

CHAPTER V

KALYAN DOMBIVLI MUNICIPAL CORPORATION

5.1 Information Technology Audit of the “Property tax, Water billing and other Citizen Service modules”

Executive summary

The Kalyan Dombivli Municipal Corporation, initiated e-Governance project for complete computerisation of the activities of the Municipal Corporation in December 1999 with an objective to improve the efficiency of the system and to provide better services to the citizen. The Information Technology (IT) Audit of the e-Governance project was conducted between May and November 2009. It was observed that due to poor design, implementation and monitoring, many deficiencies persisted. Even after 10 years, application modules like Town Planning wing etc., could not be put to use. Due to non-availability of necessary MIS reports in the application modules, generation of bills in respect of all consumers could not be ensured. Weak controls in the system resulted in non-generation of bills, delay in generation of bills, deletion and modification of the data without input documents and proper validation which made the system vulnerable to fraud and manipulation.

5.1.1 Introduction

The Kalyan Dombivli Municipal Corporation (MC), which came into existence in October 1983 has seven wards. For greater efficiency, Kalyan Dombivli MC initiated e-Governance project for complete computerisation of the activities of the MC in December 1999 with the following objectives:

- utilise information technology for their various departmental functions
- improve efficiency and avoid repetition
- utilise computerised systems for providing services to the citizens

Under this project, 12 application modules were developed for computerization of various functions such as collection of property tax, water billing, birth and death registration, market & trade license, food license, complaint & redressal system, accounts etc. All these modules had a common user interface i.e. KDNET, facilitated through the Citizen Facilitation Centre (CFC) in Headquarters and in the Ward offices. The application software was developed and maintained by M/s Advent Business Machines Ltd. (ABM). The software was developed with Oracle 9i as RDBMS and Oracle Form as the front end tool. The operating system for the Database Server was Sun Solaris and the clients were on Windows XP platform. The application modules developed at a cost of ` 1.20 crore

was implemented in 2002-03. In November 2005, Government of Maharashtra (GOM) decided to implement the applications software in all other Municipal Corporations/Councils.

5.1.2 Organizational set-up

The Commissioner is the administrative head of Kalyan Dombivli MC. The Computer wing of Kalyan Dombivli MC is headed by a Systems Manager and supported by a Systems Analyst, a Programmer and other supporting staff.

5.1.3 Scope of audit

The Information Technology (IT) Audit of all the 12 application modules³⁷ of the e-Governance project was conducted between May and November 2009, covering the data for the period from April 2003 to March 2009.

5.1.4 Audit objectives

The audit objectives were to assess the following:

- Adequacy of incorporation of business rules in the application modules
- Completeness and correctness of the data
- Effectiveness of input and validation of output controls
- Adequacy of security controls to ensure the integrity of data

5.1.5 Audit methodology

Audit commenced with an entry conference held with the Municipal Commissioner and Heads of Departments (HODs) of Kalyan Dombivli MC on 12 June 2009. The application and database was reviewed with respect to the relevant rules and procedures. The data in Oracle database was analyzed using CAATs³⁸. The audit findings were discussed with the Commissioner and HODs in an exit conference held on 27 January 2010.

Audit findings

Audit observations relating to the planning of IT systems in Kalyan Dombivli MC were already included in the Report of Comptroller and Auditor General of India (Local Bodies) Government of Maharashtra for the year ended 31 March 2007 under “Information Technology Audit of the Accounts module of e-Governance project of Kalyan Dombivli Municipal Corporation”.

Important points noticed in current audit are summarized in the succeeding paragraphs:

³⁷ (1) Property Tax (2) Water Billing (3) Birth & Death (4) Legal (5) Market & Trade License (6) Food License (7) Health Scheme Monitoring (8) User Workflow (9) Complaint and Redressal System (CARE) (10) Web Services-Enterprise Information Portal (EIP) (11) Citizen Facilitation Centre (CFC) and (12) Town Planning

³⁸ Computer Assisted Audit Technique

5.1.6 General controls

5.1.6.1 Monitoring of implementation of application modules

To ensure that the projects achieve the desired results, the senior management should have a more proactive involvement during the key project stages including implementation and post implementation review. It was, however, noticed that such a review was not conducted. The Town Planning module was not in use; the Health Scheme Monitoring module was also not put to use since 2005 and various modules continued to be used with lacunae which had not been rectified.

