GOVERNMENT OF ANDHRA PRADESH
STATE AUDIT DEPARTMENT

From
Sri. Y. Satyanarayana,
District Audit Officer,
State Audit, Krishna
Machilipatnam.

To
The Commissioner,
Jaggayyapet Municipality,
Jaggayyapet
Krishna District

Letter S.A. No. /201 -1 / dated. / /201.

Sir,

I am to forward herewith the Audit Report on the Accounts of Jaggayyapet MUNICIPALITY, Krishna District for the year 2015-2016 as per the Rule 60 (d) schedule1 of the Municipal Act 1965 and request that replies to the Audit Report in Triplicate together with resolution of the General Body meeting of the Municipality duly approved may be sent within 02 months from the date of receipt of the Audit Report as per the GO Ms.No.874,( Muni.Dept), Dt.13.11.1987.

Yours faithfully,

District Audit Officer,
State Audit, Krishna Machilipatnam,

Encl: Audit Report.

Copy to the Commissioner and Director of Municipal Administration, AP, Hyderabad.

Copy to the Accountant General, Andhra Pradesh, Hyderabad.

Copy submitted to the Director of State Audit, Andhra Pradesh, Hyderabad.

Copy submitted to the Regional Deputy Director, State Audit, Zone-II, Eluru.

Name of the Auditor : Sri.Mallipeddi.Srinivas, Assistant Audit Officer(FAC)

Time taken for Audit :- 18/03/2017, 21/03/2017 to 25/03/2017, 28/03/2017,30/03/2017, 03/04/2017,04/04/2017, 27/04/2017 to 29/04/2017

1 (a). The Commissioner of Jaggayapet Municipality was held by:-

2.Sri. C.V.Rao : 18-8-2015 to 31-3-2016

(b) The Chairperson of Jaggayapet Municipality was held by:-

Sri.T.Nageswara Rao : 1-4-2015 to 31-03-2016
1. **Scope of Audit:**

The accounts of Jaggayyapet Municipality for the year 2015-16 were generally examined excepting the standard audit risks. The responsibility for production of all fund pass books, FDRs etc., furnishing of correct accounts lies with Municipal Commissioner. If any of the pass books or other funds were concealed & not at all taken into account and the original records not produced to audit, it is not possible for the audit to trace whether any amount is omitted or not or whether any funds exist other than those shown to audit. To that extent audit risk is involved. Therefore, the audit is conducted to the extent records produced by the Municipal Commissioner.

In spite of several Half Margin letters issued, the record production is very limited and those records which were produced were also incomplete. Except a few records, all other original records were either not produced or were produced in incomplete shape. Audit could not be completed without full fledged record production. But because of exigencies, the audit was closed unsatisfactorily and on conditional basis i.e, as and when all the records, rectified FOBs are produced by the Commissioner, Jaggayyapet Municipality the correctness of Annual Accounts will be verified and certified.

2. **DISCLAIMER CERTIFICATE:**

The Audit Report has been prepared on the basis of information furnished by the Commissioner, Jaggayyapet Municipality. The Office of the District Audit Officer, State Audit, Krishna, Machilipatnam and their Audit Team disclaims any responsibility for any of this information or non-information on the part of the auditee unit i.e., Jaggayyapet Municipal Council.

3. **GENERAL FINANCIAL REVIEW:**

The Receipts and payments during the year are shown in the abstract of Annual Account appended together with the Opening and Closing Balances. The O.B was not mentioned in the Cash Books nor the closing balance in the General Fund Cash Books as on 31.3.2016. The Cash Books were not written up properly and the receipt side no entries were made. The cash books and pass books of schemes have not been updated to know the closing balances. Therefore reconciliation with treasury pass books and bank pass books could not be completed and the accounts could not be certified as genuine.

<table>
<thead>
<tr>
<th>SL No</th>
<th>Details</th>
<th>Closing Balance as per cash book as on 31-03-2016</th>
<th>Add Un-cashed cheques add difference</th>
<th>Closing Balance as per Try. Pass Book/Bank as on 31-03-2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4. COMPLIANCE OF AUDIT OBJECTIONS BY THE COMMISSIONER.

   a) The number of Audit Objections pending at the beginning of the year, the No. of Audit Objections added during the year, the No. of Audit Objections Settled during the year and the balance left at the close of the year along with the amount involved is given below:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Details</th>
<th>No. of objections</th>
<th>Amount involved.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total No. of objections pending as on 01.04.2015</td>
<td>2420</td>
<td>444973916.00</td>
</tr>
<tr>
<td>2</td>
<td>No. of objections raised during 2015-16</td>
<td>122</td>
<td>4685562.00</td>
</tr>
<tr>
<td>3</td>
<td>Total</td>
<td>2542</td>
<td>449659478.00</td>
</tr>
<tr>
<td>4</td>
<td>No. of objections settled in 2015-16</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>5</td>
<td>No. of Objections outstanding as on 31.03.2016</td>
<td>2542</td>
<td>449659478.00</td>
</tr>
</tbody>
</table>

According to the orders issued in G.O.Ms.No.874, M.A., dt.13-11-87 the audit reports and the replies shall be placed before the Municipal Council and the replies submitted to the Govt. through the Director of State Audit with a copy of resolution approving the replies for consideration of the waiver of the objections. The records of the Municipal Council do not reveal the observance of the orders. The Commissioner did not evince much interest in rectifying the defects pointed out in the Audit Reports for settling down the objections. He is instructed to take necessary steps to reduce the pendency.

CODE NO: 09

5. ACCOUNTS - PRODUCTION OF INCOMPLETE ANNUAL ACCOUNT WITH OUT ACCOUNTS AND SUBSIDIRY REGISTERS - IRREGULAR

On verification of annual account for the year 2015-16, it is noticed that the annual account produced is incomplete and compiled with insufficient information which is clear violation of rule 4 of preparation and submission of accounts and abstract rules 1970.

According to the above rule, a detailed annual account prepared in form -B- with the verification taken from the final abstracts of all subsidiary registers. But the annual account produced to audit is with many in filled blanks with out abstract of accounts like deposits investments, securities and financial statements, adding that even in the figures posted in the Annual account could not be traced in the subsidiary registers.

As the annual account is prepared without completion of subsidiary registers and abstract accounts, the institution which cannot expose the real position of the financial status.
Therefore action would need to be taken to get the annual account prepared with complete information and produced for verification. The loss or misappropriation if any found to have been sustained to municipal funds, that would need to be recovered from the person or persons responsible.

CODE NO.1

6. BALANCE SHEET SOME OF THE DEFECTS NOTICED IN THE FOBs AS ON 1.4.2009 NOT RECTIFIED AND BALANCE SHEET PREPARED AS ON 31.3.2016 - COULD NOT BE CERTIFIED.

In spite of the defects having been pointed out in the FOBs audit report no action has been taken either by the municipality or RCA firm to rectify the defects pending in the FOBs as on 1.4.2009 & balance sheet as on 31.3.2016.

1) Non furnishing of rates issued by the registration department, the value of assets incorporated could not be certified.
2) Non-furnishing of M. Books, the construction cost of the building / roads / drains etc arrived could not be certified.
3) The capital works expenditure shown in the assets & liabilities could not be certified as the defect pointed out in the previous report was un-rectified.

Therefore action would need to be taken to rectify the defects pointed out in FOBs and fresh balance sheet arrived as on 31.3.2010 to 31.3.2012 may be furnished to audit for verification & certification.

CODE NO.7

7. NON-COLLECTION OF GARBAGE CHARGES – NEEDS COLLECTION.

The Municipal bodies as per the guidelines of “total sanitation programme” are required to collect garbage charges from the eating establishments, hospitals, diagnostic centres, clinics, 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 by the Municipal body in respect of cinema halls and other places of entertainment.

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.

CODE NO.7

8. CELL TOWERS – TAX ON CELL TOWERS - NOT COLLECTED:

As per GO. Ms No.183 Municipal Administration & Urban Development (M 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 namely:

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 lightening 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.

The files / records in this regard were not furnished to audit. Further, it was noticed that initial installation charges or annual renewal charges were not collected by the municipality during the year of audit.

9. TAX REVENUE RAISED BY THE MUNICIPAL COUNCIL :

A) Revenue consists of property tax, tax on animals and carriages, Advertisement tax etc., Tax on property is the main source of revenue which constitutes 28% of the Revenue receipts of the Municipal Council during the year. An analysis of the Tax revenue for the current year and the preceding years is given below based on the DCB Account and Receipts and Payments Statement submitted by the Municipality.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Nature of Tax</th>
<th>Collections in 2013-14</th>
<th>Collections in 2014-15</th>
<th>Collections in 2015-16</th>
<th>Increase or Decrease w.r.to previous years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Property Tax</td>
<td>19686650.00</td>
<td>18318525.00</td>
<td>28177916.00</td>
<td>Increased</td>
</tr>
<tr>
<td>2</td>
<td>Water Tax</td>
<td>2928720.00</td>
<td>4725690.00</td>
<td>4145640.00</td>
<td>Decreased</td>
</tr>
<tr>
<td>3</td>
<td>Advt. Tax</td>
<td>49950.00</td>
<td>29500.00</td>
<td>70880.00</td>
<td>Increased</td>
</tr>
</tbody>
</table>

- The levy of Profession Tax was taken away from local bodies and entrusted to Commercial Taxes department.

B) NON TAX REVENUE OF THE MUNICIPAL COUNCIL :

A) Building Rents, Leases of Markets, Slaughter Houses, Enchroachment Fee, Water Charges, Betterment charges etc. from the Non Tax revenue of the Municipal Council. An analysis of the Non Tax Revenue under some Principal Heads for the year and during the preceding 2 years is given here under.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Income of Revenue</th>
<th>Collections in 2013-14</th>
<th>Collections in 2014-15</th>
<th>Collections in 2015-16</th>
<th>Increase or Decrease w.r.to previous years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Market and Shopping Complex</td>
<td>1629472.00</td>
<td>3250266.00</td>
<td>3227924.00</td>
<td>Decreased</td>
</tr>
<tr>
<td>2</td>
<td>Enchroachments</td>
<td>1801112.00</td>
<td>198656.00</td>
<td>115130.00</td>
<td>Decreased</td>
</tr>
<tr>
<td>3</td>
<td>Building Permit Fee</td>
<td>181995.00</td>
<td>1068370.00</td>
<td>1967909.00</td>
<td>Increased</td>
</tr>
</tbody>
</table>
10. COMPENSATION FOR THE LOSS OF INCOME FROM TOLLS ETC PAYABLE UNDER SECTION 123 OF THE AP MUNICIPALITIES ACT, 1965 - NOT RECEIVED FOR YEARS TOGETHER - LOSS NEEDS ACTION.

A toll on a road is a tax on animals and vehicles coming from outside and entering the limits of municipalities. The taxation enquiry commission has recommended the abolition of toll tax and also suggested that the loss of revenue caused by the abolition of tolls may be made up by the motor vehicle tax. The motor vehicle tax Act, 1939 took away the power of local bodies to levy taxes on propelled vehicles. Municipalities claimed some share in this tax on the ground that vehicles are using the municipal roads which are constructed and maintained by the municipalities. Govt accepted the demand of the municipal councils and decided to compensate the loss of revenue caused by deprivation to levy this tax to such of the municipalities are given in schedule VIII (part A, B & C) appended to the AP Municipalities Act, 1965.

Under section 123 (II) (a) (iii) of AP Municipalities act, 1965, compensation for the loss of income due to abolition of fees on licences granted to motor vehicles, which was deriving under section 10 (1) (a) (iv) of the Andhra Pradesh (Andhra Area) motor vehicles taxation act 1931, shall be paid by govt. The amount payable to municipal councils as compensation in lieu of loss of income due to abolition of levy of fees should be disbursed in two installments 1st installment on or after 16th July and 2nd installment on or after October every year and for this no authorization of Accountant General is necessary as per G.O.Ms.No.1465 M.A, dt.17.12.1965 and govt memo no.1139/H1/66-4, MA, dt.15-9-1966.

As per the schedule VIII (part C) appended to the act, an amount of Rs.1800 per annum has to be received towards compensation towards loss of income from fees or licences granted to motor vehicles, to this municipality. But no such amount was received from years together. Therefore action would need to be taken to assess the year from which it was pending and obtain the same from govt.

11. ADVERTISEMENT TAX - ADVERTISEMENT TAX ON CABLE TV OPERATORS - DEMAND NOT PROPERLY ARRIVED - LOSS OF REVENUE TO THE MUNICIPALITY - NEEDS ACTION.

As per the notification no.86/2000, dt.14.11.2000 and as per the G.O.Ms.No.266 MA dept, dt.5.5.2000, Advertisement Tax has to be levied @ 10% of the fees collected by the cable TV operators from the persons for which advertisements made in the cable TV. The municipal authorities have to obtain monthly statement from the cable TV operators regarding the amount of fees collected by the operators for broad casting advertisements in their cable TV and advertisement tax has to be fixed @ 10% on that amount.

But the municipal authorities have not followed the above procedure during the year 2015-16 which constitutes loss to the revenue of the municipalities.

Therefore action would need to be taken to fix the demand as per rules and collect the same. Or else the loss sustained would need to be made good from the person or persons responsible and credited to general funds under intimation to audit.

