

भारतीय लेखा एवं लेखापरीक्षा विभाग
प्रधान महालेखाकार का कार्यालय (लेखापरीक्षा) -1, महाराष्ट्र,
प्रतिष्ठा भवन, 101, महर्षि कर्वे मार्ग, मुंबई 400 020

संख्या एस.एस.-1/प्रकार ^{ULLB} / फा.सं. 1090/

दि.

सेवा में,
आयुक्त,
पाणी पुरवठा व मननिसारण विभाग,
उल्हासनगर महानगरपालिका,
Ground Floor, UMC Head Office,
उल्हासनगर 421 003

विषय 2013-14 से 2015-16 अवधि तक की आपके कार्यालय के लेखाओं
का निरिक्षण अहवाल.

महोदय,

उपरोक्त लेखों का निरिक्षण रिपोर्ट इसके साथ भेज रहा/रही हूँ जिसका स्थानीय निरीक्षण
लेखापरीक्षा पार्टी द्वारा दिनांक 1/8/16 से 8/8/16 तक किया गया था और आपसे निवेदन
करता/ करती हूँ कि इसमें शामिल किए गए सभी पैराग्राफों का पूर्ण रूप से दस्तावेजों सहित उत्तर कार्यालय में
शीघ्र भेज दिया जाए और आपके कार्यालय में इस रिपोर्ट के मिलने की तारीख से किसी भी परिस्थिति में एक
माह से अधिक विलंब नही हो जैसा कि वित्त विभाग के सरकारी अधिसूचना सं.बी.जी.एल 1161/91/दिनांक
26.05.1991 में निर्धारित किया गया है।

भवदीय,

हरिना/

वरिष्ठ लेखापरीक्षा अधिकारी/ एस.एस.-1

संख्या एस.एस.1 / प्रकार ^{ULLB} फा.सं. 1090/ 448 (iii) दिनांक 21/11/2016

प्रतिलिपि सूचनार्थ एवं आवश्यक कार्रवाई हेतु अग्रेषित

1. सचिव, महाराष्ट्र शासन, नगर विकास विभाग, मंत्रालय, मुंबई-32

2. कार्यकारी अभियंता, पाणी पुरवठा व मननिसारण विभाग, उल्हासनगर
महानगरपालिका, उल्हासनगर

3. मुख्य लेखापरीक्षक, पाणी पुरवठा व मननिसारण विभाग, उल्हासनगर
महानगरपालिका, उल्हासनगर

वरिष्ठ लेखापरीक्षा अधिकारी/ एस.एस.-1

Inspection Report on the records of the Executive Engineer, Water Supply and Sewerage Department, Ulhasnagar Municipal Corporation, Ulhasnagar for the period 01.04.2013 to 31.03.2016.

Part I A Introductory

A test audit of the records of the Executive Engineer, Water Supply and Sewerage Department, Ulhasnagar Municipal Corporation, Ulhasnagar for the period 01.04.2013 to 31.03.2016 was conducted locally from 01.08.2016 to 08.08.2016 by the audit team comprising of Shri Sanjay Kumar AAO, Smt. A.A.Deodhar, AAO, and Smt. J.M.Kulkarni, AAO, Sh.D.S.Ghadse, Sr. Auditor under supervision of Shri S.N.Fulzele; Sr. Audit Officer.

b) The following officers held the charge of the post of the Executive Engineer, Water Supply and Sewerage Department, Ulhasnagar Municipal Corporation during period covered by Audit.

Name of The Officials	Period
Sh. S. M. Ali	05.12.2013 to 11.05.2014
Sh. Bharat Bhatija	12.05.2014 to 24.07.2014
Sh. S. K . Selvan	25.07.2014 till date

C) Details of Receipt and expenditure incurred from 01/04/2013 to 31/03/2016.

Due to non availability of the concern staff the data of receipt and expenditure was not furnished by the department. The same may please be furnished at the earliest. However data of expenditure is available in the budget book which is being submitted to Hqrs for further reference.

d) **Details of cash book and pass book balance as on 31.03.2016**

Sr.No.	Name of Cash Book & A/c No.	Bal. of cashbook as on 31-03-13	Balance of Pass book as on 31-03-16.
All Cash books are maintained by Finance Department.			

Disclaimer

The Inspection Report has been prepared on the basis of the information furnished and the records made available by the Executive Engineer, Water Supply & Sewerage Department, Ulhasnagar Municipal Corporation, Ulhasnagar. 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 01.04.2002 to 31.03.2006

Para 5: Improper monitoring execution and planning resulted in ineffective and uneconomical water supply scheme

Final compliance awaited.

Para 8: Avoidable liability of interest/DPC charges on water supply bills

Final compliance awaited.

Inspection Report for the period 01.04.2006 to 31.03.2007

Para 5: Avoidable loss of Rs 1792.22 lakh suffered by Corporation

Final compliance awaited.

Para 6: Avoidable loss of Rs. 102.57 lakh on account of water supply through water tanker

Final compliance awaited.

Para 8: Non charging of surcharge on delayed payment of water charges caused loss of interest of Rs. 62.48 lakhs

Final compliance awaited.

