

File Number : SA/GNT/MACHERLA/MC(7)/MACHERLA MUNICIPALITY GRADE II/2015-16

Name Of the Auditor (s) :

1. Mr/Mrs SAMBASIVA RAO - ASSISTANT AUDIT OFFICER

Date Of Audit :

From 20-03-2017 To 23-03-2017

Name (s) of Executive Authorities :

- 1.Mrs Smt. G. Sridevi - Chairman From 01-04-2015 To 31-03-2016
- 2.Mr Sri B.Ajay Kishore - Commissioner From 01-04-2015 To 17-07-2015
- 3.Mr 2.Sri Sitaramanjanyulu - Commissioner From 18-07-2015 To 31-07-2015
- 4.Mr 3.Sri M.B.Narasihma Rao - Commissioner From 10-08-2015 To 16-08-2015
- 5.Mr 4.Sri M.Srinivaslu - Commissioner From 17-08-2015 To 31-03-2016

Para Number : 1

OTHERS (Code : 18) Rs : 0

GENERAL REVIEW OF THE FINANCIAL POSITION:

The main source of the income to the Municipal Council is property tax, license fee, building application fee and lease amounts of the Municipal Assets and grant in aid released by the Government. Though the financial position

MACHERLA MUNICIPALITY -REVENUE RECEIPTS AND ITS ANALYSIS.

The sources of revenue receipts during the year were through (1) revenue raised by the municipal council 2) receipts from the State Government towards entertainment tax, M.V tax, land Cess, surcharge on stamp duty

Sl.No	Items of Revenue	Receipts		
		2012-13	2013-14	2014-15
1	Revenue raised by the Municipal council			
	a) Tax Revenue	14579539	12959000	22869366
	b) Non Tax Revenue		9882000	4290638
	c) Leases fee, rents etc	1726463	0	1525805
2	Receipts from State Government			
	Entertainment Tax			
	Surcharge on Stamp Duty	6496626	3496806	
	Magisterial Fee			
	Population Grant		160000	
	M.Tax Compensation			
	Profession Tax			
	Non Plan Grant			
	Grants in Aid others			

Para No. 1

Code No.3

ELECTION - ELECTION EXPENDITURE MET FROM MUNICIPAL GENERAL FUNDS INSTEAD OF ELECTION FUNDS - IRREGULAR - NEEDS REIMBURSEMENTS.300000/-

An amount of Rs.300000/- was drawn and paid on the following vouchers towards the conduct of Municipal Election. The expenditure was incurred from Municipal General Funds instead of Election funds. Early action would

Para No. 2

Code No.6

FUNDS - UTILIZATION OF MINIMUM 40% OF THE NET FUNDS AVAILABLE IN THE SLUM AREAS OF THE GUNTUR MUNICIPAL COUNCIL FOR PROVIDING WATER SUPPLY AND DRAINAGE - INSTRUCTIONS OF THE GOVERNMENT

Orders were issued vide G.O.Ms.No.626, M.A. Department, dated 12-11-1986, for preparation of budget estimates by all the urban local bodies and for utilization of funds for various schemes.

In continuation of the above, government have ordered further vide G.O.Ms.No.265, M.A. U.D. (K2) Department, dated 19-7-2004 to channelise at least 40% of the net funds available with the Municipal Council for compul

It was clarified further, there in, that this compulsory spending in the slum areas at minimum of 40% of the net funds available would not clash with sectoral allotments made vide G.O.Ms.No.626 MA Department, dated 12-1

As perused from the budget for the year 2015-16 (which was approved by the council on 29-5-2010) the total amount of receipts for the year 2015-16 was projected at Rs.65346245/-. But the amounts allotted for the de showing the details of capital works and maintenance works duly indicating the details of those works executed for the benefit of targeted groups (i.e., S.C/S.T and Women & Children) were also not produced to audit so as to er

PARA NO: 3 CODE NO.7**TIME BARRED TAXES AND FEES:**

The arrears of taxes and fees relating to the year 2011-12 which were allowed to be time barred by limitation of time prescribed under section 365(1) of the A.P. M the part of bill collector to any other employee as the case may be, is deemed to be negligent and action under the section 374(1) of the Act for the recovery of all such maintained to quantify the taxes that are likely to be barred by time. This deficiency of not maintaining the ADRs relating various taxes and non taxes is resulting in the inab

1. Property Tax
2. Vacant land tax

Para No. 4 Code No.7**NON-COLLECTION OF GARBAGE CHARGES - NEEDS COLLECTED**

The Municipal bodies as per the guidelines of -total sanitation programme- are required to collect garbage charges from the eating establishments, hospitals, diagnostic centers, clinics, theatres, function halls, lodges, shop However it was noticed that no bulk garbage charges were collected by the municipality during the year of audit and no reasons were forthcoming in audit for non collection of the same.

Para No.5 Code No.7**LEASES - NON COLLECTION OF MONTHLY RENTS - MDR NOT MAINTAINED PROPERLY - NEEDS EARLY ACTION : Rs. 110543**

As verified from the MDR such as leases of markets, shop rooms, vacant land before vegetable markets, for the year 2015-16 the following amounts were not collected. The leases deeds, agreements were not concluded. TI

Outer shops (IDSMT)

Sl.No	Name of the lease	Arrear	Demand	Collection	Balance
1	G.Brahmaiah	Nil	10668	Nil	10668
2	Sk.Subani Saheb	Nil	10668	Nil	10668
3	U.Satyannarayana	Nil	10668	Nil	10668
4	V.Venkateswarlu	Nil	10668	Nil	10668
5	B.Chandramma	Nil	10668	Nil	10668
6	K.Somalingam	Nil	10668	Nil	10668
	Total	Nil	64008	Nil	64008

Inner shops (IDSMT)

Sl.No	Name of the lease	Arrear	Demand	Collection	Balance
1	Sk.Khaseem Saida	1605	6420	-	8025
2	Sk.Khaseem Saida	1605	6420	-	8025
3	Sk.Mastan Valli	-	6420	3745	2675
4	Sk.Mastan Valli	-	6420	3745	2675
5	D.Lakshmi Bai	-	6420	2675	3745
6	Sk.Khaseem Saida	1605	6420	-	8025
7	Sk.Saida Saheb	-	6420	1070	5350
8	Sk.Khadar Bai	-	6420	2675	3745
	Total	4815	51360	13910	42265

Egg Shops (IDSMT)

Sl.No	Name of the lease	Arrear	Demand	Collection	Balance
1	N.Venkateswarlu	4270	-	-	4270
	Total	4270			4270

Para No.6 Code No.7**NON TRANSFER OF GENERAL REVENUE TO EARMARKED FUNDS**

In terms of G.O Ms.No. 511 Municipal Administration Department dt.12-6-1972 read with G.O.Ms.No.41 M.A Department Dt.21-01-1997 and Govt.Memo.No.22871/A4/77 M.A Department Dt.6-9-1977 General Revenue c

Para No 7

Code No.8

ADVANCES - OTHER THAN PERSONAL PENDING ADJUSTMENT NEEDS EARLY ACTION RS. 320000/-

According to the provisions of APFC Vol.I the advance paid to the officials towards works shall have to be adjusted within one month of the drawl of such advance through adjustments of vouchers, failing which the entire amount of the advances recoverable register an amount of Rs. 195000/- is still outstanding for want of adjustment. Immediate action may be taken to recover the entire amount of advance paid to the officials co

Vr.No. and Date	Particulars	Amount
134/27.6.15	Advance paid to M.V.Narasimharao,TPS towards unauthorized building regularization advertisement	50000
418/8.1.16	Advance paid to J.Ranjith Kumar,C.I towards Janmabhumi Maavooru programme	50000
380/15.12.15	Advance paid to J.Ranjith Kumar,C.I towards establishment expenditure	30000
324/20.10.15	Advance paid to Md.Gouse Basha,S.I towards Mana Amaravathi Mana Rajadhani Programme	50000
325/20.10.15	Advance paid to Md.Gouse Basha,S.I towards Mana Amaravathi Mana Rajadhani Programme	40000
323/17.10.15	Advance paid to J.Ranjith Kumar,C.I towards Mana Amaravathi Mana Rajadhani Programme	50000
322/13.10.15	Advance paid to J.Ranjith Kumar,C.I towards Mana Amaravathi Mana Rajadhani Programme	50000
	Total	320000

Para No. 8

Code No.9

ADVERTISEMENTS - EXHIBITED WITHOUT WRITTEN PERMISSION OF THE COMMISSIONER - FINE NOT IMPOSED - LOSS TO THE COUNCIL-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- 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 not less than Rs.500. On verification of the records relating to tax on advertisement, it was noticed that applications received and permissions issued to erect, exhibit, fix or retain the advertisements for which tax was levied during the year 20:

Para No.9

CodeNo. 9

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

Deposits remaining unclaimed for three completed years after their refunds fall due and surplus proceeds of distraint property not claimed within six months from the date of sale should be lapsed and credited to the revenue. Therefore action would need to be taken accordingly under a report to audit.

ParaNo.10

CodeNo.9

ENCROACHMENTS - CLASSIFICATIONS NOT DONE.

The list of encroachments in the Municipal limits were not classified as Objectionable and Non-objectionable by the Municipal Commissioner and the District Collector. The loss if any sustained to the Municipal funds the executive authority will have to be held responsible for the same.

Para No. 11

Code No.9

ADVERTISEMENT TAX - ADVERTISEMENT TAX ON CABLE T.V. OPERATORS - DEMAND NOT ARRIVED - LOSS OF REVENUE TO THE MUNICIPALITY :

As per G.O.Ms.No.266. M.A., Department, dated 5-5-2000, Advertisement tax has to be levied @ 10% of the fees collected by cable T.V. operators from the persons for which Advertisements made in the cable T.V. The Council had followed the above procedure and demand not arrived at under the head of advertisement tax on cable T.V. operations resulting in loss of revenue. Therefore, action would need to be taken to fix the demand as per rules and collect the same and loss, if any, sustained would need to be made good from the person or persons responsible and credited to General funds un

Para No: 12

Code No: 9

MACHERLA MUNICIPAL COUNCIL - PAYMENT OF SERVICE CHARGES TO MUNICIPAL COUNCIL IN RESPECT OF CENTRAL GOVERNMENT DEPARTMENTS- NOT REALIZED SO FAR - NEEDS ACTION

The honorable Supreme court of India vide its order dated 19-11-2009 disposed of the civil Appeal No 9458-63/2003 filed by Rajkot Municipal Council & Others Vs Union of India (UOI) & others relating to payment of service charges for the service provided by appellant Municipal Councils. No property tax will be paid by UOI but service charges calculated @ 75%, 50% or 33 1/3% of property tax. In pursuance of the orders of the Supreme Court in this matter, the following instructions are issued to Commissioners of all ULBs by the principal Secretary to government MA&UD for regulating payment of service charges on properties.

3. To issue a self contained, order to the Heads of Central Government Departments indicating the process followed in Working out the service charges payable by them and the amount of service charges payable per annum as follows.
4. To enter into Memorandum of agreement or understanding with Heads of Central Government Departments for payment of service charges to the ULBs till the next general revision of property tax.
5. In the event of a disagreement on any issue, the Municipal Commissioner shall submit proposals to the Government for constituting a three member mediation committee consisting of the following officers for resolving the issues:
 - a) Representative of Central Government
 - b) Representative of concerned ULB
 - c) Representative of MA&UD Department
 - d) In the event of any Central Government Department or Railways owning a property changes the Agreement unilaterally or fails to reach settlement through Mediation Committee, the concerned ULB could take such action as may be deemed fit.

It has also been clearly stated that Commissioners of all ULBs shall ensure that entire exercise of payment of service charges by central Government properties is completed by end of September,2010 and send a self contained report to the principal Secretary to government MA&UD.

In spite of the above direction issued by the principal Secretary to government MA&UD for regulating payment of service charges in respect of Central Government properties by the end of September 2010 Realization of service charges is not satisfactory.

Para No. 13

Code No.9

MUNICIPAL COUNCIL MACHERLA - INCOME TAX RETURNS NOT PRODUCED BY THE STAFF - IRREGULAR - NEEDS ACTION:

During the course of Audit Municipal Council Macherla for the year 2015-16 on verification of Pay bills of staff of Municipal Council Macherla, It was noticed that Income Tax returns or Form 16 was not enclosed to the salary under Income Tax per view and failure to discharge the above functions is liable for penalty under Income Tax Act.

Para No. 14

Code No.9

PURCHASES MADE WITHOUT FOLLOWING THE RULES LAID DOWN FOR THAT PURPOSE

According to Rule 315 (1)(b) of A,P Municipalities (purchase maintenance and accounting of forms) Rules 1968 for invitation and disposal of tenders relating to the supply of materials goods, etc., their shall be prepared in accordance with the rules.

Under Rule 5 of the said rules the Commissioner shall arrange for the proper maintained of a stock account in such form as may be prescribed by the Government from time to time and for such forms as may be specified in the rules.

But during the course of audit it was noticed that the prescribed procedure was not followed in as much as the preparation of estimates for the annual consumption of various items and the stock accounts were either not prepared or not maintained properly.

Para No.15

Code No.9

RECEIVED AND PAYABLES NOT ASCERTAINED PROPERLY

APMAM mandated that the receivables in case of tax income shall be ascertained for the last five years and in case of non tax income for the last three years; But the same was not adopted either in the FOBS or in the accounts.

