

File Number : SA/GNT/SATTENAPALLEM/06/SATTENAPALLI MUNICIPALITY GRADE-02/05-16
Name Of the Auditor (s) :
1. Mr. KRISHNAVARUNA RAO - ASSISTANT AUDIT OFFICER
Date Of Audit :
From 20/01/2017 To 30/06/2017
Name (s) of Executive Authorities :
1.Mr Sri V. Ramaswamy - Chairperson From 01-04-2015 To 31-03-2016
2.Mr Sri C. Subbarao Rao - Commissioner From 01-04-2015 To 31-03-2016
3.Mr Sri V. Chandra shekar - Deputy Executive Engineer From 01-04-2015 To 31-03-2016
4.Mr Sri A.N. Ramakrishna - T.E.S. From 01-04-2015 To 31-03-2016
5.Mr Sri Ch. Venkateswarlu - T.E.S. From 16-01-2016 To 31-03-2016
6.Mr Sri P. Rangappa Rao - R.O. From 01-04-2015 To 31-03-2016

Para Number : 1
OTHERS (Code : 18) No : 0

AUDIT OBJECTIONS

Para No.1 Code No.0

GOVERNMENT FUND - INVESTMENT OF PRODUCE FUND SUBSCRIPTIONS OF THE MUNICIPAL EMPLOYEES - ORDERS OF THE GOVERNMENT - NOT FOLLOWED - IRREGULAR - NEEDS ACTION.

As per the orders of Govt., issued in G.O.No.329, SAC UD (2) Dept., Dt. 15.6.2006, all the Commissioners of Municipalities have to obtain orders from the concerned Municipal employees as to whether their GPF subscriptions shall be kept in the General funds of the Offices, Govt. Securities, Government guaranteed securities in the following pattern:

- 1. Government Securities 50%
- 2. State/Central Govt., Guaranteed securities 25%
- 3. NPS and other small saving Investment if allowed 25%

If NPS investment is not allowed it may be invested in AAA rated Bonds of PUID and FDI

Also for allowing rates of interest on GPF Subscriptions based on the options exercised by the Municipal employees, the Govt. in the said G.O. ordered that

- 1. In case of Municipal Employees opted for keeping their subscriptions in General Funds of respective Municipality they shall be allowed the prevailing rate of interest as fixed by the Govt. from time to time on the GPF subscriptions of Govt. Servants.
- 2. In case of Municipal Employees opted for investing / depositing their GPF subscription in post of offices/Nationalised Banks/Government floated loans, the rate of interest that accrued in the investments/deposits made shall be only be allowed.

But, Sattenapalli Municipal Council has not followed the orders of the Govt. till the close of audit of 2015-16. Action would need to be taken to implement the above orders immediately and report the compliance to audit.

Para No.2 Code No.0

EMPLOYING OF PERSONS ON OUTSOURCING BASIS - DEFECTS:

During the verification of files relating to persons engaged on outsourcing basis, the following defects were noticed.

(i) CONTRACTS GIVEN TO CIVIL CONTRACTORS INSTEAD OF AGENCIES REGISTERED UNDER CONTRACT LABOUR ACT, 1970

As per guidelines on outsourcing issued in G.O.No.4459, Fin. (SMP) Dept., Dated 27-12-2006, the principal employer for outsourcing agencies shall have to register his office or department as per the provisions of Contract Labour (Regulation and Adoption) Act, 1970 to engage the outsourcing services. The principal employer i.e., Heads of Department or Head of office shall get registration certificate under section 7 of the said Act, as verified from the files relating to engaging of outsourcing staff, it was noticed that tenders were called for from the civil contractors through e- procurement and entrusted treating it as a work, which is highly irregular.

Example : Supply of computer operators on contract basis for 2015-16 was estimated as Rs.4,00,000 including VAT @ 7% - tenders called for through a procurement and entrusted to Sri Yamma Venkata Rao, Class III Civil contractor at estimate rates.

(ii) ATTENDANCE PARTICULARS OF THE OUTSOURCING PERSONNEL NOT PRODUCED:

The attendance particulars of the outsourcing personnel duly certified by the competent authority were not produced to audit for verification. In the absence of the same, the correctness of the wages paid could not be verified in audit.

(iii) SERVICE TAX NOT RECOVERED FROM THE BILLS:

As per the guide lines issued in G.O.No.4459, Fin. (SMP) Dept., Dated 27-12-2006, service tax has to be recovered from the agency and remitted to the concerned department. But, the same is not being done.

(iv) CHALLANS RELATING TO EPF AND ESI NOT PRODUCED:

The remittance challans relating to EPF and ESI were not produced to audit for verification. Action may be taken for the rectification of the above defects. Less, if any, caused due to the above defects, the same may be estimated and recovered from the responsible persons and credited to Municipal Council funds.

Para No.3 Code No. 9

DEPOSITS - PENDING FROM YEARS TOGETHER SHOULD BE LAPSED - NEEDS ACTION:

Deposits remaining unclaimed for three completed years after their refunds fall due and surplus proceeds of distast property not claimed within six months from the date of sale should be lapsed and credited to the revenue Head of account. The deposits thus lapsed shall be entered in a register called 'Register of Lapsed Deposits' which should be maintained in the form set out in Annexure VII to the rules relating to Deposits issue. Thereafter action would need to be taken accordingly under a report to audit.

Para No.4 Code No.9

HIRING OF VEHICLES - GOVERNMENT ORDERS NOT FOLLOWED AND OTHER DEFECTS: Rs.72000.00

In the following vouchers, an amount of Rs.72000/- was incurred towards hiring of vehicles.

Sr. No.	Name of the Head	V. No./Date	Amount Rs.	Month	To whom paid
1	Public001	4 to 29/9-15 4000R4	24000	3/2015	Deposited into branch (Sattenapalli)
2	Public001	31 to 30/10 15 to 30/10 4000R4	24000	4/2015	—
3	Public001	29 to 29/11 30/11-01/12 4000R4	24000	5/2015	—
	Total		72000		

As per para 6 of Circular Memo. No.10783-C/321/DCM-II/2010, Dated 13-6-2012 of Finance (DCM-II) Department, the hire charges @ Rs.24000/- per month for 2500 K.Ms., are to be paid. But, as verified from the above vouchers, it was noticed that more than one bill was preferred for each month. The monetary limit of Rs.2400 was also not followed. The hire charges were paid on daily basis instead of Rs.24000 per 2,500 K.Ms.

As per para 6 of the said Memo., the following instructions have to be necessarily be followed at the time of hiring of private vehicles. But, the documents in support of following the instructions were not produced to audit for verification.

- (i) The private vehicles, which are registered as a Taxi can only be hired for Government duty.
- (ii) The Owner of the vehicle hired for Government duty should produce the pollution control certificate for every six months.
- (iii) The owner of the vehicle hired for Government duty should produce the valid documents like permit, fitness certificate, insurance, tax etc., for plying for hire.
- (iv) The owner of the vehicle hired for Government duty should also produce the Professional Driving License with badge of the Driver proposed to be engaged.

Due to the above defects, the expenditure of Rs.72000.00 is not admissible in audit and held under objection.

It was also noticed that TDS (Income Tax) amounting to Rs.1440.00 @ 2% on Rs.72000.00 which is required to be recovered under section 194 C of Income Tax Act, 1961 was not recovered. The same may be recovered and remitted to Income Tax Department early.

Para No.5 CODE NO 9

SANITATION - EMPLOYMENT OF CONTRACT LABOUR:

According to Section 480 to 472 of Hyderabad Municipal Corporation Act, 1955 Urban Local Bodies have the obligation to clean the roads and drains and collect, lift and carry the garbage to the dumping yards and dispose such garbage through scientific methods. Sanitation includes mainly cleaning of roads and drains. The CDMA, A.P., Hyderabad vide No. No. 155/2012/RI 41-29-12-2009, and Memo No. 155/2010/RI 41-28-12-2010 It was observed that these guidelines are not being followed by the municipality in calculation of the total man power required. Reasons for violation of CDMA instructions may be furnished to audit.

Para No.6 Code No.9

NON CONSTITUTION OF WARD AND REVIEW COMMITTEES:

Under Section 5(B) of A.P. Municipalities Act, 1955 provides for that Commission may constitute Ward Committees in respect of Municipality having population of less than 3 lakh. Under Section 31-A (1), the Council may constitute or may appoint individual members to enquire into and report or advise on any matters when it may report to them. In particular, the Council may constitute Committees consisting of the chair person, the Commissioner and not less than three but not more than 7 members chosen in this behalf by the Council from among its elected members in respect of matters pertaining to the Commissioner explained that no ward committees were constituted in the municipality as per manual. Immediately the ward committees would need to be constituted for discussing the developmental matters in municipality.

Para No.7 Code No.9

ADMINISTRATIVE REPORTS OF THE MUNICIPALITY NOT PREPARED - NEEDS ACTION :

Under the provision of Section 34 of A.P.Municipalities Act,1963, Council should submit as soon as may be after the first day of April in every year and not later than such date as may be fixed by the Govt. through the District Collector, a report on the administration of the Municipality during the preceding year in such form and with such details as the Govt., may direct, if the Collector makes any remarks on the report such remarks

The Commissioners shall prepare the report and submit to the council. The Council shall consider the report and forward it to Govt. with its resolution, if any.

The report and resolution, if any shall be published in the manner as the council may direct, subject to approval of the Government.

Action would need to be taken to prepare administrative reports here after and produce to audit.

Para No.8 Code No.9

NON PREPARATION OF ACTION PLAN/DEVELOPMENT PLAN BY THE MUNICIPALITY RECENTLY :

The Urban Local Body should prepare Annual Action Plan/Development Plan/Budget at the beginning of the Financial Year to achieve the Targets/bench marks prescribed and to review the shortfalls for the service sectors like water supply, sewerage and sanitation, solid waste management and storm water drainage, etc.

Similarly plan is required for increasing the revenue by introducing GIS system for mapping of the property which will reduce the Tax evasion, funds received through other sources like ST, VLV, PT, Surcharge on Registration, Rental Income, income of lease hold property, Grants (plan and non plan) and repayments of loan amounts, payment of power charges methods to be adopted to increase of the taxes.

The executive authority would need to be take steps to prepare annual action plan/Development Plan for taking up developmental activities in municipality.