Inspection Report For the period 01.04.2007 to 31.03.2010

Para 6: Outstanding recovery of water charges from commercial users Rs. 53.58 crores

Final compliance awaited.

Para 7: Underground drainage project

Final compliance awaited.

Para 8: Water supply through tankers

Final compliance awaited.

Para 9: Short recovery of Stamp duty of Rs. 5 lakh

Final compliance awaited.

Inspection Report for the period 01.04.2010 to 31.03.2012

Para 5: Outstanding recovery of water charges

Final compliance awaited.

Para 6: Unfruitful expenditure of Rs. 1.02 crore on consultancy fee

Final compliance awaited.

Para 7: Pollution of Water bodies – Non maintenance of pollution norms due to discharge of untreated industrial effluent and untreated sewages to waldhuni and khemani nalla

Final compliance awaited.

Para 8: Losses in water supply scheme

Final compliance awaited.

Para 9: Unmetered water supply – Non observance of service level bench marks for water supply scheme

Final compliance awaited.

Para 11: Supply of water free of cost from tankers

Final compliance awaited.

Para 12: Short payment of Stamp Duty

Final compliance awaited.

Para 13: Drawing of drinking water samples for testing in laboratories for prevention of water borne diseases
Final compliance awaited.

Para 14: Delay in remittances of money received on water charges to the Municipal Office
Final compliance awaited.

Inspection Report for the period 01.04.2012 to 31.03.2013

Para 5: Awarding of works of Rs 66.14 lakh without calling for tender
Final compliance awaited.

Para 6: Allocation of works without calling tender Rs 12.37 crore.
Final compliance awaited.

Para 7: Avoidable payment on account of Electricity Duty – Rs 42.92 lakh
Final compliance awaited.

Para 8: Delayed payment charges on huge outstanding of MIDC water bills Rs 114.56 crore
Final compliance awaited.

Para 9: Avoidable liability of huge interest of Rs 42.14 lakh due to non-payment of water cess.
Final compliance awaited.

Para 10: Execution/Payment of work without survey, drawing/design & Technical sanction
Final compliance awaited.

Para 11: Irregular Water Supply Connections.
Final compliance awaited.

Para 12: Preparation of unrealistic estimate resulted in saving and execution of excess item without revised estimate
Final compliance awaited.

Part I- C Persistent Irregularities

-Nil-

Part II -Current Audit:

Part II A -Major Irregularities

Para 1: Supply of water through tanker to societies free of cost resulting in loss of Rs. 42058747 to Ulhasnagar Municipal Corporation

As per the provisions contained in the Maharashtra Municipal Corporation Act, 1949, it is the obligatory duty of the Corporation to provide sufficient water supply to residents of the Corporation area. Further, as per national benchmark prescribed in Service Level Benchmarking (SLB) notified by Central Government read with Government of Maharashtra in urban Development department circular no. GEN 102000/148 CR 9 UDD 24 dt. 28.02.2001, and detailed guidelines issued by GOM regarding fixation of rates for water supply services, the schemes of water supply in local bodies should be cost effective and full cost of operations and maintenance or recurring costs should be recovered.

The Ulhasnagar Municipal Corporation (UMC) does not have its own source of water and receives water from the Maharashtra Industrial Development Corporation (MIDC).

The water supply department of UMC provides drinking water in Corporation area through pipeline distribution system as well as through tanker. The expenditure incurred on supply of water through tanker during the last 3 years is as under:

(In Rs.)	
Year	Amount spent on water tanker
2013-14	1,65,61,000
2014-15	1,51,42,000
2015-16	1,72,05,000

In areas of camp No. 4 and 5 of Ulhasnagar, the corporation supplied water through pipeline as well as through water tanker. The tenders for the work "supply of water through tankers" were invited and after the following of due procedure the work was entrusted to M/s Pratham Multi Project Pvt Ltd. for camp No. 4 and 5 @ Rs. 333.70 per trip and to M/s Hardeep Roadways for camp no. 1 to 3 @280.53 per trip vide work order dt. 23.01.2014 and 01.07.2014 respectively. The rate quoted per trip was for tanker of 7000 litre.

As per the agreement of the contract, the transporter was to provide water from tank filling points to various societies as per directions of the Engineer in charge. There were two tank filling points in these areas. The actual number of trips made by tankers were not made available to audit hence considering the average amount of Rs. 300 per trip the total trips and water supplied to the societies were calculated as under:

	2013-14	2014-15	2015-16
Total amount	1,65,61,000	1,51,42,000	1,72,05,000
Total Trip	1,65,61,000/300 =55200	1,51,42,000/300 =50500	1,72,05,000/300 =57350
Total water supplied	55200X7000 =386400000 L	50500X7000 =353500000L	57350X7000 =401450000L
Rate/Thousand litre	$\frac{16561000 \times 1000}{386400000} = 42.85$	Rs 42.85	Rs.42.85

It could be seen from the above calculation that the cost of supply of drinking water through tanker in UMC was Rs. 42.85 per thousand litre and after adding charge of Rs. 8 per thousand litre levied by MIDC the total cost comes out to Rs. 50.85 per thousand litre.