Further, as per the agreement with the Turnkey Solution Provider (TSP), ABM, the TSP had to provide guarantee of the software developed for a period of ten years from the date of acceptance and such acceptance would be given only after successful implementation and verification of the expected results. The amount of such performance guarantee was ` 15.10 lakh (equivalent to 10 *per cent* of total payments of ` 1.51 crore made to the TSP). Though the application modules were implemented and accepted in 2002-03, the performance Bank Guarantee of ` 15.20 lakh was taken only for five years up to 2008 instead of 10 years as per the conditions of the contract agreement.

Kalyan Dombivli MC stated (February 2010) that the respective departments had not officially intimated the non-utilisation of modules. It also stated that the Bank Guarantee was further extended up to May 2010 and the steering committee would be reconstituted to review the modules to ensure the fulfillment of the needs of the corporation.

The reply confirmed that the implementation of the developed modules was not properly monitored and also Kalyan Dombivli MC had not followed the terms of agreement. As the application modules were implemented and accepted in the year 2002-03, the performance guarantee should have got extended till 2012.

5.1.6.2 Documentation for development of application modules

ABM had to provide documentation in respect of system requirement study, software design and user manuals for the developed application modules. Audit observed that the documents were incomplete as per the good practices of system management.

It was also observed that the user and system manuals wherever made available were not updated to incorporate the subsequent changes made in the application modules.

Kalyan Dombivli MC stated (February 2010) that the documents were not readily available and would be obtained from the developer.

5.1.6.3 Onsite technical support

As per the agreement, ABM would hand over the ‘source code’ of the latest version of the application implemented to Kalyan Dombivli MC at no additional cost and the Intellectual Property Rights (IPR) for the

custom application software developed shall vest with Kalyan Dombivli MC. It was, however, noticed that the 'source code' of the application software was with ABM. Further, Kalyan Dombivli MC finalised a contract with ABM and hired two programmers for five years for onsite technical support for computerization project from July 2008 at ` 95.58 lakh without calling for any quotations.

Kalyan Dombivli MC stated (February 2010) that the 'source code' of the application software was with ABM who has proprietary rights over the software and hence they could not adopt competitive bidding process.

The reply is not acceptable since as per the agreement, the IPR for the custom application software developed shall vest with Kalyan Dombivli MC and 'source code' should be obtained from ABM.

5.1.7 System design

5.1.7.1 User management

The risk of unauthorised transaction processing could be reduced by the presence of controls which positively identify individual users and log their actions. Test check of data relating to 'Birth and Death Registration' and Water module showed that the user ID of the previous Commissioner created in 2002 and at present not active in the system was recorded in the system as one of the users for data entry even in January 2009. Further test checks showed that data continued to be entered using user-IDs of higher level managers such as Commissioner, Assistant Director of Town Planning, Assessor & Collector and Medical Officer.

Kalyan Dombivli MC accepted (January 2010) the facts and stated that the user-ID of then Commissioner or Head of Department was not removed and that necessary rectification action would be taken through ABM.

5.1.7.2 Generation of property tax bills and levy of notice fee

Rule 30 of taxation rules under the Bombay Provincial Municipal Corporations (BPMC) Act 1949, stipulates that property taxes are payable in advance in half yearly installments on first day of April and October respectively. Further, rule 41 of the said Act stipulates that if the tax for any bill has not been paid within 15 days in the municipal office, a notice of demand is served with a fee of ` 0.50 for every hundred rupees.

Audit observed that Kalyan Dombivli MC issues property tax bills once in a year and payments are to be made twice *i.e.*, in half yearly installments since there was no facility in the system to issue bill in two installments and monitor their payments.