Para No.9 Code No.9

WORKS ENTRUSTED ON NOMINATION BASIS WITHOUT FOLLOWING THE PROCEDURE - NOT ADMISSIBLE :

In G.O.No.96 of Irrigation and CAD (PW-COD) department dated 01.07.2009, item 14 (ii), the Government have issued certain guidelines for entrustment of works on Nomination Basis.

(i) For giving works on selection, list of contractors with good track record will be prepared.

(ii) In preparing these lists the volume of works done by them, the quality of works done by them, the infrastructure possessed by them, and also works on hand and their capability will be considered.

(iii) The list of contractors should be prepared and published in advance regularly i.e. once in six months. From these lists contractors will be called for negotiations in group of five in rotation. The contractor offering to do the work at the lowest rate will be given the work. Time allowed for selection by the committee will be 5 days.

(iv) In any case in a year the value of works awarded shall not exceed each of the division of tender works or nomination works. As no such allocation was made available in the budget whether the value of work given on nomination basis was within the allocation provided in the budget or not could not be verified in audit.

During the course of audit it was observed that the works were entrusted to the contractors on nomination basis without following the above procedure which was against to the instructions of the Govt., issued in the said G.O. The executive authority would need to be take steps to follow the above said procedure strictly in future.

Para No.10 Code No.9

SELF CHEQUES DRAWN - IRREGULAR - NEED EXPLANATION :

As verified from the cash book in the Sattenapalli Municipal council for the year 2015-16, it was noticed that, self cheques had been drawn to meet various types of expenditure. Actually, the cheques shall be drawn in favour of purchase firms or the person. But, the same was not happened in some occasion. The reasons behind for draw of self : cheques were not known in audit.

Further, statutory deductions viz income tax Vat etc are unable to deduct when self cheques has been drawn. More over, the practice of the draw of self-cheques shall not be allowed as per the Financial Code.

Hence, the Executive Authority shall take necessary action against such practices. Hence forth, avoid the same practices and to maintain transparency.

Para No.11 Code No.9

Bank Accounts maintained in the M.C. along with Cash books not furnished - needs immediate action :

The information regarding the Bank accounts maintained for various grants received from Govt. by the Municipality were not produced to audit. The number and nature of Grants received from Govt. and for which separate cash book maintained with Bank Account were not made available to audit. The income and expenditure statement along with utilization certificate to the specific purpose grants released and adjusted by the Govt. Hence, immediate action may be taken to produce all the Bank Accounts pertain to the Municipal Council, Sattenapalli and in the name of Commissioner , M.C.along with Cash Book should be produced to audit. The loss and misappropriation of Municipal receipts if any named Municipal funds should be recovered from the person or persons responsible.

Para No.12 Code No.9

NON PAYMENT OF ROYALTY CHARGES :

As per G.O.No.1276 Revenue (M) Dept, dated 30-11-76 every municipality is liable to pay the royalty charges to the government, for the water used by it. Accordingly the engineering authorities of Irrigation department were raising demands for the same against the Municipality. However, the Municipality had not allocated any budget for the payment of royalty charges. The demands raised by the engineering authorities were :

Para No.13 Code No.9

ADVANCE - HOUSE BUILDING ADVANCE FOR REPAIRS TO V. CHANDRA SEKHAR, D.E.E. FROM MUNICIPAL FUNDS - AUTHORITY WANT OFF.

During the course of audit, it was observed that on Voucher No.98 dt.28.10.2015, an amount of Rs.2,00,000.00 was drawn and paid to V. Chandu Sekhar, D.E.E towards HBA Repairs. The following defects were noticed.

1. Sanction orders of the competent authority not produced.

2. Estimate, documentary original title deed not produced.

3. An advance were paid from O/D head of account, sanction of loan from Municipal General Fund is not admissible. The account for not complying the rules was retained.

4. Utilization certificate not produced for the loan amount sanctioned.

Hence, the entire amount sanctioned towards HBA Repairs was held under objection.

Para No.25 Code No.11

LOANS REGISTER - NOT PRODUCED:

During the course of audit due to non-production of loans register the following items could not be verified in audit whether

- 1) All the loan amounts sanctioned to Municipal Council were realized promptly
- 2) The loan amounts were properly spent for the purposes for which they borrowed
- 3) Loan amounts were regularly remitted to the funding agencies
- 4) Interest earned on the loan amounts if any was utilized for the same loan.

Para No.26 Code No.11

SATEENAPALLI MUNICIPALITY - PE WIND - SUPPLY OF CONTRACT LABOUR - CONNECTED FILES NOT PRODUCED - NEEDS ACTION

During course of audit in Sateenapalli Municipality for the FY 2015-16, it was noticed that, 120 members of contract labour employees have been working in Zone 4 & II. But, records like tender files regarding appointment of said labour employees, details of employees, mode of payment, remittance of payment, etc details were not forthcoming to audit, except cash book posting. In the absence of the same, the genuineness of the

Para No.27 Code No.11

RECORDS NOT PRODUCED:

Cash books, Pass book cheque book, Vouchers, Sub-bills relating to the following accounts for the year 2015-16 were not produced to audit for verification in the absence of the same the correctness of the transactions made during the year 2015-16 could not be verified.

1. Election Grant
2. C.D.P
3. MOAF all pensions
4. P.F. A/C
- 5 -2 Cross (Bank Pass book)
- 6 -sewa
- 7 -SKP
- 8 -M.P.Lands
- 9 -APURISHI (Bank passbook)
- 10 -Jammabham
- 11 -Special and scheme accounts

Para No.28 Code No.11

MAINTENANCE OF VEHICLES - RELEVANT REGISTERS NOT MAINTAINED AND PRODUCED :

The following were the important registers to be checked in audit of bills relating to maintenance of Vehicles in Public Health Section.

1. Log book
2. Register showing the repairs, replacements etc.,
3. Register showing the cost of Petrol, Oil etc.,
4. Register of inventory of equipment
5. Hire charge payment Registers.
6. Register of old parts collected after replacement
7. Register of Accidents

1. **Log Book:** During the course of audit due to non production of these books it could not be verified in audit whether the following procedure was followed.

1. That all the entries in the relevant columns in the log books were made
2. That the entries in log book were noted by the Officer who used the vehicle in his own hand, writing the mileage at the start and at the completion of their trips after verifying, kilometers.
3. That sufficient particulars were recorded regarding movements and purposes to indicate that the journeys were on Official business.
4. That the log book in respect of each vehicle was closed at the end of the month and a summary prepared in the logbook showing details of duty and non duty journeys performed during the month in the prescribed proforma.
5. That the quantity of petrol, diesel oil purchased has been entered in the log book of the respective vehicles.
6. That the hire charges collected as per hire charges payment register have been entered in the concerned log book.
7. That the log book was scrutinized personally by the authority concerned, once in a month and his signature appended there in.
8. That the log books were written in the prescribed proforma with full details.

2. **Register showing the repairs, replacements, spare parts etc.**

- Due to non production of these registers it could not be verified in audit whether the following prescribed procedure was followed.
1. That the voucher No. and date and nature of repairs etc., together with amount were noted in the appropriate columns of the register.
 2. That in the case of replacement etc., the old parts were supplied to the Public Section under the same procedure followed to Municipal funds.
 3. That in case of purchase of spare parts, the rates relating to the quotations and disposal of tenders have been observed.

3. **Register showing the cost of petrol, Oil etc.**

Due to non production of this register, it could not be verified in audit whether the following prescribed procedure was followed or not.

1. That the details of expenditure incurred towards cost of Petrol, Oil etc., have been entered with reference to the voucher No. and date and the amount covered for the same.
2. That the consumption of the petrol, oil etc., date wise, has been entered there in.
3. That in respect of the contingent bills for the supply of petrol, diesel oil, the following certificates have been recorded by the authority concerned on the bills. Certified that quantities purchased have been entered in the log books of the respective vehicles. Certified that necessary recoveries under rules have been made from the parties concerned to the institution.
4. That the mileage run by the vehicles of particular period as per log book was in accordance with the issues of petrol and oil shown in this register.
5. That the proportion charge or cost of fuel etc., received if any from the person who used the vehicle on non duty has been noted in the parties.
6. That the register was periodically checked by the concerned authority and a certificate to that effect has been recovered

4. **Register of inventory of equipment :**

Due to non production of this register, it could not be verified in audit whether the following prescribed procedure was followed or not.

1. That the nature of equipment purchased has been entered in this register together with the date of purchase and price etc., as per voucher.
2. That the inventory of equipment has been checked by the concerned authority every month and a certificate to that effect has been recorded there in.
3. That the Loss if any arising out of negligence or fault of any person has been recovered and credited to the funds.

Para No.29 Code No.11

IMMOVABLE PROPERTY - CONSOLIDATED REGISTER OF PROPERTIES NOT MAINTAINED AND STATUS OF THE PROPERTIES NOT FURNISHED

Consolidated register showing the properties owned by the Municipal Council was not maintained. Several immovable property registers were produced to audit. The reasons for maintaining so many registers were not furnished. The details of properties acquired were simply noted in the registers. But, the present status of the properties was not noted. In the absence of the same, the details of the buildings, shops, shops, houses, etc. if any, ceased due to not safe guarding/non-leasing of assets may be worked out and made good from the person or persons responsible.

Para No.30 Code No.11

GRANTS RELEASED TO MUNICIPALITY FOR VARIOUS PURPOSES - GRANTS APPROPRIATION REGISTER NOT MAINTAINED :

During the year under audit several grants both statutory and non-statutory were sanctioned and adjusted to Municipal Corporation. A separate Register of Appropriation of Grants was not maintained and produced to audit. In the absence of which, it could not be verified in audit, whether the grants released to corporation were utilized properly for the purposes for which they were sanctioned without diversion and within the limits.

Para No.31 Code No.11

MONEY VALUE FORMS - STOCK REGISTER NOT PRODUCED :

The money value forms stock register for the year 2015-16 was not produced. In the absence of the same, the opening balance of the money value forms received, utilized balance as on 31-03-2016 and as on the date of audit could not be verified in audit. In the absence of the same it could not be verified in audit as to who was the custodian of the money value forms and the procedure adopted in issuing the M.V. forms and the watch kept over the return of the bill book. Further, the amount collected, credited to municipal funds by using the money value forms could not be certified in audit. Losses if any noticed later, the same would need to be made good from the person(s) responsible and remitted to municipal funds under intimation to audit.