NON REGISTRATION OF LEASE DOCUMENTS IRREGULAR NEEDS ACTION

As verified from the lease files for the year 2015-16 observed that the lease documents of Municipal properties were not Registered by Registration Department as per section 17 of registration act the lease documents deeds were not registered. The CDMA Hyderabad issued instructions in his circular dated 21-4-04 that whenever a property of Municipality was let out lease deed shall have to be registered compulsory and also collect the stamp duty as prescribed.

However it was observed from the records that the Macherla Municipality has been collecting stamp duty registration fee and user charges on the following properties leased out to the lessees.

1. Vegetable Market.
2. Sundry Market.
3. Slaughter house.

Through the stamp duty and registration fee was collected the lease documents were not registered with the registering authority (Sub register assurance and registration) Thus the lease agreement entered with the lessees do not have legal effect. The reasons for not complying with the instruction of the CDMA issued may be explained.

Para No. 17

Code No.9

ACCEPTANCE OF SINGLE TENDER IN PROCUREMENT OF WORKS AND PUBLIC HEALTH ARTICLES AGAINST GOVERNMENT NORMS- IRREGULAR.

Government followed the procedure of calling open tender through e procurement process to have transparency and competitive bidding. Further in G.O.Ms.No. 94 dt.1-7-2003 stipulates that single tender shall not be normal mode of procurement.

Audit noticed that single tender was accepted in the first call in procurement of Works and Public Health article for sanitation in Macherla Municipality. The acceptance of single tender without going for further calls denied the opportunity to other bidders.

When the violation of government orders in procurement of Works and Public Health articles for sanitation of Macherla Municipality by accepting single tender brought to notice and such practice should be avoided in future.

Para No.18 Code No.9

LAPSES IN ISSUE OF D&O TRADE LICENCES AND COLLECTION OF LICENCE FEE

As per section 263 of A.P Municipal Act. 1965, ever trader/shopkeeper shall apply for license to the Municipal Commissioner, giving all the details of business to be started.

While reviewing the records of the Municipality it was noticed that the municipality has not issued any D&O licenses to the traders. There was not system to identify the new establishments and there was not data maintained

In this connection the Commissioner, Macherla Municipality can conduct a ward wise survey to identify the traders and give license to each individual with a unique no. and also shall maintain a demand register. By this the

Para No.19 Code No.9

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

In exercise of the powers conferred under Section 197, 198 and 199 of H.M.C., Act, 1955, the Municipal Council, Guntur, vide its notification No.1129/01/A1, dated 8-5-02 (published in the District gazette No.XLIII, Da 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 fr 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

Para No. 20 Code No.9

INFORMATION NOT FURNISHED REGARDING PROPERTY TAX- NEEDS 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

Para No 21 Code No.9

NON MAINTENANCE OF DEMAND AND ARREAR DEMAND REGISTERS OF PROPERTY TAX (MANUAL):

It was noticed during the audit that both the Demand and Arrear Demand Registers of property tax for the year 2015-16 were prepared based on the computer generated data and the correctness of the data shown there Manual registers for either current demand or arrear demand were not maintained and produced to audit. Similarly register of transfer of titles, mutation register, register of remission, write off register and register of app Further, the page wise totals along with the final abstract were not enclosed to the ward wise computer generated demand and arrear demand registers for the year 2014-15.

Consequently, cross checking of computer generated data with that of manual registers, as required to be maintained in accordance with the instructions contained in para 3 of the fax message in Roc.No.4994/04/03/(B5).

ParaNo.22 Code No.9

CASH BOOK AND SUBSIDIARY REGISTERS NOT MAINTAINED PROPERLY - ENTRIES ON THE RECEIPTS SIDE NOT MADE, NOT TOTALLED, NOT BALANCED AND NOT RECONCILED WITH THE PASS BOOK BALANCES MONTHLY/

As per the -Andhra Pradesh Municipal Accounts Manual- the Urban Local bodies should maintain each financial year the -General cash book- in form GEN-1, which shall be the Book of original entry for recording transacti Advances Register etc.,) and the balance of Bank so that the Head of the institution could know the actual balance available in the institution on any particular date.

There were no periodical closings under proper attestation. Reconciliation of balances of cash book with those of banks was not made regularly. Erroneous/Fraudulent drawls can be detected only through reconciliation. No pages should be left blank and each page should be serially numbered duly enclosing a certificate to the extent of pages in the cash book. However many pages were left blank in between transaction and have not been

Most of the entries were being made in pencil which was highly irregular. The details of book adjustments, treasury receipts, the details of MRs were not recorded in cash book.

Para No.23 Code No.9

TAXES - PROPERTY TAX - DEMAND NOT FIXED:

As per annual account an aggregate amount of Rs20621000/- was realized under property tax and water tax during the year under audit. But the Demand for the current financial year was not fixed and ward wise register good from the person or persons responsible.

Para No:24 Code No.9

D&O TRADES LICENCE FEE - DEMAND NOT FIXED AND PRODUCED

As per annual account an aggregate amount of Rs.401905/- 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 tra Person or Persons responsible.

Para No.25 Code No.9

TOWN PLANNING: ENCROACHMENT - REGISTERS OF ENCROACHMENT NOT MAINTAINED PROPERLY:

As per annual account an amount of Rs.167900/- was adjusted to municipal funds towards encroachment fee. Further as verified from the register of encroachments maintained for the year 2015-16 the following defect

1. A list of encroachments were not prepared by the town planning officers or building inspectors and not certified by the Commissioner and produced for audit.
 2. The encroachments were not got classified as objectionable or non- objectionable.
 3. The notification for the levy of fees on non objectionable encroachments was not made available for verification in audit.
 4. The action taken for the removal objectionable encroachments was not stated in audit.
 5. The sanction of higher authorities was not obtained in respect of encroachments allowed for more than one year.
 6. The monthly lists of addition and omission were not at all obtained, from the outdoor staff and produced for audit.
- If any loss caused due to the above lapse it would need to be made good by the persons responsible.

Para Number : 2
OTHERS (Code : 18) Rs : 0

Para No:26 Code no.9
REGISTER OF BUILDING APPLICATION - MAINTENANCE DEFECTS:

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

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

Para No.27 Code No.9

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

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 mention

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. Decrial 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. At the end of the year the demand collection and balance will have to be struck. During the scrutiny of ledgers for the year 2015-16 pertaining to the rents received in respect of shops, it was noticed that ledgers were not

However, as seen from the MDR for the year 2015-16 none of the conditions stated above were fulfilled. No demand was fixed the collections were not totaled and balances arrived at. The entries in the register were not

Para No.28 Code No.9

PROPERTY TAX AND ITS COMPONENTS - NOT IMPLEMENTED

According to the provision of Sec.85 of the A.P. Municipalities Act, 1965, the government have fixed ceiling to the rate of property tax inclusive of Education tax and library cess that it should not exceed 25% of A.R.V in respect of

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

Para No29 Code No 9

SANITATION - DEPLOYMENT OF CONTRACT LABOUR.

According to Section 480 to 572 of Hyderabad Municipal Council 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. 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.

Para No 30 Code No 9

NON ISSUANCE OF OCCUPANCY CERTIFICATE AND CONSEQUENT LOSS

Occupancy Certificate shall be mandatory for all buildings and unless such certificate has been granted by the sanctioning authority no person shall occupy or allow any other person to occupy any building or part of the building 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 issued. 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.

Para No31 Code No 9
NON-REMITTANCE OF EDUCATION CESS BY MUNICIPALITY - NEEDS ACTION

As per section 37 (1) of the Andhra Pradesh Education Act, 1982 any Municipal Council may, with the previous sanction of the Government, and shall if so directed by them, levy within its jurisdiction, taxes for the purpose of education. It was observed that no amount was remitted to Education cess to the competent authority so far. Reasons if any were not explained to audit as to why the Education cess was not remitted to so far. Immediately the executive authority would need to be taken to prepare administrative reports here after and produce to audit.

Para No32 Code No.9

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 of Ward Committees. The commissioner explained that no ward committees were constituted in the municipality as per manual. Immediately the ward committees would need to be constituted for discussing the developmental matters in municipality.

Para No 33 Code No 9
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 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.

Para No34 Code No 9

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

The Urban Local Body should prepare Annual Action Plan/Development Plan/Budget at the beginning of the Financial Year to achieve the Targets/bench marks prescribed and to review the shortfalls for the service sector. 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. The executive authority would need to be take steps to prepare annual action plan/Development Plan for taking up developmental activities in municipality.

Para No 35 Code No 9

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

Para No 36 Code No 9

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 municipalities in the State of Andhra Pradesh are required to pay water cess to the AP Pollution Control Board (APPCB) has to issue Amendments 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 said Act. 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 manner as may be prescribed in the rules made thereunder. 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 Municipalities in the State of Andhra Pradesh to pay the water cess 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 the water supply figures to the AP Pollution Control Board.

Para No.37 Code No.9

MACHERLA MUNICIPALITY -TOWN PLANNING SECTION-CERTAIN DEFECTS NOTICED DURING THE COURSE OF AUDIT -NEEDS ACTION

As verified from the files and building applications of town planning section of Macherla Municipality for the year 2014-15, the following defects were noticed.

1. Under taking letter by the applicant for any plan with Rs.100/- Non-Judicial stamp not enclosed to some the Building application. In some cases the agreements or undertakings are not in proper order.
2. Valuation for compound wall is not specifically mentioned for the Building license fee. Further the component of compound wall was not in building plan.

The aforesaid defects would need to be rectified and loss if any sustained to the institution would need be made good from the person responsible and credited to Municipal funds.

Para No.38 Code No.9

EXPENDITURE-ENTIRE EXPENDITURE WAS MADE THROUGH CASH BY EXPENDITURE DRAWING AMOUNTS THROUGH SELF CHEQUES - HIGHTLY IRREGULAR.

As verified from the cash book, vouchers etc., relating to expenditure, it was noticed that the entire payments made during 2010-11 (except payments made to A.P.S.P.D.C.L) were made through cash by drawing the amount

Para No.39 Code No 9

MISAPPROPRIATION BY SRI B.V.CH.KRISHNAIAH BILL COLLECTOR MACHERLA MUNICIPALITY UN DUE DELAY IN FINALIZATION OF THE CASE

During the verification of records it was noticed that Sri B.V.Ch.Krishnaiah, who was a bill collector in Macherla Municipality was suspended from service on 06-01-2009 for misappropriation of water tax collection to the extent of Rs.4.23 lakhs. However, due to long delay in the inquiry process, and based on the orders (9-3-2011) of the APAT Sri B.V.Krishnaiah was reinstated into the service on 25-4-2011. The Inquiry officer SK.Silar sahib Manager was instructed to complete the inquiry by the end of August 2012. 43 months have been elapsed from the date of suspension enabling reinstatement of Sri B.V.Ch.Krishnaiah in to service.

The undue and inappropriate delay in concluding the case allowed an accused employees of misappropriation of funds to the extent of Rs.4.23 lakhs to continue in service without undergoing any departmental punishment.

Para No.40 Code No.9

MACHERLA MUNICIPALITY ESTT. SRI SK. JANI BASH JUNIOR ASST. TRAPPED ON 17-11-2005 BY ACB DEPT.,- ENQUIRY CONDUCTEED CHARGES PROVED REVERSION TO LOWER POST ORDERS ISSUED BY REGIONAL DIRECT

In spite of the Audit Objection raised in previous Audit Report for the year 2009-10,2010-11 and 2011-12 as verified from the S.R of Sri SK.Jani Basha J.A Macherla Municipality was trapped by ACB on 17-11-2005 and issued orders reverting SK.Jani Bash J.A of Macherla Municipality to bill collector under CCA rules 1991 vide Progs. No.1156/2005 A1 Dt.13-5-2009 . But no entry was made in the S.,R of the individual reverting the individual

Para No.41 Code No.10

DEDUCTIONS MADE FROM WORK BILLS AND WORKERS SALARY BILL- NOT REMITTED TO HEADS OF ACCOUNTS CONCERNED RS. 4880624/-

The following deductions have to be made from the work bills. As per G.O.Ms.No.217 industries & Commerce (MI) Dept. Dt. 29-9-2004 Go.Ms.No.11 Fin (W&P) F8 Dept.Dt.29-7-2005 and G.O.Ms.No.159 R&B (RIII) Dept. dt

Para No.42 Code No.10

ESTABLISHMENT - RECOVERY OF 35% OF PROFESSION TAX ARREARS NOT MADE - NEEDS RECOFVERY

As per Para 5 of circular memo no.2302/330/A2/Esp. Rev./2005 dated 26-2-2007 of finance (Espr.Revenue Dept) in respect of those N.G.G.Os whose P.R.C 2005 bills were already cleared the recovery of 35% of

As per Para 5 (b) of the said Memo in case of PRC 2005 (OMC) arrears are not sufficient to recover 35% of P.T arrears will be recovered from the regular salary of N.G.G.Os in reasonable installments.

But the recoveries of 35% of P.B arrears were not recovered from the staff of the Macherla Municipal council as on the date of close of audit. Though the defect pointed out in previous Audit Report for the year 2008-09 no

Para No.43 Code No.10

WORKS - -LABOUR CESS- NOT RECOVERED FROM WORK BILLS - NEEDS RECOVERY :

As per G.O.Ms.No.42, Labour, Employment Training & Factories (Lab. II) Department, Dated 30-4-2007, recovery @ 1% of the amount has to be made towards Labour Cess from all contractors payments.