12. RECEIPT SIDE OF THE CASH BOOKS NOT WRITTEN UP – 001, 002 & 003 ACCOUNTS – CASH BOOKS NOT CLOSED AND CERTIFIED:

It is observed during the audit that the receipt side of the manual cash books were not written up and left bank under the heads 001, 002 & 003. The cash books were also not closed and
CBs not arrived at and also not certified by the Municipal Commissioner. It is not understand as to how the account for the year 2015-16 was prepared without recording the transactions in the cash books which are the original books of entry. It shows the callousness of the Municipal Commissioner. There is every possibility of misappropriation in both receipt and expenditure sides. Loss of any sustained in this regard would need to be made good from person / persons responsible.

**CODE.NO.9**

13.PF ACCOUNTS – PF CASH BOOK NOT UPDATED – NEEDS EARLY ACTION:

It is observed that PF cash book and the individual PF ledger were not updated. The OB recoveries effected, withdrawals, CB were not posted. The Obs in the individual PF accounts were only meagre amounts. The PF cash book and the PF Ledger were also not certified by the Commissioner. Early action needed to updated the records and result may be pointed to audit. Loss, if any sustained in this regard needs to be made good from the person/ persons responsible.

**VIOLATION OF RULES:**

14.IMPROPER MAINTENANCE OF PROVIDENT FUNDS ACCOUNT RECORDS:

During the verification of records pertaining to Provident Fund of Municipal General Staff and School Teachers, the following observations were made:

1) The Municipality has not maintained the Cash Book for P.F. Due to this audit could not verify the fraudulent drawals and spurious remittances during year under audit.

2) The Municipality has not maintained personal Ledgers indication the amount of subscription, Interest credited drawals if any and balances at the end of the year.

3) As verified the Cash book concerned, it is noticed that out of the accumulated balance amounts available from the individuals accounts concerned 90% payment was only made during the year under audit. But, the with held amount @10% of individuals savings accounts was retain the accounts. But, no such balance was available in the bank accounts mentioned

Hence, in the above observations were brought to notice, it was replied that due to improper maintenance of Cash Book & P.F.Ledgers, the Municipality was not in a position to furnish the correct information as desired by audit and a detailed review will be conducted on all the issues as pointed out by audit and the result will be intimated to audit. Final outcome of the action taken may be intimated to audit.

**Code No.9**

15..ADVERTISEMENTS – EXHIBITED WITHOUT WRITTEN PERMISSION OF THE COMMISSIONER - FINE NOT IMPOSED – LOSS TO THE MUNICIPALITY- NEEDS ACTION.

No person shall without the written permission of the Commissioner, erect, exhibit, fill 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, omni bus 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.1,000 can be imposed and in no case, it shall be 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 2015-2016 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 written permission of the Commissioner, fine has to be imposed from Rs.500 to 1,000 on the owners of those advertisements. But, the same was not imposed and the Municipal body suffered loss of revenue to that extent. Therefore, action would need to be taken to impose fine and report compliance to audit.

Code No.9

16. 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, 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 arrear 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 lists of vacant lands on the basis of the property tax assessments, an independent survey by the out door staff would need to be got done for identification of the vacant lands in the limits of the Municipality and there by demand fixed properly, both current and arrear.

OBSERVATIONS ON VACANT LAND TAX:

A) Non identification of vacant plots for levy:

Section 85(3) of the Municipalities Act, 1965 read with instructions issued by Govt of AP provides 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 site. This information can possibly be obtained from the Registration Department:

(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 fee thus collected was not being accounted for under the VLT.

• The Municipality needs to urgently identify all the vacant sites within Municipal limits.

B) Improper maintenance of VLT records:

(i) Even though the land owners applied for building permissions and constructed the houses in the vacant lands, the same were not updated in the VLT demand register.

(ii) At the time of granting permission for building construction, the municipality had been charging the VL Tax (by town planning section) with penalty in excess over normal demand. However, the same was not updated in VLT demand register. Hence the demand shown in the DCB register does not reflect the actual position.

As such the municipality need to review all the outstanding VLT cases along with town planning records and the actual position ascertained. A fresh DCB for VLT may be prepared and furnished to audit.

Code No.9

17. PROPERTY TAX – NEW AND UNAUTHORISED CONSTRUCTIONS IDENTIFIED BY THE FIELD STAFF – RELEVANT RECORDS NOT MAINTAINED

The Revenue Officer/Revenue Inspectors and the Bill 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 assessees to pay it within 30 days after the commencement of each half year i.e 30th April/31st of October. In this regard the records of such visits or any details of properties identified were not maintained in this municipality. Loss, if any sustained by the institution due to non-collection of tax within time specified as per Municipal Act, the Executive Authority will have to be held responsible.

Code No.9

18. 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 collecting the requisite fee. Immediate action may be taken in this regard and fact intimated to the Audit.

Code No.11

19. TOWN PLANNING: ENCROACHMENT – REGISTERS OF ENCROACHMENT NOT PRODUCED TO THE AUDIT TO VERIFY THE FOLLOWING:

Due to non production of Encroached register, the following observations were not made during Audit.

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

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

CODE NO: 11

20. MISCELLANEOUS DEMAND REGISTER – COLLECTION OF SHOP ROOM RENTS - MARKET LEASES ETC. - NOT PRODUCED:

A) 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. Slaughter house leases
4. Fish tank leases
5. Produce from land and gardens
6. Revenue receipts
7. Rents from Municipal Quarters
8. Decrrial amounts from the courts
9. Recoveries from the ILCS 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) Profession tax  
e) Surcharge on Stamp duty.

Demand:  
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 sole lists approved by the council or the contract committee.

Collection:  
Collections 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 rooms rents, if payments are not made in time.

Balance:  
Balances 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.

Due To non productions of above said registers, the correctness of the Demand, collections and Balances could not be certified in audit. In this connection immediate action may be taken to produce the registers in next Audit.

CODE NO.9

21. 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 Municipal Act to fulfill statutory obligation.

CODE NO 9

22. SANITATION – DEPLOYMENT OF CONTRACT LABOUR.

According to Section 480 to 572 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 Roc No. 155/2012/H1 dt.29.12.2009, and Memo No. 155/2010/H1 dt.12.8.2010 issued comprehensive guidelines to be followed in engaging public health staff on outsourcing basis.

It was observed that those 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.

Code No.18

23. Details of withdrawals not noted in Sub-Treasury pass book – Irregular.

As verified from Treasury pass book, cheque wise withdraw details were not entered in Treasury pass book. In reconciliation at the end of every month of Treasury passbook, the total amount of the withdrawals is mentioned. In view of the above it could not be verified the actual date of withdrawals of cheques. The Executive authority would need to be taken to rectify the defects.

CODE NO 9

24. 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 consequent upon completion of the construction have to intimate the Municipality of the same in the prescribed proforma to facilitate the ULB to issue occupancy certificate and levy of PT. It was observed that there was no such arrangement indicating failure of the Municipality in enforcing the provisions laid down. Government have issued G.O.Ms.No.168 MA&UD(M) Department Dated 07.04.2012 and as per Rule 26(d) the rate of compounding fee shall be equivalent to 100% of the value of the land as fixed by the Registration Department at the time of compounding for the violated portion. As the files concerned were not 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 GO.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 occupancy certificate and normal tariffs are
charged.

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

CODE NO.9

25. NON CONSTITUTION OF WARD AND REVIEW COMMITTEES

Under Section 5(B) of A.P. Municipalities Act, 1965 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 formulation, review and general
superintendence of development programmes relating to education, health, sanitation, water
supply, drainage and welfare of SCs, STs, BCs, Women and Child welfare

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.

CODE NO 9

26. ADMINISTRATIVE REPORTS OF THE MUNICIPALITY NOT PREPARED – NEEDS

ACTION

Under the provision of Section 34 of A.P.Municipalities Act,1965, 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 shall be forwarded to the council, and
council shall be entitled within such time as the Govt., may fix, to offer or make such explanations
or observations as the council thinks fit.

The Commissioner 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.

CODE NO 9
27. 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 ET, VLT, 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 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.

CODE NO 9

28. NON PAYMENT OF ROYALTY CHARGES

As per G.O.Ms.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 not consolidated and the actual demand, payment and outstanding amounts were not made available in audit.

CODE NO 9

29. WATER CESS NOT PAID TO AP POLLUTION CONTROL BOARD – NEEDS PAID.

As per Section 3 of Water (Prevention and Control of Pollution) Cess Act-1977, water cess is to be paid on the quantity of Water supplied for domestic purpose. Further as per the provisions contained in the said Act all the ULB’s have to file the water cess returns duty mentioning the water supplied by ULB’s for domestic purpose.

The AP Pollution Control Board (APPCB) has to issue Amendment orders based on the water supply figures to be furnished by ULB’s as required under Sub-Section (i) of section 5 of the Act.
and the Sub-rule(i) of Rule 4 of the water (P&C of Pollution) Cess Rules 1978.

As per Section 12 of the said Act any amount due under this Act including any interest or penalty payable u/s 10 or 11 as the case may be from any local authority may be recovered by the Assisting Authority (APPCB) in the same manner as if it were an arrear of land revenue.

The CDMA of Hyderabad under Lr.RC.No.2189/2009/E1, dt.09.03.2005 and Lr.Rc.No.962-1/2010/H, dt.29.03.2010 requested all the Regional Directors – cum Appellate Commissioners of Municipal Administration and all Municipal Commissioners to pay water cess to APPCB as per the provisions of the Act.

During the course of audit it was observed that no amount was paid to the AP Pollution Control Board towards water cess so far. As verified from the file no correspondence was made with the Irrigation Department for furnishing information. In this regard if any penalty is imposed by APPCB, the said penalty will have to be recovered from the person or persons responsible.

CODE NO: 09

30. M.BOOKS – CERTAIN DEFECTS:

WORKS – EXECUTION OF WORKS – CONNECTED GUIDELINES FOR ANY SCHEME AGREEMENTS AND FILE, COMPLETION REPORTS, INSPECTION REPORTS OF QUALITY CONTROL DEPARTMENT ON WORKS ETC (ALL SCHEME FUNDS AND GENERAL FUND WORKS) ALONG WITH GRANT PROCEEDINGS (ALL SCHEMES) NOT PRODUCED — IRREGULARITIES IF ANY NOTICED AND LOSS SUSTAINED WOULD NEED TO BE MADE GOOD FROM THE CONCERNED AND REMITTED TO MUNICIPAL RELEVANT FUNDS.

During the course of audit regarding execution of works both in General funds and scheme funds the connected agreements along with files, guide lines of many of the schemes, completion reports, inspection reports of quality control department on works along with grant proceedings (All Schemes) were not produced for verification executed under both departmental and tender system.

Regarding departmental execution in absence of the aforesaid records, the following observations could not be made whether these instructions were scrupulously followed or not
1) Number of departmental works executed under General funds and scheme works during 2015-2016.
2) Number of departmental works pending completion as on 31/3/2016 regarding General and all scheme works (Scheme wise)
3) Outstanding advances – Advances pending as on 1/4/2015 both General and all the scheme funds.
4) Advances pending as on 31/3/2016 general and all scheme funds.
5) Whether proper indenting system for issue of material to the works not exceeding the theoretical requirement as worked out in the estimates were followed (both general and schemes).
7) Whether material were issued after approval of the competent authority and duly acknowledged (General and all scheme funds)
8) Whether material at the site account is maintained (General and all scheme funds)
9) Whether the utilization of the material in the works is based on the measurements recorded and check measured properly (General and all schemes)
10) Whether the utilization of the material returned to the stores duly acknowledged (General
and all scheme funds) (Cement, steel, sand, Gravel, HBT metal etc. complete information of material stock, issued and balance)
11) Whether the labour required were engaged on tender system or through department personnel only (General and all schemes).
12) Whether the nominal muster rolls maintained for the labour (General and Scheme funds)
13) Correctness of the payments made to the labour particularly when the labor is to be paid partly cash and partly food grains (General and all scheme)
14) In case of purchase of material /Machinery required for execution of the works whether the procedure prescribed was followed.
15) Whether reasons for execution of the works departmentally were recorded by the competent authority.
16) Whether works executed at rates not more than estimated rates.
17) Whether material and labour components are worked out with reference to the standard data.
18) Whether deviations if any – Deviation Statement.
19) Quality control measures – connected details
20) Others – Technical persons engaged – Connected details
21) General and schemes- Achievement of objection of all scheme – whether accordance with the guidelines framed regarding connected schemes.
22) NMR’s – Total man days – Scheme wise for all the schemes.
23) Diversion of scheme fund, if any details.
24) Connected lead statements of all the works executed under General and Schemes.
25) Material sufficiency certificates for all the works executed under General and schemes.
26) Revision of estimates – Approval and Technical sanction of the competent authority.
27) The Quarries are approved as per the survey of reports.

Further, during the course of audit as observed there are lot of corrections in the M.Books which gives wrong opinion. Further there were no initials at the places of corrections in the M.Books.

In the agreement with contractors many of the details were not filled like date of concluding of agreement, Date on which the work is to be completed, E.M.D particulars

REGARDING TENDER SYSTEM

In absence of the aforesaid records, the following observations could not be made whether these instructions were scrupulously followed or not.

