

Inspection Report on the account of Dy. Commissioner, Encroachment and Unauthorized Construction Removal Department, Vasai Virar City Municipal Corporation, Virar for the period 2009-10 to 2012-13.

Part I A Introductory

a) A test audit of the records of Dy. Commissioner, Encroachment and Unauthorized Construction Removal Department, Vasai Virar City Municipal Corporation, Virar for the period from 2009-10 (03-07-2009) to 2012-13 was conducted locally from 29-04-2013 to 06-05-2013 by the audit team comprising Shri Kamlesh Kumar, Assistant Audit Officer, Shri Shambhu Kumar Jha, Assistant Audit Officer, Shri V. V. Gadkari, Sr. Auditor and Smt. Seetha Pankajakshan, Sr. Auditor under the supervision of Shri Neeraj Kumar Sinha, Inspecting officer (29-04-2013 to 04-05-2013).

b) The following official held the charge of Dy. Commissioner during the period covered by audit.

Name of Officer	Period	
	From	To
Shri Vishal Dhage	3-07-2009	6-06-2012
Shri Sunil lahane	7-06-2012	Till date of audit

c) The details of revenue received and expenditure incurred during period covered by audit:

(i). Revenue/grant:

(Figures in Rupees)

Particulars	2009-10	2010-11	2011-12	2012-13
Ward A	0	90700	128500	158388
Ward B	0	0	0	0
Ward C	0	0	0	118650
Ward D	164030	202084	100514	157316
Ward E	0	0	0	0
Total				

(ii). Expenditure:**(Figures in Rupees in lakh)**

Particulars	2009-10	2010-11	2011-12	2012-13
Pay & allowances	0*	0*	0*	0*
Expenditure on contract engineers	0	0	0	7.2
Vehicle and other expenditure in respect of demolition drive	0	0	0	250.00
Expenditure on labour	11.53	15.88	25.06	45.00
Total	11.53	15.88	25.06	295.00

* Since there is no permanent dedicated staff in the department

Disclaimer Certificate

The Inspection Report has been prepared on the basis of the information furnished and the records made available by the Dy. Commissioner, Encroachment and Unauthorized Construction Removal Department, Vasai Virar City Municipal Corporation, Virar. The office of the Pr. Accountant General (Audit) I Maharashtra, Mumbai disclaims any responsibility for any non information and/or misinformation on the part of the auditee organization.

PART – I B**Paras outstanding from previous Inspection Reports:**

Nil (Being first audit)

Part I- C Persistent Irregularities:

Nil

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Part II -Current Audit:

Part II A -Major Irregularities:

Para 4: Outstanding recovery of Rs 3.20 crores in respect of demolition drive.

As per Section 57 of the MRTP Act 1966, any expenses incurred by the planning authority towards removal/stoppage of unauthorized development under Sections 53, 54, 55, 56 shall be a sum due to the Planning Authority under this Act from the person in default or the owner of the plot. The Corporation send notices to the owners of the unauthorized buildings to demolish the structures at their own cost. In case of failure, the Corporation demolishes the said structures and the total cost incurred in this process becomes recoverable from the owners of these properties. Following is the position of recovery of demolition charges:-:

(Amount in Rs.)

Name of the Ward	Year	No. of property demolished	Amount recoverable	Amount recovered	Outstanding amount
Ward "A" (Virar)	2009-10	0	0	0	0
	2010-11	62	2065406	0	2065406
	2011-12	63	2805681	0	2805681
	2012-13	43	2294880	0	2294880
Ward "B" (Pellar)	2009-10	0	0	0	0
	2010-11	0	0	0	0
	2011-12	0	977400	0	977400
	2012-13	0	1529000	0	1529000
Ward "C" (Nallasopara)	2009-10	0	0	0	0
	2010-11	0	366920	0	366920
	2011-12	0	1677550	0	1677550
	2012-13	0	956150	0	956150
Ward "D" (Navghar Manikpur)	2009-10	0	0	0	0
	2010-11	707	18594116	0	18594116
	2011-12				
	2012-13				
Ward "E" (Vasai)	2009-10	0	0	0	0
	2010-11	0	0	0	0
	2011-12	58	254400	0	254400
	2012-13	114	551200	0	551200
Total	--	1047	32072703	0	32072703

It can be seen from the above that no recovery was made from the owners of the demolished properties resulting into huge outstanding balance of Rs 3.20 crore.

On this being pointed out the department stated in reply that the recovery would be made as soon as possible.

Further progress in the matter may be stated to audit.

Part II B - Other Observations:

Para 5: Accumulation of court cases due to lack of Appeal Mechanism.

As per Section 53 (1) of MRTP Act 1966, where any development of land has been carried out against the provisions of Section 52 (1) of this Act, Planning Authority may, subject to the provisions of this Section, serve to the owner a notice requiring him, within such period being not less than one month as may be specified therein after the service of the notice, to take such steps as may be specified in the notice. Further, as per Section 56 (2) & (3), any person aggrieved by the notice regarding removal of unauthorized construction may, within period and in the manner prescribed, appeal to the State Govt. and on receipt of an appeal, the State Govt. or any other person appointed by it in this behalf may, after giving a reasonable opportunity of being heard to the appellant and the Planning Authority, dismiss the appeal or allow the appeal by quashing or varying the notice as it may think fit.

Scrutiny of records revealed that there are about 500 pending court cases related to encroachment and unauthorized constructions. Further, Assistant Municipal Commissioners of all the five wards have been appointed as designated officers for encroachment and unauthorized constructions vide Govt. of Maharashtra Gazette dated 30-08-2012. The Complaint Redressal Forum i.e. Appellate Mechanism vested in higher authority has not been set up in the Corporation. In the absence of this, court cases have been accumulated to large extent.

On this being pointed out, the department stated that the Complaint Redressal Forum i.e. Appellate Mechanism vested in higher authority will be set up in the Corporation soon.

Further progress in the matter may be stated to audit.

Para 6: Non-preparation of data base for encroachment and unauthorized constructions.

As per Section 22 of MRTP Act, development plan generally indicates the manner in which the development of land therein shall be carried out. It includes the proposals for allocating the use of land for purpose such as, residential, industrial, commercial, agricultural, recreational, open spaces, playgrounds, markets, roads, railways, water supply, other public utilities etc.

The development plan indicating the survey no. of lands reserved for various aforesaid purposes are forwarded to encroachment and unauthorized construction department.

While going through the relevant records, it was noticed that

i) Base data indicating encroachment noticed during any year was not prepared and against how many such structures were removed also not available. Department was not having any data base for how much area (hectares) is encroached upon which were reserved for various purposes. Further, status quo in respect of about 500 court cases have been granted by various courts. Whether any survey report in respect of these cases on the date of issue of order have been prepared and further action if order is violated in this regard has been taken.

ii) Data of Non-agricultural, No Objection Certificates and Completion Certificates issued during any year from planning department was not obtained for ascertaining unauthorized constructions.

iii) Data from Property Tax Department in relation to unauthorized construction is not obtained.

iv) Unauthorized construction from Water Tax Department is not obtained.

v) List of registered property during a year from sub-register/register of stamp duty and Registration, was not obtained for comparing it with the cases where completion certificate was issued by planning department for ascertaining authorised/ unauthorized construction.

vi) Before formation of Municipal Corporation CIDCO was the planning authority for this region, CIDCO had also issued eviction notices regarding encroachment and

unauthorized constructions. Final action against those cases were pending, however, data regarding these cases have not been consolidated yet.

vii) The action taken by the Corporation for structural audit regarding dilapidated constructions under the jurisdiction of VVCMC may be intimated to audit.

On this being pointed out, the department stated that:-

- 1) Base data indicating encroachment noticed will be prepared and maintained henceforth. Data base of unauthorised construction along with its area will be prepared soon.
- 2) Data of non-agricultural NOC and completion certificates issued from planning department will be obtained henceforth.
- 3) Data from property tax department in relation to unauthorised construction will be obtained henceforth.
- 4) Data from water tax department in relation to unauthorised construction will be obtained henceforth
- 5) A letter to sub-registrar of stamps will be given to obtain the records for comparing it with the cases where completion certificates are issued by planning department.
- 6) After obtaining data from CIDCO, final action would be taken in cases of pending issues of demolition of unauthorised constructions.
- 7) The portfolio of structural audit is not related to this department.

Further progress in the matter may be stated to audit. The action taken by other departments in respect of structural audit, if any, may be submitted to audit.

Para: 7 Procedure regarding demolition of unauthorized construction /encroachment.

VVCMC is engaged in the demolition of unauthorized construction/encroachment cropped up under its jurisdiction. For ascertaining unauthorized constructions on private land and encroachment on government lands, department considers commencement certificates and normal surveillance by the staff of different ward.