As per U.O. Note No.4763/PFS, F8(A1)/08-4, Dated 28-2-2008 of the Finance (Works & Projects) Department, -in respect of ongoing works, wherever agreements do not contain the clause relating to the condition of the

But, recovery of Labour Cess from the contractor-s payments was so far not affected in Municipal Council, Macherla, Guntur District.

Early action may be taken for the recovery of 1% of the amounts paid to the contractors after 26-6-2007 from the responsible persons and remitted to concerned head of account.

Para No.44

Code No.11

MACHERLA MUNICIPALITY - CONNECTED SUBSIDIARY REGISTERS -RECORDS NOT RS.6960077/-

During the course of audit as verified for the chitta it was noticed that an amount of Rs.6960077/- was collected towards BPL Tap connection, Tanker, Tap Donations, Market Fee etc., as detailed below. But the co

Para No.45

Code No.11

13th finance Connected records not produced

During the course of audit the for the year 2015-16 it is noticed that the 13th finance, 14th Finance records were not produced to audit. Due to non production of above records the correctness of the receipts and ex

Para No.46

Code No.11

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 wou

Para No.47

Code No.11

PUBLIC HEALTH SECTION PURCHASE OF MATERIALS FOR P.H WORKERS CONNECTED FILE & VOUCHERS WERE NOT PRODUCED. Rs.346399

As verified from the paid vouchers and cash book of Macherla Municipality for the year 2015-16 during the course of audit it was noticed that following vouchers and connected files related to public health section v

Vr.No.& Date	Details	Amount
361/15.12.15	Supply of Uniforms to P.H Workers Appolo sales emporium Narasaraopet	133578
373/15.12.15	Supply of coconut Oil for P.H Workers, Venkateswara Traders Macherla	40072
374/15.12.15	Supply of Chappals for P.H Workers Pragathi Shoe Mard Macherla	42189
443/27.1.16	Supply of Brooms, Drain Sticks Cheti Paralu for P.H Workers Sri Ramalingeswara Tire and Iron company Macherla	37044
444/27.1.16	Supply of Chidain Paralu, Paara Karralu, Pedda Kathulu,Kodavallu,Chinna Kathula Likkalu for P.H Workers Sri Ramalingeswara Tire and Iron company Macherla	44844
445/27.1.16	Supply of Plastic Bochalu, Chethi paralu	48672
	Total	346399

Para No: 48

Code:11

MAINTENANCE OF VEHICLES - RELEVANT REGISTERS NOT MAINTAINED AND PRODUCED.

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

1. Log book
2. Register showing the repairs ,replacements etc.,
3. Register showing the cost of Petrol, Oil etc.,
4. Register of Inventory of equipment
5. Hire 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 a
3. That Sufficient particulars were recorded regarding movements and purpose to indicate that the journeys were on Official business.
4. That the log book in respect of each Vehicle was closed at the end of the month and a summary prepared in the logbook showing details of duty and non duty jou
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 be verified in audit whether the following prescribed procedure was followed or not.

1. That the details of expenditure incurred towards cost of Petrol, Oil etc., have been entered with reference to the voucher No. and date and the amount covered f
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. Certi
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 be verified in audit whether the following prescribed procedure was followed or not.

1. That the nature of equipment purchased has been entered in this register together with the date of purchase and price etc., as per voucher.

2. That the inventory of equipment has been checked by the concerned authority every month and a certificate to that effect has been recorded there in.
3. That the Loss if any arising out of negligence or fault of any person has been recovered and credited to the fund

Para No:49 Code:11
PROPERTY TAX - GOVERNMENT OFFICES LOCATED IN PRIVATE BUILDINGS AND PAYING RENT TO OWNERS - REGISTERS NOT MAINTAINED AND PRODUCED TO AUDIT.

Information relating to Govt. Offices located in private buildings was not available to verify whether property Tax was levied

as per the rents paid by Government offices to the building owners. A register containing Government offices located in private buildings should be maintained so as to verify whether Property Tax was being levied as per the re

Para No:50 CodeNo:11
IMMOVABLE PROPERTY - CONSOLIDATED REGISTER OF PROPERTIES NOT MAINTAINED AND STATUS OF THE PROPERTIES NOT FURNISHED:

Consolidated register showing the properties owned by the Municipal Council was not maintained. Several immovable property registers were produced to audit. The reasons for maintaining so many registers were not The details of assets available in the official web site of the Guntur Municipal Council are enclosed to the audit report.
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.

Para No.51 Code No.11
MONEY VALUE FORMS - STOCK REGISTER NOT PRODUCED:
The money value forms stock register for the year 2015-16 was not produced. In the absence of the same, the opening balance of the money value forms received, utilized balance as on 31-03-2013 and as on the date of a
In the absence of the same it could not be verified in audit as to who was the custodian of the money value forms and the procedure adopted in issuing the M.V. forms and the watch kept over the return of the bill book
Further the amount collected, credited to municipal funds by using the money value forms could not be certified in audit.
Losses if any noticed later, the same would need to be made good from the person(s) responsible and remitted to municipal funds under intimation to audit.

Para No. 52 Code No. 11
STOCK REGISTER NOT PRODUCED:
The following important stock registers were not produced for verification in audit. In the absence of these registers the opening balance of the material purchases made during the year, utilized, issued and balance could
As per the rules, the stock register should be maintained with details of opening balance of material purchases of material issued, utilized, balance day by day should be maintained.
In the absence of these registers, the stock opening balance, received utilized, necessity of purchases, utilization & balance could not be certified in audit.
Losses if any sustained due to any irregularities noticed later, the same would need to be made good from the person(s) responsible.

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

Para No.53 Code No.11
TOWN PLANNING- UNAPPROVED LAYOUTS - 10% OPEN SPACE CHARGES NOT COLLECTED NEEDS EARLY COLLECTION.

According to Rule issued under Section 344 of the Hyderabad Municipal Council Act 1955, 10% of O.S.C. needs to be collected on unapproved layout sites but on verification of the Building application register for the year
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 t
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
Hence action needs to be taken to get entire transactions verified for finding the correctness of the same.

Para No.54 Code No.11
BUDGET -REVISED BUDGET FOR THE YEAR 2015-16APPROVED BY THE DIRECTOR OF MUNICIPAL ADMISTRATION 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 within the budget provision or not could not be verified in audit and excess incurred whether ratified or not could not be verified.
Early action would need to be taken to obtain and produce the approved revised budget for the year 2015-16 to audit.

Para No.55 Code No.11
PUBLIC HEALTH - CONSERVANCY ARTICLES - INDENT ORDER LETTERS -NOT OBTAINED AND PRODUCED.

As verified from the Public Health Conservancy Articles Stock Register many articles were issued to the Sanitary Inspector/ Mastery of Public Health Section during the year 2014-15. But the Indent orders / letters were no
In the absence of the above indent orders / letters the correctness of the issue and utilization of the articles could not be established. Loss, if any, caused in this regard would need to be made good from the person or persc

Para No.56 Code No.11
PUBLIC HEALTH - 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 canc

Para No.57 Code No.11

PROPERTY TAX ASSESSMENT FILES NOT PRODUCED:

Property tax of all assessments were fixed through MLs in respect of all the new and additional assessments etc., Elaborate procedure was prescribed to fix the property tax in Circular instructions issued in Cir.-1 in Roc.No.

Para No.58 Code No.11

REGISTER OF REVISION PETITIONS AND APPEALS ALONG WITH FILES NOT FURNISHED

The records relating to the revision petitions received and allowed were not produced to audit. Hence it could not be verified in audit whether RPs were allowed or not if allowed whether the same was done as per rules and

Para No.59 Code No.11

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 2014-15. In the absence of

Para No.60 Code No.11

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

Para No.61 Code No.11

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

The register of buildings exempted from payment of property tax during the year 2015-16 was not maintained and produced to audit for verification. In the absence of the same, it could not be ensured in audit whether such Early action would, therefore, need to be taken to get the register written up and maintained up to date.

Para No.62 Code No.11

PROPERTY TAX APPEALS - RECORDS NOT PRODUCED.

The appeals and connected files relating to property tax, in respect of all wards including appeals pending in courts were not produced to audit. In the absence of the same, the correctness of the assessments of the tax due

Para No:63 Code No.11

TAXES - PROPERTY TAX COLLECTED THROUGH E.SEVA CENTRES - DETAILS NOT PRODUCED:

As verified from the General funds, cash book and Treasury pass book it was observed that a total amount of Rs15639922/- was collected and adjusted through E-Seva, Cheques to the P.D. Account of Municipality towards

Para No.64 Code No.11

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

In respect of the following taxes, arrears demand registers along with outstanding bills were not produced for verification in audit. In the absence of the same, the genuineness of the taxes actually collected and arrears to be

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.

Para No.65 Code No.11

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

The register of encroachment fee (current) provides a record of all encroachments identified, and demand, collection and balance of license fees from objectionable encroachments. This register provides information for 5 Similarly, the Arrear Demand Register provides record of all balances of encroachments fees outstanding at the end of the year. But the above registers were not maintained and produced to audit. However, an amount of

Para No.66 Code No.11

PROVIDENT FUND ACCOUNT NOT MAINTAINED PROPERLY - NEEDS RECTIFICATION:

Though subscribing to the provident fund is optional in Municipal Councils, the provident fund account with the existing balances of the employees, had to be maintained properly, as it was governed by the provident fund

1. Forms of nomination.
2. Statement of annual account.
3. Notice to the nominee.
4. P.F. ledger of subscriber.
5. Abstract register.
6. P.F. cash book.
7. Voucher for payment of P.F.
8. Register of subscriber.
9. Register of Temporary withdrawals and their recoveries.

But none of the above registers were maintained in Municipal Council Macherla. As a result the correctness of the transactions carried out, under P.F. during the year could not be verified in audit. Loss if any sustained by

Para No.67

Code no.11

REGISTER OF REVENUE YIELDING PROPERTIES NOT MAINTAINED AND PRODUCED

In order to guard any item of Municipal revenue being left out in the M.D.R., a register of Revenue yielding properties and other miscellaneous sources of revenue of the municipality will have to be maintained. It has to be e
However, this important register was not maintained. As a result it could not be fully ascertained in audit, whether revenue from all sources was being recorded or there were any leakages. It could not be verified in audit,

Para No.68

Code No.11

MACHERLA MUNICIPAL COUNCIL - AMOUNT PAID TO MUNICIPAL CORPORATION GUNTUR - PURCHASE OF BREATHING ANALYSES - CONNECTED VOUCHER, FILE AND SANCTION ORDERS NOT PRODUCED TO AUDIT RS.10400

During the course of audit it was observed that an amount of Rs.104000/- was drawn in Vr.No.343/16-3-2015 and Paid to Commissioner, Municipal Corporation, Guntur towards purchase of 2 Breathing Analyses hand ove

Para No.69

Code No.11

CONTRACT WORKERS - APPOINTMENT OF WORKERS ON CONTRACT BASIS - DETAILS AND FILES AGREEMENTS ETC., WERE NOT PRODUCED TO AUDIT:

The files relating to appointment/engagement of contract workers for the year 2015-16 were not produced to audit. In the absence of the requirement of workers at Municipality and their mode engagement and payment

Para No. 70

Code No.11

PAYMENT OF VEHICLE HIRE CHARGES - TOUR DIARY AND LOG BOOK NOT PRODUCED TO AUDIT : Rs.318721

In the following vouchers an amount of Rs.318721/- was paid towards vehicle engaged by the Commissioner, Macherla Municipality for regularly monitor actives.

But the approved tour diary of the Commissioner, Macherla Municipality and log book was not furnished to audit.

As per Para 6 of Circular Memo. No.10783-C/321/DCM-II/2010, Dated 13-6-2012 of Finance (DCM.II) Department, the following instructions have to be necessarily be followed at the time of hiring of private vehicles.

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

In view of the above defects, the expenditure of Rs.369490/- is not admissible in audit and held under objection.

Para No.71

Code No.11

GRANTS - IN - AID CREDITED TO MUNICIPAL FUNDS - ORDERS OF THE GOVERNMENT AND DETAILS OF UTILISATION NOT PRODUCED TO AUDIT.

In respect of the grants - in aid credited to the Municipal funds during the year, the connected orders of the Government releasing the grant in aid were not produced to verify the conditions of the amount released and with

In absence of the above particulars and records, The correctness of the amounts credited to Municipal funds and their Utilizations for the purpose for which they were released could not be verified in audit. The defects p

1. Construction of Urban Health center
2. S.C action plan
3. CM Assurance fund
4. TFC
5. Drought grant
6. Flood grant
7. APURMSP
8. SJSRY infra structure
9. SJSRY thritt and credit
10. SJSRY UWEP
11. SJSRY USEP
12. NBFS
13. Pavalavaddi
14. Indiramma pension
15. ACDP
16. MP Lada
17. NOAP
18. Widows
19. Disabled
20. Weavers
21. IDSMT
22. One core grant

Para Number : 3

OTHERS (Code : 18) Rs : 0

Para No: 72

Code No:11

D&O TRADES - LICENCE FEE COLLECTED-CERTAIN CHALLANS NOT PRODUCED TO AUDIT

During the course of audit, many of the Challans relating to the year pertaining to the license fee (D&O Trades) for the year 2015-16(Advance collection

Para.No.73

Code No.11

D & O TRADES - ORDER COPIES OF NEW LICENSES ISSUED DURING THE YEAR 2015-16NOT PRODUCED TO AUDIT - NEEDS ACTION :

During the course of audit, it was informed that many new licenses have been issued to the traders during the year under report. But, the connected files containing traders request applications, sanction order copies of lice

Para No.74

Code No.11

TENDERS REGISTER OF TENDER SCHEDULES SALE OF TENDER SCHEDULES AMOUNT TENDRES REALISED PAYMENT OF SALES TAX ON RELAISTION AMOUNT NOT FURINSED.