Further enquiry revealed that the water through pipeline as well as through tanker was being supplied to the societies and not to slum of chawls in these areas. The cost of supply of water as worked out by audit was Rs. 50.85 per thousand litre, however, the rate decided by the Corporation for water charges for domestic use was Rs. 14 per thousand litre. As such Ulhasnagar Municipal Corporation was bearing loss of Rs. 36.85 per thousand litre. The losses incurred during the last three years on only water charges excluding other overheads works out as under:

Year	Water supplied (in thousand L)	Loss per thousand litre(Rs.)	Total Loss
2013-14	386400	36.85	14238840
2014-15	353500	36.85	13026475
2015-16	401450	36.85	14793432
Total			42058747

As the UMC has been supplying water through tanker to areas of Ulhasnagar camp No. 4 and 5 since last 10 years, the department could not take any action to improve the pipeline in these areas to make available sufficient water to the societies. Thus, due to failure of the department to take any remedial action to start regular water supply, water was supplied to these area through tankers despite availability of water pipeline. This resulted in extra avoidable expenditure of Rs. 4.20 Crores during the last three years.

Considering GOM directives and norm of service level benchmarking the differences of the cost should have been recovered from the beneficiaries. Further, it was also learnt that in nearby Corporation and councils like KDMC, Bhiwandi Nizampur Municipal Corporation, Badlapur and Ambernath tanker was being provided only on payment of cost of transportation. The free of cost tanker water facility is deteriorating the financial health of the Corporation and the supply of water to the people free of cost is not appropriate.

In view of the above the audit is opined that, had the differential amount been recovered from the beneficiaries, the financial burden of Rs. 4.20 Crore on the Corporation could have been avoided.

On this being pointed out in audit the department stated that due to uneven geographical condition some areas do not receive water with gravity hence water through tanker is supplied.

The reply of the department is not tenable as the charges of transportation should be recovered from the beneficiaries as water through pipe line is also being supplied to these areas.

(B) Further, scrutiny of records relating to contracts made for transportation of tanker, it was revealed that the rate of transportation was based on the rate analysis which was done as per DSR of MJP for the year 2012-13. In rate analysis it was considered that one tanker can take 1.5 hour for supply of water from filling point to storage tank of the consumers.

Scrutiny revealed that in maximum occasion tankers were taking less than one hour to perform one cycle and it was also observed that sometimes in 1.5 hours, three ferries were completed by the tankers (Ex. Tanker no. 67 dt. 03.01.2016 and tanker no. 7452 on 02.02.2016). These cases are illustrative and not exhaustive.

In this connection, it was enquired as to how the tanker could complete 3 cycles in 1.5 hours in congested city of Ulhasnagar, the department stated that tankers point were provided on higher areas with high gravity hence tanker requires less time to complete a ferry.

The reply of the department is not convincing and comments of higher authority in this regard may be furnished.

Further progress is awaited.

Part II B: - Other Observations

Para 2: Avoidable loss of Rs. 6.95 Crore due to lifting of extra water from MIDC.

Ulhasnagar Municipal Corporation receives water from the MIDC from the source Baravi and Shahad Schemes. Daily water supply of 120 MLD was reserved by the Irrigation department for UMC. Bills for the water supply to UMC are raised by the MIDC from time to time.

It was noticed from the records produced to audit that the UMC defaulted in payment of water bills to the MIDC. As a result arrears of water charges increased to Rs. 405,94,69,268/- till July 2016. Hence it was decided on 26.02.2013 to pay Rs. 85 lakh quarterly towards the payment of arrears of water charges. It was also decided vide General Body resolution No-19 dated 04/07/2014 to make monthly payment of Rs. 2.50 crore to the MIDC towards regular monthly water charges.

The arrears of Rs. 405.95 crore include delay payment charges (DPC) as well as penalty for lifting excess water. From the records produced to audit it was noticed that penalty amounting to Rs. 6,59,35,096/- and DPC amounting to Rs. 209,23,76,133/- was levied by the MIDC. It was noticed that from April 2013 to July 2016 an amount of Rs. 6,95,20,000/- was paid by UMC to the MIDC towards arrears of water charges including penalty for lifting excess water and DPC.

In this regard audit observed that the population of UMC is around 506000 and as per the Service Level Benchmark issued by the Central Government, requirement of water was fixed to 135 LPCD i.e. 135 litre per capita per day. Thus the requirement of actual water was 68.31 MLD (135 x 506000 / 10,00,000). However, as against the requirement of 68.31 MLD and fixed quota of 120 MLD, UMC was lifting more water than the requirement as well as fixed quota.

This indicates that the water losses in distribution or Non Revenue Water (NRW) was more in the UMC. Government while prescribing SLB fixed the norms for NRW to a maximum limit of 20 per cent of total daily water supply. It was noticed that the NRW in the UMC was more than 30 per cent.

If the NRW is maintained within the limit, UMC would not require any additional water from the MIDC and thus the regular water charges as well as penalty for lifting of additional quantity of water could have been avoided by the UMC.