1) Register of Registered contractors of the Municipality
2) Whether agreement was concluded by the competent authority after the finalization of the contract.
3) Whether the advances were paid for the works earlier to contractors –connected details.
4) Whether the bills supported by the necessary documents such as vouchers along with measurement books for the material produced by the contractor/ Section sheets etc.
5) Whether such of the items of the works check measured without any conditions were only billed.
6) Whether additional quantities of already existing items of work in the agreement are billed as per the preliminary specifications.
7) Whether the cost of the material departmentally supplied to the contractor recovered in the bills if not whether recovery of such material effected at the rates mentioned vide para 332 of the A.P.P.W.A. code.
8) Whether hire charges for machinery supplied to the contractor recovered from him.
9) Whether fines/Penalties if any imposed, recovered from the contractor.
10) Whether all the statutory deductions are effected from the work bills.
11) Whether in case of work entrusted on nomination basis, the payment should be at estimated rates.

12) Quality control measures and its reports.
13) Advances outstanding of all funds General and all schemes as on 1/4/2015 and
31/3/2016 (Complete information).

14) In case of final bills, the release and discharge certificate and a certificate in full and final settlement of all demands should be furnished and income tax clearance certification also.

15) Whether the objects with which the work has been executed are achieved and whether fruits are enjoyed by the public.

16) N.M.R’s – Total man days for each work and pertaining to all the schemes.

17) Higher specification if any.

18) Inflation of estimated rates.

19) Adhoc estimates if any.

20) Revision of estimates – Approval and technical sanction of the competent authority.

21) If any changes in the specification.

22) Tender notification – Inadequate time and publicity of the Tender notification.

23) Deviations from standard conditions.

24) Non-encashment of bank guarantees of contractors who abandoned the works – details.

25) Diversion of funds (General funds to scheme funds and from one scheme funds to another and scheme funds to General funds).

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**CODE NO:11**

31. WORKS - REGISTER OF WORKS NOT PRODUCED - NEEDS EARLY PRODUCTION.

During the course of audit on the accounts of municipal council, it is noticed that the register of works was not maintained. Due to non-maintenance of the work register the particulars regarding the proposed for the year. The works in progress and the works completed so far could not be verified. A part from that payments made so far on the part bills and the balance to be paid also could not be verified.

Therefore early action would need to be taken for to get the register maintained and the loss if any sustained in this regard would need to be recovered from the person or persons responsible.

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**CODE NO:09**

32. COMPOST – COMPOST MANURE PITS NOT AUCTIONED.

During the course of audit it was noticed that compost manure pits were not auctioned resulting a loss to the municipal funds. Action would need to be taken for auction of the compost manure pits and credit the sale proceeds to the municipal funds.

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**CODE NO:09**

33. TRADE LICENSE – TRADE LICENSE FEE NOT COLLECTED FROM FUNCTION HALLS.
BARS AND WINE SHOPS ETC... - NEEDS IMMEDIATE ACTION.

As per extra ordinary Gazette No: 7 Dated: 31.01.2009 the trade license fees has to be collected for Bars, wine shops etc... as detailed below.

i) Bar : Rs.15000.00
ii) Wine Shop : Rs.10000.00
iii) Function Hall (A/c) : Rs.20000.00
iv) Function Hall (Non A/c): Rs.10000.00

In the absence of the above registers the correctness of the license fees collected according to the rates mentioned above could not be verified in audit. The loss if any caused in this regard would need to be made good by the person or persons responsible.

CODE NO.09

34. PROVIDENT FUND – INVESTMENT OF PROVIDENT FUND SUBSCRIPTION OF THE MUNICIPAL EMPLOYEES ORDERS OF THE GOVERNMENT – NOT FOLLOWED – IRREGULAR NEEDS ACTION.

As per the orders of the Government in G.O.Ms No:329 NAC UD(G2) Department Dated: 15.06.2006 all the Commissioners of Municipalities /Corporations have to obtain options from the Concerned municipal employees as to whether their G.P.F. Subscription shall be kept in the general funds of the Officer, Government Securities, Government guaranteed securities in the following pattern.

1. Government Securities 50%
2. State/ Central Government Guaranteed Securities 25%
3. N.S.S and other small saving investments (if allowed) 25%
   (if NSS investment is not allowed if may be invested in AAA rated bond of PSUC and FIS)
   Also for allowing rates of interest on G.P.F subscriptions based on the options exercised by the Municipal employees the Government 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 fixed by the Government from time to time on the G.P.F subscriptions of Government Servants.

2. In case of municipal employees opted for investing / depositing their G.P.F. subscriptions in the post office/nationalized banks/ Government. Floated loans for the rate of interest that accrued in the investments/ deposit made shall only be allowed.

But this Municipal Council has not followed the orders of the Government. Action would need to be taken to implement the above orders immediately and report compliance to audit. Hence it was noticed that though the amount towards G.P.F was adjusted from the employees pay bill to the General Funds account the aggregate of such adjustment was not noted /reported and balance therein General Funds.
35. NON – REMITTANCE OF EDUCATION CESS

According to section 85 of A.P. Municipal act 1965 the Property Tax comprises of

- General Purpose: 7.76%
- PH Scavenging: 2.4%
- Lighting: 4%
- Elementary Education cess: 3.0%
- Water supply: 7.5%
- Drainage: 2.5%
- Library cess: 1.84%

From the above collection the education cess of 3% is to be remitted to Education Department. However, the details of remittance of Education cess are not available in the Municipal records.

When the details of remittance of Education cess was called for, the Municipal council replied that action would be taken to calculate the amount under education cess and remit to the concerned department. Compliance may be reported to audit.

36. CHITTA – CHITTA NOT MAINTAINED PROPERLY – NOT IN ACCORDANCE WITH THE INSTRUCTIONS SPECIFIED.

During the course of audit it was noticed that the chitta produced to audit was not maintained properly i.e in accordance with the instructions specified in this regard as follows.

1. That the entries in the chitta were made in accordance with the rules and instructions on the subject (Note: the secretaries of all municipal councils except in the third grade Municipal Councils are required to follow the triplicate challan system for payment of miscellaneous dues in to Municipal treasuries).

When the payment of miscellaneous dues were made by the parties themselves in to Municipal Treasuries, they should prepare a challan in the form appended to G.OMs.No: 439 M.A Dt: 02.09.1960 in triplicate showing the full particulars of the amount sought to be paid. The challan wise first be presented to the concerned JA/SA in Municipal Office, who will examine it and put initial in the left hand top corner of the original. If he finds it correct in regard to all particulars, the party should then present it with the money to the sharoff who will receive the receipts in triplicate challans, number the challan in a consecutive order, sign it and send it to the JA/SA maintaining the register of miscellaneous receipts or the JA/SA who maintains the register of license and permissions. The later will enter the challan number particulars and amount in his register, sign the challan in token of having done so in the place provided therefore at the bottom of the challan in all the three forms of challans and send the same to the SA who is to be authorized to sign the challans. This SA will be designated as a cashier. After satisfying himself from the entries on the challan that the amount has been made independently by another JA in the register of miscellaneous receipts or register of license and permission. The SA to be called cashier will sign the challan intended to the party. The duplicate will be sent to the accountant and the original be retained by the cashier. At the end of the day all such original should be arranged serially, stitched together and traced by the cashier in to the register of miscellaneous receipts and register of licenses and permissions. He should then tally the total collections for the days with the totals in those two registers and the totals in the shoraff’s chitta mentioned above should be taken to the main chitta before reconciliation of the total there of with the cash book at the end of every day. The challans to be arranged and situated will be produced for audit (G.O.Ms.No: 439, M.A Dt: 02.09.1960).
2. That the amounts shown as realized were remitted in to the treasury without delay and that no portion was withheld.

3. That the total cash balance at the end of each day including balance, if any left un-remitted from the previous day’s collections is verified by the Manager or other Head ministerial Officer at the close of each day and by the Municipal Commissioner at least once a week, and the balance so verified was stated in words over the initials of the verifying officer.

4. That the totals were correct.

5. That revenue brought to credit by transfer of adjustments as well as amounts of grants etc….adjusted in the treasury were not entered in the register.

6. That cheques received in payment of Municipal dues were not credited before realization.

**CODE NO:18**

**37. PETTY CASH BOOK – NOT MAINTAINED.**

The petty cash book to watch the payments of sums drawn through self cheques was not maintained and produced during the year. The amounts drawn through self cheques being taken on receipt in the cash book and daily payments are recorded. Petty cash book would need to be maintained for recordings amounts drawn in self cheques and to which the correctness of undisbursed amounts daily. The same would need to be maintained and produced.

**CODE NO:09**

**38. GENERAL ESTABLISHMENT – CADRE STRENGTH NOT FURNISHED IRREGULAR.**

The Cadre Strength particular relating to General Establishment viz.. A.M.S.S. main office town planning section engineering section., revenue section, public health section and non – teaching establishment in concerned schools were not furnished to audit.

The non – maintenance of cadre strength particulars and non – maintenance of cadre strength register is irregular. In the absence of the approved cadre strength the pay and allowances paid in excess it may could not be verified.

The same would need to be written up and produced to audit.

The excess payments if any would need to be made good by the person or persons responsible.

**CODE NO:18**
39. 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 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 the competent authority for the year 2015-16 duly incorporating the assets identified in FOBS/rectified FOBS.

(No effort has been made either to maintain fixed asset register as part of preparation of annual account in the year 2009-10 and no updation was recorded by capturing the additions/deletions during the year 2015-16 in the annual accounts for the year 2015-16)

Non 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.

CODE NO:09

40. VIOLATION OF RULES:
DEFECTS – DEFECTIVE MAINTENANCE OF CASH BOOK – IRREGULAR – NEEDS EARLY ACTION:

During the verification of the following Cash Books, it was observed that the Cash Book was not closed, periodically; receipts entries were not made, only payment entries were made, left blank pages between payment entries in different dates and reconciliation with the bank was not done.
1. General Funds relates 001 accounts
2. General Funds relates to 002 ,003 accounts
3. 13th Finance Accounts
4. Non plan Scheme Grants
5. ASC grants Accounts
6. Water Supply Accounts
7. Office Building Grant Accounts
8. B.P.S & L.R.S Accounts
9. Jewellary Park Development grant accounts
10. Developmental activities accounts

Due to defective maintenance of Cash Book, audit could not ensure the correctness of drawals and remittances.

CODE NO:09

41. VIOLATION OF RULES:
NON CONDUCTION OF DEPARTMENTAL INSPECTIONS:
According to Govt. orders in GO.Ms.No.247, GAD, Dt:08.02.1962 and instructions issued from time to time, District Officers and their subordinate Officers are required to be irrespected by the Heads of the Departments periodically and furnish the inspection reports in form of questionnaire prescribed therein the need for lapses Govt Officers periodically was also emphasized in the Govt.Memo.

When details of the Departmental Inspection of the Municipality were conducted if any or copy of reports if any was not pointed out to audit for verification. Effective steps would be taken for furnishing of the same to next audit.

**CODE NO:09**

**42. NON UTILIZATIONOF AMOUNT COLLECTED TOWARDS RAIN HARVESTING STRUCTURES & TREE GUARD CHARGES FOR THE INTENDED PURPOSE NEEDS ACTION.**

During the course of audit, it was noticed that along with building licence fee from the applicants seeking approval for house plans and permission for construction of houses/apartments rain water harvesting structures for ground water recharging and preventing deflection of ground water in the premises of houses, towards tree guard charges for promoting greenery and reducing pollution in the premises of houses

That the amount so collected were not kept in separate account but credited to the general fund. Amount collected were not utilized for the purpose for which the applicants paid the sum.

Non construction of RWH structures and non providing of tree guards to the houses inspite of the collection of amount from the house owners was not in order. Diverting the public money by keeping in the general fund without utilizing for the purpose for which collection was made towards construction of RWHS & providing tree guards was irregular.

Therefore action would need to be taken to utilize the amount for the intended purposes and intimate the compliance to audit.

**Code-9**

**43. RECONCILIATION PROCEDURES NOT OBSERVED:**

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 book balances.

b) **Inter Unit reconciliation:** intending to identify the disputed/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 balances of inter unit account balances shall be nullified.

c) **Reconciliation of Deposits:** Aiming at reconciliation the balance of EMD/SD etc., and any other deposits received by the ULB. The reasons for differences shall be identify and rectification
entries 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., is the same.

e) Reconciliation of Advances given: Advances given shall also be reconciled on a quarterly basis including advances given to employees of ULB, sections 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 statements as per the instructions of the A.P.M.A.M.,

CODE NO:09

44.ADVERTISEMENT TAX - PUBLIC & PRIVATE AREAS NOT NOTIFIED IRREGULAR NEEDS ACTION

During the course of audit for the year 2015-16 under the head Advertisement Tax, it is noticed that the rule 10 of AP Advertisement Tax Rules, 1967 is completely violated. According to the rule mentioned above the council may by notification prohibit some areas for erection or exhibition of any sort of Advertisement. But such a notification is not established in this municipality and thereby it is not possible to aware of, whether there are any inconveniences caused by the Advertisement to the public or not. Hence early action would need to be taken to get the areas ie place of public work shop, historic public buildings including monuments and purely residential buildings notified as prohibited areas.