The register of tender schedules was not produced to audit. Due to non production of his register the works purchase other called for tenders, available stock of tender forms as on 1-4-2014 and receipt during the year fin
Early action may be taken to produce the register along with abstract for the year 2015-16and the information pertaining to the payment of sales tax with the challis to audit. The loss if any caused to the Municipal funds :

Para No.75

Code No.11

TAP CONNECTIONS GIVEN UNDER OYT CATEGORY - APPLICATIONS CONNECTED REGISTERS AND AMOUNT REALISED NOT FURNISHED

The tap connection given under OYT category during the year 2015-16were not furnished to audit. The connected registers, application forms, council resolution and amount realized under this category were also not
Immediate action may be taken to produce all the details along with connected registers and files to audit. The loss if any cooed in this regard would be made goof from the person or persons responsible.

Para.No.76

Code No.11

WATER TAX-ARREAR AND CURRENT DEMAND REGISTER AND OUTSTANDING BILLS NOT PRODUCED:

As per the rule, the arrear and current demand registers, year wise meter water tax demand should be fixed and the new connections if any the same st

The collections should be followed with receipt of the municipality.

In absence of this register, the collections made could not be verified and certified in audit. The out standings were also not made available for verifica

Due to aforesaid reasons, if any financial irregularities were noticed later, the loss sustained to the municipal funds would need to be made good from t

Para.No.77

Code No.11

PROPERTY TAX, WATER TAX VACANT LAND TAX CURRENT AND ARREAR DEMAND REGISTERS NOT PRODUCED FOR AUDIT.

The municipality should maintain the property tax register as per the demand on the previous half year duly adding additions and deletions as per moni

If any interest collected under the concerned head, the same recorded in ink and should be totaled page wise word wise year wise. The totals should t:

In absence of these registers, the correctness of the demand, collection, balance of arrears, current could not be verified in audit and the correctness of

Further the outstanding bills were not made available for verification. Therefore the executive authority was requested to initiate immediate action to

Loss if any or irregularities noticed in future, the same would need to be made good from the person (s) responsible.

Para No.78

Code No.11

REGISTER OF INVESTMENTS NOT PRODUCED. LOSS IF ANY SUSTAINED TO MUNICIPAL FUNDS-NEEDS RECOVERY AND SUITABLE ACTION NEEDS INITIATION

During the course of audit the register of investments was not made available for verification in audit. Due to non-production of this important register:

As per the procedure.

- 1) Earmarked funds i.e. provident fund, water supply and drainage fund and endowment fund were invested in one. Of the permissible forms and that in
- 2) Investments of sums in excess of Rs.5000/- in fixed deposits in the state co-operative banks approved by the register of co-operative societies for th
- 3) Interests due have been realized on the due dates and credited to the accounts.
- 4) Investments made out of earmarked funds have been reinvested if the amount was not required for expenditure
- 5) In the case of investments written off by sale or otherwise the amounts of sale proceeds have been duly credited in the accounts or if the sale was by tr
- 6) Investments have not been disposed of except for the specific purpose for which they have been made.

Due to non-production of the investment register, it could not be verified whether any irregularities were committed loss if any sustained to the municipal f

Para No.79

Code No.11

WATER SUPPLY-NEW CONNECTIONS APPLICATIONS NOT PRODUCED

As verified from the water supply, Donations received register maintained relating to the water supply new connections it was noticed that the individual applications connected files along with sanction proceedings not p

Para No. 80

Code No.11

RECONCILIATION STATEMENTS NOT FURNISHED :

It was mandated by the manual instructions and also a fundamental principle in the maintenance of accounts that bank reconciliation statements be prepared periodically and enclosed to annual accounts. But, it was observe

Para No.81

Code No.11

SCHEME ACCOUNTS - RECORDS NOT PRODUCED:

The Cash books, pass books, cheque book counterfoils, vouchers, sub-vouchers, stock registers etc., relating to the following scheme accounts for the year 2015-16 were not produced to audit for verification. In the absence o

Sl.No.	Name of the Scheme
1.	Library Cess
2.	Water supply
3.	APURMSP IHSDP
4.	APUSP (C-MAPP)
5.	ILCS
6.	SJSRY
7.	PF Teachers
8.	Rajiv Gruha Kalpa
9.	Eco Budget
10.	SHG-INTERNET
11.	Commissioner and Health Officer
12.	Contributory Pension Scheme
13.	Janasri Bhima
14.	Secondary Education
15.	Elementary Education
16.	Solid Waste Management (P.D.)
17.	Solid Waste Management
18.	B.P.S.
19.	City Development
20.	Housing Scheme
21.	Indiramma Old Age Pension
22.	Disabled Pensions
23.	Widow Pensions
24.	Deepam
25.	Girl Child Protection Scheme

Para No.82

CodNo.11

EARMARKED FUNDS - ALLOCATION AND EXPENDITURE NOT FURNISHED.

In G.O.Ms.No. 265 Municipal Administrations and Urban Development (K2) Department, dt. 19-7-2004, the Government have decided and have ordered to channelized at least 40% of the net funds available for c

Even though repeated requests made orally and through half margins, the executive authority failed to produce the information regarding the above earmarked funds. As per the cash book, rough posting registers, deta

Immediate action may be taken to furnish the information to audit in order to scrutinized the afore said percentages, other wise according to the instructions issued in the Government Order the Commissioner of Municipi

Para No.83

Code No.11

ESTABLISHMENT AUDIT REGISTER NOT PRODUCED:

As per the procedure, all recurring charges have been entered in the establishment audit register and orders sanctioning each post have been quoted in support. The order should be verified in every case in which the charge is not entered in the register. 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 initiated by the manager or the executive authority and the dates from which they taken effect have been invariably noted.
- 4) That pensioner 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 refund by short draws, fines and amounts withheld for further payment have been correctly noted.
- 6) That the fly leaves have been correctly noted.
- 7) 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
- 8) That the register has been maintained correctly and on the lines indicated in chapter V and posted monthly when pay bills are passed for payment.

Para No.84 Code No:11

LAW CHARGES PAID-CONNECTED SUIT REGISTER-NOT PRODUCED-EXPENDITURE INCURRED RS. 38500/--HELD UNDER OBJECTION.

During the course of audit as verified from the vouchers listed out in the annexure enclosed, a sum of Rs 55000/- was drawn and paid towards legal charges (during to selected months) but the connected suit register was not produced. Due to non-production of suit register, it could not be verified in audit whether the following procedure prescribed for maintenance of suit register was followed or not.

- 1) That all the suits to which the institution was a party were entered in the register.
- 2) That separate pages were allotted for each suit and that appeals were entered separately giving a cross reference to the original suit.
- 3) That the expenditure incurred on a suit was entered with full details in the appropriate columns of the register.
- 4) That advances made to advocates and their adjustments on receipt of detailed bills was written up against the suit concerned.
- 5) That particulars regarding, results of this suits, the sum decreed towards suit, costs etc were noted in the appropriate columns of the register.
- 6) That recoveries made were also noted in it.
- 7) That decrees were not allowed to become time barred and that execution petitions have been filed in time.
- 8) That the progress of suits, execution of decrees and recoveries of amounts decreed were watched through this register by the institution.
- 9) That half yearly returns showing the number of suits pending relating to previous year, number filed during the half year, the number disposed of and the number pending at the end of the half year have been obtained from
- 10) That amounts decreed have been noted in the miscellaneous demand register with a view to watch their recovery.

Sl.No	Vr.No./Date	Details	Amount Rs.
1	505/21.3.16	Cheque No.004520 Dt:21.3.16 Nimmagadda Venkateswarlu, Advocate	38500
		Total	38500

Para No. 85 Code No.11

LOANS REGISTER - NOT PRODUCED:

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

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

Para No.86 Code No.11

VACANCY REMISSION REGISTERS NOT PRODUCED:

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

- 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 preceding 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 be written up and produced to audit early for verifying whether the above conditions were fulfilled.

Para No.87

Code No.11

VOUCHERS -PAID VOUCHERS NOT PRODUCED TO AUDIT RS. 2557035/-

Paid vouchers in respect of the following payment were not produced for verification in audit. In the absence of the same the correctness of the expenditure could not be verified in audit. In expenditure of Rs. 2557035/- thus

Vr.No.&Date	Particulars	Amount
1/10.4.15	2 nd part payment payable to M/s CIST infrastructure Vijayawada towards preparation detailed project Report	1000000
62/30.4.15	Towards clear the jungle clearance to compost yard root with JCB	9900
67/7.5.15	Dismantling of Traffic Divider at Ring Road Center	9335
75/20.5.15	Macherla Municipality Airtel Cell Phone bill period from 23.3.2015 to 22.4.2015 and 5.4.2015 to 4.5.2015	8245
78/20.5.15	Amount payable to Srinivasa Electronics Guntur towards purchase auto mikes and Horns	54480
104/6.6.15	Supply and delivery of Bleaching powder and Nadikudi limestone powder	22000
108/27.6.15	Towards PH Section Diesel bill period from 1.5.2015 to 30.5.2015	98675
130/27.6.15	Amount payable to M/s Prabath Press Guntur towards supply of elections stationary	31250
131/27.6.15	Amount payable to M/s Prabath Press Guntur towards supply of stationary for revenue section	3638
132/27.6.15	Amount payable to M/s Prabath Press Guntur towards supply of stationary for Red Notices	4410
177/1.9.15	Amount Payable to seignorage charges	28663
178/1.9.15	Amount Payable to VAT	234427
179/1.9.15	Amount Payable to Labor cess	25191
234/22.9.15	Towards the payment of Sri Bharathi press supply of Printer New Cartridge	12250
359/15.12.15	Amount payable to prabath to Guntur towards supply of water Tax Receipts Books	10612
360/15.12.15	Amount payable to prabath to Guntur towards supply of Property Tax Notice and assessment register	44957
372/15.12.15	Amount payable to Sri Pragathi Shoe Mart for supply of chappals	16800
374/15.12.15	Amount payable to Sri Pragathi Shoe Mart for supply of chappals	42189
396/15.12.15	Amount payable to Sri G.Siddaiah Contractor supply of 20 olt battery to PH Section	7200
398/15.12.15	Amount Payable to Appolo Tyres for supply of PH Section	34000
399/15.12.15	Amount Payable to Baba auto mechanicals for repairs of autos to PH Section	34800
426/8.1.16	Amount Payable to Sakshi Paper for supply of daily news paper	1280
484/29.2.16	Towards scrutiny and test check charges (Non Plan)	30615
485/29.2.16	Towards scrutiny and test check charges (12 th Finance)	46350
486/29.2.16	Towards scrutiny and test check charges (SFC package 1-4)	194617
487/29.2.16	Towards scrutiny and test check charges (SCSP)	105383
488/29.2.16	Towards scrutiny and test check charges (Srinidhi)	77572
489/29.2.16	Towards scrutiny and test check charges (Contract workers and VT Pump Sets)	251180
490/29.2.16	Towards user charges (VT Pump Sets)	18808
506/21.3.16	Removal of Wet Silt in 29 th Ward	48208
518/31.3.2016	MD Gouse Basha Advance Adjustment Vr.No.203 Advance Adjusted	50000
	Total	2557035

Para No 88

Code No.11

WORKS -EXCUTION OF WORKS CONNECTED PAID VOUCHERS ESTIMATES AND M.BOOKS NOT PRODUCED -EXPENDITURE INCURRED RS. 2973571/- HELD UNDER OBJECTION

During the course of audit. The period vouchers estimates and connected M.Books pertaining to works executed as detailed below were not made available for verification in audit to certify the genuineness of the expenditure. The connected M.Books as prescribed in the paras 290 to 292 of APPWO code and articles 171 to 174 of A.P financial code volume-I would need to be produced for verification in audit to certify the genuineness of the expenditure.