In this connection the reasons for lifting the additional water in excess of fixed quota was called for by audit as this resulted in extra payment to the MIDC.

Further, improvement of old existing water supply system was undertaken by UMC under JNNURM involving augmentation of the capacity of network and storage space, ensuring 100 per cent connection with meter, removal of illegal connection and bringing all properties under the perview of water tax. The funds were to be allocated by the Central Government (35 per cent), State Government (15 per cent) and UMC (50 per cent). The work was awarded to M/s Konark Infrastructure (JV) for Rs. 160 crore which was 32.04 per cent more than the estimated cost. The work order was given in December 2009 and work was to be completed on December 2011. The cost of the work was revised to Rs.265 crore with due date of completion being August 2013. However, till date the work could not be completed by the contractor. Thus, despite the opportunity with the UMC to improve its water supply network which would have reduced NRW and daily demand of water i.e. fixed quota of 120 MLD from the MIDC.

On this being pointed out in audit the department stated that the demand raised by the MIDC is a matter of dispute and necessary action is being taken to reconcile the matter.

Further progress is awaited.

Para 3: Loss to the Corporation in operation of water supply schemes

As per the provisions contained in section 189 read with section 130 of the Maharashtra Municipal Corporation Act, 1949, it is obligatory duty of the Corporation to provide sufficient water supply to residents of the Corporation. Act further provides that the Commissioner may supply water on receiving a written application from the consumer specifying the purpose for which such supply required and the quantity Under the provisions of the Bombay provincial likely to be consumed, all water supplied from the Municipal Corporation shall be charged according to the quantity of water consumed.

Further as per norms listed in Service Level Benchmarking notified by Central Government read with Government of Maharashtra in urban Development department circular no. GEN 102000/148 CR 9 UDD 24 dt. 28.02.2001, the schemes of water supply in local bodies should be carried out on “no profit no loss” basis and If necessary the rates should be revised from time to time.

The Ulhasnagar Municipal Corporation provides water to persons which includes residential, institutional, commercial, industrial etc. and charge the water charges according to rates fixed by the Corporation. The Corporation incurred the expenditure on purchase of raw water, chemical analysis, electricity charges, improvement to distribution system, construction of bore wells, new wells and fixing electric pumps, water supply by tankers, establishment, operation and maintenance etc. for the purpose of providing supply of proper and sufficient water to the public.

The position of income generated by UMC for supplying water to public by way of recovery of water charges and miscellaneous recovery and expenditure incurred on operation and maintenance of water supply during years 2013-16 are as under:

Year	(Amount in lakhs)			
	Receipts generated on supply of water (in lakhs)	Expenditure incurred on operation and maintenance of water supply(in lakhs)	Excess of expenditure over receipts	Percentage of expenditure over Income
13-14	2479	6463	3984	260
14-15	4185	7553	3368	180
15-16	2282	4429	2147	194

It could be seen from the above that there was huge difference in the income and expenditure on the water supply department. The trend of increase of expenditure over income which is ranging to 94 to 160 percent above revenue generated on water supply, indicates not only ineffective revenue management system in the water supply department but also forces the Corporation to utilize its funds from accumulated revenue which could have been utilized in other developmental works. As the Corporation is free to levy the charges upto actual expenditure incurred on the water supply scheme, the reasons for incurring heavy losses was called for in audit. Further, non observance of norms of service level benchmarking could cause curtailment of Central as well as State Government funding to the Corporation.

On this being pointed out in audit the department stated that, it is the duty of the Corporation to provide potable water to every citizens of the Corporation area without considering profit or loss of the Corporation.

The reply of the department is not tenable as the norms prescribed by the Govt did not allow the Corporation to provide the water after bearing the losses. Necessary steps may be taken by the Corporation to bridge the gaps of receipt and expenditure in water supply schemes.

Further progress is awaited.

Para 4: Delay in commencement of work

To check the water pollution in Ulhas river from human wastage and industrial effluents coming from Khemani nallah in Ulhasnagar it was decided to take a work by UMC namely “ Designing, construction and commissioning weir in nalla, sump and pump house, sewerage treatment plant and providing lowering laying and jointing 600 mm dia DI K-9 rising main pipeline from Khemani nallah to STP at Shantinagar and operation and maintenance of O &M for 5 years” at estimated cost of Rs. 32,70,35,576.

Accordingly, UMC invited tender for the above mentioned work and accordingly work order no. UMC/WSSD/EE/180/16 dt. 08.02.2016 to M/s Khelari Infra Pvt. Ltd for Rs. 32,02,65,939 (i.e. 2.07 per cent above the estimated cost) with an stipulated period of completion of 18 months along with all components and equipments and Operation and maintenance for a period of five years from the date of commissioning.

According to Para 251 of the MPW Manual and a general principle of propriety no work should commence without acquisition of the entire land required for the project.

Scrutiny of relevant records revealed that the land demarcated for construction of sump and pump house was still not in possession of the Corporation and even after lapse of more than five months from the work order the above work was still not started. As the work is yet to be started the time and cost overrun could not be ruled out.