Para No.32 Code No. 11

STOCK REGISTER NOT PRODUCED :

The following important stock registers were not produced for verification in audit. In the absence of these registers the opening balance of the material purchases made during the year, utilized, issued and balance could not be verified in audit.

As per the rules, the stock register should be maintained with details of opening balance of material purchases of material issued, utilized, balance day by day should be maintained.

In the absence of these registers, the stock opening balance, received utilized, necessity of purchases, utilization & balance could not be certified in audit.

Loss, if any, sustained due to any irregularities noticed later, the same would need to be made good from the person(s) responsible.

1. Electrical Goods stock register.
2. Engineering stores stock register.
3. P.H. Stock register.
4. P.W.D. stock register.
5. And all other stock registers, pertaining to Engineering, P.H. Planning, Main office S.O. section Secondary, Elementary section.

Para No.33 Code No.11

ESTABLISHMENT AIDNT REGISTER NOT PRODUCED :

As per the procedure, all recurring charges have been entered in the establishment audit register and orders sanctioning each post have been quoted in support. The order should be verified in every case in which the charges have been newly sanctioned or there has been change in them since last audit.

Due to Non- production of this register the following observations could not be made in audit.

1. That any excess over the sanctioned scale appeared in any month or of the whole period under audit and all excesses over the sanctioned monthly scale have been satisfactorily explained.
2. That the orders sanctioning the establishment have been noted in all cases and the amount entered to the sanctioned scale column authenticated by the initials of the manager or executive authority
3. That all the alterations in the scale column have also been initialed by the manager or the executive authority and the dates from which they taken effect have been invariably noted .
4. That pensionary contribution if any, as well as house rents and fixed contingencies drawn along with pay have been properly noted in the audit register.
5. That refunds by short draws, fines and amounts withheld for further payments have been correctly noted.
6. That the By leaves have been correctly noted.

1. That the temporary establishments have been entered separately after the permanent establishments in the audit register the period for which sanction holds good has been noted and lines have been drawn across the pages or months previous and subsequent to such period and.

2. That the register has been maintained correctly and on the lines indicated in chapter V and posted monthly when pay bills are passed for payment.

Para No.34 Code No.11

PUBLIC HEALTH - CONSERVANCY ARTICLES - INDENT ORDER LETTERS - NOT OBTAINED AND PRODUCED :

As verified from the Public Health Conservancy Articles Stock Register many articles were issued to the Sanitary Inspector/Ministry of Public Health Section during the year 2015-16. But, the indent orders/letters were not obtained and produced to audit for verification.

In the absence of the above indent orders/letters the correctness of the issue and utilization of the articles could not be established. Loss, if any, caused in this regard would need to be made good from the person or persons responsible.

Para No.35 Code No. 11

NOTATION REGISTER NOT PRODUCED :

During the course of audit the register containing all the permanent changes made either by the Commissioner or by the Appellant Authority in the assessment of house and land taxes after the demand registers for the tax concerned was written up for the year was not maintained and produced, in the absence of the same whether the procedure prescribed in arriving at the changes in the assessments were made and recorded pro;

Para No.36 CODE NO.11

INVESTMENTS - THE REGISTER OF INVESTMENTS NOT MAINTAINED PROPERLY :

The register of investments will show all investments belonging to the Municipality. They are considered as the assets of the Municipality. The purpose for which each investment made will be entered in the appropriate column.

No investment will be deleted from the register, unless they are realized or recovered or otherwise.

The register will also show interest due and realization of it from time to time. It has to be ensured that the amounts due are realized on due dates.

The total amount of investments need to be verified annually and a certificate of verification be appended in the register by the executive authority concerned.

But, this important register is not maintained properly in Municipal Council, Sattenapalli. As a result no information stated above is forthcoming in audit. The original deposit receipts/bonds were also not produced in audit. Immediate action may be taken to maintain the register, duly recording the information in M.F.No.07 (27 column) and the fact inferred to audit. Loss, if any caused to the Municipal funds, due to non/imp

Para No.37 Code No.11

AMOUNT GIVEN TO D.E.E., OPERATION APSPDCL NARABAROPET TOWARDS EXECUTION OF WORKS - CONNECTED FILE AND UTILIZATION CERTIFICATES NOT PRODUCED:

An amount of Rs.2807450.00 was given to the Divisional Electrical Engineer Operation A.P.S.F.D.C.I. Narabaropet (Shifting of Electrical poles on road margins in HYD to GRT road) towards contribution for works. But, connected file was not produced to audit for verification. In the absence of the same, the details of the works, genuineness of the administrative and technical sanctions, correctness of the payment of the monthly

- 1.Vr.no.080/10-0-15 (001A/C) Rs. 840000.00
- 2.Vr.no.19 / 12-6-15 (002A/C) Rs. 661370.00
- 3.Vr.no.90 / 13-10-15 (002A/C) Rs. 746080.00

Para No.38 Code No.11

AMOUNT GIVEN TO A.P.A.O. BHINDOR & PROJECTS/INJANJWATA NARABAROPET TOWARDS CONTRIBUTION FOR WORKS - CONNECTED FILE AND UTILIZATION CERTIFICATES NOT PRODUCED:

An amount of Rs.2179861.00 was given to the A.P.A.O (Works & Projects) NBP Lingangamla, Narabaropet (Bhindur, Churnu works) towards contribution for works. But, connected file was not produced to audit for verification. In the absence of the same, the details of the works, genuineness of the administrative and technical sanctions, correctness of the payment of the municipal council share etc., could not be verified in as

- 1.Vr.no. 205/22-6-15 (001A/C) Rs.2046477.00
- 2.Vr.no.783/9-2-16 (001A/C) Rs. 130384.00

Para No.39 Code No.11

SUPPLY OF DIESEL OIL ENROUTE BENT GENERATORS - CONNECTED FILE NOT PRODUCED:

An amount of Rs.338412.00 was given vr.no.675/9-1-16 towards supply of Diesel Oil to the Generators engaged on rental basis, for filling of S.S.Tank. But, file containing of estimation prepared by the technical authorities, quotations obtained etc., was not produced to audit for verification. In the absence of the same, the necessity, correctness and genuineness of the work executed, fact of obtaining competitive rates etc., could n

Para No.40 Code No.13

MUNICIPALITY CELL PHONE CHARGES PAID FROM ADMINSITRY - NEEDS PROPER REGISTER

During the review of audit of Bhatnagarli, Municipality for the year 2015-16, it was noticed that cell phone charges were paid to the following staff members in excess of admissibility. In Cr. No. 3365/2004/1091 No. 19.8009 of the Commissioner and Director of Municipal Administration A.P. Hyderabad, the following rates have been prescribed category wise.

- Category II - Commissioner and SO No. 1000/- PM
- Category III - Sr. AM and all other staff No. 750/- PM

But in the following registers cell phone charges were in excess of admissibility

S.No	Designation	Admissible amount	Excess amount
			2015-16
1	S.I	750/- P.M	19275/-
2	A.E	750/- P.M	2066/-
3	R.O	750/- P.M	21845/-
4	K.I	750/- P.M	780/-
5	TPS	750/- P.M	1002/-
6	TPSO	750/- P.M	1426/-
9	OTHERS	750/- P.M	2629/-
	TOTAL		49018/-

The above excess paid to the individuals who were allotted the above cell phones would need to be recovered and credited to the Municipal funds

Para No.41 Code No.16

NON-SUBMISSION OF UTILIZATION CERTIFICATES :

According to Article 211 (A) of the Andhra Pradesh, Financial Code Vol-I, it is the responsibility of the grant receiving authority to furnish U.C. to the grant releasing authority. The Utilization certificates would need to be furnished to the District Audit Officer, State Audit, in the proforma prescribed for counter signature. But the utilization certificates for an accounts were furnished to audit for verification.

Para No.42 Code No.18

ADVANCES - ADVANCES RECOVERABLE REGISTER NOT MAINTAINED PROPERLY - IRREGULAR - NEEDS PROPER MAINTENANCE :

As verified from the Advances recoverable register maintained for the year 2015-16, it was full of defects as detailed below.

- 1. Many advances sanctioned during the year were not entered in the register which is highly irregular. The advances sanctioned during the year were detailed in the next page (Annexure).
- 2. Previous balances were not forwarded to the register by the advances sanctioned during the financial year, leaving the outstanding advances that were sanctioned in previous years without accounting for which is highly irregular.
- 3. Recoveries were not posted in the register by noting the installment numbers. As such, how much amount was recovered and how much balance was left out for that year could not be checked in audit.
- 4. Advances account not prepared for the year. D.C.R. was not produced.

In view of the above defects in maintenance of advances recoverable register, the advances account could not be finalized and also whether they are being recovered or not could not be checked in audit. As such the loss if any caused to municipal funds due to irregular maintenance of this register should be got recovered from the person or persons responsible. Immediate action would need to be taken to produce the said register

Para Number : 4
 (17/10/2015) (Code : 19) (Re : 9)

Para No.43 Code No. 18

REGISTERS NOT MAINTAINED :

The important registers to be maintained along with cash book were as detailed below. Early action would need to be taken to maintain these registers and produced the same for verification in audit.

1. Unutilised pay register
2. Permanent advance register
3. Register of contingent charges
4. Register of A.O. Objections.
5. Stock register of Furniture
6. Establishment Audit register
7. Increment Watch register
8. Register showing the temporary establishment and their continuance.
9. Stock register of M.V. Forms
10. Register of Security deposits
11. Register of recoveries of loans granted to government servants for purchases of Bicycles, H.B.M.A., Motor cycle etc.,
12. Condemned articles register.
13. Mutation register
14. Stock register of P.H. articles.
15. Petty Cash book
16. Tools and Plants Register
17. Stock Register for Stationery
18. Register of Auction files of Vacant condemned

Para No.44 Code No.18

GRANTS RELEASED TO MUNICIPAL COUNCIL FOR VARIOUS PURPOSES - GRANTS APPROPRIATION REGISTER NOT MAINTAINED :

During the year under audit several grants both statutory and non-statutory were sanctioned and adjusted to Municipal Council. A separate register of appropriation of grants was not maintained and produced to audit. In the absence of which, it could not be verified in audit, whether the grants released to the ULB were utilized properly for the purposes for which they were sanctioned without diversion and within the time allowed.