For, the purpose of survey, each wards (total 5 wards) is having following staff:

Sr. No.	Name of the designation	No. of Post	No. of post filled
1.	Assistant Municipal Commissioner	5	5
2.	Clerk	5	5
3.	Engineer (Contract)	5	5
4.	Peon (Contract)	5	5

The details regarding survey of encroachment and ward wise details of unauthorized constructions as on 31st April, 2013: were as under

Sr. No.	Name of the Ward	No. of encroachment	No. of properties demolished	Balance
1.	Virar	379	74	305
2.	Pellar	941	677	264
3.	Navghar Manikpur	850	707	143
4.	Nalla Sopara			
5.	Vasai			

In this regard following remarks are offered:

- i) On further scrutiny it was noticed that staffs engaged in the work of demolition doesn't have details of Hissa No. against each Survey No. and required equipment such as theodolite etc. In this regard it may be explained how encroachment or unauthorized construction is notified.
- ii) Register containing details such as date of issue of notice, details of encroachment, Date of survey, date of second survey, date of FIR, date of demolition etc were incomplete. In no case date of demolition was mentioned against the date of issue of notice.
- iii) Methodology and priority set by the VVCMC with respect to demolition may be explained.
- iv) Whether work of displaying sign boards indicating survey no., hissa no., and purpose for which land was reserved have been completed.

On this being pointed out, the department stated that:-

- 1) For identification of reservation land, private agency is appointed for demarcation of the land which includes surveyors. In future, surveyors will be appointed in each ward and equipments would be made available.
- 2) Registers with database will be kept complete henceforth.

- 3) As there is no dedicated staff available with municipal corporation and it will take much time to demolish all unauthorised constructions, the assistant commissioners are instructed to demolish unauthorised constructions in reservation land, dilapidated buildings on priority.
- 4) The work of displaying sign boards indicating survey no, hissa no and purpose for which the land are reserved will be completed soon.

Further progress in the matter may be stated to audit.

Para 8-Lack of staff and administrative setup for control and removal for unauthorized construction and encroachment

As per Government GR dated 2/3/2009, Municipal Corporations should adhere to the following guidelines for prevention of illegal construction/encroachments:

- 1) Creation of squads- Unauthorized illegal constructions/encroachments control squad at headquarter level and ward level should be created for identifying the unauthorized illegal constructions. The squad should be equipped with required staff and machinery like truck, dumper, JCB etc. In large scale removal of unauthorized constructions, Hqrs level squad has to assist ward level squad.
- 2) Setting up of urban police: - For prevention of illegal construction/encroachments, independent special police stations should be set up for removal of illegal constructions/encroachments. Entire recurring and non recurring expenditure should be borne by the MC. The proposal from concerned Municipal Corporation should be forwarded to the Home Department for establishment of sanctioned strength of police staff etc.
- 3) Beat Inspector and Beat Mukadam should be appointed ward wise and distribution of work should be delegated by concerned Assistant Commissioner/Ward officer. To perform their duties motor cycle, Digital Camera etc should be provided to the Beat inspectors. Beat wise register should be maintained and beat inspector is responsible for day to day work. The day to day report should be submitted to the Deputy Commissioner Headquarters (unauthorized construction department) who should review it and inform to the Commissioner.
- 4) Special court is to be created for fast hearing of the cases of crimes under BPMC Act and MRTP Act with the approval of law and judiciary Department with the permission of High Court. For the recurring and non recurring expenditure of the

court Corporation should deposit the funds to government account. MCs should make necessary budget provision in the budget.

- 5) There should be proper co-ordination between town planning department and the special squad.
- 6) Removal of the encroachment and unauthorized construction is the Personal responsibility of the concerned Assistant Commissioner/ward officers.

It was however, noticed that Vasai Virar Municipal Corporation has submitted a proposal to Urban development department on 2/12/2011 to establish an urban police station with 4 police posts, to sanction posts of 1 Sr Police Inspector, 10 Asst Police Inspector, 10 Amaldars and 50 Havaldars and Constables and to establish one court jointly with either Mira Bhayander Municipal Corporation or Thane Municipal Corporation. This proposal is still pending with Govt.

Further progress awaited.

Para 9- Disposal of complaints

Complaint register regarding encroachment / unauthorized construction has been maintained in all wards of Vasai Virar Municipal Corporation as well as at Headquarters level

In this regard, following observations are noticed:-

- 1) Details of disposal of complaints had not been entered in complaint register. The list of persistent complaints as on date was called for.

On this being pointed out the department stated in reply that all the Asst Commissioners have been instructed to complete the complaints register.

Further progress in the matter may be stated to audit.

Para 10- Imposition of penalties and fines

As per section 230 of BPMC Act,

- (1) No person shall except with the written permission of the Commissioner
 - a. Place or deposit upon any street, channel, drain or well in any street or in any public place any stall, chair, bench, box, ladder, bale or other thing

whatever may be so as to form an obstruction thereto or encroachment thereon.

- b. Project at a height of less than twelve feet from the surface of the street , any board or chair , beyond the line of the plinth of any building over any street, or over any open channel , drain, well or tank in any street.
 - c. Attach to or suspend from, any wall or portion of a building abutting on a street, at a lower height than aforesaid anything whatever.
- (2) Nothing in clause (a) of sub-section (1) applies to building material

Further section 392 read with appendix II of the said act prescribes the amount of fine which can be levied for violation of section 230(1). The amount of fine prescribed can extend up to Rs 100. Further if the violation continues, daily fines extending up to Rs 10 can be levied.

It was however, noticed during scrutiny of register of recovery from hawkers that amounts of Rs 50, 100, 200,300, 400, 500 have been taken as fine from hawkers. Further amounts of Rs 50 have been taken as administrative charges.

In this regard following information was called for in audit.

- 1) Order of Vasai Virar Municipal Corporation (VVMC) prescribing the fine for offences under section 230(1) of BPMC Act .
- 2) Orders of erstwhile four municipal councils now comprising the VVMC prescribing the fine for offences under section 230(1) of BPMC Act

On this being pointed out the department stated in reply that the procedure for approval of rates of penalties and fines would be completed soon.

Further progress in the matter may be stated to audit.

Para 11 -Non maintenance of dead stock register

It was noticed that stores department of Vasai Virar City Municipal Corporation had issued equipments to various wards. However, the dead stock register in the various wards was not maintained.

The department stated in reply that the dead stock register would be maintained.

Further progress in the matter may be stated to audit.

PART III

Test Audit Note

NIL

Audit Officer SS I

BY SPEED POST

To,
The Sr. Audit Officer,
SS-I Section,
O/o Pr. Accountant General (Audit)-I
Pratishtha Bhavan (Old C G O BUILDING),
101, M.K.ROAD,
Mumbai-400020.

From,
Assistant Audit Officer
LAP/IV, Account Department
Vasai Virar City Municipal Corporation,
Virar.

Part-I

1. Forwarding letter of Inspection Report/ANB etc.
2. Assurance Memo
3. Appraisal Note
4. Title sheet along with duty list
5. Any other note
6. Questionnaire along with relevant annexure/statements
7. Verification note along with supporting documents duly cross referenced
8. Minutes of Entry Conference
9. Code of ethics

By Speed Post

Camp : VVCMC

LAP- IV

Date :

NO.LB/LAPIV/VVCMC/

To,

The Sr. Audit Officer,

SS-I Section,

Pr. Accountant General (Audit)-I, Maharashtra

Pratishtha Bhavan (Old C G O Building),

101, M.K.ROAD,

Mumbai-400 020.

Subject: Inspection Report on accounts of Chief Accounts Officer, Accounts Department, Vasai Virar City Municipal Corporation, Virar.

Sir,

I am to submit herewith the following documents in connection with the above-mentioned subject.

- | | |
|-----------------|--|
| Part I | 1) Title Sheet/Appraisal Note/Assurance Memo |
| | 2) Questionnaire |
| | 3) Verification Note of outstanding Paras of previous IRs/TAN |
| Part II | 4) Draft Inspection Report |
| | 5) Current Audit Inspection Report with CD/E-mail |
| Part III | 6) List of H.Ms and Memos duly replied |
| | 7) Previous I.R. No. 764- Volume-I & II. |

Yours faithfully,

AAO/LAP IV

Encl: As above

Assurance Memo

During the 1st quarter of 2013-14 the audit on the account of Chief Accounts Officer, Accounts Department, Vasai Virar City Municipal Corporation, Virar for the period 2011-12 and 2012-13 was conducted locally by LAP IV from 15-05-2013 to 21-05-2013.

1. The audit was undertaken as per approved programme.
2. All observations pointing out lapses in the implementation of system and procedure and all weakness in the responsibility contents have been discussed with the head of the department and assurances obtained in regard to corrective measures for arresting potential risks.
3. All contested evidences have been conclusively handled with reference to facts at the disposal of audit.
4. In respect of reviews of schemes, samples have been selected based on risk analysis of risk perception and that the evidence of such exercise is available on record.

Assistant Audit Officer/LAP IV

Appraisal Note

During the 1st quarter of 2013-14 the audit on the account of Chief Accounts Officer, Accounts Department, Vasai Virar City Municipal Corporation, Virar for the period 2011-12 and 2012-13 was conducted locally by LAP IV from 15-05-2013 to 21-05-2013.

As per Manual of Instructions of Comptroller & Auditor General of India the routine checks were exercised and following paras were included in Inspection Report.

Assistant Audit Officer/LAP IV

RANKING OF PARAS

LAP No.-II

Name of the Department:- Chief Accounts Officer, Accounts Department,
VVCMC, Virar.