On this being pointed out in audit the department stated that the land proposed for pump and sump house is a Govt land and after approval from the Collector and Dy. Supt Land Acquisition the work order was issued. However, the Corporation did not produce the records relating to such approval and also did not furnish the reasons for delay in execution of work.

Further progress is awaited.

Para 5: Non-payment of water cess and interest thereon Rs. 66.18 lakh fdo

As per the provisions contained in Water (Prevention & Control of Pollution) Cess Act 1977, water Cess is recovered by the Maharashtra Pollution Control Board on the basis of water consumed by local authority for specified purposes. It is applicable to all local Authorities including Municipal Councils, Corporations, Cantonment Boards and any other body entrusted with the duty of supplying Water. Under the provisions of the Cess Act it is the statutory responsibility to submit monthly returns of Water consumption in Form I duly completed before 5th of next month showing water consumed in the previous month. If any local authority fails to pay any amount of cess payable under the Act to the State Government within the date specified in the order of assessment made, such local authority, shall be liable to pay interest on the amount to be paid at the rate of two per cent for every month or part of a month comprised in the period from the date on which such payment is due till such amount is actually paid. Further the Act provides, if any local authority installs any plant for treatment of sewage or trade effluent, they are entitled for rebate of 25 % of Cess payable.

On scrutiny of records it was observed that MPCB had raised the quarterly demand of water cess of Rs 81840 since April 2014 and total outstanding demand of Rs 6617688 was raised as per Assessment order no. 21101 dt. 29.01.2016. Further scrutiny revealed that the dues of Rs. 6617688 was yet to be paid by the Corporation to the MPCB which comprised of Rs. 404200 as cess for the period April 2014 to October 2015 and balance amount of Rs.6213488 as interests on late payment of water pollution cess.

Scrutiny also revealed that the Corporation has requested MPCB to waive the interest levied for delayed payment of the cess, however, the same was turned down by the MPCB. As per the records available an amount of Rs. 6617688 is still due for payment as cess and interest to the MPCB.

Further, as no sewerage treatment plant was in working condition UMC could not claim 25 per cent of rebate on outstanding payment of water cess.

In this connection the reasons for delay in making quarterly payment and non- payment of interest and whether any policy decision is under consideration of the Corporation regarding

payment of interest amount to MPCB was called for in audit. The interest amount, which is mounting day to day, could have been avoided by timely payment of the cess thus creating avoidable and extra liability to the Corporation.

On this being pointed out in audit, the department stated that the water supply department has submitted the bills of water cess to the Accounts department for necessary payment.

As the dues are not paid by the Accounts department the department should have taken up the matter with the higher authority.

Further progress is awaited.

Para 6: Avoidable liability on payment of Electricity Duty Rs 3.60 lakh. १००

Section 3(2) (ia) of the Bombay Electricity Duty Act, 1958 provides for exemption in levy of Electricity Duty (ED) on the units of energy consumed by or in respect of Municipal Corporation for the purpose of, or in respect of a school or college imparting education, a hospital, public street lighting, public water works and system of public sewers or drains (except in respect of premises used for residential purposes).

On scrutiny of records relating to electricity bills of Pumping Stations (of Water Supply Schemes) under Water Supply Department, it was noticed that payments of electricity bills were made to M/s. Maharashtra Electricity Distribution Company Ltd. during 2013-14 to 2015-16. However, electricity duty is included in the electricity bills and the same is being paid to the Maharashtra State Electricity Distribution Company Ltd. The total payment worked out to Rs.3.60 lakh as detailed in the attached **Statement-I**. Thus, the payment made to Maharashtra Electricity Distribution Company Ltd on account of electricity duty was irregular.

On this being pointed out in audit the department stated that necessary action would be taken to claim the refund of the duty.

Further progress is awaited.

Para 7: Non-adherence to the prescribed standards of water quality supplied.

Water Supply Department of Ulhasnagar Municipal Corporation looks after water supply of the Ulhasnagar City. UMC should before supply of water take the water samples from the different source and get it tested for safe consumption. Every month samples of water are collected from different areas of the city and the same are sent to laboratory for testing. Further, water supply through tankers is also to be tested before supply. It is mandatory to test the water from where the tankers are filled and are sent for supply. If the percentage of water pollution is above 10%, it's consumption is dangerous as it can lead to diseases and measures should be taken to reduce the level of water pollution.

Scrutiny of records made available to the audit for the year 2013-14 to 2014-15 revealed the following observations.

Month	Samples Tested	Samples found polluted (not fit for consumption)	% of level of water pollution	No. of people affected during the year due to consumption of polluted water	
3/2013	Data not available	Data not available	13	Gaestro 340 Ac.Diarhoea 1424 Ac.Dysentry 48 Typhoid 124 1936	
5/2013	Data not available	Data not available	24		
6/2013	168	33	19.64		
7/2013	453	182	40.17		
8/2013	302	111	36.75		
9/2013	299	95	31.77		
10/2013	294	60	20.40		
11/2013	94	15	15.95		
6/2014	177	27	15		Gaestro 426 Ac.Diarhoea 1016 Ac.Dysentry 55 Typhoid 133 1630
7/2014	116	14	12		
8/2014	177	35	20		
9/2014	266	33	12.40		

From the above table it is clear that level of water pollution is always above the level of 10 %. This is a very serious issue which will lead to threat to life of the citizens. This is evident from the number of people affected from water borne disease.