Vr.No. & Date	Particulars	Amount
58 & 25.4.15	Transportation of water supply to unsevd areas M.B No.7/2014-15	47997
59/25.4.15	Supply delivery of bleaching Powder M.B No.15/2014-15	21000
60/30.4.15	Supply & delivery of copper sulphate M.B 1/2015-16	98929
61/30.4.15	Supply and delivery of bleaching powder M.B No.2/2014-15	30481
63/30.4.15	Supply and delivery of Chairs and fiber stools M.B No.4/2015-16	44352
68/14.5.15	Construction of Mahila Swashakthi Bhavan at M.C Premises M.B No.6/2013-14, M.B No.7/2013-14, M.B No.12/2013-14	773303
69/15.5.15	Supply and fixing of computer in engineering and town planning sections M.B No.6/2015-16	98349
104/6.6.15	Supply and delivery of Bleaching powder	22000
106/10.6.15	Transportation of drinking water to unsaved are M.B NO.8/2015-16	74980
188/4.9.15	Providing 165 mm bore well motor in 21 st ward M.B No.33/2015-16	120430
316/5.11.15	Supply and delivery of chlorine gas cylinder M.B No.34/2014-15	93053
319/5.11.15	Supply and delivery of chlorine gas cylinder M.B No.55/2015-16	70207
	Providing cover bore and mini submersible water	

342/15.12.15	tank in 29 th ward M.B No.39/2008-09, M.B No.56/2015-16	52000
338/24.11.15	Supply and delivery of bore well materials M.B No.5/2014-15	180895
350/15.12.15	Supply and delivery of bore well materials M.B No.61/2015-16	98692
400/6.1.16	Supply delivery installation of bore well to mini water tank in 29 th ward	83841
401/6.1.16	Transportation of drinking water to unserved areas	96235
411/8.1.16	Supply delivery and installation of 3 HP sub miscible motor pipeline in 9 th ward M.B No.66/2015-16	90000
412/8.1.16	Supply and delivery computer system D.E.E seat chamber M.B No.4/2015-16	43606
450/28.1.16	Supply delivery installation of existing 15 HP sub miscible Motor in 20 th ward and refixing of motors in 7 th ,8 th and 29 th ward M.B No.67/2015-16	26342
469/1.2.16	Providing extension of distribution pipeline in 27 th ward M.B No.68/2015-16	115485
470/1.2.16	Extension of distribution pipeline in 4 th ward M.B No.73/2015-16	384329
491/4.3.16	Transportation of drinking water to unsaved areas M.B No.62/2015-16	59966
507/24.3.16	Providing power boar mini sub miscible water tank in 29 th ward	87006
508/24.3.16	Providing motor and mini water tank and pipeline in 23 rd ward M.B No.74/2015-16	160093
	Total	2973571

Para No. 89

Code No.11

PURCHASE OF PETROL AND OTHER OILS TO MUNICIPAL VEHICLES - LOG BOOKS NOT PRODUCED TO AUDIT RS.1510896 /-

An amount of Rs. 1510896/- was incurred to expenditure on the following vouchers towards cost of petrol and other oils to Municipal Vehicles during the year under report. But the connected log book containing the details

Sl. No.	Vr.No.& Date	Particulars	Amount
1	55/24.4.15	Vadde filling station Macherla	40847
2	56/24.4.15	Vadde filling station Macherla	9672
3	57/24.4.15	Vadde filling station Macherla	88134
4	73/18.5.15	Vadde filling station Macherla	40818
5	74/18.5.15	Vadde filling station Macherla	107095
6	109/27.6.15	Vadde filling station Macherla	68822
7	143/27.6.15	National Moto and Auto Spares Macherla	500
8	144/27.6.15	National Moto and Auto Spares Macherla	950
9	148/17.8.15	Vadde filling station Macherla	98089
10	149/17.8.15	Vadde filling station Macherla	44894
11	150/17.8.15	Vadde filling station Macherla	110836
12	151/17.8.15	Vadde filling station Macherla	39092
13	194/16.9.15	Vadde filling station Macherla	32507
14	195/16.9.15	Vadde filling station Macherla	109316
15	314/13.10.15	Vadde filling station Macherla	69854
16	315/13.10.15	Vadde filling station Macherla	78346
17	332/20.11.15	Vadde filling station Macherla	32665
18	333/20.11.15	Vadde filling station Macherla	70241
19	340/15.12.15	Vadde filling station Macherla	43386
20	341/15.12.15	Vadde filling station Macherla	104322
21	408/8.1.16	Vadde filling station Macherla	43386
22	409/8.1.16	Vadde filling station Macherla	104322
23	482/25.2.16	Vadde filling station Macherla	49021
24	483/25.2.16	Vadde filling station Macherla	123781
		Total	1510896

Para No.90

Code No.11

MACHERLA MUNICIPALITY - PURCHASE OF STATIONERY - STOCK AND UTILISATION NOT POINTED OUT TO AUDIT RS. 204196 /-

An amount of Rs.65909/- was drawn in the following vouchers towards supply of Stationery for the year 2014-15. But the connected stock and distribution entries and utilization thereof were not produced to audit. In the

Sl.No	Vr.No. & Date	Particulars	Amount
1	38/25.4.15	Prabhath Press Guntur	38213
2	87/20.5.15	Sri Bharathi Press Macherla	850
3	137/27.6.15	Sri Sai Rama Book Depto	850
4	140/27.6.15	Lakshmi Ganesh Agency Macherla	800
5	131/27.6.15	Prabhath Press Guntur	3638
6	132/27.6.15	Prabhath Press Guntur	4410
7	207/22.9.15	Sri Bharathi Press Macherla	900
8	208/22.9.15	Sri Bharathi Press Macherla	1000
9	209/22.9.15	Sri Bharathi Press Macherla	1000
10	210/22.9.15	Sri Bharathi Press Macherla	1000
11	211/22.9.15	Sri Bharathi Press Macherla	980
12	212/22.9.15	Sri Bharathi Press Macherla	1000
13	213/22.9.15	Sri Bharathi Press Macherla	1000
14	219/22.9.15	Sri Srinivasa Book Stall	700
15	226/22.9.15	Sri Srinivasa Book Stall	750
16	230/22.9.15	Sri Bharathi Press Macherla	650
17	233/22.9.15	Sri Bharathi Press Macherla	870
18	243/22.9.15	Sri Srinivasa Book Stall	970
19	245/22.9.15	Sri Srinivasa Book Stall	980
20	258/22.9.15	Sri Navarang Fancy for Purchases	200
		Total	65909

21	229/22.9.15	Sri Navarag Fancy for Purchases	880
22	260/22.9.15	Sri Navarag Fancy for Purchases	470
23	261/22.9.15	Sri Navarag Fancy for Purchases	843
24	262/22.9.15	Sri Navarag Fancy for Purchases	975
25	263/22.9.15	Sri Navarag Fancy for Purchases	985
26	264/22.9.15	Sri Bharathi Press Macherla	5000
27	265/22.9.15	Sri Bharathi Press Macherla	650
28	267/22.9.15	Sri Srinivasa Book Stall	940
29	268/22.9.15	Sri Rajeswari Agency	1800
30	272/22.9.15	Sri Lakshmi Fancy	1123
31	273/22.9.15	Sri Bharathi Press Macherla	1000
32	298/22.9.15	Sri Sai Rama Book Depo	850
33	299/22.9.15	Sri Bharathi Press Macherla	2000
34	300/22.9.15	Sri Bharathi Press Macherla	1960
35	301/22.9.15	Sri Srinivasa Book Stall	2000
36	302/22.9.15	Sri Sai Rama Book Depo	1130
37	303/22.9.15	Sri Sai Rama Book Depo	1200
38	304/22.9.15	Sri Srinivasa Book Stall	770
39	305/22.9.15	Sri Bharathi Press Macherla	680
40	306/22.9.15	Sri Srinivasa Book Stall	2000
41	308/22.9.15	Sri Bharathi Press Macherla	1000
42	309/22.9.15	Sri Bharathi Press Macherla	950
43	310/22.9.15	Sri Bharathi Press Macherla	1100
44	311/15.12.15	Sri Srinivasa Book Stall	1300
45	312/15.12.15	Sri Bharathi Press Macherla	1070
46	359/15.12.15	Prabhath Press Guntur	10612
47	360/15.12.15	Prabhath Press Guntur	44957
48	381/15.12.15	Sri Sai Rama Book Depo	1960
49	383/15.12.15	Sri Lakshmi Fancy	600
50	384/15.12.15	Anjath Fancy Shop	300
51	387/15.12.15	Sri Bharathi Press Macherla	1970
52	388/27.1.16	Sri Bharathi Press Macherla	1975
53	389/27.1.16	Sri Bharathi Press Macherla	2000
54	394/27.1.16	Sri Bharathi Press Macherla	1305
55	440/27.1.16	Sri Bharathi Press Macherla	20000
56	452/27.1.16	Sri Vijaya Lakshmi Fancy	650
57	453/27.1.16	Sri Srinivasa Book Stall	910
58	454/27.1.16	Sri Srinivasa Book Stall	950
59	455/27.1.16	Sri Sai Rama Book Depo	510
60	456/27.1.16	Sarswathi Photostat Macherla	880
61	457/24.3.16	Sri Sai Rama Book Depo	1170
62	458/27.1.16	Sarswathi Photostat Macherla	864
63	459/27.1.16	Sarswathi Photostat Macherla	1020
64	460/27.1.16	Sri Srinivasa Book Stall	800
65	514/24.3.16	Prabhath Press Guntur	9371
66	515/24.3.16	Prabhath Press Guntur	7855
		Total	204196

Para No.91

Code No.11

BUILDING DEVELOPMENT SCHEME - RECORDS NOT PRODUCED:

Cash books; pass books, cheque book counterfoils, vouchers, sub-vouchers, stock registers etc., relating to the B.D.S accounts for the year 2015-16 were not produced to audit for verification. In the absence of the same,

Para No.92

Code No.11

ADVERTISEMENTS TAX-TEMPORARY STRUCTURES, PERMANENT STRUCTURES HOARDINGS- DEMAND, CORRECTION, BALANCE REGISTER ALONG WITH CONNECTED 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 w/ The afore said 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 could also be not verification audit whe

- 1) That the rates of very shall be 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.

Para No.93

Code No.11

TOWN PLANNING - NON PRODUCTION OF BUILDING APPLICATION

As verified building application register the following building application were not produced to audit to verification. In the absence of the same, the genuineness of the approved building application could not be verified in a

Para No.94

Code No.11

HALF MARGIN LETTERS ISSUED - INFORMATION NOT FORTHCOMING :

During the course of audit of the Municipal Council, Macherla, Guntur District for the year 2014-15, several half margin letters were issued to the heads of sections and other officers also requesting them to arrange for proc
Action would need to be taken by the executive authority to avoid such instances in future and records required for audit to be produced.

Para No.95

Code No.13

PAYMENT OF VEHICEL HIRE CAHRGES - EXCESS PAYMENT NEEDS RECOVER RS .34045. /-

An amount of Rs.202045/- was drawn and spent towards vehicle hire charges as detailed below during the year under report. As per the government instructions vehicle hire charges are eligible for hiring of vehicle for tou

Vr. No.& Date	Month	Amount drawn	Amount admissible	Excess amount
102/6.6.15	3/15	29195	24000	5195
103/6.6.15	4/15	29470	24000	5470
196/21.9.15	5/15	27965	24000	3965
197/21.9.15	6/15	3620	24000	6620
198/21.9.15	7/15	3960	24000	6960
199/21.9.15	8/15	29238	24000	5238
410/8.1.16	12/15	24597	24000	597
Total		148045	168000	34045

Para No.96

CodeNo.16

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 fi

Para No.97

Code No.18

NON ADJUSTMENT OF ENTERTAINMENT TAX ON CINEMA THEATERS

As per the aforesaid GOMs. 90 percent of proceeds of ET collected by the Commercial Tax department are to be paid to local authority. However it was observed from the relating to Entertainment tax of cinema that the shar

Para No.98

Code No.18

NON RECEIPT OF PER CAPITA GRANT AMOUNT:

As per Section 172(6) of the Government of Andhra Pradesh PR Act,1994 Government has to release Per Capita @Rs.8/- per head per year to enable the local bodies to take up the developmental activities in its jurisdiction.

Para No.99

Code No.18

NON COLLECTION OF INSTALLATION CHARGES FROM THE AGENCIES OF CELL TOWERS:

As per GO Ms.No.183,MAUD (M) Department Dt.27-2-2008 all the cellular companies and telecom companies and all other companies are required to obtain permission from the concerned local authority for their installa

Para No.100

Code No.18

As verified from the paid voucher, It was noticed that an amount of Rs.100000/- was drawn in Vr. No.315/24-3-14 and the same was adjusted in Vr. No.219/17-11-2014 towards the expenditure incurred in connection with

Para No.101

Code No.18

SUB TREASURY PASS BOOK ENTRIES NOT ATTESTED BY THE SUB TREASURY OFFICER:

As verified from the Sub Treasury Pass book it is noticed that the monthly balances were not certified by the Sub Treasury Officer regularly. In the absence of the same it could not be ascertained whether the entries in the

Para No:102

Code. No.18

WORKS - EXECUTION OF WORKS - CONNECTED GUIDELINES FOR ANY SCHEME AGREEMENTS AND FILE, COMPLETION REPORTS, INSPECTION REPORTS OF QUALITY

During the course of audit regarding execution of works both in General funds and scheme funds the connected agreements along with files, guide lines

Regarding departmental execution in absence of the aforesaid records, the following observations could not be made whether these instructions were followed or not.