Audit also observed delay of more than one month in generating bills from the system for the years from 2003-04 to 2008-09 which resulted in subsequent delay in realization of property tax.

Further, the notice fee, for delayed payments of ` 58.96 lakh was not levied in respect of 277759 bills during the period 2003-04 to 2008-09.

While accepting the facts, Kalyan Dombivli MC stated (January 2010) that the delay in issue of bills was due to technical problems and henceforth care would be taken for timely issue of bills. Kalyan Dombivli MC also stated that the system did not have provision to issue two demand notices in a year and necessary action would be taken to rectify the same.

5.1.7.3 Refund of property tax on account of vacancy

The BPMC Act, 1949 provides for refund of property tax in respect of properties which has been vacant for the number of days such vacancy lasted. It also stipulates that refund is not claimable unless notice of vacancy is given by the person liable for the tax.

Audit observed that adjustment transactions for vacancy refunds are entered in the application module without input documents and property tax amounting to ` 49.71 lakh was reduced in 108 cases. The applications for vacancy refund from the property holders were not routed through the Complaint and Redressal System (CARE) which was implemented for such complaints. This procedure of vacancy refund has not been mapped into the system nor supportive documents of refunds maintained which would have avoided fraudulent transaction and manipulation.

Kalyan Dombivli MC accepted (February 2010) the observation and stated that separate files/documents were not maintained for vacancy refund and as actual payments were not made, these files were not routed through proper procedure for refunds. It was also informed that Kalyan Dombivli MC has stopped such adjustments and henceforth proper procedure would be followed.

5.1.8 Information System (IS) Security

Computers use and store information in electronic form and require less human involvement in processing than the manual systems. Being in electronic form, changes to computer application and data are not readily detectible. This increases the potential for individuals to gain unauthorised access to sensitive information and to alter data without any visible evidence. Audit observed that no designated officer was assigned for IS Security and proper procedure was not followed in modification of application module and data through Oracle backend. The issues noticed in this regard are detailed below:

- The modifications done in the application software and data through the backend by the service providers were not reviewed by the Kalyan Dombivli MC as the column in the call log register for authorised signatory was left blank
- Approval of the authorities concerned was not obtained while assigning privileges to the users including critical activities such as deletion and modification of water bills

- Test check of tax bills for 2008-09 showed that out of the 7179 deleted bills (property tax) and 546 deleted bills (water tax), audit trail was not available in case of 5981 bills and 21 bills respectively
- Audit trails are yet to be configured even though such facility is available in Oracle to store the information regarding deletion/modification of data through backend though pointed out in the earlier audit report.

Kalyan Dombivli MC admitted the facts and stated (January 2010) that audit trail in Oracle was not activated and usually call was logged for any of the problems in the system and after analyzing, the data was modified after taking permission from System Manager. Regarding assignment of privileges to users, Kalyan Dombivli MC stated (January 2010) that the same would be reviewed and action taken.

5.1.9 Audit trails

Audit trails depict the flow of transactions necessary in the system in order to track the history of transactions, system failure, erroneous transactions, changes/modifications in data, *etc.*

5.1.9.1 Property tax bills deleted, adjusted and reduced without documents

Each organization should have procedures and controls in place to ensure that all transactions are authorized before being entered in the computer system. This reduces the risk of irregular and fraudulent transactions. Analysis of data for the period from 2003 to 2009 showed the following:

- 5725 property tax bills amounting to ` 10.35 crore were deleted without input documents and only 424 bills for ` 1.44 crore were deleted with reasons for deletion in the system during the period from 2003-04 to 2008-09
- in respect of 2801 properties, adjustment transactions of ` 3.06 crore were entered against the property tax bills without availability of input records
- in respect of 12192 properties rateable value was reduced by ` 28.88 crore and in the case of 10024 properties, rateable value of ` 19.95 crore was reduced to “zero”

Thus, absence of input records made the data unreliable and the system prone to fraud and manipulations.