In this connection information as to what measures are taken by UMC to minimize the pollution level and whether these measures are successful in reducing the water pollution was called for. Further, whether tanker water was tested or supplied without conducting testing. If tests were conducted the reports may be made available to audit, If not the reasons for the same was called for.

On this being pointed out in audit the department stated that polluted water may occur due to leakage of water supply pump at consumers end, however, after getting such results, proper care is taken by the Corporation.

The reply of the department is not tenable as it is the duty of the Corporation to provide safe drinking water to the citizen.

Further progress is awaited.

Para 8: Outstanding recovery of Water Benefit Tax and Water charges

The information furnished by the department regarding the demand and recovery of water benefit tax and water charges for the period from 2013-14 to 2015-16 is as follows.

a) Water Benefit Tax:

Period	Demand raised	Recovery made	Balance outstanding
2013-14	7,57,57,842	2,71,58,465	4,85,99,377
2014-15	8,35,47,079	4,16,31,019	4,19,16,060
2015-16	7,59,64,994	2,75,40,570	4,84,24,424

b) Water charges :

Period	Demand raised	Recovery made	Balance outstanding
2013-14	87,41,84,268	22,07,30,591	65,34,53,677
2014-15	97,80,02,998	38,76,09,601	59,03,93,397
2015-16	90,20,32,833	20,59,18,492.50	69,61,14,340.5

In this connection the reasons for short recovery of water benefit tax and water charges and efforts made by the department to recover the same were called for in the audit.

On this being pointed out in audit the department stated that necessary actions are being taken to recover the due at the end of the Corporation.

Further progress is awaited.

Para 9: Execution of water supply project under JNNURM

The work of Providing and Laying M.S. Transmission main, B.W.S.C pipe line Raising mains, Providing & constructing of RCC ESRs, GSRs, Sump & Pump House, Providing Pumping Machinery, Providing & Laying D.I.K-7 Distribution System, Providing, Fixing Bulk & Consumer Meters, House Connection & Various Misc. works under JNNURM project was taken by the Ulhasnagar Municipal Corporation to be funded by the Central Government, State Government and Corporations own share. The funds for the project were to be allocated by Central Government (35 per cent), State Government (15 per cent) and UMC's own share (50 per cent). The detailed Project Report (DPR) was prepared for Rs. 127.65 crore approved by Central Government in December 2008. Accordingly, estimates for the work was prepared for Rs. 121.20 crore. After following due process the tender of M/s Konark Infrastructure (JV) was accepted for Rs. 160.03 crore i.e. 32.04 per cent more than the estimated cost of the work. Work order was given on 21/12/2009 with due date of completion being December 2011.

The cost of the work was revised in January 2013 to Rs. 265 crore with March 2014 being due date of completion. The cost of the work was revised to additional Elevated Storage Reservoir (ESR) which necessitated additional work of distribution system, additional water connection, reinstating excavated trenches for pipelines by the concrete/bitumen/paver blocks etc.

It was noticed from the record produced to audit that the contractor was paid Rs. 2,44,24,91,364/- till March 2015 vide 30th R.A Bill.

As the current correspondence files were not made available to audit, it was enquired whether the time extension was granted to contractor, if any, the action taken by the department, the current status of the project and if completed, whether put to use for public, whether all ESR/GSR has been completed and whether entire length of pipe line has been completed by the contractor and the old water pipe line was being used to supply the water to the public instead of newly constructed pipeline under JNNURM.

It was also noticed from the register maintained by the department for the water connection that double water connection has been provided by the department to certain beneficiaries. The reasons for the same were called for in audit.

The Bills for the Material such as Pipe, cement, bitumen, paver block, water etc purchased by the contractor for the project were also called for in audit for verification.

It may be stated as to whether bills after 30th R.A. Bill has been submitted by the contractor and paid by the UMC. Bills if any kept pending for payment, latest bill paid, the escalation being paid to the contractor from time to time and whether the indices were freezed for payment of escalation or contractor was allowed payment with current indices, the escalation bills were also called for in audit.

The above points were brought to the notice of the department for explanation; however, in reply the department stated that due to non availability of technical staff it is not possible to furnish the information required by audit. The matter would be complied in due course.

Further progress is awaited.

Para 10: Non-conducting of water audit.

The department purchases water from Maharashtra Industrial Development Corporation (MIDC) and distributes it to the consumers within the Municipal area. In the absence of 100 per cent metering for water supply to consumers and non-working of water meters at source point, year wise information regarding quantity of water purchased from MIDC and quantity of water distributed to the consumers was not available with the department as a result of which the quantity of water leaked and unauthorized use could not be quantified in audit. Hence, excess /unauthorized consumption and unauthorized connection of water by consumers could not be ruled out.