Date of Audit: 15-05-2013 to 21-05-2013

Period of Audit: 2011-12 & 2012-13

Sr. No.	Para No.	contributor	Subject	Category	By HQ	
					Points earned on each para	Remarks
1	5					
2	6					
3	7					
4	8					
5	9					
6	10					
7	11					

Assistant Audit Officer/LAP IV

Duty List

**Chief Accounts Officer, Accounts Department,
VVCMC, Virar.**

Shri Kamlesh Kumar, AAO	Scrutiny of different funds maintained , scrutiny of receipt and expenditure under different budget heads, staff position
Shri S. K. Jha, AAO	Scrutiny of advances and deposits, implementation of double entry system
Smt. Seetha Pankajakshan, Sr. Auditor	Scrutiny of cash book and vouchers of March 2012 and March 2013. Scrutiny of reconciliation statements. Scrutiny of GPF ledgers and broadsheets.

Part-II

**DRAFT INSPECTION REPORT ON THE ACCOUNT OF
CHIEF ACCOUNTS OFFICER, ACCOUNTS DEPARTMENT,
VASAI VIRAR CITY MUNICIPAL CORPORATION
FOR THE
YEAR 2011-12 & 2012-13**

(DRAFT) Inspection Report on the account of Chief Accounts Officer, Accounts Department, Vasai Virar City Municipal Corporation, Virar for the period 2011-12 & 2012-13:

Part I A Introductory

a) A test audit of the records of Chief Accounts Officer, Accounts Department, Vasai Virar City Municipal Corporation, Virar for the period 2011-12 and 2012-13 was conducted locally from 15-05-2013 to 21-05-2013 by the audit team comprising Shri Kamlesh Kumar, Assistant Audit Officer, Shri Shambhu Kumar Jha, Assistant Audit Officer and Smt. Seetha Pankajakshan, Sr. Auditor.

b) **Shri P P Ratnakar** held the charge of City Engineer during the period covered by audit.

c) Grant and Expenditure:

(Rs. in lakh)

Particulars	2011-12				
	O.B.	Grant received	Interest received and contribution of the M.C.	Total	Expenditure
Road Grant	13.95	299.89	0.30	314.14	281.96
Dalit Vasti	242.99	0.00	15.41	258.4	45.07
11 th Finance Commission	46.53	0.00	4.17	50.7	0.00
12 th Finance Commission	1.27	0.00	0.00	1.27	0.00
12 th Finance Commission (Other Works)	134.67	0.00	8.36	143.03	34.55
13 th Finance Commission (Other Works)	289.85	1570.88	8.44	1869.17	0.00
Suvarna Jayanti city employment scheme	182.84	6.84	8.44	198.12	21.65
MP /MLA Fund	186.13	161.25	17.53	364.91	34.86
Nirmal Abhiyan(MMR)	49.26	21.19	6.82	77.27	33.42
CIDCO	3.98	0.00	0.16	4.14	0.00
Special works Fund	427.99	0.00	34.08	462.07	240.19
Satellite City Grant	0.00	713.85	201.46	915.31	719.92
Total	1579.46	2773.9	305.17	4658.53	1411.62

(Rs. in lakh)

Particulars	2012-13				
	O.B.	Grant received	Interest received and contribution of the M.C.	Total	Expenditure
Road Grant	32.18	59.85	0.00	92.03	92.03
Dalit Vasti	213.33	100.00	8.40	321.73	19.87
11 th Finance Commission	50.70	0.00	2.22	52.92	0.00
12 th Finance Commission	1.27	0.00	2.91	4.18	0.00
12 th Finance Commission(Other Works)	108.47	0.00	5.32	113.79	66.55
13 th Finance Commission (Other Works)	1931.06	268.20	133.75	2333.01	2236.82
Suvarna Jayanti city employment scheme	176.47	97.56	10.44	284.47	52.83
MP /MLA Fund	330.06	197.67	66.55	594.28	
Nirmal Abhiyan(MMR)					
CIDCO					
Special works Fund					
Any other scheme					
Total					

d) Audit/Inspection:

(i) Post audit of transaction is regularly conducted by Municipal Chief Auditor.

(ii) The MCA audited the records for the year 2010-11 and 12 paras were pending till date of audit. No audit conducted by Local Fund during the period covered by Audit.

e) Cash books

- f) **Total no. of court cases-**
- g) **No. of misappropriation/embezzlement cases occurred during 2011-12 and 2012-13 was**

Disclaimer Certificate

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PART – I B

Paras outstanding from previous Inspection Reports:

Inspection report for the period 2009-10 to 2010-11:

Para 5:

Part I- C Persistent Irregularities

Nil

Part II -Current Audit:

Part II A -Major Irregularities:

Nil

Part II B - Other Observations:

Part III: Test Audit Note

NIL

Exit Conference:-

The Exit Conference held on 21-05-2013 and the Draft Inspection Report was shown and discussed with the Chief Accounts Officer, Accounts Department, VVCMC on same day. The Chief Accounts Officer was informed that the replies to HM furnished by department were incorporated in the IR. All relevant documents/papers received for audit was handed over to the staff members of department.

Assistant Audit Officer/LAP IV

**The Chief Accounts Officer,
Accounts Department, VVCMC,
Vasai Virar City Municipal Corporation,
Virar may please see and discuss the report.**

Assistant Audit Officer/LAP IV

Part-III

1. Office copy of TAN
2. List of HMs along with HMs duly signed & marked (to be kept serially)
3. List of drawls & remittance duly verified with treasury records.
4. Relevant working papers

Entry Conference:

The audit of Town Planning Department was started from 15-05-2013 and entry conference was held on the same day. The Chief Accounts Officer, Accounts Department, VVCMC was informed about audit methodology which would have to be adopted while conducting audit. The LAP also requested Chief Accounts Officer to make available the reply of outstanding paras so that necessary action could be taken. The City Engineer assured that replies to the old paras would be furnished. He instructed his subordinates to make available all the records as requisitioned by LAP during audit.

Assistant Audit Officer/LAP-IV

City Engineer/VVCMC

Inspection Report on the account of Dy. Director, Town Planning Department, Vasai Virar City Municipal Corporation, Virar for the period 2011-12 to 2012-13

.03

Part I A Introductory

a) A test audit of the records of Dy. Director, Town Planning Department, Vasai Virar City Municipal Corporation, Virar for the period 2011-12 to 2012-13 was conducted locally from 02-04-2013 to 08-04-2013 by the audit team comprising Shri Shambhu Kumar Jha, Assistant Audit Officer, Shri V. V. Gadkari, Sr. Auditor and Smt. Seetha Pankajakshan, Sr. Auditor under the supervision of Shri S.N. Meena, Inspecting officer.

b) Shri Y. S. Reddy held the charge of Dy. Director, Town Planning during the period covered by audit.

c) The details of revenue received during period covered by audit:

Particulars	2011-12	2012-13
Scrutiny Fee (Zone Certificate fee included)	21259695	26762996
Development Charges	449910126	486030527
Premium	65580721	126406859
Architecture License Fees	75000	100000
Security Deposit	17995028	42008220
Fire Cess	142997674	167263481
Revalidation Charges	1488000	1000000
Misc. Charges	3398608	1417645
RTI	319910	155752
Interest	7908251	17043030
UO charges	--	381365
True Copy	--	137200
NOC	--	76000

d) No separate cash book is being maintained by the Town Planning Department, it is maintained by Accounts Department.

e) Audit/Inspection:

No audit has been conducted during the period covered by audit.

f) There were 21 Court cases pending as on 31-03-2013.

g) No. of misappropriation/embezzlement cases occurred during 2009-10 to 2011-12 was NIL.

Disclaimer Certificate

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PART – I B

Paras outstanding from previous Inspection Reports:

Inspection report for the period 2009-10 to 2010-11:

Nil

Part I- C Persistent Irregularities

Nil

Part IV -Current Audit:

Part IV A -Major Irregularities

Nil

Part II B - Other Observations:

Para 5: Non- recovery of Building and Other Construction Labour Welfare Cess.

Government of Maharashtra (Deptt of Industry, Energy and Labour) vide G R No. BCA 2009/Pra. Kra. 108/ Labour 7-A dated 17-06-2010 decided to recover, with effect from 1.7.2010, Building and other construction labour welfare cess @ 1% of the construction value of such building/Construction (excluding cost of land) based on the construction rates as per ready reckoner prepared by the Inspector General of Stamps and Registration. For the purpose, it was made mandatory for the competent authorities empowered to grant such permission for construction to recover such cess and deposit it in the designated account of the Building and Other Construction Labour Welfare Board. Further, the time and manner for collection of this cess has been prescribed in sub-rule (4) of rule 4, vide GR No BCA 2007/Pra.Kra.788/Labour-7 dated 21-04-2008.

For the jurisdiction of the Vasai-Virar City Municipal Corporation (VCCMC), the construction rate of RCC structure, as per ready reckoner was as under:

Year	Rate for RCC (Rs)
-------------	--------------------------

2011	10,000
2012	12000

During test check of various Building Permission Files/registers of Town Planning Department (TPD), it was seen that the department did not recover Labour Welfare Cess, as mentioned above, at the prescribed rate during the period from 1.7.2010 to 31.03.2013 and even after this date in some cases, from the persons to whom such permission was granted by the TPD, VVCMC.