Para No.45 Code No.18

DD/CHEQUE REGISTERS NOT MAINTAINED PROPERLY :

Scrutiny of the DD/Cheque registers revealed that the Municipality was receiving DD/Cheques for various purposes such as PF, EMDs, Tender schedules, BPS etc. Though the particulars such as date of receipt, received from whom, purpose columns were being entered in the register, the actual date of realization to the concerned account was not entered in this register. Some of the DDs were returned by the banks for revalidation.

Para No.46 Code No.18

DEPARTMENTAL INSPECTION AND INTERNAL AUDIT OF THE OFFICE NOT DONE :

Departmental Inspection: According to the Government orders in G.O.No.247,GAD,dated 8.2.1962 and instructions issued from time to time, District Officers and their subordinate officers are required to be inspected by the Heads of Departments periodically and furnish Inspection Reports in the form of Questionnaire prescribed therein. The need for inspection of Government offices periodically was also emphasized in Govt Internal Audit: As per the orders in G.O. No.24, F & P Department dated 1-7-1997, it was the responsibility of the Accounts Branch of the Head of the Department to conduct Internal Audit of the Regional offices, District offices, sub offices etc., periodically at least once in a year and furnish report.

The copies of the Departmental Inspection notes and Internal Audit notes were not produced to audit. In the absence of the said copies it could not be known whether the inspection either departmental or internal was conducted in time or not. The same may be furnished to audit.

Para No.47 Code No.18

PAID VOUCHERS - COUNCIL RESOLUTION NUMBER WAS NOT NOTED ON THE PAID VOUCHERS :

As verified from the paid vouchers for the year 2015-16, it was noticed that the -Council Resolution- number was not noted on back side of the vouchers. In the absence of the same, the fact of obtaining the council resolution for the payments made could not be verified in audit. Action may be taken for noting the council resolution number and date for every paid voucher in future.

Para Number : 5
 STATUS OF OBJECTIONS (Code : 19) (Re : 9)

S. No.	Category of Audit objections	Code No.	No. of Pages	Amount
1.	Variation in Accoutal figures	1		
2.	Excess Utilisation of Grants	2		
3.	Funds diversion / Diversion of grants	3		
4.	Non - utilisation of grants	4		
5.	Mis - Utilisation of grants	5		
6.	Non Utilization of earmarked Fund	6		
7.	Non collection of Dues	7		
8.	Advances pending adjustment	8		
9.	Violation of Rules	9	13	
10.	Non observance of deductions	10	2	
11.	Non production of records	11	21	2999912.00
12.	Misappropriation of funds	12		
13.	Excess payments	13	1	4919.00
14.	Wasteful expenditure	14		
15.	Imbalance of cases of UN accounted establishments	15		
16.	Pendency of Utilization of Certificates	16	1	0
17.	Surcharge certificate Recovery pending	17		
18.	Others	18	6	0
19.	D.D./ Cheques etc., received but not deposited with in time.	22		
	Total		44	29148371.00

Abstract of Category (code) wise objections f of 4

Code No. 19

12	2 CRORES	A/c No.02133862188 of R.B.T.	204564.00
13	BDC	A/c No.1247028173 of NIL	
14	SECC	A/c No.50310100092831 of A.B.	74333.00

Para No.2 Code No.7

TIME BARRED TAXES AND FEES:

The arrears of taxes and fees relating to the year 2009-10 which were allowed to be time barred by limitation of time prescribed under section 365(1) of the A.P. Municipalities Act 1965 during the current financial year. According to section 365 (2) of the A.P. Municipal Act 1965 it is the duty of the Commissioner to place before the council a list of arrears due to the Municipal Council which are likely to become time barred at the all such recoveries should be taken against him. Record showing the placement of the matter before the council in respect of the taxes and fees which are allowed to become time barred was not pointed out. Under section 374(1) the loss caused to the Municipality due to the above defect has to be assessed and made good from the person responsible. Further it was noticed in audit that though elaborate procedure was prescribed in rule

1. Property Tax
2. Vacant land tax

Para No.3 Code No.7

NON-COLLECTION OF GARBAGE CHARGES - NEEDS COLLECTED:

The Municipal bodies as per the guidelines of total sanitation programme- are required to collect garbage charges from the existing establishments hospitals diagnostic centres theatres function halls lodges shopping complexes etc. since these establishments generate garbage in bulk. The bulk garbage charges are to be collected as per the bed strength in respect of the hospitals and nursing homes and at flat rate as assessed. However it was noticed that no bulk garbage charges were collected by the municipality during the year of audit and no reasons were forthcoming in audit for non collection of the same.

Para No.4 Code No.7

CELL TOWERS - FEES FOR CELL TOWERS - NOT COLLECTED:

As per G.O. No.183 Municipal Administration & Urban Development (H Department) Dt.27.02.2008 All the Commissioners of Municipal Corporations Municipalities and Vice Chairmen of Urban Development Authorities in the State shall accord permission to all the existing and proposed cell tower installations both land based and rooftop installations as per rules subject to fulfilling the following conditions by the applicants as follows:
 (i) The applicant shall obtain necessary approval of the Air Traffic Controller Airport Authority of India where applicable;
 (ii) The applicant shall take special precaution for fire safety and lightning etc.
 (iii) The applicant shall furnish a legally valid undertaking that they are solely responsible for any damage to the building and for public safety.
 In C.R.No.93 Dated 3-12-2012 fees for installation charges and renewal fee was fixed @ Rs.25000 per cell tower. In Roc. No.013/2012/G1 Dated 13-12-2012 of the Commissioner Municipal Council Piduguralla had issued notices to the property owners in whose premises the towers were installed. The demand collection and balance particulars of cell tower fees as on 13-12-2012 were as detailed below. Early action may be taken by Para No. 5

NON-COLLECTION OF ADVERTISEMENT TAX OR CABLE TV:

Vide G.O. No.266 M.A. Dt.05.05.2000 clause 7B of Advertisement Tax rules was incorporated and as per G.O. No.487 M.A. Dt.20.04.2000 read with District Gazette Notification No.38 Dated 10-4-2013 and Council Resolution No.36 Dt. 14-3-2013 of Municipal Council Piduguralla Advertisement Tax on Cable T.V. Advertisements @ 10% of the Cost of the Advertisement has to be collected by the Municipality w.e.f. 1-4-2013. During the scrutiny of Town Planning Section records of the Municipality it was noticed that advertisement tax was not being collected from the cable T.V. operators. Action may be taken to obtain the monthly statements of advertisements and the tax collected accordingly. When non collection of advertisement tax was brought to notice it was replied that necessary arrangements would be made to obtain the particulars of Cable TV Advertisements from the Cable operators and tax would be collected.

Para No. 6 Code No.7

WATER ARREARS IN PENDENCY OF WATER TAX - NEEDS COLLECTED:

As per section 133 to 145 of A.M.P.A 1965 the municipality has to maintain water courses/works , supply and collect water charges for the supply water through pipes. There were huge arrears in collection of the charges for water supply .The accumulated dues in this regard causes huge drains on the resources in the municipality towards making arrangements towards providing regular water supply to the town and also make it

Sl. No.	Demand (Lakhs)			Collection (Lakhs)			Balance (Lakhs)		
	Arrears	Current	Total	Arrears	Current	Total	Arrears	Current	Total
31	80.73	67.03	147.76	47.31	55.28	102.59	33.42	31.75	65.17

Through arrears in collection of water charges exist since to date i.e period of audit ,the demand ,collection and balance statement was not yet finalized by the municipality.in the absence of above the exact amount of arrears in collection of water tax could not be assessed in audit and there was no assurance in audit that the computer generated demand was correct. As per the section mentioned above, the commissioner is to take stringent action for recovery of water charges/arrears which includes disconnection of water supply and levying penalty. It was empty evident from the water collected,that the municipality was not taking deterrent action against the defaulters.

Para No. 7 Code No.9

DELAY IN REMITTANCE OF P.P.F. SUBSCRIPTIONS - ACTION TO BE TAKEN FOR THE PROMPT REMITTANCE:

As per section 6, 6A and 6C of Employees Provident funds and Miscellaneous Provisions Act, 1952 read with para 38 of the Employees Provident Fund Scheme, 1952, Para 3 of Employees Pension Scheme, 1996 and para 8(1) of Employees Deposit Linked Insurance Scheme, 1976, the employer of the establishment is required to remit the contributions along with the administrative charges within 15 days of the close of every month

Month	Amount Rs.	Date of remittance	Delay in days
4/2015	281846	22-8-2015	93
5/2015	349009	22-8-2015	64
6/2015	347838	22-8-2015	36
7/2015	170000	25-9-2015	35
8/2015	382179	25-9-2015	3
9/2015	330030	09-11-2015	21
10/2015	364119	04-1-2016	45
11/2015	446039	04-1-2016	15
12/2015	439443	13-1-2016	0
	30399	11-3-2016	22
	4859	11-3-2016	23
1/2016	472839	11-3-2016	22
2/2016	38340	01-3-2016	0
	446831	20-3-2016	0
3/2016	415146	14-4-2016	0
TOTAL	4591687		

Para No.8 Code No.9

ADVERTISEMENTS - EXHIBITED WITHOUT WRITTEN PERMISSION OF THE COMMISSIONER - FINE NOT IMPOSED - LOSS TO THE CORPORATION - LOSS TO THE MUNICIPALITY - NEEDS ACTION:

No person shall without the written permission of the Commissioner erect exhibit bill or retain any advertisement whether now existing or not upon any land building wall hoarding or structure. The word -structure- in this section shall include a tram car omnibus and any other vehicle and any movable board used primarily as an advertisement or an advertising medium. Further according to Municipal Act for exhibiting an advertisement without permission a fine up to Rs.1000 can be imposed and in no case it shall be not less than Rs.500. On verification of the records relating to tax on advertisement it was noticed that applications received and permissions issued to erect exhibit fix or retain the advertisements for which tax was levied during the year 2015-16 were not furnished to audit. Therefore it was construed that those advertisements were noticed during the inspections of the town planning personnel. As the advertisements were exhibited without the set

Para No. 9 Code No. 9

D.A.O TRADERS - LICENSE FEE COLLECTED - LICENSES NOT ISSUED TO TRADERS - IRREGULAR:

The counter foil of the licenses issued to the traders i.e. Form No. 8 for the year 2015-16 were not made available for verification in audit. The license fees collected through challans were not produced to audit for verification. It was irregular to allow the traders to conduct the business without issue of license even though they had paid the fees. Therefore action would need to be taken to issue the licenses to the traders and counter foils produced to verification.