Kalyan Dombivli MC stated (February 2010) that no records were maintained in respect of deletion of bills and records were maintained only in some cases in respect of adjustment entries and changes in rateable value. Kalyan Dombivli MC also replied that the reasons for modification in the rateable value were due to changes in usage of property, clerical mistakes in data entry, *etc.* The feature for entering reasons for deletion of bills in the system have been started. Kalyan Dombivli MC further stated

that powers for deletion of bills, making adjustment entries and modifying the rateable value vested with the Assessor and Collector.

The reply is not acceptable as the modification of data without valid input records increases the risk of irregular transactions.

5.1.9.2 Audit trail in respect of birth and death registration

Test check of data for the year 2008 showed that there were 68 missing birth registration numbers and 1344 missing serial numbers in the birth registration data and there were 18 missing death registration numbers and 425 missing serial numbers in the death registration data. These discrepancies indicated lack of controls over modification/deletion and lack of audit trails in the system.

Kalyan Dombivli MC stated (January 2010) that the missing registration numbers were due to software problem and the lacuna would be rectified through ABM.

5.1.10 Application controls

IT application controls are fully-automated (*i.e.* performed automatically by the systems) and designed to ensure complete and accurate processing of data from input through output. The deficiencies noticed are as follows:

PROPERTY TAX MODULE

5.1.10.1 Bills not found to have been generated while querying property tax module

Rule 39 of the Taxation Rules under the BMPC Act, 1949 stipulates that the Commissioner shall serve a bill for the sum due as property tax to the person liable for payment. Property tax bills for a financial year were generated from the application module at the beginning of each financial year and issued to the property owners. In the application module, status of the properties is categorized as new, objection, normal *etc. viz.* the properties assessed for the first time are marked as “New”, properties having objection are marked as “Objection” and properties for which regular bills are to be issued are marked as “Normal”.

During analysis of data (Oracle dump) made available to Audit, cases of non-levy of property tax were noticed. As per the Property Tax module, the bills for property tax were not found to have been generated in the following cases as detailed below. It was also noticed that no reports were available in the system to monitor and ensure that the bills were generated against all the properties.

- Audit observed that bills against 545 properties assessed for the period from 2003 to 2009 amounting to ` 8.47 crore were not generated for properties categorised as ‘New’.

Kalyan Dombivli MC replied (January 2010) that in case of new properties, bills amounting to ` 7.14 crore against 460 properties would be

issued and in case of balance 85 properties amounting to ` 1.34 crore, the properties were either wrongly fed or properties were out of jurisdiction.

- Audit observed that bills amounting to ` 4.97 crore for 478 properties assessed before December 2008 were not generated for the period from 2003 to 2008 for properties categorized under 'Objection'.

Kalyan Dombivli MC stated (January 2010) that bills amounting to ` 4.89 crore would be issued against 435 properties and in the case of balance 43 properties (amounting to ` 7.98 lakh), the properties did not exist, and details in this regard were not updated in the system.

- Audit observed that bills amounting to ` 16.27 lakh for 461 properties categorized as 'Normal' were not generated during the period from 2003 to 2008.

Kalyan Dombivli MC accepted (January 2010) the observation and stated that the bills would be issued.

Reply indicated absence of supervisory controls and Management Information System (MIS) reports in the system to ensure that bills were generated against all the properties which were assessed.

WATER BILLING MODULE

5.1.10.2 Bills generated with minus amount

Water charges are levied on the consumers either on meter reading for the quantity of water consumed or at a fixed monthly rate. Water consumption cannot be negative quantity for any particular month.

Audit observed that during the period 1 April 2003 to 31 March 2009, water consumption was shown as negative quantity due to incorrect data entry and 387 minus bills amounting to ` 58.12 lakh were generated. It was also noticed that the application permitted erroneous data entry such as meter reading less than the previous reading and end date of billing prior to the from date of billing period which also led to minus reading and minus days.

Kalyan Dombivli MC accepted (January 2010) the audit observations and stated that checks have been suggested to the System Manager to rectify the generation of minus bills.