Thus, due to non-compliance of the time and manner of collection of cess as per Government GRs/Circulars, an amount of Rs 3.29 crores towards labour welfare cess could not be recovered. This should be recovered along with interest @2% per month as stated in Annexure A which are illustrative and not exhaustive. As the list has been prepared on the basis of building permission registers hence, the respective files containing permission order in respect of cases shown in 'annexure' may be produced to audit for further reference.

There are total 144 cases in the year 2011-12 and 155 cases in the year 2012-13. It is pertinent to mention here that the cases mentioned in the 'annexure' are illustrative one and not exhaustive. Department should, therefore, review all such cases and recover the same under intimation to audit.

On this being pointed out in audit the department stated that outstanding labour welfare cess would be recovered before next stage of permission.

Further progress is awaited.

Para 6: Under achievement of acquisition for reserved sites.

As per provision of section 127 of the Maharashtra Regional Town Planning Act, 1966, if any land reserved, allotted or designated for any purpose specified in any plan under this act, is not acquired by agreement within ten year from the date on which a final regional plan or final development plan comes into force & if proceedings for the acquisition of such land under this Act or under the Land Acquisition Act, 1894, are not commenced within such period, the owner or any person interested in the land may serve notice on the Planning Authority, Development Authority or as the case may be, Appropriate Authority to that effect; and if within six months from the date of the service of such notice, the land is not acquired or no steps as aforesaid are commenced for its acquisition, the reservation, allotment or designation shall be deemed to have lapsed, and thereupon the land shall be deemed to be released from such reservation, allotment or designation and shall become available to the owner for the purpose of development as otherwise, permissible in the case of adjacent land under the relevant plan.

Scrutiny of records revealed that the CIDCO has transferred the responsibility of town planning of the Vasai Virar area to the Vasai Virar City Municipal Corporation in July 2010 and accordingly Town Planning Department of the corporation was formed in the month of July 2010. Out of total area of reservation under various implementing agencies admeasuring of 11246008 Sq. M. only 606571.54 Sq. M. i.e. 5.39% of total reservations has been acquired so far which indicates lackadaisical approach of the Corporation towards implementation of development plan in the City. Due to non- acquisition, chances of lapse of reservation may not be ruled out as stipulated period of ten years from the date of commencement of development plan prepared by CIDCO in 2001 (which is applicable to the Corporation) has already been lapsed.

On this being pointed out in audit the department stated that legal repercussions would be studied and action would be taken accordingly.

Further action is awaited.

Para7: Delay in implementation of UIDSST.

Central Government has declared 8 cities in proximity to seven mega cities in the country as “Satellite Cities” and introduced a new scheme for development of infrastructure in these cities in October 2009 named Urban Infrastructure Development Scheme for Satellite Towns (UIDSST) under JNNURM. The Vasai Virar City Municipal Corporation (VVCMC) has been selected as one of the satellite cities along with eight major cities in India. DPRs for the three works such as Solid Waste Management System (Rs.31.72 Crores), Underground Sewerage System (Rs.557.68 Crores) and Water Supply System (Rs.957.99 Crores) were sent to the Central Government under recommendation of State Govt. and were sanctioned by the Govt. of India. MMRDA had been appointed as nodal agency for this project and Town Planning Department, VVCMC had been appointed as Co-ordinator of this scheme.

Scrutiny of records pertaining to UIDSST revealed that VVCMC received the grant of Rs.7.13 Crore and Rs.14.90 Crore for Solid Waste Management System and STP-2 under Underground Sewerage System respectively. The full amount of the grant received under “Solid Waste Management System” had been utilized for the purpose of purchase of transportation equipments and vehicles for VVCMC whereas no progress had been noticed regarding utilization of grant received under “Underground Sewerage System”. Further scrutiny of records revealed slow progress of various works under UIDSST as per Quarterly Progress Report of UIDSST for the quarter ending December 2012 as shown below:

Sr. No.	Description of work	Stipulated date of completion	Upto date position of wok
---------	---------------------	-------------------------------	---------------------------

		as per DPR	
1.	Solid Waste Management System	December 2011	Expected date of completion May 2013
2.	Energy Audit	December 2012	Expected date of completion May 2013
3.	Water Audit	December 2012	Matter submitted to MJP for further guidelines
4.	Adoption of double entry accounting system	December 2012	Progress awaited
5.	Introduction of E-Governance using IT application, GIS and MIS	December 2012	Progress awaited
6.	Levy of user charges	December 2012	Progress awaited

Due to delay in progress of various works under this scheme may lead to non-receipt of further grant receivable from Govt. of India besides deprival of benefits to intended beneficiaries.

On this being pointed out in audit the department stated that due to various reasons viz. non-appointment of nodal agency etc., UIDSST could not be implemented in full swing. However, the department assured to complete delayed works at earliest.

Further progress may be intimated to audit.

Para 8: Improper implementation of development plan due to exclusion of 21 villages.

As per Section 3 of the Bombay Provincial Municipal Corporation Act 1949, Vasai Virar City Municipal Corporation was established on 03.07.2009. Further, as per Govt. of Maharashtra's Notification No. TPS-1209/2429/CR-262/2010/UD-12 dated 7th July 2010; Govt. of Maharashtra withdrew CIDCO as Special Planning Authority from the area under jurisdiction of VVCMC and handed over the responsibility of town planning to VVCMC.

Scrutiny of records revealed that VVCMC had been appointed as development authority in respect of erstwhile 4 Municipal Councils like Vasai Municipal Council, Nala Sopara Municipal Council and Virar Municipal Council along with 53 villages. However, CIDCO did not transfer the right of development for the remaining 21 villages to VVCMC so far. The development plan prepared by the CIDCO includes these 21 villages along with all areas mentioned above. Further, these 21 villages are mixed with the area under jurisdiction of VVCMC. The development plan for 21 villages and other areas cited above are same

whereas development authorities are different. Hence, it is obvious from the above fact that the development plan of Vasai-Virar Sub-Region for the year 2001-2021 had been prepared taking into consideration the area including above 21 villages but these two strata are governed under different development agencies.

Due to interference of different development agencies for implementation of uniform development plan for the mixed area and population may create hindrance towards proper development of the node.

On this being pointed out in audit the department stated that the matter would be forwarded to Govt. of Maharashtra and action would be taken accordingly.

Further progress in this regard may be intimated to audit.

Para 9: Short recovery of Fire Cess-Rs.4.24 lakh.

As per General Body Resolution No. 6 dated 15 February 2011, Fire Cess may be recovered @ Rs.30/- per sq. m. subject to maximum of Rs.1,20,000/- for the building having height of 20-25 meters.

Scrutiny of building permission files no. VP-0193 & VP-0359 for the construction of residential complex developed by M/s. Anil R. Gupta for which Commencement Certificate issued on 5th May 2012 revealed that fire cess had been recovered at old rate of Rs.10/- per sq.m. instead of new rate as detailed below:

Fire Cess recovered @Rs.10/- per sq.m.	To be recovered	Short recovery
Rs.136000/- (13562.02 sq.m. x 10 = Rs.135620.20 say Rs.136000/-)	Rs.5,60,000/- (Rs.120000/- x 4 wings = Rs.480000/- + Rs.80000/- for commercial establishment in ground floor.	Rs.4,24,000/-

Due to improper calculation of fire cess the Corporation had sustained the loss of Rs.4,24,000/-.

On this being pointed out in audit the department stated that the fire cess would be recovered on next stage of permission.

Further progress may be intimated to audit.

Part III: Test Audit Note

NIL

Sr.Audit Officer/SSI.

Part-IV

1. Office copy of TAN
2. List of HMs along with HMs duly signed & marked (to be kept serially)
3. List of drawls & remittance duly verified with treasury records.
4. Relevant working papers

Entry Conference:

The audit of Town Planning Department was started from 02-04-2013 and entry conference was held on the same day. The Dy. Director, Town Planning Department, VVCMC was informed about audit methodology which would have to be adopted while conducting audit. The LAP also requested Dy. Director to make available the reply of outstanding paras so that necessary action could be taken. The Dy. Director assured that replies to the old paras would be furnished. He instructed his subordinates to make available all the records as requisitioned by LAP during audit.

Inspection Officer/LAP-IV

Dy. Director/Town Planning Deptt.

BY SPEED POST

**To,
The Sr. Audit Officer,
SS-I Section,
O/o Pr. Accountant General (Audit)-I
Pratishtha Bhavan (Old C G O BUILDING),
101, M.K.ROAD,
Mumbai-400020.**

**From,
Assistant Audit Officer
LAP/IV, Account Department
Vasai Virar City Municipal Corporation,
Virar.**

Part-I

1. Forwarding letter of Inspection Report/ANB etc.
2. Assurance Memo
3. Appraisal Note
4. Title sheet along with duty list
5. Any other note
6. Questionnaire along with relevant annexure/statements
7. Verification note along with supporting documents duly cross referenced
8. Minutes of Entry Conference
9. Code of ethics

By Speed Post

Camp : VVCMC

LAP- IV

Date :

NO.LB/LAPII/VVCMC/

To,

The Sr. Audit Officer,

SS-I Section,

Pr. Accountant General (Audit)-I, Maharashtra

Pratishtha Bhavan (Old C G O Building),

101, M.K.ROAD,

Mumbai-400 020.