In this connection, it was pointed out that for prompt identification of water leakages and prevention of un-authorized use and to take remedial action it is necessary to start the Water Audit, which will also help to assess the performance of the department.

In this connection it was enquired whether any water audit was conducted by the UMC if so, the report thereof, if not the reasons for the same was called for in audit.

On this being pointed out in audit the department stated that UMC kept proper vigilance on unauthorized connection.

The reply is not tenable as it was necessary to maintain the records to prevent misuse of water. The department should take steps to get water audit done regularly for better performance.

As there is no system of water audit, UMC may adopt the system of water audit for proper billing.

Further progress is awaited.

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Para 11: Non maintenance of Works Register

As per the provision contained in Rule 182 of Maharashtra Municipal Account Code 1971, the Register of Works contract should be maintained in prescribed form No. 139 and expenditure incurred on works should be recorded therein head of account wise and as per the bills paid to contractor.

Scrutiny of relevant records revealed that no such register was maintained by the Ulhasnagar Municipal Corporation during the years 2013-14, 2014-15 and 2015-16. In absence of the basic record the number of contracts sanctioned, expenditure incurred thereon and details of completion or progress of work could not be ascertained in audit. The non maintenance of the work register not only resulted in non observance of codal provisions but also indicates lack of internal control mechanism.

On this being pointed out in audit the department stated that records relating to works are maintained and furnished to audit.

The reply of the department is not acceptable as only name of works and estimated costs was produced to audit and records relating to payment made were not provided to audit.

Further progress is awaited.

PART III: Test Audit Note

-NIL-


Sr. Audit Officer/SS-I

STATEMENT I

Details of incorrect payment made on account of electricity duty by UMC to MSEB during the period 2013-14 to 2015-16

Period	Meter No.	Electricity Duty	Total amt.of bill
04.09.15 to 04.10.15	021518835456	990.75	6040.00
08.09.15 to 10.10.15	021513206761	91.50	1100.00
10.09.15 to 10.10.15	021512034133	18130.04	288740.00
09.09.15 to 10.10.15	3162968	72.08	870.00
08.09.15 to 10.10.15	8849015	118.14	1420.00
02.12.13 to 01.01.14	4468173	191.84	1470.00
01.01.14 to 01.02.14	Do	160.65	1230.00
01.02.14 to 01.03.14	Do	160.60	1240.00
01.03.14 to 01.04.14	Do	164.82	1290.00
02.06.14 to 01.07.14	Do	166.18	2100.00
01.07.14 to 01.08.14	Do	163.68	3390.00
01.08.14 to 01.09.14	Do	169.46	4050.00
01.10.14 to 01.11.14	Do	2440.95	14690.00
01.11.14 to 01.12.14	Do	2637.81	20230.00
10.12.13 to 11.01.14	0813208	623.83	7590.00
11.01.14 to 11.02.14	Do	711.94	8620.00
11.02.14 to 11.03.14	Do	698.78	8460.00
11.03.14 to 11.04.14	Do	702.10	8510.00
11.05.14 to 12.06.14	Do	690.90	15440.00
10.08.14 to 10.09.14	01027486	602.33	7790.00
10.09.14 to 10.10.14	Do	672.89	8150.00
10.10.14 to 10.11.14	Do	635.78	7620.00
10.11.14 to 10.12.14	Do	687.26	8480.00
05.12.13 to 05.01.14	05516823	1126.01	7740.00
05.01.14 to 05.02.14	Do	1308.47	9090.00
05.02.14 to 04.03.14	Do	1326.90	9390.00
04.03.14 to 06.04.14	Do	1183.82	8400.00
06.04.14 to 05.05.14	Do	1858.63	13060.00
05.05.14 to 05.06.14	Do	1307.25	9330.00
05.06.14 to 05.07.14	Do	1161.32	8240.00
05.07.14 to 05.08.14	Do	1296.20	8560.00
05.08.14 to 05.09.14	Do	1302.54	9220.00
05.09.14 to 05.10.14	Do	422.07	12330.00
05.10.14 to 05.11.14	Do	396.83	2730.00
05.11.14 to 05.12.14	Do	377.98	2680.00
15.12.13 to 15.01.14	0000494	4110.15	6060.00
12.12.13 to 12.01.14	05277793	117.33	1450.00