CODE NO:09

45.WATER CHARGES - TAP CONNECTIONS - EXECUTION TAPS UNDER B.P.L, N.S.D.P - NO PROPER WATCH OVER THE PROGRESS OF DEPOSIT COLLECTIONS:

Under the schemes of B.P.L and N.S.D.P the private tap connections were provided to the individuals who were under the poverty line at the reduced deposit i.e at Rs.1200 (the amount of Rs.1200 is to be collected in 12 monthly installments) and at Rs.3000 respectively.

But the collection of further installments except the 1st installment collected at the time of sanction are not being watched properly through a demand register. Due to lack of register maintenance the progressive demand, collection and balance there of could not be verified.
Therefore early action would need to be taken to get the register maintained properly to prevent the possible either evasion of installments or misappropriation of collected installments.

**CODE NO:09**

46. LCS IMPROPER MANAGEMENT OF ACCOUNTS - CAUSES LOSS TO THE FUNDS - NEEDS RECTIFICATION.

With an intention to improve the sanitation by discontenting the open defecation system especially in the slum areas of the towns, the Govt. have introduced the ILCS scheme. Since the inception of the scheme huge number of units have been granted a specially to the back ward sections in the municipality.

The total cost of the each units Rs.4500 is to be met Rs.1485 from state funds as subsidy Rs.2790 from HUDCO as loan and Rs.225 from beneficiaries as his contribution. While the contribution is to be collected soon after the unit is granted the loan portion is need to be recovered in 20 equal qualities installments with in a period of 5 years with an interest of 10.5% per annum.

But the proper records to keep a watch over the no beneficiaries benefited only to the scheme so far, the contribution paid by them and the details of the loan amounts recovered are not maintained properly.

Due to improper maintenance of accounts, the implication dived there from the perfections and imperfections in implementation of the scheme, the accuracy in maintenance of accounts and the success rate in achievement of desired results of the scheme could not be verified.

Hence, as the failure in maintenance of proper records is due to in voluntary involves any delinquency has got the in fact over the financial accuracy of the scheme, an enquiry in need to be conducted and the loss if any formed to have been sustained to funds that would need to be recovered from the person or persons responsible.

**CODE NO:09**

47. PENSION - PENSION FUND NOT CONSTITUTED:


1. The gratuity formulated under clause (b) of sub rule-7 of rule 5 of the AP liberalized pension rules.
2. Pension contribution payable by the municipal council on behalf of employees & 9.5% of the maximum of the pay.
3. Contribution already paid by the municipalities towards PF @ 61/4%
4. Constitution from municipal council under which the pension eligible for benefit of the previous employees.
5. The interest derived from the interest of employees fund.

After establishing pension -cum -Gratuity fund with the above receipts to Municipality shall maintain separate cash book as per rule-14 exhibiting all transactions made during watch the receipts and payments. But no such fund was constituted with the above receipt and operated as per rules. The monthly pension and after pensioners benefits of the retired persons are being paid from the municipal funds as. Therefore effective steps would need to be taken for constitutes of pension-cum-gratuity fund with the above amount and operated as per rules.
48. NON-PRODUCTION OF RECORDS
TAP CONTRIBUTIONS - BPL - HUGE CONNECTIONS WERE SANCTIONED UNDER BPL, BUT CONNECTED TAX DEPOSIT REGISTER AND LOAN RECOVERY PARTICULAR WERE NOT PRODUCED - IRREGULAR.

In spite of the defect having been pointed out in the previous year audit, out of private taps provided to the public connections were given under BPL scheme for deposit of Rs. 100 each instead of Rs. 1200 with a condition the remaining amount of Rs. 1100 was not produced to audit. Unless the tap deposit register of the connections provided under BPL scheme is not produced, the particulars of collections towards remaining deposit of Rs. 1100 from each BPL beneficiary should not be verified.

Hence action would need to be taken for producing the above records and the loss if any sustained would need to be recovered from the person or persons responsible.

49. Encroachment Fee – Arrear demand register of Encroachments fee not produced

During the course of Audit, it was noticed that the Arrear demand register of Encroachments fee not maintained and the outstanding bills is also not produced for verification, pending collection of the taxes could not be verified in audit. Any loss sustained in this regard action would need to be taken to person are persons responsible.

50. ADVERTISEMENTS-TAX: TEMPORARY STRUCTURES, PERMANENT STRUCTURES, HOARDINGS- DEMAND, COLLECTION, BALANCE REGISTER ALONG WITH CONNECTED FILES NOT PRODUCED.

The municipality should prepare the demand register for advertisement tax on temporary structures, hoardings, slides in cinema theatres maintained as on first April and further demand should be fixed for the above items by way of monthly lists of concerned field staff and fix the tax as per notification and correct the tax.

The aforesaid registers along with the connected files were not made available for verification. In absence of these records the collections shown could not be verified and certified in audit. It could also be not verified in audit whether the prescribed procedure was followed or not.

1) That the rates of levied are in accordance with the rates specified.
2) That the collection of tax on advertisements may be leased out for a period not exceeding on year on the terms and conditions fixed by the council (Section 119 of the Act).
3) That the tax was collected at 1/12th of every month and if any advertisement was erected for less than a month, full month rates was collected (Rule:7) since the rate of the tax is an annual basis.
4) That the advertisements were approved by the commissioner and whether erected after approval (Rule 4).
5) That in addition to this tax, fees or rent for using the land of the municipality was charged (Rule 6).
6) Whether if any person failed to pay the tax, the advertisement was removed and the charges there of are recovered from him/her (Rule 9).

Due to non-production of the relevant files and records it could not be verified in audit whether the procedure prescribed in this regard as above was followed or not.

If any financial irregularities are noticed later in this regard the loss sustained to the municipal funds would need to be made good from the person(s) responsible.

51. Register of Building applications notMaintained Properly - Needs Rectification. 
Code No.9

The register of building applications was not maintained properly. The relevant columns - i.e., completion buildings, constructions and renewal for constructions beyond the date of permission originally accorded and the amount of fees collected in each case were not written in the register. In the cases where the constructions were completed, improvements etc., done were not brought to the assessment of the tax and written up in the register. Leakage of revenue if any caused to the municipal funds in this regard could not be ascertained in audit. Unless the register is maintained properly correct verification could not be done in audit with regard to the collection of fees in each case as well to the assessment of property tax on buildings. Special attention of the town planning section of the municipality is required to maintain the registers in full without which the purpose of maintaining the registers is being defeated. Further, there must be integration between town planning and revenue section so as to bring all the constructed buildings in to the assessment of house tax in time instead of doing at a later date and thus loosing revenue.

52. BUILDING FEES RATES NOT REVISED

The rates of building fees collected by nagarapanchayat vide resolution No.114 passed on 29-11-1996,notification issued vide 69/96/dt.26-12-96, the rates of building fees has not revised from 26-12-96.During the year 2015-16 is also collected same rates

Hence any loss sustained in this regard action would need to be taken from the person or

53.BUILDINGS-UNAUTHORISED CONSTRUCTION REGISTER NOT MAINTAINED –NEEDS EARLY ACTION
Code No.9

During the course of audit, it was observed that the un-authorized buildings construction
register which shows no. of un authorized constructions made in municipal area, location particulars etc was not maintained and produced to audit for verification. As per rule the outdoor staff should verify the un-authorized building constructions ward wise and submit the lists for their regularization by imposing penalties as fixed by the Government from time to time. The above procedure was not followed by the outdoor staff due to slack supervision of superiors which is highly irregular. Early action would need to be taken to find out un-authorized building construction and if any found during the verification such unauthorized constructions should be noted in the watch register and settle the same by imposing fines as fixed by the Government from time to time.

54. Register of Grants not maintained and produced:- (Code No 11)

The register of Grants for the year 2015-16 has not been maintained properly and produced for Audit. In absence of the same, what are the grants actually received by the Municipality and actual balance of grants available could not be verified. Immediate action would need to be taken to maintain the register properly under intimation to the Audit. The loss if any caused in this regard would need to be made good from the person or persons responsible.


Code No.11

During the course of the Audit, the cash books and the pass books of the following Accounts of Grants were not produced whose accounts are being operated by the Municipality. In view of the same, the actual receipts and the expenditure made from the grants could not be verified and certified in audit. Therefore necessary action would need to be taken to update the same with respect to the pass books and fact intimated to the Audit. The loss if any caused in this regard would need to be made good from the person or persons responsible.

<table>
<thead>
<tr>
<th>Name of the Fund with Bank account</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Masterplan-52129224000-SBH</td>
<td></td>
</tr>
<tr>
<td>SJSRY (Trng) 52129223776-SBH</td>
<td></td>
</tr>
<tr>
<td>No fund name 52129223787-SBH</td>
<td></td>
</tr>
<tr>
<td>ACD-F 52129223878-SBH</td>
<td></td>
</tr>
<tr>
<td>ACD-F 52129223889-SBH</td>
<td></td>
</tr>
<tr>
<td>No fund name 52129225128-SBH</td>
<td></td>
</tr>
<tr>
<td>NSDP -52129224930-SBH</td>
<td></td>
</tr>
<tr>
<td>No fund name 52429225649-SBH</td>
<td></td>
</tr>
</tbody>
</table>
The detailed action plan for the specific grants should be prepared and utilized for the specific purpose if not refunded to the grant releasing authority. Due to non-utilization of funds, the scheme benefits could not be reached the purpose specified. Therefore necessary action would need to be taken to utilize the said grants properly. The loss if any caused in this regard would need to be made good from the person or persons responsible.


Code No. 11

During the course of the Audit, the cash books and the pass books of the following Accounts of Grants were not produced whose accounts are being operated by the Municipality. In view of the same, the actual receipts and the expenditure made from the grants could not be verified and certified in audit Therefore necessary action would need to be taken to update the same with respect to the pass books and fact intimated to the Audit. The loss if any caused in this regard would need to be made good from the person or persons responsible.

<table>
<thead>
<tr>
<th>Name of the Fund</th>
<th>Bank Account with Name</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>No fund name</td>
<td>62322280208-SBH</td>
<td>Cash book &amp; Pass book not produced</td>
</tr>
<tr>
<td>Single operation</td>
<td>52129223765-SBH</td>
<td>-do-</td>
</tr>
<tr>
<td>No fund name</td>
<td>52129223798-SBH</td>
<td>-do-</td>
</tr>
<tr>
<td>No fund name</td>
<td>52129223845-SBH</td>
<td>-do-</td>
</tr>
<tr>
<td>Election grant</td>
<td>62336584368-SBH</td>
<td>-do-</td>
</tr>
<tr>
<td>Description</td>
<td>Bank Account No.</td>
<td>Code</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>------------------</td>
<td>------</td>
</tr>
<tr>
<td>E.Suvidha</td>
<td>62327229950-SBH</td>
<td>-do-</td>
</tr>
<tr>
<td>DDO</td>
<td>62317001084-SBH</td>
<td>-do-</td>
</tr>
<tr>
<td>Solid waste management</td>
<td>62002605027-SBH</td>
<td>-do-</td>
</tr>
<tr>
<td>No fund name</td>
<td>52129225863-SBH</td>
<td>-do-</td>
</tr>
<tr>
<td>No name of fund</td>
<td>21580906-Saptagirinameenabank</td>
<td>-do-</td>
</tr>
<tr>
<td>No fund name</td>
<td>25710011501868-AB</td>
<td>-do-</td>
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<tr>
<td>No fund name</td>
<td>2571001504144-AB</td>
<td>-do-</td>
</tr>
<tr>
<td>No fund name</td>
<td>25710011504687-AB</td>
<td>-do-</td>
</tr>
<tr>
<td>No fund name</td>
<td>913010015030744-Axis</td>
<td>-do-</td>
</tr>
<tr>
<td>Spl.dev fund</td>
<td>912010031944217-Axis</td>
<td>-do-</td>
</tr>
<tr>
<td>Old age pensions</td>
<td>911020049612074-Axis</td>
<td>-do-</td>
</tr>
<tr>
<td>SJSRY (CS)</td>
<td>52129223812-SBH</td>
<td>-do-</td>
</tr>
<tr>
<td>ACDP</td>
<td>8448-120-22</td>
<td>-do-</td>
</tr>
<tr>
<td>No fund name</td>
<td>6224912942-IB</td>
<td>-do-</td>
</tr>
<tr>
<td>Maintenance of internal roads</td>
<td>21620204,Saptagiri</td>
<td>Pass book not produced</td>
</tr>
<tr>
<td>Tree guards</td>
<td>-52129223801-SBH</td>
<td>-do-</td>
</tr>
<tr>
<td>Pavalavaddi</td>
<td>-504687-AB</td>
<td>-do-</td>
</tr>
<tr>
<td>YSR Abhayahastam</td>
<td>-25710100022601-AB</td>
<td>-do-</td>
</tr>
</tbody>
</table>

57. **Non-remittance of deductions/recoveries from work Bills** Need early action

*(Code No 10)*

During the course of Audit, it was found that the works were taken up under general funds and different grants during the year. Due to non-production of M.Books, Estimates and connected files, the amounts of various deductions made from the work bills and remitted to the heads concerned could not be found and certified in Audit. Therefore, necessary action would need to be taken to arrive the amounts deducted from work bills such as IT, VAT, Seniorage, L.C, Q.C, Insurance, Service Tax and Scrutiny charges etc., as per the M.Books and other connected files and remitted to the heads concerned under intimation to the Audit. Any irregularities or loss found may be recovered from the persons responsible.
During the course of Audit, it was observed that an amount of Rs.186779.00 was paid to M/s. Srinivasa Rao & Co., Hyderabad towards preparation of FOBs as on 01-4-2009, Budget estimates and annual accounts for 2009-10, 2010-2011 vide DD No. 023673, Dt.26-9-20012 from 13th Finance funds. The connected approvals and necessary resolutions and orders were not made available for Audit. This is irregular from payment from 13th Finance. Therefore, necessary steps have to be taken to obtain the ratification from the authorities since the grant amount was diverted. Any loss or miss utilization found may be recovered from the persons responsible.