5.1.10.3 Water bills deleted from the system without documents

Every department should have procedures and controls in place to ensure that all transactions are authorized before being entered into the computer system. This reduces the risk of irregular or fraudulent transactions. Analysis of data for the period from 2003 to 2009 showed that bills amounting to ` 21.04 crore were deleted from the system in 23908 cases pertaining to 5428 consumers without input records and were not regenerated. Further analysis showed that bills were deleted for the earlier

years and meter reading cards to test check the data entry were not available in the department.

No such MIS reports were available in the system to monitor the modification and deletion of bills *etc.* The absence of input records made the data unreliable and system prone to fraud and manipulations.

Kalyan Dombivli MC stated (January 2010) that after implementation of software, erroneous meter reading entries were noticed and in order to correct the bills, wrong bills were deleted and bills were generated subsequently, however, separate records were not maintained. Further, it was stated that meter cards were printed for specific entry and for certain duration only and once the cards got exhausted they were replaced. The old cards were not preserved as the readings were already transferred in the system.

The reply is not acceptable as lack of input records would result in failure to check fraud or manipulation of data in the system and there was no guarantee that only wrongly assessed bills were deleted.

5.1.10.4 Changes in data relating to consumers without any supporting documents

Information stored in master data files is critical to the processing and reporting of operational data. Audit observed that data relating to the consumers were changed without any document as detailed below:

- size of the water connection was changed for 124 consumers
- the number of families using the connection in respect of 1985 flat rate consumers which was vital to levy the water tax were changed.

Kalyan Dombivli MC stated (January 2010) that changes were made to rectify the errors made during the initial data entry and no records were maintained for the same.

5.1.10.5 Delay in generation of bills

The water bills for metered category consumers were generated four times in a financial year and bills for fixed rate category consumers were generated twice in a financial year. Bills are needed to be generated in time so that the water charges could be collected on time.

It was observed that 18 *per cent* of bills were issued with a delay of 30 to 60 days and 22 *per cent* of bills issued with a delay of 60 to 180 days.

Kalyan Dombivli MC stated (January 2010) that the delay in generation of bills would be minimized to a justifiable period by improving the system of generation and data entry frequency.

5.1.10.6 Non-generation of bills

Audit observed that during the period 2003-08 bills amounting to ` 28.24 lakh in respect of 1694 cases were not generated against fixed rate

consumers and bills amounting to ` 69.66 lakh in respect of 3608 cases were not generated against metered consumers.

Kalyan Dombivli MC stated (January 2010) that the reasons for non-generation of bills would be analyzed individually and bills would be generated. Further it was stated that reports on non-generation of bills were not available in the system.

BIRTH AND DEATH MODULE

5.1.10.7 Duplicate data

IT applications should have in-built controls which automatically check the accuracy and validity of input data. Validation may also be achieved by manual procedure such as double checking the input documents or review by a supervisor. The total birth and death registration records available were 272052 and 61832 respectively. In this regard, audit observed that:

- duplicate entries in case of 294 birth registrations with the same child's name, father's name, mother's name were made in the system.
- duplicate entries in case of 437 death registrations with same name of the deceased and date of death were made in the system
- there was no validation check available in the system to alert the user for duplicate registration/duplicate entries.
- features were not available in the system to authenticate the data entered in the computer by a supervisory level officer.

Kalyan Dombivli MC agreed (January 2010) that checks required for checking duplicate entries were not available in the system, which would be installed.

5.1.10.8 Delayed registration of birth without reasons

Delayed registration of birth and death made after 30 days but within a year must be on a written permission of the Health Officer and all registrations made after one year requires permission of the Magistrate of the respective area. However, it was observed that:

- 1718 cases of birth were registered after one month and no remarks were mentioned against 1635 cases.
- 195 cases of birth were registered after one year and no reasons or authority for making changes were mentioned against 103 cases.

Kalyan Dombivli MC stated (January 2010) that the delay was due to system failure, late information, holidays and manpower shortage.