12.01.14 to 12.02.14	Do	138.24	1690.00
12.03.14 to 15.04.14	Do	113.12	1380.00
09.12.13 to 09.01.14	MSE37914	537.98	7710.00
09.01.14 TO 09.02.14	Do	592.01	8490.00
09.02.14 TO 11.03.14	Do	692.10	9310.00
11.03.14 TO 10.04.14	Do	1156.93	13950.00
10.04.14 TO 09.05.14	Do	767.16	9310.00
09.05.14 TO 07.06.14	Do	3406.13	42010.00
07.06.14 TO 06.07.14	Do	8978.38	108740.00
06.07.14 TO 07.08.14	Do	11507.52	78310.00
07.09.14 TO 09.10.14	Do	12013.90	155630.00
09.10.14 TO 10.11.14	Do	12709.17	165290.00
10.11.14 TO 09.12.14	Do	10235.46	137540.00
01.02.15 TO 01.03.15	4990908	2064.56	15830.00
10.02.15 TO 10.03.15	01027486	567.83	7050.00
10.02.15 TO 08.03.15	MSE37914	9498.90	128030.00
04.02.15 TO 04.03.15	05516823	639.19	4550.00
01.01.15 TO 01.02.15	04990908	2488.92	19810.00
10.01.15 TO 10.02.15	MSE37914	13333.52	174820.00
10.01.15 TO 10.02.15	01027486	711.40	8620.00
04.01.15 TO 04.02.15	05516823	862.93	5950.00
01.12.14 TO 01.01.15	04990908	9811.68	36200.00
07.06.14 TO 06.07.14	MSE37914	8978.38	108740.00
12.06.14 TO 10.07.14	01027486	638.87	7760.00
09.12.14 TO 10.01.15	MSE37914	13376.20	175390.00
10.12.14 TO 10.01.15	01027486	767.33	9290.00
05.12.14 TO 04.01.15	05516823	581.48	4030.00
01.02.16 TO 01.03.16	4990908	1945.03	4100.00
05.02.16 TO 05.03.16	3890381.00	271.90	1580.00
04.02.16 TO 04.03.16	05516823	512.42	2970.00
12.02.16 TO 13.03.16	01027486	221.37	2600.00
08.02.16 TO 03.03.16	MHD01155	15967.17	213410.00
12.02.16 TO 13.03.16	60205949	112.14	1330.00
13.02.16 TO 13.03.16	14451289	400.91	2470.00
05.01.16 TO 05.02.16	3890381	4146.00	24110.00
13.01.16 TO 13.02.16	14451289	1161.45	6760.00
01.01.16 TO 01.02.16	4990908	1505.99	11260.00
13.01.16 TO 12.02.16	01027486	267.64	3150.00
09.01.16 TO 08.02.16	MHD01155	11224.08	152430.00
04.01.16 TO 04.02.16	05516823	722.46	4200.00
01.02.15 TO 01.01.16	04990908	2330.33	17040.00
10.12.15 TO 09.01.16	MHD1155	15171.54	202800.00
04.12.15 TO 04.01.16	05516823	849.44	4920.00
13.12.15 TO 13.01.16	01027486	265.71	3120.00
01.11.15 TO 01.12.15	04990908	4160.31	7330.00

13.12.15 TO 13.01.16	01027486	265.71	3120.00
01.11.15 TO 01.12.15	04990908	4160.31	7330.00
13.11.15 TO 13.12.15	01027486	227.73	2770.00
04.11.15 TO 04.12.15	05516823	867.14	11350.00
10.11.15 TO 10.12.15	MHD01155	14150.56	193870.00
01.10.15 TO 01.11.15	04990908	3130.47	23120.00
10.10.15 TO 13.11.15	01027486	378.81	4530.00
10.10.15 TO 10.11.15	MHD01155	17908.77	241280.00
01.09.15 TO 01.10.15	04990908	2943.39	21800.00
01.08.15 TO 01.09.15	04990908	3171.63	23000.00
04.08.15 TO 04.09.15	05516823	1123.96	6520.00
08.08.15 TO 09.09.15	01027486	333.23	3920.00
09.08.15 TO 10.09.15	MHD01155	15332.83	168660.00
09.08.15 TO 08.09.15	60205949	214.16	2550.00
09.07.15 TO 08.08.15	12539660	110.74	1090.00
01.07.15 TO 01.08.15	04990908	2668.91	1820.00
09.07.15 TO 09.08.15	49972732	302.59	3460.00
10.07.15 TO 09.08.15	MHD01155	15107.52	197060.00
04.07.15 TO 04.08.15	05516823	868.34	5040.00
09.07.15 TO 08.08.05	01027486	616.58	5630.00
01.06.15 TO 01.07.15	04990908	7139.24	14620.00
04.06.15 TO 04.07.15	05516823	838.79	4610.00
09.09.15 TO 09.07.15	01027486	471.59	5640.00
08.06.15 TO 10.07.15	MSE37914	13476.64	178700.00
09.06.15 TO 09.07.15	49972732	302.59	3600.00
07.05.15 TO 08.06.15	MSE37914	11236.69	150290.00
01.05.15 TO 01.06.15	04990908	2435.48	17580.00
08.05.15 TO 09.06.15	01027486	401.38	4830.00
04.05.15 TO 04.06.15	05516823	1551.64	9520.00
01.04.15 TO 01.05.15	04990908	2603.49	37930.00
07.04.15 TO 08.05.15	01027486	423.27	4980.00
11.04.15 TO 11.05.15	49972732	290.80	3460.00
09.04.15 TO 04.05.15	05516823	2450.86	14360.00
11.03.15 TO 11.04.15	49972732	283.21	3470.00
01.03.15 TO 01.04.15	04990908	2436.40	18680.00
10.03.15 TO 08.04.15	01027486	511.17	6190.00
TOTAL		360635.59	

Assistant Audit Officer/SS-I