As verified the municipal Employees recoveries cash book, it was observed that the recoveries made from the pay bills were not posted. But the amounts recovered towards court attachments were noted as expenditure. But the acknowledgement and the orders of attachment etc., Loans and advances register were also not produced to the Audit. In absence of the same, it was not possible to found that the amounts payable to the court and what are the amounts recovered and to be recovered for adjustments in Audit. Therefore immediate action may be taken to maintain the Loans and Advances register and updated and recovered as per the register under intimation to the Audit.

CODE 18

60. D & O TRADERS – LICENSE FEE COLLECTED LICENSES NOT ISSUED TO TRADERS – IRREGULAR:

The counter foils 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.

CODE NO.9

61. D&O TRADES LICENCE FEE – DEMAND NOT FIXED AND PRODUCED:-
As per annual account an amount was realized under D & O Trades License fees 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 were not produced to audit and the trader’s list, division wise was not produced for verification in audit. In the absence of the same, it could not be verified in audit whether all the amounts collected from the traders under D & O trades license fee were remitted to Municipal Funds. As a result, the correctness of the receipts realized under this head of account could not be ascertained in audit. The Executive authority did not take much interest in this regard. Loss if any caused due to above omission would need to be made good from the Person or Persons responsible.

**Code No.11**

**62. D & O TRADES- MONTHLY LISTS – NOT PRODUCED IRREGULAR.**

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

**Code No.11**

**63. D&O TRADES – DELETIONS LIST NOT PRODUCED TO AUDIT – NEEDS ACTION.**

As verified from the D&O Trade license fees register, division wise during the year 2015-16 many new licenses were sanctioned. But the details as to of how may licenses were renewed and how may licenses were cancelled, were not produced to audit for verification. The deletions list duly enclosing the stoppage letters from the traders along with council resolution were not produced for verification. It would need to be produced early. In the absence of the deleted list, loss if any caused in this regard would need to be made good from the person or persons responsible.

**CODE NO:11**

**64. REGISTER OF TENDER SCHEDULES ISSUED NOT PRODUCED**

The register of tender schedules issued was not made available to audit. In absence of
the same the correctness of the tender schedules issued could not be verified in audit. Hence the same would need to be produced to audit.

CODE NO:11

65. REGISTER OF APPEALS NOT PRODUCED

According to rule 14 of assessment of tax rules 1990 all appeals under rule 22 of taxation and finance rules shall receipt be entered in a register which shall be in form K. the serial number attached to the appeal and orders of the appellate commissioner shall be recovered in the said a register. But the register was not produced to audit. The number of appeals arrived and disposed of during the year and the financial effect of orders of appellate commissioner on the total demand of property tax due to lack of register of appeals, could not be verified. Hence action would need to be taken to get the register produced to audit for verification and the loss if any is farming in the later course of a verification that would need to be recovered from the person or persons responsible.

CODE NO:11

66. REGISTER OF REVENUE YIELDING PROPERTIES NOT PRODUCED

Register of revenue yielding properties was not prepared and produced during audit all buildings and lands owned by municipal council and from which income is derived or can be derived should be entered in this register. The loss if any caused due to non-maintenance of this register would need to be made good from the person or persons responsible. Immediate action would need to be taken to prepare this register and to produce the same to audit for verification.

CODE NO:11

67. REGISTER OF LAPPED DEPOSIT NOT PRODUCED

The register of lapsed deposits was not written up and not produced to audit for verification. According to rule 8 of Andhra Pradesh Municipalities (Transactions relating to Deposits etc) rules 1970 every municipality shall maintain a register of lapsed deposits in the form set out in Annexure - VII to these rules to make entries of all deposits credited to revenue head of account under these rules. Due to absence of the register the information regarding the deposits transferred to revenue head and deposits refunded in compliance and in dispensative with the rules could not be verified. Therefore action would need to be taken to get the register prepared and produced to audit for verification and the loss if any found later or in the later course of audit, that would need to be made good to the general funds.

CODE NO:11

68. EXCESS WATER CHARGES - ARREAR DEMAND REGISTER NOT PRODUCED

The excess water charges arrear demand register was not produced for verification in
audit. In the absence of the same the year wise balances of excess water charges could not be verified in audit. Therefore the genuiness of the outstanding bills for pending collection of excess water charges could not be verified in audit. It would need to be produced along with the outstanding bills for verification in audit. The loss if any sustained in this regard would need to be calculated and recovered from the person or persons responsible and credited to municipal funds.

**CODE NO:11**

69. **WATER TAX - ARREAR DEMAND REGISTER NOT PRODUCED IN AUDIT**

The arrear demand register under water tax was not written up and bills have not been produced for verification in audit. In the absence of the same the outstanding bills if any could not be verified during the period of audit. The loss if any sustained to the municipal funds due to non maintenance of arrear demand register and non production of outstanding bills would need to be recovered from the person or persons responsible duly taking necessary action to maintain demand register for the arrears left un collected.

**CODE NO:11**

70. **LOANS - REGISTER OF LOANS NOT PRODUCED**

The register of loans of the municipality was not produced to audit for verification. According to rule 13(1) every municipal council shall maintain the following accounts in respect of loans raised by if in the forms prescribed in Annexure IV V & VI.

1. An amount showing the receipts from the loans and authorization there of and the payment of interest there you.
2. The account showing the manner of appropriation of the loans.
3. Sinking fund account where a sinking fund has been created for the liquidation of any non-government loan.

In addition to the above statutory obligation a certificate by the commissioner at the end of each year that all installments of repayment due in that year were repaid in time should be recorded in the register and the fact shall be reported to the Director of Municipal Administration before 30th April each year and copy of such intimations shall be sent to the authorities of local fund audit. But these rules were total defied and no such records were produced to audit. Due to lack of registers the loans taken by the municipality and the repayment of installments due and the payment of interest there upon due could not be verified. Hence action would need to be taken to get the registers produced for verification and the loss if any to have been sustained to the municipal funds that would need to be recovered from the person or persons responsible.

**CODE NO:18**

71. **NON MAINTENANCE OF REGISTERS PRESCRIBED IN THE MANUAL**
The APMAM prescribed maintenance of certain registers and forms. The formats of the books, registers and forms referred to in Table 4.1 of Chapter 4 need to be maintained. But it was observed that all the registers and forms were not maintained contrary to the instructions contained in the manual. The details are as mentioned below:

Details of Registers/Statements/Forms not maintained and not produced

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Form No.</th>
<th>Name of the Register/Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GEN-9</td>
<td>Receipt Register</td>
</tr>
<tr>
<td>2</td>
<td>GEN-10</td>
<td>Statement on status of cheques received</td>
</tr>
<tr>
<td>3</td>
<td>GEN-11</td>
<td>Collection Register</td>
</tr>
<tr>
<td>4</td>
<td>GEN-12</td>
<td>Summary of daily collection of Taxes - collection office/collection centre</td>
</tr>
<tr>
<td>5</td>
<td>GEN-13</td>
<td>Register of bills for payment</td>
</tr>
<tr>
<td>6</td>
<td>GEN-14</td>
<td>Payment Order</td>
</tr>
<tr>
<td>7</td>
<td>GEN-15</td>
<td>Cheque Issue Register</td>
</tr>
<tr>
<td>8</td>
<td>GEN-16</td>
<td>Register of Advances</td>
</tr>
<tr>
<td>9</td>
<td>GEN-17</td>
<td>Register of Permanent Advance</td>
</tr>
<tr>
<td>10</td>
<td>GEN-18</td>
<td>Register of Deposits</td>
</tr>
<tr>
<td>11</td>
<td>GEN-19</td>
<td>Summary Statement of Deposits adjusted</td>
</tr>
<tr>
<td>12</td>
<td>GEN-20</td>
<td>Demand Registers of Tax/Non-tax Income</td>
</tr>
<tr>
<td>13</td>
<td>GEN-21</td>
<td>Notice/Bill of Tax/Non-tax Income</td>
</tr>
<tr>
<td>14</td>
<td>GEN-22</td>
<td>Summary Statement of bills raised in respect of Tax/Non-tax Revenue</td>
</tr>
<tr>
<td>15</td>
<td>GEN-23</td>
<td>Register of Distraint Fee, Warrant Fee, Other Fees and penalties and other charges</td>
</tr>
<tr>
<td>16</td>
<td>GEN-24</td>
<td>Summary Statement of Distraint Fee, Warrant Fee, Other Fees and Penalties Charged</td>
</tr>
<tr>
<td>17</td>
<td>GEN-25</td>
<td>Register of refunds, remissions &amp; write off</td>
</tr>
<tr>
<td>18</td>
<td>GEN-26</td>
<td>Summary Statement of Refunds and remissions</td>
</tr>
<tr>
<td>19</td>
<td>GEN-27</td>
<td>Summary Statement of Write-offs</td>
</tr>
<tr>
<td>20</td>
<td>GEN-28</td>
<td>Statement of outstanding liability for expenses</td>
</tr>
<tr>
<td>21</td>
<td>GEN-29</td>
<td>Document control register/Stock account of receipt/Cheque books</td>
</tr>
<tr>
<td>22</td>
<td>GEN-30</td>
<td>Register of Immovable Property</td>
</tr>
<tr>
<td>23</td>
<td>GEN-31</td>
<td>Register of Movable Property</td>
</tr>
<tr>
<td>24</td>
<td>GEN-32</td>
<td>Register of Land</td>
</tr>
<tr>
<td>25</td>
<td>GEN-35</td>
<td>Asset Replacement Register</td>
</tr>
<tr>
<td>26</td>
<td>GEN-36</td>
<td>Register of Public Lighting System</td>
</tr>
<tr>
<td>27</td>
<td>G-1</td>
<td>Grant Register</td>
</tr>
<tr>
<td>28</td>
<td>OTH-1</td>
<td>Summary Statement of Demand Raised on Assessment</td>
</tr>
<tr>
<td>Code</td>
<td>Register/Statement</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-------------------</td>
<td></td>
</tr>
<tr>
<td>OTH-2</td>
<td>Summary Statement of year-wise collection of other incomes</td>
<td></td>
</tr>
<tr>
<td>OTH-3</td>
<td>Summary Statement of Refunds</td>
<td></td>
</tr>
<tr>
<td>OTH-4</td>
<td>Summary Statement of write offs</td>
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</tr>
<tr>
<td>WS-1</td>
<td>Summary Statement of Demand raised on assessment</td>
<td></td>
</tr>
<tr>
<td>WS-2</td>
<td>Summary Statement of year-wise and head-wise collection of Water Taxes</td>
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</tr>
<tr>
<td>WS-3</td>
<td>Summary Statement of Refunds/Remissions</td>
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</tr>
<tr>
<td>WS-4</td>
<td>Summary Statement of Write offs</td>
<td></td>
</tr>
<tr>
<td>ES-1</td>
<td>Consolidated pay bill/summary roll of the permanent/temporary establishment</td>
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</tr>
<tr>
<td>ES-2</td>
<td>Register of Employee Loans/Advances</td>
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<tr>
<td>ES-3</td>
<td>Register of interest of loans to employees</td>
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<tr>
<td>ES-4</td>
<td>Unpaid salary</td>
<td></td>
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<tr>
<td>ES-5</td>
<td>Register of Pension Payment Order</td>
<td></td>
</tr>
<tr>
<td>ES-6</td>
<td>Pension Register</td>
<td></td>
</tr>
<tr>
<td>SF-1</td>
<td>Special Funds Register</td>
<td></td>
</tr>
<tr>
<td>BR-1</td>
<td>Register of Loans</td>
<td></td>
</tr>
<tr>
<td>BR-2</td>
<td>Register of Debentures</td>
<td></td>
</tr>
<tr>
<td>BR-3</td>
<td>Register of Sinking funds</td>
<td></td>
</tr>
<tr>
<td>IN-1</td>
<td>Investment Ledger/Register</td>
<td></td>
</tr>
<tr>
<td>IN-2</td>
<td>Calculation Sheet for Provision for Diminution in Value of Investments</td>
<td></td>
</tr>
<tr>
<td>ST-1</td>
<td>Material Receipt Note</td>
<td></td>
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<tr>
<td>ST-2</td>
<td>Stores Ledger</td>
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<tr>
<td>ST-3</td>
<td>Statement of closing stock</td>
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<tr>
<td>ST-4</td>
<td>Statement of material issued to contractors</td>
<td></td>
</tr>
<tr>
<td>PW-1</td>
<td>Summary Statement of status of capital work-in-progress/ Deposit works</td>
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</tr>
<tr>
<td>PW-2</td>
<td>Work Sheet</td>
<td></td>
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<td>PW-3</td>
<td>Deposit Works Register</td>
<td></td>
</tr>
<tr>
<td>LA-1</td>
<td>Register of Loans to Others</td>
<td></td>
</tr>
<tr>
<td>SPL-1</td>
<td>Register of grants to school boards/Other undertakings</td>
<td></td>
</tr>
</tbody>
</table>

**Code:11**

**72. MAINTENANCE OF VEHICLES - RELEVANT REGISTERS NOT MAINTAINED AND**
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 charges payment Registers.