5.1.11 Non-utilisation/under utilisation of other Modules

5.1.11.1 Town planning module

Audit observed that the application module developed for Town Planning wing was not in use even after six years of its development. Thus the objective of the corporation to improve the efficiency by computerising the Town Planning wing could not be achieved and the corporation is still depending on manual procedures.

Further, the expenditure of ` 4.80 lakh incurred on development and ` 2.32 lakh spent for maintenance up to 2007-08 of the Town Planning module remained unfruitful.

5.1.11.2 Health scheme monitoring module

Health scheme monitoring system was developed with an objective to create database on health schemes being implemented under the supervision of Kalyan Dombivli MC. It also aims to track all the details relating to the schemes regarding progress of implementation and its effectiveness. It was observed that since 2005, the application module of health scheme monitoring system was not in use. Thus the amount of ` 9.09 lakh spent on development and ` 4.27 lakh (up to 2007-08) on maintenance could not be made use of.

Kalyan Dombivli MC stated (January 2010) that the formats of reports were changed by the GOM from time to time and thus the module remained unutilised.

The reply is not acceptable as suitable reports including amendments as and when required in keeping with GOM instructions should have been formulated with the help of service provider.

5.1.11.3 Food License and Market & Trade License Modules

Food License and Market & Trade License Modules are in use in Kalyan Dombivli MC since May 2002. An Inspection sub module was also developed to capture information relating to inspections conducted by the Food and Market License Inspectors. It was noticed that the module permits only data entry relating to inspection of license holders and not of non-license holders. Further it was noticed that data relating to inspections conducted has not been entered in the system. Documents relating to system requirement and user manual were not available.

Kalyan Dombivli MC stated (January 2010) that feature for capturing data of persons not holding license was not available in the system and inspection data was not entered in the system due to shortage of staff.

5.1.11.4 Legal module

The legal module is developed for maintaining the legal case history, tracking related cases, advocate performance, helping department staff to know the status of the case related to their department and next hearing details. The module was implemented in December 2002.

Audit observed that the legal module was only partially used from 2007 and 39 *per cent* of cases were entered in the system and in 2008 no data was entered. The expenditure of ` 3.76 lakh incurred for development and ` 1.60 lakh spent for maintenance up to 2007-08 remained unfruitful.

Kalyan Dombivli MC stated (January 2010) that this was due to shortage of staff and action would be initiated shortly.

5.1.11.5 User Work flow Management System

User Work flow Management System (UWMS) was developed for a centralized registry and monitoring of letters/files movement. The UWMS module would handle accepting the document at the registry, electronic acknowledgment at the department and within the desk and movement of cases across Kalyan Dombivli MC. It was observed that the module was not fully developed and put in use as detailed below:

- Module for entering the details of outward letters was not available.
- Module for entering inward letters was utilised in Commissioner's office alone.
- Around 34 to 42 *per cent* of letters received were not monitored through the system

The Kalyan Dombivli MC continued to depend on manual records and thus, the very objective of computerisation to improve the efficiency of work flow and avoid repetition of work could not be achieved.

Kalyan Dombivli MC accepted (January 2010) the facts.

5.1.11.6 Citizen Facilitation Centre module

Citizen Facilitation Centre (CFC) Module is designed as an interface for citizens who visit Municipal Corporation for availing services such as birth certificates, death certificates, licenses, water bill payment, property tax payment and for other services provided through the system. In CFC, citizens would apply for services and avail the same within the specified time.

Audit observed that reports generated in respect of pendency from CFC module revealed that out of the 293352 applications received, 51613 applications were pending *i.e.* 18 *per cent* for want of action from the concerned departments after stipulated period. The stipulated period varies from case to case and the MIS report does not indicate the period since when the applications remain pending, thus defeating the objective of the reporting system.

Further it was observed that MIS reports were not generated regularly and monitored by the higher authorities to ensure the timely disposal.

Kalyan Dombivli MC stated (January 2010) that reports were available in the CFC module and this issue was usually discussed with the Commissioner.