- 1) Number of departmental works executed under General funds and scheme works during 2015-16.
- 2) Number of departmental works pending completion as on 1/4/2011 regarding General and all scheme works (Scheme wise)
- 3) Number of departmental works pending completion as on 31/3/2012 (General and all scheme funds)
- 4) Out standing advances - Advances pending as on 1/4/2014 both General and all the scheme funds.
- 5) Advances pending as on 31/3/2015 general and all scheme funds.
- 6) Whether proper indenting system for issue of material to the works not exceeding the theoretical requirement as worked out in the estimates were followed or not.
- 7) Measurement, Detailed designs, Estimates, completion reports (As per para No.173 of A.P. P.W.D. code, Article 181 of A.P. Financial code Vol -I and para 181)
- 8) Whether material were issued after approval of the competent authority were issued and duly acknowledged (General and all scheme funds)
- 9) Whether material at the site account is maintained (General and all scheme funds)
- 10) Whether the utilization of the material in the works based on the measurements recorded and check measured properly calculated (General and all scheme funds)
- 11) Whether the utilization of the material returned to the stores duly acknowledged (General and all scheme funds) (Cement, steel, sand, Gravel, HBT material)
- 12) Whether the labour required were engaged on tender system or through department personnel only (General and all schemes).
- 13) Whether the nominal muster rolls maintained for the labour (General and Scheme funds)
- 14) Correctness of the payments made to the labour particularly when the labour is to be paid partly cash and partly food grains (General and all scheme funds)
- 15) In case of purchase of material / Machinery required for execution of the works whether the procedure prescribed was followed.
- 16) Whether reasons for execution of the works departmentally were recorded by the competent authority.
- 17) Whether works executed at rates not more than estimated rates.
- 18) Whether material and labour components work out with reference to the standard data.
- 19) Whether deviations if any - Deviation Statement.
- 20) Quality control measures - connected details
- 21) Others - Technical persons engaged - Connected details
- 22) General and schemes- Achievement of objection of all scheme - whether accordance with the guidelines framed regarding connected schemes.
- 23) NMR-s - Total man days - Scheme wise for all the schemes.
- 24) Diversion of scheme fund, if any details.
- 25) Connected lead statements of all the works executed under General and Schemes.
- 26) Material sufficiency certificates for all the works executed under General and schemes.
- 27) Revision of estimates - Approval and Technical sanction of the competent authority.
- 28) The Quarries are approved as per the survey of reports.

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/
- 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 th
- 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 nominations 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 1/4/2014 and 31/3/2015 (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 each scheme 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-cashment of bank guarantees of contractors who abandoned the works - details.
- 25) Diversion of funds (General funds to scheme funds and from scheme funds to another schemes and scheme funds to General funds).

Para No.103 Code No.18

MACHERLA MUNICIPALITY NON MAINTENANCE OF SEPARATE ACCOUNTS UNDER SCHEME FUNDS IRREGULAR NEEDS ACTION

As per the standing instructions of government separate Bank accounts shall be maintained in respect of the branch recovered under common schemes without clubbing mixing with other schemes accounts. During the review of cash books of difference schemes it was observed that the bank accounts and related cash book are not being maintained exclusively for the purpose they are opened. Unrelated transactions from those Managing funds and bank account in this way effects the financial management of the municipality. The accounts do not reflect correct picture of funds being utilized in a particular scheme. It would also give scope for divers This situation can be avoided if the cash book and bank accounts are maintained for the purpose for which they are opened.

Para No.104 Code No.18

MAINTENANCE OF CASH BOOKS - CERTAIN OBSERVATION

As per SR 3 -TR 10 and SR2 - TR 11 every Drawin g and disbursing Officer should maintain cash book in APTC Form 5. There should be two cash book viz., one for government transaction and the other for non for non gover For each entry on the receipts side of the cash book, there should be a counterfoil of printed receipt. Against each relevant entry of payment the voucher number should be noted in the cash book. For each entry in the cash bo However, it was observed in audit that none of the cash book viz., General Funds 001,002, 13th Finance Grant etc., were being maintained as per the rules aforesaid. Further on the receipt side of the Cash book no entries we Para No.105

IMPROPER MAINTENANCE OF ASSESSMENT BOOKS AND MR REGISTERS

According to the Rule 3 of schedule II to the AP Municipalities Act 1965, the capital value of the land and building has to be entered in Assessments/ML Registers maintained by the Revenue Wing and the Annual Rental Value

Para No.106 Code No.18

MACHERLA MUNICIPALITY AVOIDABLE EXPENDITURE RS.5000/- IRREGULAR NEEDS ACTION

During the course of Audit it was observed that an amount of Rs.5000/- was drawn and on Vr.No.262/9-12-2014 and paid to Assistant Commissioner, Provident Fund Office

Para No.107 Code No.18

ASSET MANAGEMENT NOT PRODUCED IMMEDIATE NEEDS FOR PRODUCTION

All Urban local bodies are required to maintain separate registers for movable and immovable assets as per the orders issued in G.O.Ms.No.1512 Local Administration Dt.5-8-1948. Municipal Council Macherla Guntur District is endowed with large and varied assets i.e. Grade-I Municipality. It should be ensured that the resources are used in the most optimum and efficient manner. However, it was n An asset register must be maintained ensuring that all physical assets held by it were faithfully entered in it and it will Facilitate and secure the physical control and security of these assets Provide information and values for insurance and accounting purpose Facilitate the provision of detailed statistical information like numbers, location e All new purchase of assets and the value addition due to improvements should be captured in the asset register including the gifted assets that become the property of the Council. The external sale, write off or scrapping of any asset has to be recorded in the asset register showing the disposal of any asset. The transfer of ownership from one section to another was done properly or not would need to be watched. As periodical inspection of the assets by the heads of the sections would need to be conducted to check the accuracy of the details held in the asset register. In the absence of assets registers showing all the above, it could not be held in audit that the Municipal Council, Macherla, Guntur District is pursuing a sound policy asset management. The council has to evolve system of asse

Para No 108 Code No.18

REGISTER OF UNAUTHORISED CONSTRUCTIONS NOT MAINTAINED IRREGULAR

During the course of audit for the year 2015-16 it was noticed that the register of unauthorized constructions was not maintained in town planning section. Where as on verification of records relating to revenue section i

Para No.109 Code No.18

REVENUE REGISTER OF REVENUE PAYMENTS NOT MAINTAINED

PENSION REGISTER OF PENSION PAYMENTS NOT MAINTAINED

The pension payments were made to the pensioners during the year 2014-15. But the register of pension payments made to the pensions was not maintained and produced to audit. Only the PPOs of the pensions were pr

Para No.110 Code No.18

TOOLS AND PLANT REGISTERS, ARTICLES NOT ACCOUNTED FOR AND OTHER DEFECTS

Though objections were raised in previous Audit Reports, no action was taken to rectify the defects with regard to the un accounted articles. In the absence of the same, the cost of articles would need to be made good from Action would need to be taken to get the registers verified periodically of annually and the cost of articles noted against each item duly recording the annual verification certificate after physical verification.

Para No 111 Code No. 18

REGISTERS NOT MAINTAINED:

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

1. Undisbursed pay register
2. Permanent advance register
3. Register of contingent charges
4. Register of A.G. Objections.
5. Stock register of Furniture
6. Establishment Audit register
7. Increment Watch register
8. Register showing the temporary establishment and their continuance.
9. Stock register of M.V. Forms
10. Register of Security deposits
11. Register of recoveries of loans granted to government servants for purchases of Bicycles, H.B.A.M.A., Motor cycle etc.,
12. Condemned articles register.
13. Mutation register
14. Stock register of P.H. articles.
15. Petty Cash book
16. Tools and Plants Register
17. Stock Register for Stationery
18. Register of V.L.T.
19. D.C.B of vacant Land Tax
20. D.C.B. of Advertisement Tax
21. Used Receipt Books for the taxes collected manually(WT VLT and M.R
22. Register of Auction files of Vacant condemned
- 23.
- 24.

Para No 112 Cod No.18

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 property tax and other revenues is done in many ways like remittance in e-seva, by online remission, payment by way of Cheque or Demand Draft etc., from the tax payers. Whether the software takes care of Collection of property tax and other revenues is done in many ways like remittance in e-seva, by online remission, payment by way of Cheque or Demand Draft etc., from the tax payers. Whether the software takes care of 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. 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

Para No.113 Code No.18

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

During the year under audit several grants both statutory and non-statutory were sanctioned and adjusted to Municipal Council. A separate register of appropriation of grants was not maintained and produced to audit. In t

Para No.114 Code No.18

DD/CHEQUE REGISTERS NOT MAINTAINED PROPERLY.

Scrutiny of the -DD/Cheque registers- revealed that the Municipality was receiving DD/Cheques for various purposes such as PT, EMDs, Tender schedules, BPS etc. Though the particulars such as date of receipt, receiver

Para No.115 Code No.18

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

As per GO.Ms No.1644 Revenue (CT-IV) Department dt.8.11.2006, the levy, assessment, collection and enforcement of Entertainment Tax on Cinema, Cable TV networks shall be vested with commercial Tax Department.

Para No.116 Code No. 18

SPECIAL NOTICES ISSUED - RECORD NOT MAINTAINED

In case of all the new and additional assessments made during the financial year were entered in the e-Suvidha package and the special notices of demands fixed were obtained from the package and the same were said t

Para No. 117 Code No.18

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
(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

Para No.118 Code No.18
DEPARTMENTAL INSPECTION AND INTERNAL AUDIT OF THE OFFICE NOT DONE.

Departmental Inspection:- According to the Government orders in G.O.Ms.No.247,GAD,dated 8.2.1962 and instructions issued from time to time. District Officers and their subordinate officers are required to be inspected.
Internal Audit:- As per the orders in G.O. Ms.No.34, F & P Department dated 1-7-1997, it was the responsibility of the Accounts Branch of the Head of the Department to conduct Internal Audit of the Regional offices, District.
The copies of the Departmental Inspection notes and Internal Audit notes were not produced to audit. In the absence of the said copies it could not be known whether the inspection either departmental or internal was conducted.

Para No.119 Code No.18
NON EXCHANGE OF INFORMATION BETWEEN TOWN PLANNING AND REVENUE SECTION:

The Revenue Wing of the Municipality did not have access to the Building 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

Para No.120 Code No.18
PAID VOUCHERS --COUNCIL RESOLUTION- NUMBER WAS NOT NOTED ON THE PAID VOUCHERS :

As verified from the paid vouchers for the year 2015-16it was noticed that the -Council Resolution- number was not noted on back side of the vouchers. In the absence of the same, the fact of obtaining the council resolution

Para No.121 Code No.18
DEMAND REGISTER - WATER TARRIF FOR HOUSE HOLD WATER SUPPLY SERVICE CONNECTIONS (HSCs) - NOT MAINTAINED:

As per G.O.ms.No.303 Municipal Administration & Urban Development (A2) Department, dated 3-8-2004 the Government have decided to formulate a new strategy for the urban poor i.e. Below Poverty Line households, for

1. Any Below Poverty Line house holders, possessing a White Ration Card and not having access to house service connection, shall be granted one HSC on payment of Rs.1200/- per connection including the cost of pipes and
2. The beneficiary shall be given the option of paying the amount in 12 equal monthly installments without interest. The house service connection shall be given after payment 1st installment and the rest shall be recovered after

The proof of receiving the installments and the schedule of the giving connections was not produced to audit. But the Demand register of water tariff was not maintained and produced to audit. In the absence of the same,

Para No. 122 Code No.18
DIFFERENCES IN MEASUREMENTS BETWEEN M.Ls AND E-SUVIDHA PACKAGE AND RESULTANT VARIATIONS IN FIXING OF PT - NEEDS TO BE REVISED AND LOSS ASSESSED.

During the scrutiny of records relating to PT it was noticed that many variations existed between the measurements as recorded in the ML and the measurements entered in the e-Suvidha. The MLs were not filled fully. In a calculation logic in the package was not consistent and not free from inconsistencies as a result also certain variations occurred. No record is produced to audit to show that the assessment of PT was properly supervised by the I

Para No.123 Code No.18
INCONSISTENCIES IN THE E-SUVIDHA PACKAGE RESULTING IN LOSS TO THE MC.

Certain inconsistencies were noticed in the e-Suvidha package during the course of audit which had a bearing on the correctness or otherwise of the PT fixed and collected accordingly. The package was not levying the de

Para No.124 Code No.18
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

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 Gov

Para No.125 Code No.18
ADVANCES - ADVANCES RECOVERABLE REGISTER NOT MAINTAINED PROPERLY - IRREGULAR - NEEDS PROPER MAINTENANCE:

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

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

In view of the above defects in maintenance of advances recoverable register, the advances account could not be finalized and also whether they are being recovered or not could not be checked in audit. As such the loss if any

Para No. 126 Code No.18

RECONCILIATION DONE BETWEEN CASH BOOK AND TREASURY PASS BOOK/BANK PASS BOOKS WITHOUT CLOSING CASH BOOK- OTHER DEFECTS - NEEDS ACTION:-

According to para 196 of A.P. Budget Manual read with G.O.Ms.No.318, Finance & Planning Department, dated 10.11.1980 and orders of Government issued from time to time, the Departmental expenditure and receipt fi
The reconciliation statements were produced along with annual account during the year. On a verification of the same some defects were noticed as a result of which the reconciliation statement could not be verified and
A) The cash books (manual) which were maintained in the municipality (all schemes and funds) were not closed monthly and not even annually under the hand and seal of the Commissioner. The closing balance was also
B) The relevant register of DD/MO received was also not maintained properly. As such the classification of the receipt could not be known in audit. The receipt side of the cash book was not maintained at all as such the t

Para No.127 Code No.7

MUNICIPAL COUNCIL- MACHERLA - TOWN PLANNING SECTION - NON-COLLECTION OF LABOUR CESS FROM APPROVED PLAN DURING THE YEAR NOT MADE - NEEDS EARLY ACTION

As seen from the connected records i.e., Building Applications of Town Planning Section, it was noticed that the tariff of 1% Labour Cess relating to -Building and other constructio
collected as labour cess from all Establishments Employing 10 or more workers on any day. As per the Para No.2 of the said G.O. the term establishment means section 2(j) any estal

As per the Para No.5 of the said G.O. as per rule 4(4) of the Cess Rules, where the approval of construction work by a Local Authority is required, every application for such appr

As per the Para No.6 of the said G.O. further, as per Rule-5 the Government Office/public Sector undertakings/Local Bodies/Cess Collector shall transfer the cess collected under

As per the Para No.7 of the said G.O. as per Rule - 5(3), the amount collected shall be remitted to the Board within 30 days of collection.