Para No.10 Code No. 9

DEPOSITS PENDING FROM YEARS TOGETHER SHOULD BE LAPSED - NEEDS ACTION:

Deposits remaining unclaimed for three completed years after their refund fall due and surplus proceeds of default property not claimed within six months from the date of sale should be lapsed and credited to the revenue Head of account. The deposits thus lapsed shall be entered in a register called -Register of Lapsed Deposits- which should be maintained in the form set out in Annexure VII to the rules relating to Deposits issue. Therefore action would need to be taken accordingly under a report to audit.

Para No. 11 Code No.9

VACANT LAND TAX - DEMAND FOR THE CURRENT YEAR NOT FIXED:

In exercise of the powers conferred under Section 197 198 and 199 of H.M.C. Act 1955 the Municipal Corporation Guntur vide its notification No.1129/01/A1 dated 8-5-02 (published in the District gazette No.XLIII Dated 13-5-02) had specified that the tax on vacant land be levied at 1% of the value of that landed property prevailing in the market as determined by the registration department. The monthly lists of vacant lands (requiring the levy of tax) prepared as per the property tax assessment register for the year 2015-16 were not made available for verification in audit. The demand under vacant land tax for the year 2015-16 was not fixed duly maintaining the current and arrears demand registers. Further the tax on vacant land was found to have been levied based on the property tax assessments made from time to time. Instead of preparing the list of vacant lands on the basis of the demand tax assessments. An independent survey by the outdoor staff would need to be got done for identification of the vacant lands in the limits of the Municipal Council and there by demand fixed property both current and arrears.

Para No.12 Code No.9

OBSERVATIONS ON VACANT LAND TAX:

A) Non Identification of vacant sites in rule 3 Section 8(3) of the Municipalities Act 1965 read with instructions issued by Govt of AP provided for levy of a tax on vacant lands in Municipal limits @ 0.20% per annum of the capital value of the site/land. The levy of VLT has been long neglected by the Municipalities even though this is a potential source of income. But the collection of Tax is indeed difficult in view of the difficulty in finding the actual owners of the sites.
 (A) Audit Observed that:
 ? The Municipality had not made any effort for identification and collection of Vacant Land Tax. In view of the fact that the Municipality has been receiving requests for approval for construction of buildings this information can be utilized for collection of Vacant Land Tax.
 ? Even though the VLT was being collected by the Town Planning Wing at the time of giving approvals for Building constructions for the previous 3 years the fees thus collected was not being accounted for under the VLT.
 ? The Municipality needs to identify promptly all the vacant sites within Municipal limits.

B) Records not maintained:
 Records relating to Vacant Land Tax were not maintained and produced to audit. Registers such as Demand Arrear Demand D.C.B. etc. were not maintained which is highly irregular. V.L.T. payment challans are being conducted to the Building Applicants. As verified from the challans it was noticed that VLT for one half year is being collected and receipts issued. But assessment numbers are not being given and the source of taking the value of land taken for purpose of calculating V.L.T. was not furnished to audit. As such the municipality need to review all the outstanding VLT cases along with town planning records and the actual positions ascertained. DCB for VLT may be prepared and furnished to audit.

Para Number :3 OTHERS (Code : 18) No : 0

Para No.13 Code No.9

INFORMATION NOT FURNISHED REGARDING PROPERTY TAX - NEEDS MAINTAINED:

The Revenue Officer/Revenue Inspectors and the BIL Collectors shall in their capacities undertake field visits within their jurisdiction for detection of any un-authorized constructions and other properties which were yet to be identified and brought under the Property Tax net. The property tax shall be levied for every half year and it is the duty of the assesses to pay it within 30 days after the commencement of each half year

Para No.14 Code No.9

ENCROACHMENT - CLASSIFICATION NOT DONE:

The list of encroachments in the Municipal area was not got prepared by the Municipal surveyor / Building inspector and verified by the Commissioner. The encroachments were not got classified as objectionable and non-objectionable by the Municipal Commissioner and got approved by the Municipal council and the District Collector. All the objectionable encroachments have to be licensed under section 193 of the Act duly out

Para No.15 CODE NO.9

TAXES - PROPERTY TAX - DEMAND NOT FIXED :

As per annual account an aggregate amount of Rs.2,42,31,215-00 was realized under property tax during the year under audit. But, the Demand for the current financial year was not fixed and ward wise register was also not produced to audit for verification in audit. In the absence of the Demand register, it could not be ascertained whether the entire amount due has been collected or not. Immediate action may be taken.

Para No.16 CODE NO.9

MUNICIPAL FUNDS - UTILIZATION OF MUNICIPAL FUNDS IN SLUM AREAS FOR WATER SUPPLY AND SANITATION - GOVERNMENT INSTRUCTIONS NOT FOLLOWED :

G.O.Ms.No. 265 MANDUDRZ Dept. dt. 19.7.04 has instructed all the Municipalities to spend at least 40% of the net funds available in slum areas giving priority for provision of water supply and sanitation besides earmarking compulsory expenditures of 15% of all the budget expenditure for the welfare of SC's and 7.5% expenditure for the welfare of STs in addition to 5% of reservation of funds for the welfare of Women & Children.

Gross Income of the Municipal Council	
Rs.	
86534288-00	
Deduct:-	
TDs from contractors	823720
APWT	166761
NAC	3954
Budgetary charges	75323
CHRP	728
Other receipts	43445
Inter fund transfer	11145
Total	3662678

3662678-00

Net Income 9022956-00

As per the instructions issued in the said G.O. 40% of the Net funds available i.e. have to be spent for water supply and sanitation in slum areas. But this has not been done thus defeating the purpose of instructions of the Govt. Further the records do not reveal the observance of Govt. instructions regarding earmarking of funds for the welfare of SC's(15%) ST's(7.5%) and WBCW(5%). This is highly objectionable and would have a

Para No.17 CODE NO.9

NO TRADES LICENCE FEE - DEMAND NOT FIXED AND PRODUCED :

As per annual account an aggregate amount of Rs.4,84,004-00 was realized under D & O Trades Licence fee during the year under report. But the demand for current financial year was not fixed. The register of D & O trades was maintained division wise. The register was maintained based on the collection. The abstract of the collection was not mentioned in this register. The registers relating to the year 2015-16 this report. Loss if any caused due to above omission would need to be made good from the Person or Persons responsible.

Para No. 18 Code No.9

NOEN PLANNING ENCROACHMENT - REGISTERS OF ENCROACHMENT NOT MAINTAINED PROPERLY :

The demand for the encroachment fee for the year 2015-16 was not fixed and produced to audit for verification. Further as verified from the register of encroachments maintained for the year 2015-16 the following defects were noticed. The demand collection and balance was not noted in the register at the end of the financial year.

1. A list of encroachments were not prepared by the town planning officers or building inspectors and not certified by the Commissioner and produced for audit.
2. The encroachments were not got classified as objectionable or non-objectionable.
3. The notification for the levy of fees on non-objectionable encroachments was not made available for verification in audit.
4. The action taken for the removal objectionable encroachments was not stated in audit.
5. The sanction of higher authorities was not obtained in respect of encroachments allowed for more than one year.
6. The monthly lists of addition and omission were not at all obtained from the out door staff and produced for audit.

If any loss caused due to the above lapses it would need to be made good by the persons responsible.

Para No. 19 CODE NO.9

REGISTER OF BUILDING APPLICATIONS - MAINTENANCE DEFECTS :

As seen from the register of building applications maintained for the year 2015-16 the following defects were noticed in audit.

1. In column No.15 the dates of completion of building were not noted duly obtaining the completion reports.
2. All the columns in the register were not filled in with appropriate information or particulars.
3. Challan No. 8 data in respect of building fees paid in audit of each case were not noted.
4. Compounding fees levied and collected were not noted.
5. Further action taken for the renewal of license for the building not completed within one year from the date of granting the same was not noted.
6. Renewal of license of any granted and fee collected was not noted.
7. Objectionable constructions were not taken to unauthorized construction register and further action not watched through it.
8. Monthly reports from building inspectors were not obtained and produced for audit.
9. Register of unauthorized constructions was not produced for audit.
10. As seen from the building applications the challan where the fee paid were not enclosed.

In the absence of the above details whether the building newly constructed were properly assessed to property tax in time or not could not be verified in audit.

Para No.20 Code No.9

MISCELLANEOUS DEMAND REGISTER - COLLECTION OF SHOP ROOM RENTS - MARKET LEASES ETC. DEFECTS :

At the MDR provides a record of demand collection and balance of misc. items of revenue. It is one of the important registers and plays a key role in revenue accounts. The collection of revenues under non-taxes mentioned below will be watched through this register.

1. Market leases
2. Rents from shop rooms shopping complexes building and lands
3. Slighter lease leases
4. Fish tank leases
5. Ponds from land and gardens
6. Revenue receipts
7. Rents from Municipal Quarters
8. Deceitful amounts from the courts
9. Recoveries from the LICB rooms etc.

In addition to the above sources the following revenues will also be monitored through separate MDR.

- a) Non-Plan Grants
- b) Plan grants
- c) Entertainment tax
- d) Profusion tax
- e) Surcharge on Stamp duty.

The demand i.e. monthly lease amounts/rents or annual/one time payments fixed need be gathered from the register of revenues yielding properties and the sale lists approved by the council or the contract committee.

Collectors will have to be posted month wise from the entries or register of Miscellaneous receipts. There will be provision of penal interest under market leases and shop room rents if payments are not made in time.

Balance in the register both normal lease amounts/rents and penal interests at the close of the year will be transferred to the MDR of the following year. There will be no separate Arrear Demand Register for miscellaneous receipts as in the case of property tax.

