9) 3.12.2 (5) of 2007 10) 3.13 of 2007 11) 3.14 of 2007
8.	Civil Engineering Department	05 sub paragraphs	<u>Sub para</u> 1) 2.9.2.1 of 2009 2) 2.9.2 2 of 2009 3) 2.9.3 of 2009 4) 2.9.6 of 2009 5) 2.10 of 2009
Total		19 Paragraphs	32 sub-paragraphs

  
( J J Arya )  
Dy. Chief Auditor

Minutes of the meeting of the 'Standing Committee on Audit in NDMC' held on 27 August 2013

The meeting of the Standing Committee on Audit in NDMC was held on 27 August 2013 at 11.00 A.M. in the Council Room, Palika Kendra, New Delhi. The meeting was presided over by the Chairman, NDMC.

The following members were present:-

- |  |                  |
|--|------------------|
| 1. Sh. Jalaj Shrivastava, Chairman, NDMC             | Chairman         |
| 2. Smt. Tajdar Babar, Vice Chairperson, NDMC         | Vice Chairperson |
| 3. Sh. Ashok Ahuja, Member, NDMC                     | Member           |
| 4. Smt. Varsha Tiwary, Chief Auditor, NDMC           | Co-opted Member  |
| 5. Sh. Sanjiv Narain Mathur, Financial Advisor, NDMC | Co-opted Member  |

In addition the following officers also participated in the meeting:

1. Sh. Vikas Anand, Secretary, NDMC
2. Ms. Geetika Sharma, Director (Estate II)
3. Sh. Kumar Hrishikesh, Director (Tax)
4. Sh. A.K. Mishra, Director (Municipal Housing)
5. Sh. P.K. Monga, Dy. Chief Auditor
6. Sh. J.J. Arya, Addl. Dy. Chief Auditor

The agenda for the meeting was as under:

1. Confirmation of the minutes of the meeting of the Standing Committee on Audit in NDMC held on 02.04.2013
2. Adoption of the Annual Report of the Standing Committee for the year 2012-13.
3. Detailed Examination of Outstanding paragraphs of Annual Audit Reports of Estate II, Municipal Housing and Property Tax Departments selected by the Committee in the last meeting for examination.
4. Paragraphs of other Departments recommended for settlement.

262

The meeting commenced with the Chief Auditor welcoming the Chairman and the Members of the Committee. The Chief Auditor, with the permission of the Chair, placed the Agenda of the meeting before the Committee and briefed the Committee about the status of Outstanding Paragraphs of Annual Audit Reports, replies received from the departments and the Audit recommendations on these paragraphs.

The following deliberations / decisions took place in the meeting:

- (a) Confirmation of the minutes of the meeting of the 'Standing Committee on Audit in NDMC' held on 02.04.2013.

The Committee confirmed the minutes of the meeting held on 02.04.2013.

- (b) Adoption of the Annual Report of the Standing Committee for the year 2012-13.

The Committee adopted the Annual Report of the Standing Committee for the year 2012-13.

- (c) Detailed Examination of Outstanding Paragraphs of Annual Audit Reports of Estate II, Municipal Housing and Property Tax Departments selected by the Committee in the last meeting.

The Committee discussed the outstanding paragraphs of three Departments namely Estate II, Municipal Housing and Property Tax in detail and made the following recommendations:

Estate II Department

There were only two outstanding paragraphs pertaining to Estate II Department. The Committee accepted the recommendations of the Chief Auditor for settlement of these two outstanding paragraphs on the basis of satisfactory replies/action taken notes furnished by the Department.

Property Tax Department :

- (i) Loss of Revenue amounting to ₹ 79.16 lakh due to non-revision of tax on the basis of actual rent of the properties (Paragraph No. 6.5 of 2001)

The Committee directed the Department to (i) submit a status report indicating specific, time-bound action proposed to be taken by the Department for revising the assessment order on basis of actual rent and recovering the dues / waiving any prior period dues and (ii) intimate to Audit Department action taken/ proposed to

be taken to ensure timely issuing of Section 77 assessment notices based on actual rentals.

- (ii) Less realization of House Tax amounting to ₹ 6.96 Crore due to abnormal delay in finalization of ratable value of properties (Paragraph No. 6.3 of 2001)

The Committee recommended that the process of serving notices under section 72 and 77 to the passing of final assessment order must be subject to a reasonable time frame which the Department must recommend for Council's approval.