As per the Para No.8 of the said G.O. as per section 6(1) of the Cess, every employer within 30 days of commencement of his work or payment of Cess, shall furnish to the Asse

In the light of the above position all establishments which have employed more than 10 workers on any day or the cost of construction exceeded Rs.10 lakhs are liable for payme

COMMENTS ON ANNUAL ACCOUNT:

Para No.128 Code No.18

1) CERTAIN TRANSACTIONS NOT CAPTURED - NEEDS TO BE RECTIFIED

During verification of account in DEABAS it was noticed that certain transactions were not captured in the account. The details of receipts and expenditure entries that were omitted in the new account when compared with th

2) 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 of APMAM need to be mainta

3) VERIFIED FOBS NOT FURNISHED

The OBs of the respective G.L. accounts were drawn from the OBs provided in the FOBS furnished to audit. The said FOBS was verified and certain material deviations from the instructions envisaged in the APMAM, and ir
persisted in the final accounts of this year 2015-16also and as such the defects already pointed out in the verified FOBS may be read as part and parcel of this audit report.

4) NON-IDENTIFICATION OF MANY ASSETS

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

5) 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 incase of non tax income for the last three years. But the same was not adopted either in the FOBS or in the acc

6) 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 previou

7) ADVANCE COLLECTION OF D&O TRADE FEES INCLUDED IN THE I&E STATEMENT

The convention in the ULBs with regard to the collections of D & O trade fees was to collect the same in advance for the subsequent year i.e., before February of an year. The collections made after February are to be made

8) RECEIPT ENTRIES WERE BASED ON CHITTA

It was observed in audit that the base document that was considered for recording receipt entries in the new system of accounting was Chitta. The endeavor of the accountant who prepared annual accounts was to faithfu

9) SOME OTHER MATERIAL OBSERVATIONS

- ? As verified from the Schedules enclosed to the -Income and Expenditure statement-, it was noticed that the amounts relating to the -previous year- were not furnish
- ? As verified from the Schedules enclosed to the -Balance Sheet-, it was noticed that the details of -additions- and -deletions- during the year 2015-16were not furnish
- ? Statement of cash flows (a summary of ULBs cash flow for the period from 1-4-2011 to 31-3-2012) was not furnished.
- ? Financial performance indicators were not furnished.
- ? Financial ratios were not calculated and produced.

10) FIXED ASSETS REGISTER NOT MAINTAINED

The A.P. Municipal Asset Valuation Methodology Manual provides for maintenance of Fixed Assets Register for 11 categories of assets and formats were prescribed in Annexure-6 and as per instructions the register has to
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
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

11) NOTES TO 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, statem

12) REVENUE EXPENDITURE VIS A VIS CAPITAL EXPENDITURE

It is the object of any institution to contain the revenue expenditure well within the revenue income. But in case of this ULB the revenue expenditure was allowed to shoot up more than the revenue income. Excess of revenu

13) 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 procedu

- 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 a
- 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 t

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 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.

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

It appears that while making data entry and creating vouchers many items were booked under the head -others- either due to lack of understanding at data entry level or because of the complexity involved in deciphering.

15) MIS-CLASSIFICATIONS

Instances of misclassifications are many and some of the misclassifications may have material effect in reflecting the true and fair view of the accounts so prepared.

16) 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 total.

17) IRREGULAR CALCULATION OF DEPRECIATION

As per para 5.2.1 of A.P. Municipal Asset Valuation Methodology Manual Depreciation shall be provided at full rates for assets purchased/constructed before October 1st and at half rates if purchased/constructed on or after October 1st.

18) PROPERTY TAX AND ITS COMPONENTS - NOT FOLLOWED CORRECTLY

According to 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 ARV in respect of resident.

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 allocated as per the said provision of the Municipal Act. This is contrary to the A.P. Municipal Act. The allocation would need to be done.

Further the authority concerned would need to examine whether the compliance of this mandate of the A.P. Municipal Act was loaded in the software or not and whether the software is giving such a report or not. In case there is any discrepancy.

Para Number : 4

STATUS OF OBJECTIONS (Code : 19) Rs : 0

STATUS OF AUDIT OBJECTIONS:

946 Items of objections involving an amount of Rs.182278640/- as detailed below here under pending settlement at the close of Audit.

Year	No. Of. Paras	Amount
Up to 1999-2000	45	7491127
2000-01	2	54234
2001-02	7	329515
2002-03	8	761461
2003-04	5	1689280
2004-05	2	906411
2005-06	2	1936168
2006-07	3	2671491
2007-08	6	5592106
2008-09	11	23238780
2009-10	107	18674410
2010-11	123	12376202
2011-12	107	5973327
2012-13	129	36674994
2013-14	121	25670322
2014-15	141	18094748
2015-16	127	20144064
Total	946	182278640

EMPLOYEES PARTICULARS:

The particulars of employees working in Municipal Council, Macherla as on the date of Audit are enclosed in separate Statement.

DISTRICT AUDIT OFFICER
STATE AUDIT, GUNTUR

Para Number : 5
OTHERS (Code : 18) Rs : 0

1. D.Basavaiah, S.A

Water Tax
House Tax - 8, 9, 10, 12 Revenue Wards
Public Health Section

2. P.Sampath Kumar, S.A

Water Tax
House Tax - 11, 13, 14, 15 Revenue Wards
Town Planning Section

3. K.Krishna Rao, S.A

Water Tax
House Tax - 4, 5, 6, 7 Revenue Wards

4. K.V.Vasantha_Rao, S.A

Water Tax
House Tax
Engineering Tax - 1, 2, 3, Revenue Wards
Engineering Section

5. I.Sambasiva Rao, A.A.O

S.No.	Form No.	Name of the Register/Statement
1	GEN-9	Receipt Register
2	GEN-10	Statement on status of cheques received
3	GEN-11	Collection Register
4	GEN-12	Summary of daily collection of _____ collection office/collection centre
5	GEN-14	Register of Bills for payment for the year
6	GEN-14	Payment Order
7	GEN-15	Cheque Issue Register
8	GEN-16	Register of Advances for the year
9	GEN-17	Register of Permanent Advance
10	GEN-18	Register of Deposits for the year
11	GEN-19	Summary Statement of Deposits adjusted
12	GEN-20	Demand Register of _____ Income for the year
13	GEN-21	Notice/Bill of _____ Income for the period
14	GEN-22	Summary Statement bills raised for the period _____ in respect of _____
15	GEN-23	Register of Distrant Fee, Warrant Fee, Other Fees and penalties charges in respect of _____
16	GEN-24	Summary Statement of Distrant Fee, Warrant Fee, Other Fees and Penalties Charged
17	GEN-25	Register of refunds, remissions & write off for the year _____ in respect of _____
18	GEN-26	Summary Statement of Refunds and remissions for the period
19	GEN-27	Summary Statement of Write-offs for the period
20	GEN-28	Statement of outstanding liability for expenses as on
21	GEN-29	Document control register/Stock account of receipt/Cheque book
22	GEN-30	Register of Immovable Property
23	GEN -31	Register of Movable Property
24	GEN-32	Register of Land
25	GEN-35	Asset Replacement Register
26	GEN-36	Register of Public Lighting System
27	G-1	Grant Register
28	OTH-1	Summary Statement of Demand Raised on Assessment for the year
29	OTH-2	Summary Statement of year-wise collection of other incomes for the period
30	OTH-3	Summary Statement of Refunds for the period
31	OTH-4	Summary Statement of write offs for the period
32	WS-1	Summary Statement of Demand raised on assessment for the period
33	WS-2	Summary Statement of year-wise and head-wise collection of Water Taxes for the period
34	WS-3	Summary Statement of Refunds/Remissions for the period
35	WS-4	Summary Statement of Write offs for the period
36	ES-1	Consolidated pay bill/summary roll of the permanent/temporary establishment for the month of
37	ES-2	Register of Employee Loans/Advances for the year
38	ES-3	Register of interest of loans to employees for the year
39	ES-4	Unpaid salary for the year
40	ES-5	Register of Pension Payment Order
41	ES-6	Pension Register
42	SF-1	Special Funds Register
43	BR-1	Register of Loans
44	BR-2	Register of Debentures
45	BR-3	Register of Sinking funds
46	IN-1	Investment Ledger/Register
47	IN-2	Calculation Sheet for Provision for Diminution in Value of Investments for the period ending _____
48	ST-1	Material Receipt Note
49	ST-2	Stores Ledger
50	ST-3	Statement of closing stock as on _____
51	ST-4	Statement of material issued to contractors
52	PW-1	Summary Statement of status of capital work-in-progress/Deposit works
53	PW-2	Work Sheet
54	PW-3	Deposit Works Register
55	LA-1	Register of Loans to Others
56	SPL-1	Register of grants to school boards/Other undertakings

Para Number : 6
OTHERS (Code : 18) Rs : 0

From: Sri J.Nagendra Kumar,M.Sc.,
District Audit Officer,
State Audit,
Guntur.

To Sri B.Ajay Kisore
Commissioner,
Municipal Council,
Macherla,
Guntur District.

Sir,
I have the honor to invite your attention to Para Nos. 8,41,44,70,87,88,89,90,95 only of the Audit Report on the accounts of Municipal Council, Macherla for the year 2015-16 and to state that unless the defects p

Yours faithfully,

Enclosures:
Extract of the Paras

From: Sri J.Nagendra Kumar,M.Sc.,
State Audit,
Guntur.

To Sri Sitaramanjaneyulu District Audit Officer,
Municipal Council,
Macherla,
Guntur District.

Commissioner,

Sir,
I have the honor to invite your attention to Para Nos. 8,41,44,70,87,88,89,90,95 only of the Audit Report on the accounts of Municipal Council, Macherla for the year 2015-16 and to state that unless the defects p

Yours faithfully,

Enclosures:
Extract of the Paras

From: Sri J.Nagendra Kumar,M.Sc.,
State Audit,
Guntur.

To Sri M.B Narasimha Rao District Audit Officer,
Commissioner,
Municipal Council,
Macherla,
Guntur District.

Sir,
I have the honor to invite your attention to Para Nos. 8,41,44,70,87,88,89,90,95 only of the Audit Report on the accounts of Municipal Council, Macherla for the year 2015-16 and to state that unless the defects p

Yours faithfully,

Enclosures:
Extract of the Paras

From: Sri J.Nagendra Kumar,M.Sc.,
District Audit Officer,
State Audit,
Guntur.

To Sri M.Srinivasulu
Commissioner,
Municipal Council,
Macherla,
Guntur District.

Sir,
I have the honor to invite your attention to Para Nos. 8,41,44,70,87,88,89,90,95 only of the Audit Report on the accounts of Municipal Council, Macherla for the year 2015-16 and to state that unless the defects p

Yours faithfully,

Enclosures:
Extract of the Paras

Para Number : 7
OTHERS (Code : 18) Rs : 0

The Audit Report on the accounts of Municipal council, Macherla for the year 2015-16 was completed and Audit Report was issued vide S.A. No. 315 /2016-17 Dt.26-10-2016 of the District Audit Officer, State Audit, Gun

On furnishing of accounts prepared in DEABAS for the year 2015-16 the accounts were verified and the defects noticed during the scrutiny of accounts are incorporated in this report.

Para No 1 Code No.9

CERTAIN TRANSACTIONS NOT CAPTURED - NEEDS TO BE RECTIFIED

During verification of account in DEABAS it was noticed that certain transactions were not captured in the account. The details of receipts and expenditure entries that were omitted in the new account when compared with

Para No 2 Code No.9 **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 of APMAM need to be maintained. But it was observed that all the reg

Para No 3 Code No. 9

NON-IDENTIFICATION OF MANY ASSETS

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

Para No. 4 Code No.9

CERTAIN TRANSACTIONS INCORRECTLY CAPTURED :

During verification of account in DEBAS, it was noticed that certain transactions were incorrectly captured. Some of the transactions, which were incorrectly captured.

Para No5 Code No.9

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 either in the FOBS or in the acc

Para No 6 Code No.9

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

Para No 7 Code No.9

ADVANCE COLLECTION OF D&O TRADE FEES INCLUDED IN THE I&E STATEMENT

The convention in the ULBs with regard to the collections of D & O trade fees was to collect the same in advance for the subsequent year i.e., before February of an year. The collections made after February are to be made

Para No 8 Code No.11

VERIFIED FOBS NOT FURNISHED

The OBs of the respective G.L. accounts were drawn from the OBs provided in the FOBS furnished to audit. The said FOBS was verified and certain material deviations from the instructions envisaged in the APMAM, and in the final accounts of this year 2015-16 also and as such the defects already pointed out in the verified FOBS may be read as part and parcel of this audit report.