At the end of the year the demand collection and balance will have to be struck. During the scrutiny of ledgers for the year 2014-15 pertaining to the rents received in respect of shops it was noticed that ledgers were not maintained and closed properly. Rent to be received (closing balance) during the year was not taken as arrears (opening balance) of the next year property. Abstracts were not prepared and DCBs were not maintained.

However as seen from the MDR for the year 2014-15 none of the conditions stated above were fulfilled. No demand was fixed the collections were not totaled and balances arrived at. The entries in the register were neither authenticated by the clerk concerned nor by the executive authority. The connected files were also not produced to audit despite repeated reminders. In these circumstances the correctness of the collections

Para No. 21 Code No.9

PROPERTY TAX AND ITS COMPONENTS - NOT IMPLEMENTED :

According to the provision of Sec.85 of the A.P. Municipalities Act 1965 the government have fixed ceiling to the rate of property tax inclusive of Education tax and library cess that it should not exceed 25% of A.R.V in respect of residential buildings and 33% of A.R.V. in respect of non-residential buildings. The property tax should be allocated to the following components to provide for expenses under each head.

1. General purpose
2. Water supply tax
3. Drainage tax
4. Scavenging tax
5. Lighting tax
6. Education tax
7. Library cess

As verified from the annual account the property tax was not apportioned among the applicable components in the above stated heads. This was contrary to the objective of the provisions made under the said section of the Municipal Act. The same would need to be rectified and the prescribed procedure followed in future. The Commissioner would need to take earnest steps for allocation of property tax as per the provisions in the

Para No.22 Code No.9

NON ISSUANCE OF OCCUPANCY CERTIFICATE AND CONSEQUENT LOSS :

Occupancy Certificate shall be mandatory for all buildings and unless such certificate has been granted by the sanctioning authority no person shall occupy or allow any other person to occupy any building or part of the building. The Property owners consent upon completion of the construction have to intimate the Municipality of the same in the prescribed proforma to facilitate the UIR to issue occupancy certificate and t

produced to audit the observance of the rules issued in the said G.O by the ULB could not be checked in audit.

Further clause -g under Rule 26 of G.O.Ms.No.168 MA & UD (M) Dept. dated 07-04-2012 the functional/line agencies shall not give regular connections of power water sewerage etc. unless such occupancy certificate is produced or alternatively may charge three times the tariff till such time occupancy certificate is produced. It was noticed in audit that in most of the cases the said connections were given even without issuing the

Thus non production of building application files to audit would give scope for an detection of such irregularities which cause huge loss to the income of the ULBs.

Para No.23 Code No.9

NON REMITTANCE OF EDUCATION CESS BY MUNICIPALITY - NEEDS ACTION :

As per section 37 (1) of the Andhra Pradesh Education Act 1982 any Municipal Council may with the previous sanction of the Government and shall if so directed by them levy within its jurisdiction taxes for the purposes of this Act at such rates as may be considered necessary as an addition to the taxation levied in the Municipality under the A.P. Municipalities Act 1965 under the head of property tax or profession tax or under It was observed that no amount was remitted to Education cess to the competent authority so far. Reasons if any were not explained to audit as to why the Education cess was not remitted to so far. Immediately the executive authority would need to take good steps to remit education cess at an early time.

Para No. 24 Code No.9

NON PAYMENT OF ROYALTY CHARGES :

As per G.O.Ms.No.1276, Revenue (M) Dept., dated 20-11-76 every municipality is liable to pay the royalty charges to the government for the water used by it. Accordingly the engineering authorities of irrigation department were raising demands for the same against the Municipality. However the Municipality had not allocated any budget for the payment of royalty charges. The demands raised by the engineering authorities were :

Para No. 25 Code No.11

Q & O TRADES - MONTHLY LISTS - NOT PRODUCED IRREGULAR :

During the course of audit for the year 2015-16 under DMO trades the monthly lists in respect of all Divisions were not produced for verification in audit. Even if any sustained due to non production of the monthly lists would need to be made good to the Municipal funds.

Para No. 26 Code No.11

HALF MARGIN LETTERS ISSUED - INFORMATION NOT FORTHCOMING :

During the course of audit of the Municipal Council Bettampalle for the year 2015-16 several half margin letters were issued to the heads of sections and other officers also requesting them to arrange for production of the records under their control for audit scrutiny. But no action was taken by the heads of the sections concerned to arrange for the records sought for. The administrative authorities also failed to cause for the production of records. Hence action would need to be taken by the executive authority to avoid such instances in future and for the production of records required for audit.

Para No.27 Code No.11

PROPERTY TAX - GOVERNMENT OFFICES LOCATED IN PRIVATE BUILDINGS AND PAYMENT RENT TO OWNERS - REGISTERS NOT MAINTAINED AND PRODUCED TO AUDIT :

Information relating to Govt. Offices located in private buildings was not available to verify whether property Tax was levied as per the rents paid by Government offices to the building owners. A register containing Government offices located in private buildings should be maintained so as to verify whether Property Tax was being levied as per the rent paid by the Government Offices or not and in order to prevent leakage of re

Para No. 28 Code No.11

PROPERTY TAX APPEALS - RECORDS NOT PRODUCED :

The appeals and connected files relating to property tax in respect of all wards including appeals pending in courts were not produced to audit. In the absence of the same the correctness of the assessments of the tax due to appeals could not be verified in audit. Due to non production of records in this regard it could not be verified whether the corporation was collecting the admitted assessed amount of tax or not. Hence early ac

Para Number :9

(ITEMS (Sub - 10) No :9

Para No. 29 Code No.11

UNAUTHORISED CONSTRUCTIONS - REGISTER OF UN-AUTHORISED CONSTRUCTIONS NOT MAINTAINED - IRREGULAR :

During the course of audit it was noticed that the register of unauthorised constructions was not maintained in town planning section. Where as on verification of records relating to revenue section, it was noticed that a huge No. of unauthorised buildings were constructed during 2015-16 and house tax was imposed with 50% penalty which was irregular and the municipal council sustained huge loss due to the non imposition c

Para No. 30 Code No.11

TOWN PLANNING - UNAPPROVED LAYOUTS - 14% OPEN SPACE CHARGES NOT COLLECTED NEEDS EARLY COLLECTION :

According to Rule issued under Section 344 of the Hyderabad Municipal Corporation Act 1958 10% of O.S.C. needs to be collected on unapproved layout sites but on verification of the Building application register for the year 2015-16 it was noticed that there was difference in collection of the open space charges in the building application.

In the same area some of the applicants were imposed 14% O.S.C. where as some others were exempted from the payment of 14% O.S.C. even though the sites belong to same area. But the reasons for not imposing the 14% open space charges were not explained in audit.

Apart from the register of approved layouts and the notified extension areas was also not produced to audit. Due to lack of the said records and sufficient information with regard to the approved layouts and unapproved layouts the veracity in giving exemption and imposition of 14% O.S.C. could not be verified. Hence action needs to be taken to get entire transactions verified for finding the correctness of the same.

Para No.31 Code No.11

BUDGET - REVISED BUDGET FOR THE YEAR 2015-16 APPROVED BY THE DIRECTOR OF MUNICIPAL ADMINISTRATION A.P. HYDERABAD - NOT PRODUCED :

The revised budget for the year 2015-16 duly approved by the Director of Municipal Administration A.P. Hyderabad was not obtained and produced to audit.

In the absence of the same the expenditure incurred with in the budget provision or not could not be verified in audit and excess incurred whether ratified or not could not be verified.

Early action would need to be taken to obtain and produce the approved revised budget for the year 2015-16 to audit.

Para No. 32 Code No.11

PUBLIC HEALTH - D&O TRADES - DELINCTIONS LIST NOT PRODUCED TO AUDIT - NEEDS ACTION :

As verified from the DMO Trade license fees register division wise during the year 2015-16, it was noticed that many new licenses were sanctioned. But the details as to of how many licenses were renewed and how many licenses were cancelled were not produced to audit for verification. The delinctions list duly enclosing the stoppage letters from the traders along with council resolution were not produced for verification. It would

Para No.33 Code No.11

PROPERTY TAX ASSESSMENT FILES NOT PRODUCED :

Property tax of all assessments were filed through MIs in respect of all the new and additional assessments etc. Elichsense procedure was prescribed to fix the property tax in Circular instructions issued in Cir. -1 in No.No.11646/2006-F1-1 Dated 13-12-2005 of CDMA AP Hyderabad The measurements entered in the MIs with regard to the buildings assessed by the Bill Collectors were to be verified by the MI/BO and finally approve

Para No.34 Code No.11

REGISTER OF REVISION PETITIONS AND APPEALS ALONG WITH FILES NOT FURNISHED :

The records relating to the revision petitions received and allowed were not produced to audit. Hence it could not be verified in audit whether RPs were allowed or not if allowed whether the same was done as per rules and eligibility or not could not be verified. Further it was noticed that the window for modification was being allowed in the month of April by the e-Service for a predetermined period and there was no assurance in

Para No. 35 Code No.11

REGISTER OF REMISSIONS AND WRITE OFFS NOT PRODUCED :

The records relating to the remissions and write offs allowed were not produced to audit. It was not made known as to how much was allowed as remissions and write offs in the financial year 2015-16. In the absence of the same the quantum of remission and write off and whether the same was allowed as per the provisions of the Act or not could not be verified in audit. The same would need to be produced immediately.

Para No. 36 Code No.11

REGISTER OF BUILDINGS EXEMPTED FROM THE PAYMENT OF PROPERTY TAX - NOT MAINTAINED AND PRODUCED TO AUDIT :

The register of buildings exempted from payment of property tax during the year 2015-16 was not maintained and produced to audit for verification. In the absence of the same it could not be ensured in audit whether such buildings were assessed to other taxes/charges such as water tax drainage tax and primary service charges etc.

Early action would therefore need to be taken to get the register written up and maintained up to date.

Para No. 37 Code No. 11

VACANCY REMISSION REGISTERS - NOT PRODUCED :

During the course of audit the register of vacancy remissions was not produced for verification in audit. In absence of the same it could not be verified in audit whether the following conditions on which the remission of property tax could be granted were fulfilled.

- The building should be vacant and under for a considerable period of 36 or more days in the half year.
- There should be a notice of vacancy from the owner either in that half year or in the preceding half year indicating the period of vacancy.
- There should be a demand for remission of tax either in that half year or in the succeeding half year.
- The amount of remission shall be proportional to the period of vacancy and it shall not exceed half of the amount of tax.