**Subject: Inspection Report on accounts of City Engineer, Water Supply Department,
Vasai Virar City Municipal Corporation, Virar.**

Sir,

I am to submit herewith the following documents in connection with the above-mentioned subject.

- | | |
|-----------------|--|
| Part I | 1) Title Sheet/Appraisal Note/Assurance Memo |
| | 2) Questionnaire |
| | 3) Verification Note of outstanding Paras of previous IRs/TAN |
| Part II | 4) Draft Inspection Report |
| | 5) Current Audit Inspection Report with CD/E-mail |
| Part III | 6) List of H.Ms and Memos duly replied |
| | 7) Previous I.R. File not received. |

Yours faithfully,

AAO/LAP IV

Encl: As above

Assurance Memo

During the 1st quarter of 2013-14 the audit on the account of City Engineer, Water Supply Department, Vasai Virar City Municipal Corporation, Virar for the period 2011-12 and 2012-13 was conducted locally by LAP IV from 18-04-2013 to 26-04-2013.

The audit was undertaken as per approved programme.

2. All observations pointing out lapses in the implementation of system and procedure and all weakness in the responsibility contents have been discussed with the head of the department and assurances obtained in regard to corrective measures for arresting potential risks.

3. All contested evidences have been conclusively handled with reference to facts at the disposal of audit.

4. In respect of reviews of schemes, samples have been selected based on risk analysis of risk perception and that the evidence of such exercise is available on record.

Inspecting officer/LAP IV

Appraisal Note

During the 1st quarter of 2013-14 the audit on the account of City Engineer, Water Supply Department, Vasai Virar City Municipal Corporation, Virar for the period 2011-12 and 2012-13 was conducted locally by LAP IV from 18-04-2013 to 26-04-2013.

As per Manual of Instructions of Comptroller & Auditor General of India the routine checks were exercised and following paras were included in Inspection Report.

Para 5: Faulty estimation.

Para 6: Blockage of fund under Dalit Vasti Sudharana Yojana-58.22 lakh.

Para 7: Outstanding recovery of water charges-Rs.4.09 Crore.

Para 8: Non-availing of rebate on Water Cess amounting Rs.1.27 lakh.

Para 9:-Improper fund management in respect of water supply.

A) Expenditure less than the available funds

B) Loss in running of water supply schemes.

Para 10:- Avoidable payment of Electricity duty-Rs. 3.47 Crore.

Inspecting Officer/LAP IV

RANKING OF PARAS

LAP No.-II

Name of the Department:- City Engineer, Water Supply Department
VVCMC, Virar.

Date of Audit: 18-04-2013 to 26-04-2013

Period of Audit: 2011-12 & 2012-13

Sr. No.	Para No.	contributor	Subject	Category	By HQ		
					Points earned on each para	Remarks	
1	5	IO	Faulty estimation.	F10	5		
2	6	SKJ	Blockage of fund under Dalit Vasti Sudharana Yojana-58.22 lakh.	D5	7		
3	7	SKJ	Outstanding recovery of water charges-Rs.4.09 Crore.	E6	6		
4	8	SKJ	Non-availing of rebate on Water Cess amounting Rs.1.27 lakh.	F10	5		
5	9	KK	Improper fund management in respect of water supply. A) Expenditure less than the available funds B) Loss in running of water supply schemes.	F10	5		
6	10	VVG	Avoidable payment of Electricity Duty-Rs. 3.47 Crore.	F10	5		
Total						33/6=5.5	

Inspecting Officer/LAP IV

Duty List

**City Engineer, Water Supply Department,
VVCMC, Virar.**

Shri Kamlesh Kumar, AAO	Scrutiny of revenue and expenditure of the Water Supply Department, various work files, stock register, preparation of IR and any other works assigned by IO.
Shri S. K. Jha, AAO	Scrutiny of revenue and expenditure of the Water Supply Department, records related to water cess payable to MPCB and rebate admissible thereon etc, various work files, typing and preparation of IR and any other works assigned by IO.
Shri V. V. Gadkari, Sr. Auditor	Scrutiny of electricity bills, receipt day books, challans and any other works assigned by IO.
Smt. Seetha Pankajakshan, Sr. Auditor	Scrutiny of electricity bills, receipt day books, challans and any other works assigned by IO.

Inspecting Officer/LAP IV

Part-II

**INSPECTION REPORT ON THE ACCOUNT OF CITY
ENGINEER, WATER SUPPLY DEPARTMENT, VASAI
VIRAR CITY MUNICIPAL CORPORATION
FOR THE
YEAR 2011-12 & 2012-13**

Inspection Report on the account of City Engineer, Water Supply Department, Vasai Virar City Municipal Corporation, Virar for the period 2011-12 & 2012-13:

Part I A Introductory

a) A test audit of the records of City Engineer, Water Supply Department, Vasai Virar City Municipal Corporation, Virar for the period 2011-12 and 2012-13 was conducted locally from 18-04-2013 to 26-04-2013 by the audit team comprising Shri Kamlesh Kumar, Assistant Audit Officer (from 23-04-2013 to 26-04-2013), Shri Shambhu Kumar Jha, Assistant Audit Officer, Shri V. V. Gadkari, Sr. Auditor and Smt. Seetha Pankajakshan, Sr. Auditor under the supervision of Shri Neeraj Kumar Sinha, Inspecting officer.

b) **Shri B. M. Machewad** held the charge of City Engineer during the period covered by audit.

c) Grant and Expenditure:

(i). Revenue/grant:

(Figures in Rupees)

Particulars	2011-12	2012-13
Water Charges (collected by Water Supply Department)	3352.98	3444.99
Water Charges (collected by Property Tax department)	--	--
Water Benefit Tax	--	--
New connection fee	6.61	18.50
Any other	1.22	2.29
Total	3360.81	3465.78

(ii). Expenditure:

(Figures in Rupees)

Particulars	2011-12
Pay & allowances	109.65
Maintenance & Repairs to Pipe Line	264.84
Payment of Electricity bills to MSEDCL	1254.47
Adhoc Establishment(Daily Wages)	8.89
Purchase of Chemicals(Alum, Chlorin, TCL Powder)	10.51
Fee of water pollution control Board	0.65
Waghur Water Supply Scheme	0
Any other	0
Total	1649.01

Note: Expenditure figure for the year 2012-13 was not prepared till date of audit.

d) Audit/Inspection:

(i) Post audit of transaction is regularly conducted by Municipal Chief Auditor.

(ii) No audit conducted by Local Fund during the period covered by Audit.

- e) No separate cash book is being maintained by the Water Supply Department, it is maintained by Accounts Department.
- f) Total no. of court cases- Nil
- g) No. of misappropriation/embezzlement cases occurred during 2011-12 and 2012-13 was NIL.

Disclaimer Certificate

The Inspection Report has been prepared on the basis of the information furnished and the records made available by the City Engineer, Water Supply Department, Vasai Virar City Municipal Corporation, Virar. The office of the Pr. Accountant General (Audit)-I Maharashtra, Mumbai disclaims any responsibility for any non information and/or misinformation on the part of the auditee organization.

PART – I B

Paras outstanding from previous Inspection Reports:

Inspection report for the period 2009-10 to 2010-11:

Para 4: Loss of revenue due to application of different rates for water supply to consumers Rs. 289.72 Lakh.

Full and final compliance may be furnished to audit

Para 7: Incomplete work resulting in blocking up of funds Rs. 197.13 lakh.

Full and final compliance may be furnished to audit.

Para 8: Avoidable Expenditure on payment of power factor penalty Rs.2.90 lakh.

Full and final compliance may be furnished to audit.

Para 11: Short Payment of Stamp Duty.

Full and final compliance may be furnished to audit.

Para 12: Non-Recovery of Insurance Charges.

Recovery of insurance charges is in progress. Full and final compliance may be furnished to audit.

Part I- C Persistent Irregularities

Nil

Part II -Current Audit:

Part II A -Major Irregularities:

Nil

Part II B - Other Observations:

Para 5: Blockage of fund under Dalit Vasti Sudharana Yojana-58.22 lakh.

Under Dalit Vasti Scheme, there was a work for construction of elevated service reservoir (ESR) having capacity of 7.5 million litre in Deen Dayal Nagar.

Initially the estimated cost of the work was Rs. 51,68,292/- which was revised to Rs.82,86,783/- as per DSR of Maharashtra Jeevan Pradhikaran (MJP).Revised estimate (2006-07) was approved in the special meeting on 30th June 2007. Collector, Thane had also issued sanction letter for the same amount. Various public representatives had suggested for lowering and laying of distribution pipes as under:

Sr. No.	Place	Diameter of Pipe line
1.	Manikpur Naka to Union Bank	200 MM
2.	Joshi Hospital to Bhawika	100 MM
3.	New Deewan Colony	6 MM

The work order was issued to M/s. Surendra Engineering Company Ltd. on 20th February 2008. Details of which is as under:

Name of the Contractor	M/s. Surendra Engineering Ltd.
Estimated cost of the work	Rs.82,86,783/-
Date of work order	8396/2007-08 dated 20-02-2008
Period of completion	15 months (including monsoon) i.e. 19-05-09
Cost put to the tender	8.75% above

Details of payment to the contractor up to 10-12-2012 are as under:

Sr. No.	RA Bill	Amount
1.	1st	23,63,62/-
2.	2 nd	28,83,986/-
3.	3 rd	11,45,737/-
4.	4 th	15,56,134/-
Total		58,22,219/-

In view of above following remarks were offered for compliance:

- i). No. of beneficiary under this work
- ii). Reasons for non completion of work after a lapse of 4 years from the actual date of completion.
- iii). What action had been taken for the completion of work.
- iv). what is the current status of work.