Para No 9 Code No.11

RECONCILIATION STATEMENTS NOT FURNISHED:

It was mandated by the manual instructions and also a fundamental principle in the maintenance of accounts that bank reconciliation statements be prepared periodically and enclosed to annual accounts. But it was observed

Para No.10 Code No.11

RECORDS - RECORDS NOT PRODUCED TO AUDIT:

During the course of audit, General Fund 001,002 accounts were produced to audit for verification. Other Funds records were not produced to audit. In the absence of the same the correctness of the expenditure and receipt

Para No 11 Code No.18

RECEIPT ENTRIES WERE BASED ON CHITTA

It was observed in audit that the base document that was considered for recording receipt entries in the new system of accounting was Chitta. The endeavour of the accountant who prepared annual accounts was to faithfully

Para No.12 Code No.18

SUB TREASURY PASS BOOK ENTRIES NOT ATTESTED BY THE SUB TREASURY OFFICER:

As verified from the Sub Treasury Pass book it is noticed that the monthly balances were not certified by the Sub Treasury Officer regularly. In the absence of the same it could not be ascertained whether the entries in the

Para No 13 Code No.18

SOME OTHER MATERIAL OBSERVATIONS

- ? As verified from the Schedules enclosed to the -Income and Expenditure statement-, it was noticed that the amounts relating to the -previous year- were not furnished.
- ? As verified from the Schedules enclosed to the -Balance Sheet-, it was noticed that the details of -additions- and -deletions- during the year 2015-16 were not furnished.
- ? Statement of cash flows (a summary of ULBs cash flow for the period from 1-4-2015 to 31-3-2016) was not furnished.
- ? Financial performance indicators were not furnished.
- ? Financial ratios were not calculated and produced.

Para No 14 Code No.18

FIXED ASSETS REGISTER NOT MAINTAINED

The A.P. Municipal Asset Valuation Methodology Manual provides for maintenance of Fixed Assets Register for 11 categories of assets and formats were prescribed in Annexure-6 and as per instructions the register has to be maintained. 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. 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

Para No 15 Code No.18

NOTES TO 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

Para No 16 Code No.18

REVENUE EXPENDITURE VIS A VIS CAPITAL EXPENDITURE

It is the object of any institution to contain the revenue expenditure well within the revenue income. But in case of this ULB the revenue expenditure was allowed to shoot up more than the revenue income. Excess of revenue

Para No 17 Code No.18

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 procedure

- 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.
- 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 ULB.
- 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 shall be followed.
- 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

Para No 18 Code No.18

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

It appears that while making data entry and creating vouchers many items were booked under the head -others- either due to lack of understanding at data entry level or because of the complexity involved in deciphering

Para No 19 Code No.18

MIS-CLASSIFICATIONS

Instances of misclassifications are many and some of the misclassifications may have material effect in reflecting the true and fair view of the accounts so prepared.

Para No 20 Code No.18

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 totallir

Para No 21 Code No.18

IRREGULAR CALCULATION OF DEPRECIATION

As per para 5.2.1 of A.P. Municipal Asset Valuation Methodology Manual Depreciation shall be provided at full rates for assets purchased/constructed before October 1st and at half rates if purchased/constructed on or aft

Para No. 22 Code No.18

NON-DEDUCTION TOWARDS PROFESSIONAL TAX FOR THE WORKS CONTRACTORS :

As per the first schedule of A.P. tax on professions, trades, calling and employment act, 1987, contractors falling in the following categories have to pay professional tax as mentioned below.

Sl. No.	Class of Contractors	PT to be paid per annum
1	Special Class & Class-I Contractors	Rs.2500
2	Class-II Contractors	Rs.1500
3	Class - III contractors and below	Rs. 500

It was observed during the scrutiny of the records that payment of Professional Tax is not being made directly by the Municipal Contractors to the Commercial Taxes Department at the above rates every year and no deducti
Immediate action needs to be taken for effecting recovery towards professional tax at the above rates in the work bills to be paid in future or for giving instructions to all the contractors registered with the Municipality for

Para No.23 Code No.18

DD/CHEQUE REGISTERS NOT MAINTAINED PROPERLY.

Scrutiny of the -DD/Cheque registers- revealed that the Municipality was receiving DD/Cheques for various purposes such as PT, EMDs, Tender schedules, BPS etc. Though the particulars such as date of receipt, receive

Para No. 24 Code No.18

RECONCILIATION DONE BETWEEN CASH BOOK AND TREASURY PASS BOOK/BANK PASS BOOKS WITHOUT CLOSING CASH BOOK- OTHER DEFECTS - NEEDS ACTION:-

According to para 196 of A.P.Budget Manual read with G.O.Ms.No.318, Finance & Planning Department , dated 10.11.1980 and orders of Government issued from time to time, the Departmental expenditure and receipt fi
The reconciliation statements were produced along with annual account during the year. On a verification of the same some defects were noticed as a result of which the reconciliation statement could not be verified and
A) The cash books (manual) which were maintained in the municipality (all schemes and funds) were not closed monthly and not even annually under the hand and seal of the Commissioner. The closing balance was als
B) The relevant register of DD/MO received was also not maintained properly. As such the classification of the receipt could not be known in audit. The receipt side of the cash book was not maintained at all as such the t

Para No. 25 Code No.18

CASH BOOK AND SUBSIDIARY REGISTERS NOT MAINTAINED PROPERLY - ENTRIES ON THE RECEIPTS SIDE NOT MADE, NOT TOTALLED, NOT BALANCED AND NOT RECONCILED WITH THE PASS BOOK BALANCES MONTHLY /

As per the -Andhra Pradesh Municipal Accounts Manual- the Urban Local bodies should maintain each financial year the -General cash book- in form GEN-1, which shall be the Book of original entry for recording transactio
Advances Register etc.,) and the balance of Bank so that the Head of the institution could know the actual balance available in the institution on any particular date.
There were no periodical closings under proper attestation. Reconciliation of balances of cash book with those of banks was not made regularly. Erroneous/Fraudulent drawls can be detected only through reconciliation.
No pages should be left blank and each page should be serially numbered duly enclosing a certificate to the extent of pages in the cash book. However many pages were left blank in between transaction and have not been
Most of the entries were being made in pencil which was highly irregular.
The details of book adjustments, treasury receipts, the details of MRs were not recorded in cash book.

Para No.26 Code No.18

INPROPER MAINTENANCE OF ACCOUNTING RECORDS :

Municipal Council, Macherla had switched over from single entry cash based system to modified accrual based Double Entry Financial Accounting System from 01-04-2009. Under this system Municipal council, Macherla ha
During scrutiny of accounting records, the following observations are made.

1. Non-Maintenance of Cash Books

According General Accounting procedures of National Municipal Accounts Manual (NMAM), Cash Book shall be maintained as per format specified vide Form GEN-I. However, the maintenance of Cash Book as per format sp
Cash Book must invariably be attested by the authorized officer and the Cash Book must be closed daily.

Government had not relaxed the Financial code for any department in dispensing with the maintenance of cash books even on computerization of accounts. Moreover, the provisions in the NMAM also stipulated that the cas

2. Non-Maintenance of Separate accounts for the grants received for specific purpose

Grants received by the ULB may be of a capital or revenue nature. A capital grant is usually utilized for capital expenditure i.e. creation of a fixed asset where as Revenue grant is generally utilized for meeting recurring r
Municipal council, Macherla is receiving huge grants towards specific purposes such as Schemes of MMTS, NSDP, SGSRY Funds, etc. As per accounting manual, separate Cash Books shall be maintained in respect of all suc
are also not being maintained in Form-GEN-8 of NMAM.

3. Financial Ratio Analysis

Financial Ratio Analysis is the indicators of performance of the ULB. From this analysis, the leakage of Revenue / Expenditure can be identified at a proper period. Financial Ratio analysis is a study of ratios between vari
The above observations are only illustrative but not exhaustive. Thus, the requisite records as mentioned in NMAM and as per orders issued by Government from time to time may please be maintained.

Para Number : 8
STATUS OF OBJECTIONS (Code : 19) Rs : 0

STATUS OF AUDIT OBJECTIONS:-

972 no. of objections involving amount of 182278640/-

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

Year	No. of Objection	Amount
Up to 1999-2000	45	7491127
	2	54234
2000-01		
2001-02	7	329515
2002-03	8	761461
2003-04	5	1689280
2004-05	2	906411
2005-06	2	1936168
2006-07	3	2671491
2007-08	6	5592106
2008-09	11	23238780
2009-10	107	18674410
2010-11	123	12376202
2011-12	107	5973327

2012-13	129	36674994
2013-14	121	25670322
2014-15	141	18094748
2015-16	127	20144064
Part - II	26	-
Total	972	182278640

**DISTRICT AUDIT OFFICER
STATE AUDIT, GUNTUR.**

Para Number : 9

OTHERS (Code : 18) Rs : 0

PARA.NO.1

Sl.No.	Vr.No. & Date	Particulars	Amount	Remarks
1	D.D.No.932118243 Dt.24-4-2015	Advertisement tax	11050	Not taken
2		Percapita grant	2621834	Not taken

Para Number : 10

OTHERS (Code : 18) Rs : 0

S.No.	Form No.	Name of the Register/Statement
1	GEN-9	Receipt Register
2	GEN-10	Statement on status of cheques received
3	GEN-11	Collection Register
4	GEN-12	Summary of daily collection of _____ collection office/collection centre
5	GEN-13	Register of bills for payment for the year
6	GEN-14	Payment Order
7	GEN-15	Cheque Issue Register
8	GEN-16	Register of Advances for the year
9	GEN-17	Register of Permanent Advance
10	GEN-18	Register of Deposits for the year
11	GEN-19	Summary Statement of Deposits adjusted
12	GEN-20	Demand Register of _____ Income for the year
13	GEN-21	Notice/Bill of _____ Income for the period
14	GEN-22	Summary Statement bills raised for the period _____ in respect of _____
15	GEN-23	Register of Distrant Fee, Warrant Fee, Other Fees and penalties charges in respect of _____
16	GEN-24	Summary Statement of Distrant Fee, Warrant Fee, Other Fees and Penalties Charged
17	GEN-25	Register of refunds, remissions & write off for the year _____ in respect of _____
18	GEN-26	Summary Statement of Refunds and remissions for the period
19	GEN-27	Summary Statement of Write-offs for the period
20	GEN-28	Statement of outstanding liability for expenses as on _____
21	GEN-29	Document control register/Stock account of receipt/Cheque book
22	GEN-30	Register of Immovable Property
23	GEN-31	Register of Movable Property
24	GEN-32	Register of Land
25	GEN-35	Asset Replacement Register
26	GEN-36	Register of Public Lighting System
27	G-1	Grant Register
28	OTH-1	Summary Statement of Demand Raised on Assessment for the year
29	OTH-2	Summary Statement of year-wise collection of other incomes for the period
30	OTH-3	Summary Statement of Refunds for the period
31	OTH-4	Summary Statement of write offs for the period
32	WS-1	Summary Statement of Demand raised on assessment for the period
33	WS-2	Summary Statement of year-wise and head-wise collection of Water Taxes for the period
34	WS-3	Summary Statement of Refunds/Remissions for the period
35	WS-4	Summary Statement of Write offs for the period
36	ES-1	Consolidated pay bill/summary roll of the permanent/temporary establishment for the month of _____
37	ES-2	Register of Employee Loans/Advances for the year
38	ES-3	Register of interest of loans to employees for the year
39	ES-4	Unpaid salary for the year
40	ES-5	Register of Pension Payment Order
41	ES-6	Pension Register
42	SF-1	Special Funds Register
43	BR-1	Register of Loans
44	BR-2	Register of Debentures
45	BR-3	Register of Sinking funds
46	IN-1	Investment Ledger/Register
47	IN-2	Calculation Sheet for Provision for Diminution in Value of Investments for the period ending _____
48	ST-1	Material Receipt Note
49	ST-2	Stores Ledger
50	ST-3	Statement of closing stock as on _____
51	ST-4	Statement of material issued to contractors
52	PW-1	Summary Statement of status of capital work-in-progress/Deposit works
53	PW-2	Work Sheet
54	PW-3	Deposit Works Register
55	LA-1	Register of Loans to Others
56	SPL-1	Register of grants to school boards/Other undertakings

Para Number : 11

RECEIPTS & CHARGES (Code : 20) Rs : 0

Code No.20

RECEIPTS AND CHARGES:

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

Receipts Rs. 57995279/-
Expenditure Rs. 73038027 /-

Para Number : 12

EMPLOYEES PARTICULARS (Code : 21) Rs : 0

Employee Report					
District	GUNTUR			Mandal	MACHERLA
Institute Type	MUNCIPAL COUNCIL			Audit Year	2014-15
Institute Name	MACHERLA MUNICIPALITY GRADE II				
Sector Name	Department Name	Category	As per the information obtained from the department:	As per the budget appendices	Working as per Information
MUNCIPALITIES	MUNCIPAL ADMINISTRATION AND URBAN DEVELOPMENT	GAZETTED	4	4	4
MUNCIPALITIES	MUNCIPAL ADMINISTRATION AND URBAN DEVELOPMENT	NON GAZETTED	73	73	73

Para Number : 13

OTHERS (Code : 18) Rs : 0

From
Sri J.Nagendra Kumar, M.Sc.,
District Audit Officer,
State Audit,
Guntur

To
Commissioner,
Municipal Council,
MACHERLA
Guntur District.

Sir,

I have the honour to invite your attention to Para No. 25,26 of the Audit Report on the accounts of Municipal Council, Macherla Part -II for the year 2015-16 and state that unless the defects pointed out there in are rectified and fact reported to this office with in 4 months from the date of

Yours faithfully,

District Audit Officer,
State Audit, Guntur

Enclosures:

Extract of the Paras

Enclosures :-

- I. [Employee Particulars Report](#)
- II. [Inventory Report](#)