- (iii) Abnormal delay in realizing ₹ 70.37 lakh from Government of NCT of Delhi on account of share of transfer duty collected by the Office of the Inspector General of Registration (IGR/Sub Registrar) (Paragraph No. 50 of 1999)

The Committee directed the Department to intimate to Audit, the action taken by the department to recover the outstanding amount from the Govt. of NCT of Delhi, the quantum of amount recovered so far and plans to recover the balance amount.

- (iv) Non-recovery of Service Charges in respect of Central Government Properties amounting to ₹ 47.59 Crore outstanding as on 31.03.2010. (Paragraph No. 14.2 of 2007)

The Chairman directed the Department to analyse the outstanding dues on case to case basis, and put up proposals for taking up the matter with the concerned authorities at the level of Secretary/Chairman for recovering the service charges in respect of Central Government Properties.

- (v) Delay in finalization of pending remand cases involving tax assessment of ₹ 107.88 Crore (Paragraph No. 6.2 of 2001)

The Committee directed the Department to indicate a clear picture of pending cases and intimate to Audit department the action taken/ proposed to be taken for finalization of pending remand cases. The Chairman desired that the issue raised should reach to a logical conclusion and directed the Department that a Status Report may be submitted before the next meeting of the Committee in October 2013.

- (vi) Non-recovery of Property Tax of ₹ 650.40 Crore from 7620 defaulting assessees as of March 2010 (Paragraph No. 6.3 of 2010)

The Committee expressed concern on non-recovery of huge amount of property tax from the assessees and directed the Department to take necessary action for recovering the outstanding amount of property tax. The Chairman desired that to begin with, the Department should pay intensive attention on all outstanding cases involving arrears of ₹ one crore and above which would ensure high value recoveries and submit a Status Report before the commencement of the next meeting.

Municipal Housing Department :

- (i) Non recovery of arrears of rent from retired / family of deceased employees retaining quarters unauthorisedly. (Paragraph no. 9.3 of 2006)

The Department submitted that presently there is no Assistant Collector in the NDMC for recovering punitive charges on account of unauthorized retention of Municipal Houses. Reacting to the Department's submission, the Chairman directed that the Department may move a proposal to assign the powers of Assistant Collector so that recovery process may be initiated.

- (ii) Delay in allotment of Staff Quarters (Paragraph no. 12.2 of 2009)

The Chairman directed the Department to intimate the corrective action taken to avoid delays in allotment of staff quarters.

- (iii) Undue delay in revision of rates of licence fee non realization of arrears of ₹1.66 lakh (Paragraph no. 8.2 of 2010)

The Director (Municipal Housing) informed the Committee that necessary action has been taken and CBS has been informed about recovering of arrears. In view of the action taken by the Department, the Committee decided to settle the paragraph.



- (iv) Occupation of two accommodations by one employee and non-recovery of due of ₹6.79 lakh (Paragraph no. 8.1 of 2010)

In view of the fact that the amount involved is meager and the affected person has already retired from service, the Committee decided not to pursue this paragraph further.

The Committee approved the settlement of 32 paragraphs and 22 sub-paragraphs pertaining to Estate - II, Property Tax and Municipal Housing.

- (d) Settlement of outstanding Paragraphs of other departments.

On the recommendations of the Chief Auditor, the Committee agreed to settle 29 paragraphs and 3 sub paragraphs of seven other departments.

In total 61 paragraphs and 25 sub-paragraphs of various departments as indicated in *Annexure* were settled by the Committee.

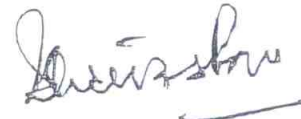
The Standing Committee selected the following Departments for detailed examination/ discussion in the next meeting:

- (a) Public Health
- (b) Architect & Environment
- (c) Commercial
- (d) Estate-I

The HODs of above Departments were directed to submit the replies / action taken notes of the outstanding paragraphs of Annual Audit Reports well in time to the Audit.

The meeting ended with the vote of thanks.