On this being pointed out in audit the department stated that due to some difficulties on site, the above work for providing water supply to approximately 1400 persons was delayed, however, for delay in completion of work fine amounting Rs. 1000 per day had been approved and leviable .At present, the works is almost finished and will be operational within 15 days.

The work was due to be finished by 30 June 2010. which is yet to be furnished upto 1st May 2013 there has been a delay of 1035 days. So penalty of 10, 35,000 is leviable.

Further progress is awaited.

Para 6: Outstanding recovery of water charges-Rs.4.09 Crore.

As per section 134 of the BPMC Act 1949, the Vasai Virar City Municipal Corporation is empowered to levy and recover water charges from the consumer for the water facility provided to them.

During the scrutiny of records pertaining to Water Supply Department, VVCMC, it was seen that during the year 2012-13 there was outstanding recovery of water charges amounting Rs.40906892/-/- regarding four zones as detailed below:

Name of the Ward	Arrears + Current Demand			Recovery			Outstanding		
	Previous	Current	Total	Previous	Current	Total	Previous	Current	Total
Navghar									
Manikpur	5584217	65942040	71526257	3466950	63234957	66701907	2117267	2707083	4824350
Nalasopara	30050559	131795880	161846439	23631129	120548090	144179219	6419430	11247790	17667220
Virar	9650981	125021020	134672001	6238287	112348502	118586789	3412694	12672518	16085212
Vasai	3255985	14105300	17361285	1678250	7779080	15031175	1577735	6326220	2330110
Total	48541742	336864240	385405982	35014616	303910629	344499090	13527126	32953611	40906892

The non recovery of taxes in full affected the revenue receipts of the Corporation to the tune of Rs.4.09 Crore till 31st March 2013.

Further progress in the matter is awaited.

Para 7: Non-availing of rebate on Water Cess amounting Rs.1.27 lakh.

(i) As per the provisions contained in Sub-section (1) of Section (5) of the Water (Prevention and Control of Pollution) Cess Act 1977 (36 of 1977) read with the sub-rule (1) of Rule 4 of the Water (Prevention and Control of Pollution) Cess Rules, 1978 the Urban Local Bodies are required to pay the water cess towards water lifted from rivers for their water supply schemes to Maharashtra Pollution Control Board (MPCB) on periodical basis.

As per Section 7 of the said Act, where any person or local authority, liable to pay the cess under this act, installs any plant for the treatment of sewage or trade effluents, such person or local authority shall be entitled to a rebate of 25% of the cess payable by such person or local authority, provided that the person/local authority is not contravening section prescribed 25 of the Water Act 1974 and effluent standards prescribed under EPS, 1986 and is not consuming water in excess of the maximum quantity as may be prescribed by the government for any specified industry or local authority. Due to non-compliance of the aforesaid provisions, VVCMC could not get rebate on water cess paid to MPCB.

Scrutiny of records revealed that VVCMC had been paying Water Cess to MPCB for long time as detailed below:

Period	Water Cess (Rs.)
2009-10	22000
2010-11	421000
2011-12	65000
Total	5,08,000/-

Above table is illustrative and not the exhaustive. Due to non compliance of the guidelines of MPCB, Vasai Virar City Municipal Corporation sustained the loss of Rs.1, 27,000/- (25% of Rs.5, 08,000/-) till date. However, the water cess paid to MPCB during 2012-13 was not furnished by the department.

On this being pointed out in audit the department stated that the tender for construction of STP had already been floated under “Satellite City” scheme and after completion of the STP, claim for 25% rebate in Water Cess payable to MPCB would be made. Further, regarding payment of interest arrears, department replied that the aforesaid amount is of regular demand bill and not the interest arrears.

The conclusive progress regarding rebate on water cess may be forwarded to audit.

Para 8:- Improper fund management in respect of water supply.

Loss in running of water supply schemes.

As per Circular No – GN /102000/148/CR-9/01/UD/24 of Government of Maharashtra in Urban Development Department dated 28/2/2001; the water supply schemes should be run on no profit - no loss basis.

During scrutiny of report on services provided in subsidised manner prepared as per section 95A of BPMC Act and presented with budget estimates, there was loss in running of water supply schemes as shown below:-

Year	Revenue	Expenditure	Loss
2009-10	2671.23	2867.95	196.22
2010-11	3374.92	3631.91	256.99
2011-12	3403.13	4746.40	1343.27

The action taken to minimize the losses was called for.

On this being pointed out in audit the department stated that considering outstanding amount of water charges and 15% share of the water facility charges included in property tax during 2011-12 and 2012-13, there is no loss in water supply schemes.

Department's reply is not acceptable as the recovery of outstanding amount is not guaranteed and was not considered while preparing the report on services provided in subsidised manner prepared as per section 95A of BPMC Act which shows loss in running of water supply schemes.

Comments of the Govt in the matter may be submitted to audit.

Para 9:- Avoidable payment of Electricity duty-Rs. 3.47 Crore.

As per section 3(2)(i)(ia) of the Bombay Electricity Duty Act 1958, electricity Duty is not to be levied on consumption of electricity in r/o public utilities services such as public health, water supply project & drainage.

Security of electricity bills paid for the period 2011-12 by the water supply department of Vasai Virar City Municipal Corporation in r/o electricity consumed on account of pumps installed for drawing water from the Usgaon MI Scheme, at Masawan for Drawing Water from the source pick up weir (Through Surya River), it was noticed that an amount of Rs.1, 95, 24,804.33 was paid as electricity duty. It was also found during last audit that the electricity duty amounting Rs.1, 52, 02,290/- had been paid during the year 2009-10 to 2010-11. During 2011-12 & 2012-13 (up to July 2012) an amount of Rs.1, 95, 24,804.33 on

account of electricity duty was paid. The cumulative amount of electricity duty for the year 2009-10 to 2012-13 (up to July 2012) worked out to Rs.3, 47, 27,094.33

As the consumption for electricity was for distribution of water for public utility services so the electricity duty is exempted hence the electricity duty paid as per Annexure was not in order.

On this being pointed out in audit the department stated that the Corporation had been receiving exemption on electricity duty except two connections which were earlier on the name of MJP and subsequently transferred to the name of the Corporation. However, the proposal for exemption of electricity duty regarding these two meters had already been forwarded to Chief Engineer (Electrical) vides its letter dated 23-10-2012.

Further progress in this matter may be intimated to audit.

Part III: Test Audit Note

NIL

Sr.Audit Officer/SSI.

**The City Engineer,
Water Supply Department,
Vasai Virar City Municipal Corporation,
Virar** may please see and discuss the report.

Inspecting Officer/LAP IV

Part-III

1. Office copy of TAN
2. List of HMs along with HMs duly signed & marked (to be kept serially)
3. List of drawls & remittance duly verified with treasury records.
4. Relevant working papers

Entry Conference:

The audit of Town Planning Department was started from 18-04-2013 and entry conference was held on the same day. The City Engineer, Water Supply Department, VVCMC was informed about audit methodology which would have to be adopted while conducting audit. The LAP also requested City Engineer to make available the reply of outstanding paras so that necessary action could be taken. The City Engineer assured that replies to the old paras would be furnished. He instructed his subordinates to make available all the records as requisitioned by LAP during audit.

Inspection Officer/LAP-IV

City Engineer/VVCMC

Month/Year	Electricity Duty (Cons. No.)				
	001529020020	01306920067	001529021697	003659025950	003659026060
16-4-2011	-	-	-	2,50,955.21	8,15,669.33
16-5-2011				2,56,307.11	8,33,337.03
22-6-2011	34,419.80	1,53,437.70	16,333.35	2,50,469.47	8,02,861.27
23-6-2011	31,766.19	1,33,344.18	12,701.96	-	-
22-7-2011				2,65,096.12	8,28,261.00
23-8-2011				2,64,187.82	8,20,710.17
22-9-2011	30,095.98	1,80,251.74	14,005.20	2,64,524.65	8,19,025.12
24-10-2011				Bill not found	2,31,576.00
22-11-2011				2,88,818.63	9,06,215.77
22-12-2011	11,827.97	1,72,376.45	39,827.38	-	-
23-12-2011				2,74,468.25	8,51,045.52
23-1-2012	27,761.59	1,67,615.03	18,975.42	2,94,776.76	9,49,683.05
22-2-2012				2,58,360.29	8,34,219.01
22-3-2012	37,533.39	1,30,349.80	2,648.59	8,59,390.26	2,66,764.13
23-4-2012	38,529.20	1,20,979.81	2,671.39	3,22,845.68	10,01,615.81
15-5-2012	29,664.80	1,56,348.58	-	-	-
22-5-2012	39,562.81	1,21,841.97	2,779.92	3,06,366.04	9,35,405.14
22-6-2012				3,27,348.40	9,87,108.02
26-6-2012	38,261.23	1,09,632.67	2,667.00		
23-7-2012				3,26,493.79	9,52,688.38
Total	3,19,422.96	14,46,177.93	1,12,610.21	48,10,408.48	1,28,36,184.75