6. Registers 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 purpose to indicate that the journeys was 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 journey 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 vehicle.
   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 replacements etc., the old parts were disposed off in Public Auction noted and the sale proceeds credited to Municipal funds.
   3. That in case of purchase of spare parts, the rules relating to the invitations 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 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 vehicle at particular period as per log book was in accordance with the issues of petrol and oil shown in this register.

5. That the propulsion charges or cost of fuel etc., received if any from the person who used the vehicle on non duty have been issued to 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 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.

Code:11

73.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, lands, shops, vacant sites etc., owned by the corporation and the properties utilizing by the corporation, properties leased out, properties encroached etc., could not be verified in audit. Action may be taken for the preparation of consolidated register of properties owned by the corporation duly recording the present status, certified and produced to audit for verification.

Loss, if any, caused due to not safe guarding/non-leasing of assets may be worked out and made good from the person or persons responsible.

Code No.18

74.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 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 council were utilized properly for the purposes for which they were sanctioned without diversion and within the time allowed for utilization. Action would need to be taken to maintain the Grants Appropriation Register and the un-utilized balance, if any, would need to be refunded to Government and remittance challans produced for audit.

Code No.11

75.MONEY VALUE FORMS – STOCK REGISTER NOT PRODUCED:

The money value forms stock register was not produced. In the absence of the same, the opening balance of the money value forms received, utilized balance at the end of the year 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.

Code No. 11

76.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 materials purchased of material issued, utilized and day by day balance 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. Losses if any sustained due to any irregularities noticed later, the same would need to be made good from the person(s) responsible.

2. Engineering stores stock register.
5. And all other stock registers pertaining to Engineering,

P.H. Planning, Main office R.O.

Code No.11

77. ESTABLISHMENT AUDIT REGISTER NOT PRODUCED:

As per the procedure, all recurring charges have been entered in the establishment audit register and order’s 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 columns 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 pensionery contribution if any, as well as house rents and fixed contingencies drawn along with pay have been properly posted in the audit register.
5. That refunds by short drawals, fines and amounts withheld for further payments have been
correctly noted.

6. That the fly 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.

Code No.07

78. TOWN PLANNING - UNAPPROVED LAYOUTS – 10% OPEN SPACE CHARGES NOT COLLECTED NEEDS EARLY COLLECTION.

According to Rule issued under Section 344 of the Hyderabad Municipal Corporation Act 1955, 10% of O.S.C. needs to be collected on unapproved layout sites but on verification of the Building application register, 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 10% O.S.C. where as some others were exempted from the payment of 10% O.S.C. even though the sites belong to same area. But the reasons for not imposing the 10% 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 10% 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.

Code No.11

79. 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 2015-2016 to audit.

Code No. 18

80. 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/ Maistry of Public Health Section during the year. 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 utilisation 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.

Code No. 11

81. WATER SUPPLY – NEW CONNECTIONS APPLICATIONS NOT PRODUCED.

During verification of the water supply connection registers, and tap donations received register maintained relating to the water supply through new connections, the individual applications, connected files along with sanction proceedings were not produced to audit. In the absence of the connected applications and sanction proceedings along with all relevant files, the correctness of the new connections, fee collected could not be verified in audit. Loss if any, sustained on this count would need to be recovered and remitted to the municipal funds under intimation to audit.

Code No: 18

82. REGISTER OF LAYOUTS - NOT PRODUCED TO VERIFY THE LAND PROPOSED FOR CONSTRUCTION OF HOUSE WAS IN THE APPROVED LAY OUT OR NOT.
CORRECTNESS OF THE 10% OF THE OPEN SPACE CHARGES COLLECTED NOT CERTIFIED - NEEDS ACTION.

On verification of the building application files it was noticed that, in some area 10% open space charges were collected as the land proposed for construction of house was not approved. In some applications the same charges were not collected though LP No was not stated in the registered document of the same area. This municipality has not notified the area and register of layouts sanctioned in the municipal limits was also not maintained and produced to audit. In the absence of the same it was not known whether the land proposed for construction was approved and here the correctness of the 10% open space charges collected were also could not be certified in audit.

Therefore action would need to be taken to produce the register of notified area, register of layouts may be produced to audit and the loss if any sustained would need to be assessed and made good from the person or persons responsible and credited to municipal funds under intimation to audit.

Code No.11

83. 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-Suvidha for a predetermined period and there was no assurance in audit that in the said period only RPs allowed by the Commissioner were modified as the system allows modification of any of the assessments there was scope for misuse of the facility more so when the DEO was operating all the three logins of the DEO, RO/RI and the Commissioner. The Executive Authority would need to produce the same to audit for verification.

Code No.11

84. REGISTER OF REMISSIONS AND WRITEOFFS 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. 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.

Code No.11

85. MUTATION 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 properly or not could not be checked in audit. This important register may be maintained and produced to audit.

Code No.11

86. REGISTER OF BUILDINGS EXEMPTED FROM THE PAYMENT OF PROPERTY TAX - NOT PRODUCED TO AUDIT.

The register of buildings exempted from payment of property tax during the year was 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.

Code No.11

87. RECOVERIES DEDUCTED FROM WORK BILLS - DETAILS OF THE REMITTANCE PARTICULARS – NOT FURNISHED.

As verified from the cash book along with vouchers the recoveries which were effected from work bills were remitted to the head of account concerned, from Municipal funds. The details of the remittances made were not noted either in the cash book or voucher. In the absence of the details it could not be known whether the recoveries were remitted correctly/promptly or not.

Code No. 11

88. VACANCY REMISSION REGISTERS - NOT PRODUCED:

During the course of audit, the register of vacancy remissions was not produced to 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.

i) The building should be vacant and unlet for a considerable period of 36 or more days in the half year.

ii) There should be a notice of vacancy from the owner either in that half year or in the proceeding half year indicating the period of vacancy.

iii) There should be a demand for remission of tax either in that half year or in the succeeding half year.

iv) 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 the written up and produced to audit early for verifying whether the above conditions were fulfilled or not.

CODE NO.11

89. INVESTMENTS – THE REGISTER OF INVESTMENTS NOT PRODUCED:-
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 produced. 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.97 (27 columns) and the fact informed to audit. Loss, if any caused to the Municipal funds, due to non/improper maintenance of the register, will have to be made good from the person or persons responsible. The defect was pointed out in the previous audit reports also, but to no effect.

CODE NO.11

90. TAXES – ARREAR DEMAND REGISTERS ALONG WITH OUTSTANDING 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 for the year could not be ascertained in audit.

1. Water tax.
2. M.V. Tax
3. Advertisement tax.
4. Vacant land tax.
5. Property tax
6. Leases, rents and fees etc.,
Immediate action may be taken to produce the same.

CODE NO.11

91. LIST OF RESIDENTIAL AND COMMERCIAL BUILDINGS COMPLETED AND TAP CONNECTIONS DEMAND– NOT PRODUCED.
The following important information would need to be produced to audit. The Supdt. Engineer and City planner have to furnish the following important to revenue sec

3. Total No. of Tap connections given during the year (Supdt. Engineer)  
4. Total No. of new residential houses brought to demand register during the year (Revenue Officer)  
5. Total No. of New commercial buildings brought to demand register during the year (Revenue Officer)  
6. Total NO. of New tap connections brought to demand register during the year (Revenue Officer)  

Action would need to be taken to recover the loss sustained to the municipal funds due to omission of newly constructed houses and new tap connections to demand register for the year form the person or persons responsible and credited to the municipal funds and pointed out the remittance particulars to audit, besides initiating disciplinary action against the persons who are responsible for the above omissions.

CODE NO.11

92. REGISTERS – NON – PRODUCTION – NEEDS ACTION:

The following Registers were not produced to audit for verification. Early action needed to produce the same to audit.

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Name of the Register</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Property Tax Demand Register</td>
</tr>
<tr>
<td>2</td>
<td>Vacant Land Tax Demand Register</td>
</tr>
<tr>
<td>3</td>
<td>Agricultural Land Tax Demand Register</td>
</tr>
<tr>
<td>4</td>
<td>Collection Register of Tax on Carriages and Animals</td>
</tr>
<tr>
<td>5</td>
<td>Advertisement Tax Demand Register</td>
</tr>
<tr>
<td>6</td>
<td>Mutation Register of Property Tax</td>
</tr>
<tr>
<td>7</td>
<td>Property Tax Arrear Demand Register</td>
</tr>
<tr>
<td>8</td>
<td>Vacant land Tax Arrear Demand Register</td>
</tr>
<tr>
<td>9</td>
<td>Agricultural Land Tax Arrear Demand Register</td>
</tr>
<tr>
<td>10</td>
<td>Advertisement Tax arrear demand Register</td>
</tr>
<tr>
<td>11</td>
<td>Register of Transfer of Titles.</td>
</tr>
<tr>
<td>12</td>
<td>Register of Vacancy Remission</td>
</tr>
<tr>
<td>13</td>
<td>Register of Writes off and Temporary Remissions.</td>
</tr>
<tr>
<td>14</td>
<td>Register of Revision petitions.</td>
</tr>
<tr>
<td>15</td>
<td>Register of Appeals</td>
</tr>
<tr>
<td>16</td>
<td>Register of Bills issued</td>
</tr>
<tr>
<td>17</td>
<td>Register of warrants</td>
</tr>
<tr>
<td>18</td>
<td>Register of Distrainted properties</td>
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<tr>
<td>19</td>
<td>Register of Prosecutions</td>
</tr>
<tr>
<td>20</td>
<td>Register of suits</td>
</tr>
<tr>
<td>21</td>
<td>House Service connections Registers</td>
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<tr>
<td>22</td>
<td>Meter Register</td>
</tr>
<tr>
<td>23</td>
<td>Water Charges Demand Register</td>
</tr>
<tr>
<td>24</td>
<td>Meter Reading Card</td>
</tr>
<tr>
<td>25</td>
<td>Meter Ledger</td>
</tr>
<tr>
<td>26</td>
<td>Water Charges Arrear Demand Register</td>
</tr>
<tr>
<td>27</td>
<td>Register of Miscellaneous Bills</td>
</tr>
<tr>
<td>28</td>
<td>Miscellaneous Demand Register</td>
</tr>
<tr>
<td>29</td>
<td>Register of Revenue Yielding properties and othre miscellaneous sources of revenue</td>
</tr>
<tr>
<td>30</td>
<td>Register of tickets in respect of departmental collections</td>
</tr>
<tr>
<td>31</td>
<td>D &amp; O Trades Demand Registers</td>
</tr>
<tr>
<td>32</td>
<td>D &amp; O Trades Arrear Demand Register</td>
</tr>
<tr>
<td>33</td>
<td>Register of Encroachment Fees.</td>
</tr>
<tr>
<td>34</td>
<td>Encroachment fee arrear demand register</td>
</tr>
<tr>
<td>35</td>
<td>Register of Miscellaneous Receipts</td>
</tr>
<tr>
<td>36</td>
<td>Register of Miscellaneous Licences.</td>
</tr>
</tbody>
</table>
CODE NO.11

93. NON – PRODUCTION OF SERVICE REGISTERS.

As per the Sanctioned strength of the municipality, Machilipatnam employees are on pay roll as detailed below.

1. Main Section - ........
2. PH Section - ........
3. Engineering Section - ........

When the service registers of all the above employees were called for, they were not produced to audit. Hence, the service books of all employees shall be produced to audit along with register of increments.

CODE NO:11

94. EXPENDITURE – CHEQUES COUNTERFOILS NOT PRODUCED.

During the Course of Audit, Counterfoils of cheques which were drawn to meet the expenditure of General Fund 001, 002 &003 Accounts were not produced for verification in audit. In absence of the above the correctness of the expenditure could not be ascertained. Therefore if any loss caused to funds in this regard may be recovered from the persons responsible.

CODE NO.11

95. MDR – MISCELLANEOUS DEMAND REGISTER NOT PRODUCED:

The Miscellaneous Demand Register for the year which is an important documents to ascertain the ULBs non-tax revenues such as Shop Rents, Market leases etc., is not produced to audit for verification. In the absences of which the correctness of non-tax revenue of the ULB could not be verified. Needs immediate action. Loss, if any, sustained in this regard needs to be made good from person/s responsible.
Code No.11

96. RENTS, AUCTIONS, LEASES OF ULB ASSETS – FILES, AGREEMENTS NOT PRODUCED:

The files and agreements relating to Rents, Auctions and Leases of ULBs Assets were not furnished to audit. In the absence of which the procedures adopted and the rate fixed for auctions and leases of ULB assets could not be verified in audit. Loss, if any, sustained to this regard needs to be made good from person/s responsible.

Code No.16

97. NON-SUBMISSION OF UTILISATION 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 no accounts were furnished to audit for verification.