Encl. : *Annexure*



(Jalaj Shrivastava)

Chairman

S/a

Details of paragraphs settled by Standing Committee on Audit in NDMC in its meeting held on 27.08.2013

S.No.	Name of the Department	No. of paragraphs & Sub paras settled	Details of Paragraphs and sub-paras
1.	Horticulture Department	02 paragraphs	1) 78 of 1999 ✓ 2) 9.2 of 2002 ✓
2.	Civil Engineering Department	02 paragraphs	1) 7.6 of 1997 ✓ 2) 7.1 of 2009 ✓
3.	Electricity Department	06 paragraphs and 01 sub para	1) 24 of 2000 ✓ 2) 25 of 2000 ✓ 3) 11.2 of 2009 ✓ 4) 4.1 of 2010 ✓ 5) 4.2 of 2010 ✓ 6) 5.1 of 2008 ✓  <u>Sub para</u> 1) 4.3 (b) of 2010 ✓
4.	Enforcement Department	04 paragraphs and 01 sub para	1) 45 of 1999 ✓ 2) 5.4 of 2005 ✓ 3) 4.5 of 1997 ✓ 4) 46 of 1999 ✓  <u>Sub para</u> 1) 4.7.7 of 2008 ✓ (Review)
5.	Public Health Department	05 paragraphs	1) 79 of 1999 ✓ 2) 98(5), 98(6), 98(7) of 1999 ✓ 3) 81 of 1999 ✓ 4) 39 of 2000 ✓ 5) 5.1 of 2001 ✓
6.	Finance and Accounts Department	09 paragraphs and 01 sub para	1) 1.15 (2)(4)(6)(7)(9) of 2004 ✓ 2) 1.15 (2)(4)(6)(7)(8) (10) of 2005 ✓ 3) 1.14 (2)(4)(6)(7)(8) (10) of 2006 ✓ 4) 1.14 (2)(4)(6)(7)(8) (10) of 2007 ✓ 5) 1.14 (2)(4)(6)(7)(8) (10) of 2008 ✓  6) 1.12 of 2004-05 ✓ 7) 1.11 of 2006-08 ✓ 8) 1.14 of 2004-05 ✓ 9) 1.13 of 2006-08 ✓  <u>Sub para</u> 1) 1.13 (4) of 2005 ✓ 1.12 (4) of 2006 ✓ 1.12 (4) of 2007 ✓

07/2013

			1.12 (2) of 2008 ✓ 89 (13) of 1999 ✓
7.	Architect and Environment Department	01 paragraph	
8.	Estate-II Department	02 paragraph	1) 10.3 of 2009 ✓ 2) 10.4 of 2009 ✓
9.	Municipal Housing Department	14 paragraphs and 01 sub para	1) 2.15 of 1997 ✓ 2) 2.16 of 1997 ✓ 3) 30 of 1999 ✓ 4) 33 of 1999 ✓ 5) 36 of 2000 ✓ 6) 7.8 of 2002 ✓ 7) 8.1 of 2004 ✓ 8) 9.2 of 2006 ✓ 9) 34 of 1999 ✓ 10) 37 of 2000 ✓ 11) 9.1 of 2006 ✓ 12) 8.2 of 2004 ✓ 13) 8.2 of 2010 ✓ 14) 8.1 of 2010 ✓  <u>Sub para</u> 1) 2.14 (B) of 1997 ✓
10.	Property tax Department	16 paragraphs and 21 Sub paras	1) 3.4 of 1997 ✓ 2) 3.5 of 1997 ✓ 3) 3.6 of 1997 ✓ 4) 14.2 of 2007 ✓ 5) 9.1 of 2008 ✓ 6) 3.2 of 1997 ✓ 7) 3.8 of 1997 ✓ 8) 3.10 of 1997 ✓ 9) 6.9 of 2001 ✓ 10) 6.8 of 2001 ✓ 11) 9.2 of 2008 ✓ 12) 53 of 1999 ✓ 13) 3.7 of 1997 ✓ 14) 3.9 (a) of 1997 ✓ 15) 6.7 of 2001 ✓ 16) 6.1 of 2010 ✓  <u>21 Sub paras</u> (i) to (xii) 40 of 2000  1) Golf link ✓ 3) 615 Tolstoy House ✓ 4) 712-A Ansal Bhawan ✓ 5) 401 Ansal Bhawan ✓ 6) 612-A Ansal Bhawan ✓ 7) 903 Ansal Bhawan ✓ 9) 1012 Kailash Building ✓ 10) 412 Kailash Building ✓