Consumer No	Amount
001529020020	3,19,422.96
01306920067	14,46,177.93
001529021697	1,12,610.21
003659025950	48,10,408.48
003659026060	1,28,36,184.75
Grand Total	Rs. 1,95,24,804.33/-

Inspection Report on the account of City Engineer, Works Department, Vasai Virar City Municipal Corporation, Virar for the period 2011-12 & 2012-13:

Part I A Introductory

a) A test audit of the records of City Engineer, Works Department, Vasai Virar City Municipal Corporation, Virar for the period 2011-12 and 2012-13 was conducted locally from 07-05-2013 to 14-05-2013 by the audit team comprising Shri Kamlesh Kumar, Assistant Audit Officer, Shri Shambhu Kumar Jha, Assistant Audit Officer, Shri V. V. Gadkari, Sr. Auditor and Smt. Seetha Pankajakshan, Sr. Auditor.

b) Shri B. M. Machewad held the charge of City Engineer during the period covered by audit.

c) Grant and Expenditure:

(Rs. in lakh)

Particulars	2011-12				
	O.B.	Grant received	Interest received and contribution of the M.C.	Total	Expenditure
Road Grant	13.95	299.89	0.30	314.14	281.96
Dalit Vasti	242.99	0.00	15.41	258.4	45.07
11 th Finance Commission	46.53	0.00	4.17	50.7	0.00
12 th Finance Commission	1.27	0.00	0.00	1.27	0.00
12 th Finance Commission (Other Works)	134.67	0.00	8.36	143.03	34.55
13 th Finance Commission (Other Works)	289.85	1570.88	8.44	1869.17	0.00
Suvarna Jayanti city employment scheme	182.84	6.84	8.44	198.12	21.65
MP /MLA Fund	186.13	161.25	17.53	364.91	34.86
Nirmal Abhiyan(MMR)	49.26	21.19	6.82	77.27	33.42

CIDCO	3.98	0.00	0.16	4.14	0.00
Special works Fund	427.99	0.00	34.08	462.07	240.19
Any other scheme	0.00	713.85	201.34	915.31	719.92
Total	1579.46	2773.9	305.17	4658.53	1411.62

(Rs. in lakh)

Particulars	2012-13				
	O.B.	Grant received	Interest received and contribution of the M.C.	Total	Expenditure
Road Grant	32.18	59.85	0.00	92.03	92.03
Dalit Vasti	213.33	100.00	8.40	321.73	19.87
11 th Finance Commission	50.70	0.00	2.22	52.92	0.00
12 th Finance Commission	1.27	0.00	2.91	4.18	0.00
12 th Finance Commission(Other Works)	108.47	0.00	5.32	113.79	66.55
13 th Finance Commission (Other Works)	1931.06	268.20	133.75	2333.01	2236.82
Suvarna Jayanti city employment scheme	176.47	97.56	10.44	284.47	52.83
MP /MLA Fund	330.06	197.67	66.55	594.28	68.59
Nirmal Abhiyan(MMR)	43.85	0.00	1.24	45.09	32.75
CIDCO	4.14	0.00	0.00	4.14	4.14
Special works Fund	221.88	0.00	3.79	225.67	37.80
Any other scheme	195.39	1490.08	1044.51	2729.98	1340.14
Total	3308.8	2213.36	1279.13	6801.29	3951.54

d) Audit/Inspection:

- (i) Post audit of transaction is regularly conducted by Municipal Chief Auditor.
 - (ii) No audit conducted by Local Fund during the period covered by Audit.
- e) No separate cash book is being maintained by the Works Department, it is maintained by Accounts Department.
- f) **Total no. of court cases- Nil**
- g) **No. of misappropriation/embezzlement cases occurred during 2011-12 and 2012-13 was NIL.**

Disclaimer Certificate

The Inspection Report has been prepared on the basis of the information furnished and the records made available by the City Engineer, Works Department, Vasai Virar City Municipal Corporation, Virar. The office of the Pr. Accountant General (Audit)-I Maharashtra, Mumbai disclaims any responsibility for any non information and/or misinformation on the part of the auditee organization.

PART – I B

Paras outstanding from previous Inspection Reports:

Inspection report for the period 2009-10 to 2010-11:

Para 9: Non recovery of royalty charges of Rs. 269323/- resulted in excess payment to contractor.

However department is recovering royalty charges from contractors as per the rule but the royalty charges cited in audit para had not been recovered till date.

Final compliance is awaited.

Part I- C Persistent Irregularities

Nil

Part II -Current Audit:

Part II A -Major Irregularities:

Nil

Part II B - Other Observations:

Para 5: Work of Flyover Bridge over railway line at gate no 40.

Construction of road over bridge across Level crossing gate No 40 at Virar was approved in the meeting dated 23/10/2003 under the chairmanship of Chief Secretary of Govt of Maharashtra. The Virar Municipal council entered into an agreement on 22/2/2005 with western railway wherein it was agreed that railway will bear 50% of the cost of project. Further the Virar Municipal council entered into agreement with CIDCO for financing the work where CIDCO agreed that 25% of cost of work would be borne by council and CIDCO would bear 25% of project cost up to maximum of Rs 3 crore and work would be done by PWD.

Thus following cost sharing was agreed between different parties:

Total estimated cost	Rs 1282.74 lakh
Railway-50%	Rs 641.37 lakh
Virar MC- 25%	Rs 341.37 lakh
CIDCO-25% upto a maximum of Rs 300.00	Rs 300.00

Following is the breakup of costs:-

Bridge	Rs 998.56 lakh
Railway span	Rs 284.19 lakh

It is evident from above table that Rs 641.37 lakh- Rs 284.19 lakh= Rs 357.18 lakh was recoverable from Railways. Further MMRDA agreed to provide Rs 3.31 crore as grant to Virar Municipal council on 30/4/2010.

The work of ROB was technically sanctioned by chief engineer (PW), Mumbai region on 9/2/2005 costing Rs 589.63 lakh. The cost put to tender for viaduct and ramp portion was Rs 539.95 lakh. Lowest Tender of M/s Ajaypal mangal and company at Rs 565.25 lakh was accepted. The work order was issued on 24/5/2006 to be completed within 2 years. Rs 3 crore obtained from CIDCO and Rs 3 crore obtained from MMRDA was transferred to PWD , Thane. Following year wise expenditure was made on project:

Year	Allocation	Expenditure
2005-06	0	0
2006-07	200.00	43.92
2007-08	0	47.26
2008-09	0	97.10
2009-10	100	105.07
2010-11	100	75.30
2011-12	100	124.00
2012-13	100	109.35
Total	600	600

First Extension of the work was given up to 31/12/2009 on 13/8/2009 and second extension was given up to 31/3/2013 on 8/11/2012. Both the extensions were given by Chief Engineer (PW), Mumbai Region.

On 14/1/2013, superintending engineer , Thane PWD circle informed that due to lapse of time owing to delay in acquisition of land , the estimates has to be revised from 589.63 lakh to 803.95 lakh. The major increase was in escalation payment to contractor Rs 129.19 lakh.

The VVMC agreed to pay Rs 203.95 lakh to Thane PWD Dn on 6/5/2013 and informed that the work may be completed in 3 months and penalty for delay in completion may be levied on contractor.

In this regard, following observations are made:-

- 1) The time frame in which funds from railway Rs 357.18 lakh were to be obtained was not mentioned in mutual agreement. Though the department has written several letters to railway, the money is yet to be received.

On this being pointed out in audit the department stated that the Railway has to make the 50 % expenditure of the above project. The department demanded the share of expenditure from Railway which is yet to be received by the Corporation. Further progress may be intimated to audit.

- 2) The work order was issued even without availability of land and without removal of encroachment on the land required for construction of bridge. The above land belongs to Corporation and the work had been initiated with the thinking that encroachments would be removed during progress of work.

Department's stand is not justified as in lack of clear cite position, the work may be stopped/delayed in mean time and accordingly the expenditure incurred would be blocked.

- 3) Details of land acquired by Collector under land acquisition Act and land acquired by grant of TDR was called for.

On this being pointed out in audit the department stated that the land had neither been acquired by collector nor by the way of granting TDR.

- 4) Details of encroachment, if any, on the land required for construction of bridge, the reason for non-removal of encroachments were called for.

The department stated that the encroachment had been removed from lay out of the bridge.

- 5) Though the project period is of 2 years, it is still incomplete even after 7 years of issue of work order. Reason for delay and action taken to penalize the contractor for delay was called for. In this regard, the VVMC has written to the Thane PW division to levy the penalty from the contractor for delay in completion of work and remit the penalty to the VVMC.

On this being pointed out in audit the department stated that due to heavy traffic, encroachment, land acquisition etc. The above work has been delayed.

The work should be completed at earliest to provide intended benefit to the people from this bridge.

Further progress is awaited.

Para 6: Sub- Delay in completion of Hospital at S No 17 Village Tulinj in Nalasopara

For Construction of Hospital at S No 17 Village Tulinj in Nalasopara, Planning and Development Committee of Nalasopara Municipal Council granted approval vide resolution no 14 dated 27/6/2006. The plot of land was transferred in the name of Municipal Council on 3/3/2006. The General Body granted approval for the work on 6/10/2006. Original Technical sanction was granted for Rs 15,024,633/.