CODE.NO.18

98. RECEIVABLES AND PAYABLES NOT ASCERTAINED PROPERLY

APMAM 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 in the account rendered now to audit. If the receivables and payables are not assessed properly now there is every chance that the interest of the institution suffers at a later date. However the basis for the amounts arrived at as receivables and payables was also not made known to audit.

CODE.NO.18

99. REGISTER OF DEPOSITS, LAPSED DEPOSITS NOT PRODUCED

The payments of deposits and deposits lapsed in the year of Audit could not be ascertained due to non production of said registers. Loss, if any, sustained in this regard needs to be made good from person/s responsible.

CODE.NO.18

100. 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.,
It was observed in audit that apparently the basic document that was considered for recording receipt entries in the new system of accounting was Chitta. The endeavour of the CA 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.

**CODE.NO.18**

102. **REGISTER OF IMMOVABLE PROPERTY NOT MAINTAINED**

According to the rules relating to maintenance of registers in municipalities, the register of immovable property is intended to show all immovable properties owned by the municipalities with the value of each. The original cost of the property as well as that of additions made to it from time to time should be noted in the register. But this municipalities was not maintained that register. Hence the properties so far owned by the municipality and their value could not be known and still they are under of the municipality or occupied by any person was could not be verified in audit. Action would need to be taken to maintain the same or else loss if any sustained in this regard would need to be made good from the person or persons responsible and credited to municipal fund under intimation to audit.

**CODE.NO.18**

103. **TRANSFER ENTRY REGISTER - NOT MAINTAINED**

According to the rules the transfer entry register is intended to record all adjustments by transfer are account to another or from one head of account to another. All adjustments made are to be entered in this register in servical order and posted straight away in the posting register. Further transfer entry vouchers will not pass through cash book. But during the year the municipal authorities neither maintained the transfer entry register nor followed the above (procedure) which is gross violation of rules. Therefore action would need to be taken to maintain the same and produced to audit.

**CODE.NO.18**

104. **ADVERTISEMENT TAX - IMPROPER MAINTENANCE OF RECORDS NEEDS RECTIFICATION**

On verification of the records of advertisement tax for the year the records for the advertisement i.e the list of applications received from the persons who seaked to display the boards, hordings, sign boards etc and files regarding the script, size and designs of the advertisements displayed were not submitted in full to audit. According to rule 4 (i) (2)(3) of
advertisement tax rules 1967 the applications must be submitted to the commissioner not less than 7 clear days before the advertisement is to be displayed or erected. The duplicate copies of the permission must be retained. But the information regarding those applications for which the permissions were given not produced to audit. In the absence of the above information the determinations of the authorized advertisement and un authorized advertisements is not possible. Consequently the actual demand of the advertisement tax can also be not assessed therefore because of the non maintenance of the above said records, the loss if any sustained to the municipal funds would need to be worked out and recovered from the person or persons responsible.

**CODE.NO.11**

**105.REGISTER OF SUITS NOT MAINTAINED AND NOT PRODUCED**

Suits pending disposal position of suits not written up in the suits register.

The abstract of suits as on was not prepared. As the register was not written up to date with all relevant information, it could not be unified in audit where any dense was time bared due to non filing of executive petition.

The register suits should be maintained in the prescribed proforma.

1. The separate page should be allotted per such suit.
2. The appeals should be separately giving across the reference to the original suit.
3. The expenditure incurred on suit should be entered with full details in the appropriate column of the register.
4. The advances made to vakal and the adjustment on receipts of detailed bills are not noted in it against the sent concerned.
5. The particulars regarding results of the same decree towards suits cases etc are not maintained.
6. The recoveries made are not available to audit.
7. Information is also wanting as to whether the particulars have been filed on the decree intimate.

**CODE.NO.18**

**106.HALF MARGIN LETTERS - ISSUED INFORMATION NOT FORTH COMING**

During the course of audit of the municipal council, Machilipatnam for the year, several half margin letters were issued to the commissioner requesting him to arrange for production of the records contained there in for audit scrutiny. But no action was taken either by the commissioner, or other person responsible to arrange and produce the records sought for. The administrative authorities also failed to give proper reply of those half margin letters stating their inability for production of records. In view of this, several important records could not be verified in audit and several objections involving substantial amounts had to be raised in the audit report.

Non production of records speaks ill of the preparedness of the institution for audit.
Action would need to be taken by the executive authority to avoid such instances in future and records required for audit be produced.

Code No.18

107. DATA BASE OF THE RECORDS OF TAXATION – EFFICACY OF THE SOFT WARE:

During the course of audit, it was noticed that the Demand Registers (both current and arrear) of property tax and other tax and non tax revenues were maintained based on the computer generated data. Manual maintenance of the same was dispensed with though there were instructions to maintain the same. The actual demand for the current and arrear years was not certified by the competent authority and produced to audit.

Collection of property tax and other revenues is done in many ways like remittance in eseva, by online remission, payment by way of Cheque or Demand Draft etc., from the tax payers. Whether the software takes care of various ways of collections of taxes was not explained to audit.

As seen from the Cheques received register, the corresponding credit entries in the Bank account could not be traced in audit and the amount realized in lump sum on a day is taken to receipt.

As seen from the Cash Book, the receipt side of the cash book was not at all maintained. Treasury adjustments, voucher adjustments etc., were not carried out.

Registers of appeals, revisions, mutations, writes off, remissions etc., were not maintained and produced to audit. Monthly lists of out door staff whether given effect, if so whether given effect promptly within the time or not were not borne by record and as no manual demand registers were maintained whether all such changes were effected in the demand or not could not be verified in audit.

In the absence of maintenance of subsidiary registers connected with levy, collection of property tax and other taxes and non taxes, the demand generated by the computer data base whether can be taken as authentic and certified demand or not, could not be decided in audit. The Executive Authority therefore would need to look in to the matter and test the efficacy of the soft ware in place and furnish certified demand to audit so as to verify the same.

Code No.11

108. ENTERTAINMENT TAX FILES RELATING TO ET OF CINEMA AND CABLE T.V NOT PRODUCED

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 collected in the Municipal area by
the CT department is required to be apportioned to the local authority every quarter. It was observed from the E.T files relating to Cinema and Cable T.V was not produced to audit. In the absence of the said register, if any loss sustained in this regard may be recovered from the person/persons responsible.

Code No.18

109. REGISTER OF LIBRARY CESS 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 Cess @ 8 paisa for every rupee on the property Tax collected and transfer the same to Zilla Grandhalaya Samstha (ZGS) concerned to provide library service to public. The register of library Cess was not produced. As such it could not be known how much the amount was pending remittance to ZGS towards library cess in audit. The executive authority would need to work out and arrive at the Library Cess which was pending prior to 26-10-2009 and same would need to be remitted to ZGS early.

(B) Government issued orders vide GO. No 122 Education (PE Prog.I) Department Dt:26.10.2009 para 5 of (II) directing of Library Cess @ 8 percent on property tax collected, at e-seva center level and remit the same to City/Zilla Grandhalaya Samstha (ZGS) concerned through e-seva. However it was observed from the copies of statements furnished by Administrative Officer, e-seva, that library cess was not collected at the rate prescribed by Government i.e @ 8 percent. The executive authorities would need to take good steps to collect library cess as per Government norms.

Code No.18

110. NON EXCHANGE OF INFORMATION BETWEEN TOWN PLANNING AND REVENUE SECTION:

The Revenue Wing of the Municipality did not have access to the Building Approvals plans 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 respect of buildings that have been constructed unauthorized for taking further necessary action. Details of visits made by the Building inspectors for verification of the status of the buildings for which permissions were given were not forthcoming in audit. The U.C. Registers maintained showing the details of the notices given for the deviations noticed and the unauthorised constructions against which action was taken were not produced to assess the work of the town planning wing of the ULB.

Code No.18

111. NON-UTILISATION 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&UD, 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 particulars viz., name of the applicant/GPA, sanction, total sq.ft sanctioned, total floors sanctioned, number of flats per floor, area of flats, parking space, etc., as a measure of transparency.

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, office complexes were not published in the newspapers every month for information of general public.

CODE NO.18

112. RECEIVABLES 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 APMAM. But during the verification of the annual accounts it was noticed that the arrear demand registers were not maintained by the ULB and as such the amount shown in the balance sheet could not be held to be correct and the basis
on which the figures had been finalized was also not made known to audit.

**CODE.NO.18**

**113.DETAILED NOTE FOR ACCOUNTS NOT ENCLOSED TO FINANCIAL STATEMENTS**

The Notes to accounts comprising 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 uncertain events, subsidy report in accordance with the provisions of the Act and rules governing the ULBs and instructions of the Government in respect of certain services along with many other disclosures like details of honorarium paid to mayor/chair person, amount of refunds, remissions and writes of etc., were not enclosed with the financial statements and in the absence of the same the annual account prepared could not be analysed fully during the course of audit.

**CODE.NO.11**

**114.DEPRECIATION – RELEVANT RECORDS NO PRODUCED**

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 or not.

**CODE NO:11**

**115 REGISTER OF UNSERVICABLE ARTICLES NOT PRODUCED**

The register of un serviceable articles duly entering all items which were not in use was not maintained and produced for verification during audit. Action would need to be taken to maintain said register and dispose of the articles which are not fit for use.
Code no:11

116 . Hire car charges– hire charges paid- connected Budget approval of Council, Tenders called for and approval, rate contract Agreements, log books , approved town programme, etc., not produced for Audit –Irregular needs action- Rs 12,300/:-

During the course of Voucher Audit on the Accounts of Municipal Council, Jaggaiahpeta for the Year 2015-16 as verified from the Paid Vouchers, it is noticed that a total Amount of Rs.12,300/- was drawn and paid towards rented car charges in favour of the Commissioner during the Year Under Audit as below.

<table>
<thead>
<tr>
<th>Date</th>
<th>Vr.No</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>22/9/2015</td>
<td>230</td>
<td>900</td>
</tr>
<tr>
<td>22/9/2015</td>
<td>231</td>
<td>900</td>
</tr>
<tr>
<td>22/9/2015</td>
<td>232</td>
<td>900</td>
</tr>
<tr>
<td>22/9/2015</td>
<td>233</td>
<td>900</td>
</tr>
<tr>
<td>22/9/2015</td>
<td>234</td>
<td>900</td>
</tr>
<tr>
<td>22/9/2015</td>
<td>235</td>
<td>900</td>
</tr>
<tr>
<td>30/10/2015</td>
<td>291</td>
<td>6000</td>
</tr>
<tr>
<td>1/2/2016</td>
<td>386</td>
<td>900</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>12,300</strong></td>
</tr>
</tbody>
</table>

But the connected Budget approval of Council, Tenders called for and approval, rate contract Agreements, log books , approved town programme etc., were not made available to Audit for verification. In the absence of the same the correctness of that Payments made cannot be verified in Audit and is held under objection.

Early Action would need to be taken to produce the said records to Audit for verification to admit the expenditure.
Code no: 11

117. Supplies—Supply of News Papers—connected Budget, council approval, Stock, Auction details etc., not produced for Audit—Irregular needs production-Rs.50,470/-

During the course of Voucher Audit on the Accounts of Municipal Council, Jaggaiahpet for the Year 2015-16 as verified from the Paid Vouchers (36-40, 60-64 & 130-192), it is noticed that a total Amount of Rs.50,470/- was drawn and paid on supply of News Papers during the Year Under Audit.

But the connected Budget, council approval, Stock, Auction details etc., were not made available to Audit for verification. In the absence of the same the Amount cannot be admitted in Audit and is held under objection.

Early Action would need to be taken to produce the Said records to Audit for verification to admit the expenditure.
Code no:3

118. **Advance- connected File, expenditure particulars not produced- irregular-needs action- Rs. 5,00,000/-**

During the course of Voucher Audit on the accounts of Jaggaiahpetta Municipality for the Year 2015-16 as verified from the Paid Vouchers, it is noticed that an Amount of Rs.5,00,000/- was drawn from general funds and paid towards advance for catching monkeys.

But the connected File approval by concerned Authority etc., were not made available to Audit for verification. In the absence of the same the correctness of the said Amount of payment cannot be admitted in Audit and is held under objection.

Early Action would need to be taken to produce the said records to Audit for verification to admit the Expenditure.
Code no:11

119. Amount paid to P.F Commissioner, Guntur—connected file and payees Acknowledgement—not produced:

During the course of Voucher Audit on the Accounts of Muncipal Council, Jaggaiahpeta for the Year 2015-16 as verified from the cash book, it is noticed that a huge Amount was drawn and paid particulars to P.F. Commissioner, Guntur were not submitted to audit.

But the connected file and payees Acknowledgement etc., were not made available to Audit for verification. In the absence of the same the Amount cannot be admitted in Audit and is held under objection.

Early Action would need to be taken to produce the above paid records to Audit for verification to Audit the expenditure.
Code no:11

120. Payment of Legal charges –connected file along with suits register etc., not produced for Audit –Irregular needs production-Rs.6,500/-

During the course of Voucher Audit on the Accounts of Muncipal Council, Jaggaiahpeta for the Year 2015-16 as verified from the cash book, it is noticed that a total Amount of Rs.6,500/- was drawn and paid towards payment of legal charges for K.Ramamohan Choudary, vide Voucher No.341/Dt:23/12/2015 during the Year Under Audit.