Hence the above register would need to be written up and produced to audit early for verifying whether the above conditions were fulfilled.

Para No. 38 CODE NO.11

TAXES - ARREARS DEMAND REGISTERS ALONG WITH OUT STANDING BILLS NOT PRODUCED :

In respect of the following taxes arrears demand registers along with outstanding bills were not produced for verification in audit. In the absence of the same the genuineness of the taxes actually collected and arrears to be collected as on 31-3-2016 could not be ascertained in audit.

- M.V. Tax
- Advertisement tax.
- Vacant land tax.
- Property tax

5. Lesses rents and fees etc.

Immediate action may be taken to produce the same.

Para No. 39 Code No.11

ENCROACHMENT FEES - DEMAND AND ARREAR DEMAND REGISTERS NOT MAINTAINED AND PRODUCED :

The register of encroachment fee (current) provides a record of all encroachments identified and demand collection and balance of license fees from objectionable encroachments. This register provides information for 5 years. Similarly the Arrear Demand Register provides record of all balances of encroachments fee outstanding at the end of the year. But, the above registers were not maintained and produced to audit. However an amount of Rs. 1,89,000-00 was shown as collection towards encroachment fee during the year under audit. Since the above registers were not maintained the accuracy of the amounts collected could not be verified in audit.

Para No. 40 Code No.11

REGISTER OF REVENUE YIELDING PROPERTIES NOT MAINTAINED AND PRODUCED :

In order to guard any item of Municipal revenue being left out in the M.D.R. a register of Revenue yielding properties and other miscellaneous sources of revenue of the municipality will have to be maintained. It has to be ensured that all the items shown in this register with the exception of those that are managed departmentally are entered in the M.D.R. for matching the realization of the revenue due. The register also helps in However this important register was not maintained. As a result it could not be fully ascertained in audit whether revenues from all sources was being recorded or there were any linkages. It could not be verified in audit whether all the sources of revenue were included in the M.D.R. due to non-maintenance of the above register. Immediate action may be taken to maintain the register and produce the same to audit.

Para No.41 Code No.18

DD/CHEQUE REGISTERS NOT MAINTAINED PROPERLY :

Scrutiny of the DD/Cheque registers revealed that the Municipality was receiving DD/Cheques for various purposes such as PT EMDs Tender schedules EPS etc. Though the particulars such as date of receipt received from whom purpose column were being entered in the register the actual date of realization to the concerned account was not entered in this register. Some of the DD-s were returned by the banks for revalidation.

Para No.42 Code No.18

ENTERTAINMENT TAX FILES RELATING TO RT OF CINEMA AND CABLE T.V. NOT MAINTAINED :

As per GO.Ms No.1644 Revenue (CT-IV) Department dt.8.11.2006 the levy assessment collection and enforcement of Entertainment Tax on Cinema Cable TV networks shall be vested with commercial Tax Department. According to section 4 of APET Act 1939 (The Act originally passed by the Madras Provincial Legislature as Madras Entertainment Tax Act 1939) 90 percent of the total proceeds of the Entertainment Tax collect

Para No. 43 Code No. 18

SPECIAL NOTICES ISSUED - RECORD NOT MAINTAINED :

In case of all the new and additional assessments made during the financial year 2015-16 were said to have been issued through the bill collectors concerned to the property owners. But there was no assurance in audit that all the notices were issued in time by the bill collectors concerned. The special notice number and the date of issue had to be entered in the ML at Col.No.45 and 46 respectively but the details were not being e

Para No.44 Code No.18

REGISTER OF LIBRARY CASES NOT MAINTAINED :

(A) As per GO.Ms No.68 dt.12.9.2009 under Section 85(2) of the AP Municipality Act read with Section 20 of Andhra Pradesh Libraries Act 1960 the Municipal Council is required to levy and collect the amount of Library Case @ 8 paise for every rupee on the property Tax collected and transfer the same to Zilla Grandhalaya Samatha (ZGS) concerned to provide library service to public. The register of library case was not maintained in th
(B) Government issued orders vide GO. No.122 Education (PE Prog.) Department Dt.26.10.2009 para 5 of (B) directing of Library Case @ 8 percent on property tax collected and remit the same to Zilla Grandhalaya Samatha (ZGS) concerned. The executive authorities would need to take good steps to collect library case as per Government norms.

Para No. 45 Code No. 18

LABOUR CASES NOT COLLECTED BY MUNICIPALITY - OFFERS COLLECTED :

Government in G.O.Ms.No.112 Dt.15.12.2009 Labor Employment Training & Factories department issued instructions for collection of 1% of cost on estimated cost of construction of the building works and instructed for collection by the local bodies at the time of approval of plan. During the course of audit the executive authority has not collected labour case and followed the above Government norms at the time of plan app

Para No.46 Code No.18

NON EXCHANGE OF INFORMATION BETWEEN TOWN PLANNING AND REVENUE SECTION :

The Revenue Wing of the Municipality did not have access to the Building Approval plan from the town Planning wing as there was no system to furnish copies of approvals by the Town planning Wing to the Revenue Wing for monitoring of the buildings and assess it under PT in accordance with the details therein. The Revenue wing similarly did not follow the procedure to bring to the notice of the Town Planning Wing in the work of the town planning wing of the ULB.

Para No.47 Code No.18

DEMAND REGISTER - WATER TARIFF FOR HOUSE HOLD WATER SUPPLY SERVICE CONNECTIONS (HSCs) - NOT MAINTAINED :

As per G.O.Ms.No.303, Municipal Administration & Urban Development (A2) Department, dated 2-8-2004, the Government has decided to formulate a new strategy for the urban poor i.e. Below Poverty Line house holds for provision of house service connections. Accordingly the following orders are issued.

1. Any Below Poverty Line house holder possessing a White Ration Card and not having access to house service connections shall be granted one HSC on payment of Rs.1200/- per connection including the cost of pipes and road cutting charges. The cost of tap however shall be borne by the individual.
2. The beneficiary shall be given the option of paying the amount in 12 equal monthly installments without interest. The house service connection shall be given after payment 1st installment and the rest shall be recovered along with the monthly/bi monthly billing for water consumed.

The proof of receiving the installments and the schedule of the giving connections was not produced to audit. But the Demand register of water tariff was not maintained and produced to audit. In the absence of the same it could not be verified whether the installments were being collected regularly or not. Loss if any raised in this regard would need to be recovered from the person or persons responsible. The above said register

Para No.48 Code No.18

NON UTILIZATION OF FEE TOWARDS PUBLICATION OF BUILDING PERMISSION IN NEWSPAPERS COLLECTED FROM THE APPLICANTS SEEKING PERMISSION FOR HOUSE PLAN AND FOR HOUSE CONSTRUCTION :

In accordance with Government memo.no.22889/MA/97 MA/MD dated 1-11-1997 an amount of Rs.100/- from individuals and Rs.1000 from apartment builders are being collected by the municipal authorities towards fee for publication of building permissions in newspapers while according approval for house plans. The amounts collected shall be utilized towards publication charges payable to news media for printing the periodi

It was observed during the scrutiny of the records that the particulars of building permissions were not made public through the press utilizing the publication charges collected from the applicants in contravention of the Government orders. No separate account was maintained as regards publication charges so far collected. This was not in order. The lists of all unauthorized constructions noticed especially regarding apartments

Para No.49 Code No.18

NON MAINTENANCE OF REGISTERS PRESCRIBED IN THE MANUAL :

The APJAM prescribed maintenance of certain registers and forms. The formats of the books registers and forms referred to in Table 4.1 of Chapter 4 of APJAM need to be maintained. But it was observed that all the registers and forms were not maintained during the year 2011-12 contrary to the instructions contained in the manual. The details were mentioned in Annexure-1. The registers and forms would need to be maintained

FOBS NOT FURNISHED :

The OBs of the respective G.L. accounts were drawn from the OBs provided in the FOBS furnished to audit. The said FOBS was verified and certain material deviations from the instructions envisaged in the APJAM and instances of under/over stating of value of assets and non-identification of assets etc. were pointed out and communicated to the Executive Authority for rectification. But the said FOBS was not returned duly re

NON IDENTIFICATION OF MANY ASSETS :

Many assets were not identified in spite of pointing out relevant objections in the FOBS verification report. The Executive Authority of the ULB ought to have shown much more interest in identifying valuable assets and taken steps to include the same in the Balance Sheet.

4 RECEIVABLES AND PAYABLES NOT ASCERTAINED PROPERLY :

APJAM mandates that the receivables in case of tax income shall be ascertained for the last five years and in case of non tax income for the last three years. But the same was not adopted either in the FOBS or in the account rendered now to audit. If the receivables and payables were not assessed properly now there was every chance that of the institution suffers at a later date. However the basis for the amounts arrived at as re

SUBRECEIVABLES NOT RECONCILED :

The Accounts Section and the Tax Section shall reconcile the balance at the beginning of the accounting year in respect of the year wise property and other tax receivables as appearing in the balance sheet of the previous year with the year wise total of the arrears recorded in the demand register as per the provisions contained in APJAM. But during the verification of the annual accounts it was noticed that the arrear demand reg

ADVANCE COLLECTION OF PNO TRADE FEES INCLUDED IN THE IAE STATEMENT :

The convention in the ULBs with regard to the collections of D & O Trade fees was to collect the same in advance for the subsequent year i.e. before February of a year. The collections made after February are to be made along with collection of related fees. The advance collection made shall be kept under deposit for that year and adjusted to General funds in the subsequent year. But during the course of verification of accounts

TRACES OF ENTRIES WERE BASED ON CHITTA :

It was observed in audit that the base document that was considered for recording receipt entries in the new system of accounting was Chitta. The endeavour of the accountant who prepared annual accounts was to faithfully account for all the entries in the Chitta as receipt entries in the annual accounts. But no effort was made to trace amounts collected by the collection staff and remained unremitted if any.

8) SOME OTHER MATERIAL OBSERVATIONS :

- 1) As verified from the Schedule enclosed in the Income and Expenditure statement, it was noticed that the amounts relating to the previous year, were not furnished.
- 2) As verified from the Schedule enclosed in the Balance Sheet, it was noticed that the details of additions and deletions during the year 2015-16 were not furnished.
- 3) Statement of cash flows in summary of ULBs cash flow for the period from 1-4-2013 to 31-3-2014) was not furnished.
- 4) Financial performance indicators were not furnished.
- 5) Financial ratios were not calculated and produced.