5.1.12 Internal Audit

The BPMC Act stipulates that the Municipal Chief Auditor (MCA) shall audit the accounts of the Municipal Corporation with the assistance of assistant auditors and clerical staff.

Management also gets assurance that the controls are in place which adequately reduce identified risks by relying on the review work carried out by the internal auditors.

Audit observed that internal audit was not involved in the development of the application modules and audit query module to enable the audit of accounts by MCA was not available in the application system developed.

MCA of Kalyan Dombivli MC accepted (January 2010) the facts.

5.1.13 Conclusion

The e-Governance project was initiated in 1999 with an objective to improve the efficiency of the system and to provide better services to the citizen. However, many deficiencies persisted primarily due to poor design, implementation and monitoring. Even after 10 years, application modules like Town planning wing *etc.* could not be put to use. Lacunae in the application modules continued as post implementation review was not conducted. Due to non-availability of necessary MIS reports in the application modules, generation of bills in respect of all consumers was not ensured and MCA could not audit the transactions entered in the system. The weak controls in the system resulted in non-generation of bills, delay in generation of bills, deletion and modification of the data without input documents and proper validation which made the system vulnerable to fraud and manipulation.

5.1.14 Recommendations

Kalyan Dombivli MC should:

- review the application modules with reference to the user requirements/ business rules and accordingly modify the application modules;
- use appropriate and structured input documents to facilitate correct data inputs for bill adjustment transactions and deletion of bills, enhance validation processes for such transactions;
- incorporate sufficient input and validation controls to ensure reliability of data;
- analyse the requirement of MIS reports and design appropriate MIS to make effective use of computerized system;
- build audit trails to track missing bills and data records in the system;
- obtain the source codes and other data necessary for it so as to run the system in case of any contingency; and

- consider the needs of internal audit so as to conduct internal audit through the system.

The matter was referred to Government (March 2010). Reply has not been received (June 2011)

MIRA BHAYANDAR MUNICIPAL CORPORATION

5.2 Performance Review on “Functioning of Mira Bhayandar Municipal Corporation

Executive summary

Mira Bhayandar Municipal Corporation was formed in February 2002 as civil body to govern the city. Mira Bhayandar Municipal Corporation functions under the provisions of Bombay Provincial Municipal Corporation Act 1949, which lays down obligatory and discretionary functions to be performed by the Municipal Corporation.

Performance Review on the functioning of Mira Bhayandar Municipal Corporation for the period 2005-10 revealed deficiencies in planning and failure to take up new Water Supply Scheme to meet the demand resulting in shortfall of 34 to 44 per cent in Water Supply.

Abandonment of project of production of fertilizer from bio-degraded solid waste after incurring expenditure of ` 82.92 lakh and non-functioning of solid waste management project resulted in improper disposal of solid waste. Delay in appointment of hospital staff resulted in non-functioning of 50 beds hospital constructed at a cost of ` 8.35 crore.

Delay in submission of Detailed Project Reports, non-revision of project cost at current District Schedule Rates, non-inclusion of consultancy and maintenance cost in proposals for underground sewerage project under JNNURM for subsequent period resulted in additional financial burden of ` 161.15 crore and delayed execution of the project.

Non-levy of tax on larger residential premises, non-raising of demand and irregular deletion of properties resulted in loss of property tax amounting to ` 9.03 crore. Irregular sanction of one Floor Space Index instead of 0.2 Floor Space Index in 15 cases, Transfer of Developments Rights issued against land acquired in No Development Zone area had resulted in granting undue benefit of ` 9.77 crore. Non-utilization of Auto-DCR software system and three modules out of seven modules procured for computerization of civic services rendered expenditure of ` 50.83 lakh unfruitful.

5.2.1 Introduction

Mira Bhayandar is a fast growing city in the western suburbs of Mumbai and Mira Bhayandar Municipal Corporation (MC) is the civic body that governs the city. The erstwhile Mira Bhayandar Municipal Council