But the connected files along with suits register etc., were not made available to Audit for verification. In the absence of the same the Amount cannot be admitted in Audit and is held under objection.

Early Action would need to be taken to produce the said records to Audit for verification to admit the expenditure.
During the course of Voucher Audit on the Accounts of Municipal Council, Jaggaiahpet for the Year 2015-16 as verified from the cash book, it is noticed that a total Amount of Rs.34,72,442/- was drawn and paid to Senior Accounts officer(SERO)APSPDCL, Vijayawada & JAO of Jaggaiahpet towards electricity charges as detailed below.

<table>
<thead>
<tr>
<th>S.No</th>
<th>Date</th>
<th>Voucher No.</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>11/5/2015</td>
<td>10</td>
<td>421255</td>
</tr>
<tr>
<td>2</td>
<td>12/6/2015</td>
<td>21</td>
<td>14150</td>
</tr>
<tr>
<td>3</td>
<td>20/6/2015</td>
<td>35</td>
<td>238646</td>
</tr>
<tr>
<td>4</td>
<td>31/7/2015</td>
<td>113</td>
<td>417436</td>
</tr>
<tr>
<td>5</td>
<td>10/8/2015</td>
<td>121</td>
<td>219404</td>
</tr>
<tr>
<td>6</td>
<td>10/8/2015</td>
<td>122</td>
<td>204583</td>
</tr>
<tr>
<td>7</td>
<td>8/10/2015</td>
<td>273</td>
<td>188262</td>
</tr>
<tr>
<td>8</td>
<td>30/10/2015</td>
<td>285</td>
<td>244829</td>
</tr>
<tr>
<td>9</td>
<td>25/11/2015</td>
<td>307</td>
<td>318003</td>
</tr>
<tr>
<td>10</td>
<td>7/12/2015</td>
<td>312</td>
<td>339809</td>
</tr>
<tr>
<td>11</td>
<td>18/12/2015</td>
<td>313</td>
<td>234531</td>
</tr>
<tr>
<td>12</td>
<td>23/12/2015</td>
<td>342</td>
<td>261664</td>
</tr>
<tr>
<td>13</td>
<td>6/1/2016</td>
<td>350</td>
<td>185767</td>
</tr>
<tr>
<td>14</td>
<td>6/1/2016</td>
<td>351</td>
<td>184103</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>3472442</strong></td>
</tr>
</tbody>
</table>

In this regard following defects have been noticed in the Audit.

1) the connected demand notice or the sub vouchers have not been enclosed to the original claim as required under sub para(5) of sub rule 27 of TR16 read with instructions 16 of TR 15.
2) the payees acknowledgements or the stamped receipts in token of having the amounts received were not pointed-out.

3) Further, the connected file was not made available to audit for verification. In the absence of the same the correctness of the payments made could not be verified.

4) the resolution of the Jaggaiahpet Municipal Council for this item of expenditure and budget provision have not been produced to audit for verification

Hence immediate action would need to be taken to furnish the necessary information to Audit for verification. Till such time, the entire expenditure thus incurred is held under objection.

Code no:11

122 . Telephone charges – payment of telephone charges - connected Register of Telephones, cell phones, Budget details of phone wise charges paid etc., - not made available - irregular - needs production- Rs.1,16,892/-

During the course of Voucher Audit on the Accounts of Municipal Council, Jaggaiahpet for the Year 2015-16 as verified from the paid vouchers, it is noticed that a total Amount of Rs.1,16,892/- was drawn and paid towards Telephone charges during the Year 2015-16 Under Audit as below.

<table>
<thead>
<tr>
<th>Date</th>
<th>Vr.No</th>
<th>Amount</th>
<th>For whom</th>
</tr>
</thead>
<tbody>
<tr>
<td>20/6/2015</td>
<td>34</td>
<td>11302</td>
<td>BSNL Ltd</td>
</tr>
<tr>
<td>30/7/2015</td>
<td>111</td>
<td>5702</td>
<td>BSNL Ltd</td>
</tr>
<tr>
<td>30/7/2015</td>
<td>112</td>
<td>7330</td>
<td>Bharati Airtel,Vijayawada</td>
</tr>
<tr>
<td>4/8/2015</td>
<td>119</td>
<td>9138</td>
<td>Bharati Airtel,Vijayawada</td>
</tr>
<tr>
<td>31/8/2015</td>
<td>210</td>
<td>5444</td>
<td>BSNL Ltd</td>
</tr>
<tr>
<td>14/9/2015</td>
<td>220</td>
<td>8244</td>
<td>Bharati Airtel,Vijayawada</td>
</tr>
<tr>
<td>24/9/2015</td>
<td>246</td>
<td>5193</td>
<td>BSNL Ltd</td>
</tr>
<tr>
<td>6/10/2015</td>
<td>259</td>
<td>6787</td>
<td>BSNL Ltd(toll free)</td>
</tr>
<tr>
<td>16/10/2015</td>
<td>278</td>
<td>7314</td>
<td>Bharati Airtel,Vijayawada</td>
</tr>
<tr>
<td>16/10/2015</td>
<td>279</td>
<td>4705</td>
<td>BSNL Ltd</td>
</tr>
<tr>
<td>30/10/2015</td>
<td>289</td>
<td>1429</td>
<td>BSNL Ltd</td>
</tr>
<tr>
<td>9/11/2015</td>
<td>295</td>
<td>8637</td>
<td>Bharati Airtel,Vijayawada</td>
</tr>
<tr>
<td>12/11/2015</td>
<td>296</td>
<td>3862</td>
<td>3G Idea Sims IHHT Program</td>
</tr>
<tr>
<td>23/11/2015</td>
<td>299</td>
<td>3598</td>
<td>3G Idea Sims IHHT Program</td>
</tr>
<tr>
<td>1/12/2015</td>
<td>309</td>
<td>5048</td>
<td>BSNL Ltd</td>
</tr>
<tr>
<td>16/12/2015</td>
<td>315</td>
<td>9069</td>
<td>Bharati Airtel,Vijayawada</td>
</tr>
<tr>
<td>25/12/2015</td>
<td>343</td>
<td>5275</td>
<td>BSNL Ltd</td>
</tr>
<tr>
<td>7/1/2016</td>
<td>353</td>
<td>8815</td>
<td>Bharati Airtel,Vijayawada</td>
</tr>
</tbody>
</table>
But the connected Register of Telephones, cell phones, Budget sanctioned details of phone wise charges paid etc., were not made available to Audit for verification. In the absence of the same, the correctness of the payments made could not be verified in Audit and is held under Objection.

Early Action would need to be taken to produce the said records to Audit for verification to admit the expenditure.

**Code No.9**

**123.Violation of Rules-interest paid to IT Department,Vijayawada-Irrregular-needs recovery-Rs.3,40,179/-**

During the course of voucher audit on the accounts of Jaggaiahpeta Municipality for the year 2015-16 as seen from the paid vouchers, it is noticed that an amount of Rs 240173/- (2011-12) and Rs 100006/- (2012-13) was paid as interest to IT Department, Vijayawada vide Vr.No.214 Dt:10/9/2015 and Vr.No.215 Dt:10/9/2015.

It is against the rules and hence the amount of Rs.3,40,179/- cannot be admitted in audit and is held under objection.

Early action would need to be taken to recover the said amount from the person or persons responsible.
Code No.11

Water Supply Account

124. Cash Book not produced:

During the course of voucher audit on the accounts of Municipal Council, Jaggaiahpet for the year 2015-16, the executive authorities concerned has not produced the cash book of water supply account for the year 2015-16 to audit.

Immediate action would need to be taken to produce the above record to audit for verification. The loss if any caused due to the non production of cash book would need to be recovered from the person or persons responsible and credit pointed out to audit.

Code No.11

General Fund 001 account

125. Cash Book not produced:

During the course of voucher audit on the accounts of Municipal Council, Jaggaiahpet for the year 2015-16, the executive authorities concerned has not produced the cash book of General Fund 001 account for the year 2015-16 to audit.

Immediate action would need to be taken to produce the above record to audit for verification. The loss if any caused due to the non production of cash book would need to be recovered from the person or persons responsible and credit pointed out to audit.
VARIATION IN ACCOUNT FIGURES-COLLECTION SHOWN IN D.C.B NOT TALLIED WITH COLLECTION SHOWN IN R&C STATEMENT-NEEDS-RECONCILIATION:

As seen from the collection figures shown in D.C.B in respective heads of the following accounts are not tallied with the collection figures shown in the R&C statement resulting in variation in the account figures. Early action would need to be taken to reconcile the variation and compliance reported to audit. The loss if any caused in this regard would need to be made good from the person or persons responsible.

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Head of Account</th>
<th>As per D.C.B Collection in Rs.</th>
<th>As per R&amp;C Statement</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Property tax</td>
<td>26479000</td>
<td>28104719</td>
<td>1625719</td>
</tr>
<tr>
<td>2</td>
<td>Vacant Land tax</td>
<td>59672</td>
<td>73197</td>
<td>13525</td>
</tr>
<tr>
<td>3</td>
<td>Advertisement tax</td>
<td>62720</td>
<td>70880</td>
<td>8160</td>
</tr>
</tbody>
</table>

126 .RESULT OF AUDIT.

The general result of audit may be considered as satisfactory.

127 . RECEIPTS AND CHARGES:

The gross receipts and charges for the year 2015-16 were Rs.64828412.4 And Rs.72677163.95 respectively.

128 .PENDING OF AUDIT OBJECTIONS.
No. of audit objections pending from 1956-57 to 2015-16 involving an amount of Rs.44,96,59,478.00 as detailed below.

<table>
<thead>
<tr>
<th>Year</th>
<th>No.of Objections</th>
<th>Amount Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956-57 to 1982-83 (up to 29-11-1982)</td>
<td>573</td>
<td>982349.00</td>
</tr>
<tr>
<td>30-11-1982 to 31-3-83</td>
<td>08</td>
<td>310.00</td>
</tr>
<tr>
<td>1984-85</td>
<td>02</td>
<td>1107.00</td>
</tr>
<tr>
<td>1985-86</td>
<td>04</td>
<td>21170.00</td>
</tr>
<tr>
<td>1986-87</td>
<td>08</td>
<td>24859.00</td>
</tr>
<tr>
<td>1987-88</td>
<td>24</td>
<td>88029.00</td>
</tr>
<tr>
<td>1988-89</td>
<td>12</td>
<td>13335.00</td>
</tr>
<tr>
<td>1989-90</td>
<td>23</td>
<td>43793.00</td>
</tr>
<tr>
<td>1990-91</td>
<td>15</td>
<td>165079.00</td>
</tr>
<tr>
<td>1991-92</td>
<td>15</td>
<td>191515.00</td>
</tr>
<tr>
<td>1992-93</td>
<td>26</td>
<td>630848.00</td>
</tr>
<tr>
<td>1993-94</td>
<td>31</td>
<td>423545.00</td>
</tr>
<tr>
<td>1994-95</td>
<td>27</td>
<td>9693389.00</td>
</tr>
<tr>
<td>1996-97 to 1998-99</td>
<td>Audit not conducted</td>
<td>0</td>
</tr>
<tr>
<td>1999-2000</td>
<td>46</td>
<td>10569345.00</td>
</tr>
<tr>
<td>2000-2001</td>
<td>64</td>
<td>8619541.00</td>
</tr>
<tr>
<td>2001-2002</td>
<td>60</td>
<td>3594568.00</td>
</tr>
<tr>
<td>2002-2003</td>
<td>68</td>
<td>20888370.00</td>
</tr>
<tr>
<td>2003-2004</td>
<td>90</td>
<td>31213649.00</td>
</tr>
<tr>
<td>2004-2005</td>
<td>114</td>
<td>21213307.00</td>
</tr>
<tr>
<td>2005-2006</td>
<td>120</td>
<td>44685229.00</td>
</tr>
<tr>
<td>2006-2007</td>
<td>113</td>
<td>18336752.00</td>
</tr>
<tr>
<td>2007-2008</td>
<td>58</td>
<td>2489505.00</td>
</tr>
<tr>
<td>2008-2009</td>
<td>84</td>
<td>36914809.00</td>
</tr>
<tr>
<td>2009-2010</td>
<td>151</td>
<td>37164077.00</td>
</tr>
<tr>
<td>2010-2011</td>
<td>79</td>
<td>32757338.00</td>
</tr>
<tr>
<td>2011-2012</td>
<td>163</td>
<td>53087188.00</td>
</tr>
<tr>
<td>2012-2013</td>
<td>165</td>
<td>78935199.00</td>
</tr>
<tr>
<td>2013-2014</td>
<td>154</td>
<td>30971703.00</td>
</tr>
<tr>
<td>Year</td>
<td>Total</td>
<td>Amount</td>
</tr>
<tr>
<td>---------</td>
<td>-------</td>
<td>------------</td>
</tr>
<tr>
<td>2014-2015</td>
<td>123</td>
<td>1254638.00</td>
</tr>
<tr>
<td>2015-2016</td>
<td>122</td>
<td>4685562.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2542</strong></td>
<td><strong>449659478.00</strong></td>
</tr>
</tbody>
</table>

District Audit Officer,
State Audit, Krishna, Machilipatnam.