9) FIXED ASSETS REGISTER NOT MAINTAINED :

The A.P. Municipal Asset Valuation Methodology Manual provides for maintenance of Fixed Assets Register for 11 categories of assets and formats were prescribed in Annexure-6 and as per instructions the register has to be maintained updating the details of acquisition/construction/improvement of assets for each particular year. But it was noticed during audit that no such registers have been maintained under certification by t

No maintenance of the important Asset register by the ULBs having significant and valuable assets impairs the asset management system and proper watch on the cost of the assets/improvement to assets would not be possible.

10) NOTES TO ACCOUNTS NOT ENCLOSED TO FINANCIAL STATEMENTS :

The Notes to accounts complying of the statement of significant accounting principles followed by the ULB in respect of accounting for its transactions and its preparation and presentation of the financial statements statement of contingent liabilities representing obligations relating to past transactions and claims against the ULBs which were contingent on the happening of future ascertain events whereby report in accordance

11) RECONCILIATION PROCEDURES NOT OBSERVED :

- 1) A.P.M.A.M prescribed reconciliation procedures with an objective to ensure that the accounting information is recorded at more than one place there are no discrepancies between the different sets of records. The procedures include the following.
 - a) Bank reconciliation: aiming at reconciliation of bank treasury balances with cash bank balances.
 - b) Inter Unit reconciliation: intending to identify the disposed/un accepted inter unit transactions and to take appropriate action for rectification which is necessary in the process of consolidation of ULB at the head office level as the balance of inter unit account balances shall be nullified.
 - c) Reconciliation of Deposits: Aiming at reconciliation of the balance of HSD/PS etc. and any other deposits received by the ULB. The reasons for differences shall be identify and rectification action passed whenever required by the section concerned.
 - d) Reconciliation of receivables and collections: The receivables and collections shall be reconciled on a quarterly basis or such other shorter time intervals however the procedure for reconciling outstanding balances of receivables and collections of all kinds of receivables namely viz. property tax receivables Water tax receivables etc. in the same.
 - e) Reconciliation of Advances given: Advances given shall also be reconciled on a quarterly basis including advances given to employees of the ULB and contractors and suppliers.

Further A.P.M.A.M. envisaged reconciliation of loans taken reconciliation of payables reconciliation of ledger balances etc. also.

But during the scrutiny in audit it was observed that these procedures prescribed were not followed and no reconciliation statements were enclosed to the final accounts in the absence of reconciliation of receivables and collections the balances shown as either receivable or collected could not be held to be correct. Urgent steps would need to be taken by the Executive Authority to cause preparation of the reconciliation statement

12) MANY ITEMS WERE BOOKED UNDER THE HEAD - OTHERS - FOR NOT KNOWING CORRECT CLASSIFICATION :

It appears that while making data entry and creating vouchers many items were booked under the head -others- either due to lack of understanding at data entry level or because of the complexity involved in deciphering the correct classification of the expenditure as per the Chart of Accounts prescribed by the APJAM.

13) VOUCHERS NOT VERIFIED DURING DATA ENTRY :

It appears that at data entry level the original vouchers were not verified and as such the vouching appears to have been done based on the entries in the cash book leading to many misclassifications and incorrect totaling etc.

14) IRREGULAR CALCULATION OF DEPRECIATION

As per para 5.2.1 of A.P. Municipal Asset Valuation Methodology Manual Depreciation shall be provided at full rates for assets purchased/constructed before October 1st and at half rates if purchased/constructed on or after October 1st of an accounting year. As the depreciation statements were not produced to audit it could not be known whether the procedure as per said manual at the time of calculation of depreciation was followed.

Para Number : 10
STATUS OF OBJECTIONS (Code : 19) Bt : 0

Code No.12

STATUS OF AUDIT OBJECTIONS :

629 Number of objections involving amount of Rs.-10,98,32,600-00

as detailed below are pending settlement at the close of audit.

Year	No. of Objections	Amount Rs.
2005-06	28	88832-00
2006-07	28	909917-00
2007-08	29	6631159-00
2008-09	27	9656794-00
2009-10	44	10487970-00
2010-11	48	8999060-00
2011-12	60	8670643
2012-13	92	2090713-00
2013-14	98	31611906-00
2014-15	92	6262126-00
2015-16	44	29148031-00
Part-1		
2015-16	49	0
Part-1		
Total	629	10,98,32,600-00

DISTRICT AUDIT OFFICER
STATE AUDIT COURT

A.A.O.

Para Number : 11
REVENUE & CHARGES (Code : 20) Bt : 0
Code No.20

RECEIPTS AND CHARGES :

The gross receipts and Charges of the Municipal Council Sattenapalli for the year 2015-16 are as furnished below.

Name of the Fund	Receipts Rs.	Charges Rs.
Municipal General Fund	77064021.28	80120783.45
Capital Project Fund	19280264.00	22505984.14
Total	96344285.28	102606767.59

Para Number : 12
STATUS OF OBJECTIONS (Code : 19) Bt : 0
GOVERNMENT OF ANDHRA PRADESH

From To
Sri J. Raghava Kumar M.Sc. District Audit Officer
Sri. G. Sankarababu Rao Commissioner
Municipal Council
SATTENAPALLI
Guntur Dist.

STAT

Spl. Lt. S.A. No.

I have the honor to invite your attention to the following para of the Audit Report on the accounts of Municipal Council Sattenapalli Guntur District for the year 2015-16 and to state that unless the defects pointed out there in are rectified and fact reported to this office with in 4 months from the date of receipt of this Spl. Letter Surcharge action will be initiated as per Rule 8(1) & 9 of A.P. State Audit rule 2000 issued Via

Name of the Fund	Para Nos.
General Funds	2
12 th Finance Commission Funds	

Enclosures :

Extract of para.

Para Number : 13
OTHERS (Code : 18) Bt : 0

Annexure I

S. No.	Para No.	Name of the Register/Statement
1	GER-9	Receipt Register
2	GER-10	Misstatement on status of cheques received
3	GER-11	Collection Register
4	GER-12	Summary of daily collection of _____ collection office/collection centre
5	GER-13	Register of bills for payment for the year
6	GER-14	Payment Order
7	GER-15	Cheque Issue Register
8	GER-16	Register of Advances for the year
9	GER-17	Register of Payment Advances
10	GER-18	Register of Deposits for the year
11	GER-19	Summary Statement of Deposits adjusted
12	GER-20	Demand Register of _____ income for the year
13	GER-21	Notice/Bill of _____ income for the period _____
14	GER-22	Summary Statement of bills issued for the period _____ in respect of _____
15	GER-23	Register of Estimated Fee Waiver Fee Other Fees and possible change to report of _____
16	GER-24	Summary Statement of Estimated Fee Waiver Fee Other Fees and Possible Change
17	GER-25	Register of advance maintenance & bills for the year _____ in respect of _____
18	GER-26	Summary Statement of Refunds and remissions for the period _____
19	GER-27	Summary Statement of Refunds only for the period _____
20	GER-28	Statement of remaining liability for expenses on an _____
21	GER-29	Statement of actual receipts/credit amount of receipt/Charge book
22	GER-30	Register of leaseable Property
23	GER-31	Register of leaseable Property
24	GER-32	Register of Land
25	GER-33	Asset Requisition Register
26	GER-34	Register of Public Lighting System
27	GER-35	Grant Register
28	GER-36	Summary Statement of Demand Raised on Assessment for the year _____
29	GER-37	Summary Statement of year-wise collection of other incomes for the period _____
30	GER-38	Summary Statement of Refunds for the period _____
31	GER-39	Summary Statement of Refunds for the period _____
32	GER-40	Summary Statement of water bills for the period _____
33	WB-1	Summary Statement of Demand raised on assessment for the period _____
34	WB-2	Summary Statement of year-wise and half-wise collection of Water Taxes for the period _____
35	WB-3	Summary Statement of Refunds/Remissions for the period _____
36	WB-4	Summary Statement of Water bills for the period _____
37	WB-5	Consolidated year wise statement of the government/Company establishment for the month of _____
38	WB-6	Register of Employees Loans/Advances for the year _____
39	WB-7	Register of Advances of Loans to employees for the year _____
40	WB-8	Salary Order for the year _____
41	WB-9	Register of Payment Order
42	WB-10	Pension Register
43	WB-11	Special Funds Register
44	WB-12	Register of Loans
45	WB-13	Register of Advances
46	WB-14	Register of Billing Books
47	WB-15	Investment Ledger/Register
48	WB-16	Calculation Sheet for Provision for Distribution in Value of Investments for the period ending _____
49	WB-17	Material Receipt Note
50	WB-18	Stores Ledger
51	WB-19	Statement of closing stock on _____
52	WB-20	Statement of material issued to construction
53	WB-21	Summary Statement of status of capital work program/ Request works
54	WB-22	Work Sheet
55	WB-23	Deposit Books Register
56	WB-24	Register of Loans to Officers
57	WB-25	Register of grants to school heads/Other undertakings

Details of Registers

Para Number : 14
STATUS OF OBJECTIONS (Code : 19) Bt : 0

Abstract of Category (Code) wise objections of Municipal Council Sattenapalli Guntur District for the year 2015-16

S. No.	Category of Audit Objections	Code No.	Para No.	Amount
1	Variation in Account Figures		1	
2	Excess Utilization of Grants		2	
3	Funds diversion / Diversion of grants		3	
4	Non - Utilization of grants		4	5 --
5	Mis - Utilization of grants		5	
6	Non Utilization of earmarked Fund		6	
7	Non collection of Dues		7	5 --
8	Advances pending adjustment		8	
9	Violation of Rules		9	18 --
10	Non remittance of deductions		10	
11	Non production of records		11	16 --
12	Misappropriation of funds		12	
13	Excess payments		13	
14	Wasteful expenditure		14	
15	Insurance of cases of UN accounted cash/bills		15	

14.	Pendency of Utilization of Certificates	16		
17.	Surcharge certificate recovery pending	17		
18.	Others	18	9	--
19.	0121 Cheques etc. received but not notified with in time.	22		
	Total		49	0

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