Government of Maharashtra in UDD vide GR No GEN-2008/ Pra Kra-16/ Navi - 16 dated 6/10/2008, sanctioned this work under “Special grants for various works under Vaishishtyapurn works scheme” and allotted an amount of Rs 100 lakh for this purpose. Collector, Thane vide letter dated 29/11/2008 intimated to Nalasopara Municipal council that the amount of approved works have been kept with bank account of Collector and proposal for administrative approval to be submitted to Collector. The same was sent to collector on 13/1/2009.

The Municipal council revised the estimates to Rs 24491995 (based on DSR 2009-10) and submitted the revised proposal to collector's office for approval on 26/5/2009 after getting technical sanction from MJP on 25/5/2009.

The tenders for the above were accepted on 29/6/2009 by general body and a lowest tenderer Ms Saidutt enterprise was awarded the work @ 8.90% above. Work order was given on 16/11/2009. Period of completion was 9 months i.e. up to 15/8/2010. Extension up to 15/8/2011 has been given to contractor. Payment of Rs 114,69,832 has been made up to third RA bill dated 11/8/2011.

In this regard, following observations are noticed:-

- 1) The work is still incomplete even after a lapse of 7 years and 5 years after getting Govt grants of Rs 1 crore. The current progress of the work, extension given and action taken to complete the work was called for.
- 2) The contractor had requested to give 3% SD as bank guarantee and remaining 7% to be recovered from bills. It was however noticed that only 5% SD is being recovered from bills. This may be clarified.
- 3) Insurance of the work was to be done for the period from 16/11/2009 to 15/8/2010. However, contractor had failed to take insurance of the work and 1 % was deducted from bills. Thereafter contractor took insurance on 29/12/2010. The insurance premium paid was Rs 30720 and Rs 18698 for CAR and WC policies respectively. Though the period of insurance was from 16/11/2009 to 15/8/2011, it was specifically mentioned in the policy that losses incurred before 29/12/2010 will stand excluded. Accepting such policies from the contractor may be justified.
- 4) Further whether any insurance for extended period i.e. from 16/8/2011 till date was obtained.

On this being pointed out in audit the department stated that the suitable compliance would be done regarding all audit remarks cited above.

Para 7: Delay implementation of Dalit Vasti Sudhar Yojana.

The Govt. of Maharashtra, Social Justice and Special Assistance Department introduced a scheme of Dalit Vasti Sudhar Yojana w.e.f. April, 1999. Various works such as construction of approach road, gutter, water supply schemes, electric supply, repair of wells and construction of Samaj Mandir are to be undertaken in Dalit Vasties under this scheme.

Scrutiny of records revealed that Vasai Virar City Municipal Corporation had been sanctioned Rs. 1.00 Crore for implementation of 6 works under Dalit Vasti Sudhar Yojana for the financial year 2011-12 vide District Collector's Order No. General/Cell-3/TE-2/MC/Kaa Vi-75/2013 dated 26-02-2013 in continuation of Urban Development Department, Government of Maharashtra's GR No. SCP/2012/Pra. Kra.39/UDD 4 dated 15-03-2012. The request had been sent by the Corporation to Collector on 05-11-2012 to get the grant under this flagship scheme. After getting positive response from the District Level Committee, final proposal of aforesaid 6 works had been forwarded to District Collector after the administrative and technical approval of competent authority of the Corporation. At present, the Corporation had initiated the tendering process only.

In this regard Corporation may state the reason behind the delay of the inception of this scheme as the fund had been sanctioned for the year 2011-12 and till date only tender process has been started after lapse of one year. Since at this stage completion of these works can't be ascertained, the chances of deprivation of intended benefits of this scheme may not be ruled out.

Para 8: Blocking of fund due to incomplete works under MLA Fund-Rs.1.60 Crore.

The Local Area Development Programme is implemented in the State with the grants sanctioned to each constituency of elected MP/ MLA/MLC's. The local development works to improve the standard of living of the people and improve the facilities of civic amenities to local people such as road, water supply, sanitation, and educational aids etc are normally undertaken from the grants available with the approval of District Planning and Development Councils (DPDC) on the recommendation of any MP/MLA/MLC.

Scrutiny of records revealed that the VVCMC received an amount of Rs.1.98 Crore and 2.00 Crore towards MLA Fund on the recommendation of local MLA, Shri

Khitij Thakur for the year 2011-12 and 2012-13 respectively. Out of total 18 works 3 works were completed, 3 works were retendered and remaining 12 works were incomplete during 2011-12 whereas only tendering process was initiated regarding works pertaining to the year 2012-13 under this scheme. The Corporation had completed 3 works amounting Rs.38,10,400/- (Rs.5,20,762/- + Rs.17,49,000/- + Rs.15,40,638/-) and the remaining 15 works amounting Rs.1,59,56,600/- (Rs.1,97,67,000-Rs.38,10,400/-) could not completed due to various reasons. Along with this, work orders for 4 works were issued during the year 2012-13; however, these works had been sanctioned for the year 2011-12. Due to lack of proper monitoring, aforesaid works could not be completed according to the tender conditions resulting blockage of fund to the tune of Rs.1,59,56,600/- and caused deprival of intended benefits to the local people.

Action proposed for completion of works and reasons for incomplete works along with reasons behind retendering of 3 works may be furnished to audit.

Para 9: Internal check and internal control mechanism

During scrutiny of Measurement book and RA Bills of different works, following observations are made,

- 1) As per rule 11 of appendix 24 of PWD manual, the hidden measurement should be measured by Dy Engineer. It was however noticed that such measurements have been made by Junior Engineer. Assistant Engineers have only attested such measurements.
- 2) Similarly, as per rule 12 of appendix 24, in the abstract of MB, the rates should be entered by Dy Engineer himself. It was however noticed that such entries in abstract have been made by Junior Engineer. Assistant Engineers have only attested such entries.
- 3) Similarly as per rule 14, all final bills must be completely checked in Division office (i.e. Executive engineer's office). It was however noticed that many bills have not been checked by Executive engineer's office. Following are a few illustrative examples:-

Sr No	Name of work	Name of contractor	Amount of Bill
1	Providing of WBM and asphaltting at Sopara gaon from Rubi Apt to	M/s Jaybhavani constructions	990154

	Shalimar bldg at Nallasopara (W)		
2	Providing asphaltting in ward no 42 at Vijay Nagar main road , Nallasopara (E)	M/s Newalkar enterprises	1064699

4) Further, as per rule no 11 read with schedule of powers, executive engineer will check 5% of measurements. It was however, noticed that Executive engineer has not applied such checks in above mentioned works. A register showing percentage checks done as per point (i) of schedule of powers was not maintained.

On this being pointed out in audit the department stated that the suitable compliance would be done regarding all audit remarks cited above.

Further progress may be intimated to audit.

Para 10: Publication of tender through unlisted new papers.

As per Govt. of Maharashtra's G. R. No. PUB-1000/Pra. Kra. 73/2000/34 dated 01-05-2001, all tenders should be widely published through the State Level News Papers of different categories fixed as per the amount involved in the said tenders. The rate list for the advertisement of tenders is as follows:

Sr. No.	Estimated Tender Cost	Category of News Paper
1.	Upto Rs.15.00 lakh	State level news paper of "C" category and one weekly.
2.	Between Rs.15.00 lakh to Rs.50.00 lakh.	State level news paper of "B" category and one weekly
3.	More than 50.00 lakh	State level news paper of "A" category and another news paper of either "B" or "C" category

Scrutiny of records revealed that various tender advertisements as per the "Annexure" have been published by the Corporation through various news papers below the criteria fixed as per the Govt. G. R. cited above. Further, these tender advertisements have been published in the news papers which are not in the circular issued by the Corporation vide its No. VVCMC/Store/2280/13 dated 08-03-2013. The "Annexure" includes only illustrative cases and not the exhaustive ones.

Further, scrutiny revealed that the Corporation does not use e-tendering mechanism. The up-to-date position of implementation of e-tendering may be intimated to audit

Para 11: Staff requirement and position.

During scrutiny of records , it was noticed that following posts in respect in respect of Works department has been proposed to Govt in UDD for sanction by VVCMC vide letter dated 11/1/2013 :-

Posts	Proposed posts	Sanctioned posts	Demanded posts	Filled posts
City Engineer	1	1	0	1
Executive Engineer	2	2	0	1
Dy Engineer	4	4	0	4
Municipal Engineer	4	4	0	0
Municipal Engineer	2	2	0	0
Mistry gavandi	4	4	0	0
Junior Engineer	30	0	30	22 on contract
Junior Engineer architecture	1	0	1	0
Junior Engineer structural	1	0	1	0
Sr clerk	9	5	4	5
Jr Clerk and DEO	25	7	18	3 permanent 3 and 8 on contract

The lack of staff hampers the implementation of development works

On this being pointed out in audit the department stated that the proposal regarding sanction of various posts had already been sent to Govt. of Maharashtra.

Further progress is awaited.

Part III: Test Audit Note

NIL

Audit Officer SS I