File Number: SAGNE/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. Sri Sitaramanjaneyulu - Commissioner From 18-07-2015 To 31-07-2015
4. Mr. Sri M. B. Narasimha Rao - Commissioner From 10-08-2015 To 16-08-2015
5. Mr. 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 of the Municipal Council is satisfactory still there is a wide scope for improving the financial image of the Council by better collection of taxes, renewal of the leases duly enhancing the lease amounts, fixing and collecting the advertisement tax properly etc.

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 dut

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Item of Revenue</th>
<th>Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenue raised by the Municipal council</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Tax Revenue</td>
<td>14579539</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12959000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>22869366</td>
</tr>
<tr>
<td></td>
<td>b) Non Tax Revenue</td>
<td>9882000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4290638</td>
</tr>
<tr>
<td></td>
<td>c) Leases fee, rents etc</td>
<td>1726463</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1525805</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Item of Revenue</th>
<th>Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Entertainment Tax</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Surcharge on Stamp Duty</td>
<td>6496626</td>
</tr>
<tr>
<td></td>
<td>Population Grant</td>
<td>160000</td>
</tr>
<tr>
<td></td>
<td>M.Tax Compensation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Profession Tax</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Non Plan Grant</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Grants in Aid others</td>
<td></td>
</tr>
</tbody>
</table>

Para No. 1 Code No. 3

ELECTION - ELECTION EXPENDITURE MET FROM MUNICIPAL GENERAL FUNDS INSTEAD OF ELECTION FUNDS - IRREGULAR - NEEDS REIMBURSEMENT RS.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
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 has 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 computational purposes.

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 12-11-1986.

As perused from the budget for the year 2015-16 which was approved by the council on 29-5-2016 the total amount of receipts for the year 2015-16 was projected at Rs.653,6245/-. But the amounts allotted for the developmental works were 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 ensure the proper maintenance of the ADRs.

Para No. 3

**CODE NO. 7**

**TIME BARRIED 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.G.O. Ms.No.556, M.A. U.D. dated 12-6-1972 and section 374(1) of the Act for the recovery of all such sums maintained to quantify the taxes that are likely to be barred by time. This deficiency of not maintaining the ADRs 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) is only geospatial and the sectoral allotments can still be maintained for the purpose of expenditure in the slum areas.

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.

<table>
<thead>
<tr>
<th>Sl.NO</th>
<th>Name of the lease</th>
<th>Demand</th>
<th>Collection</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>G. Brahmanach</td>
<td>10668</td>
<td>Nil</td>
<td>10668</td>
</tr>
<tr>
<td>2</td>
<td>Sk. Suleman Sahib</td>
<td>10668</td>
<td>Nil</td>
<td>10668</td>
</tr>
<tr>
<td>3</td>
<td>S. Saljanayaraya</td>
<td>10668</td>
<td>Nil</td>
<td>10668</td>
</tr>
<tr>
<td>4</td>
<td>V.Venkateswarlu</td>
<td>10668</td>
<td>Nil</td>
<td>10668</td>
</tr>
<tr>
<td>5</td>
<td>K.Chandaramma</td>
<td>10668</td>
<td>Nil</td>
<td>10668</td>
</tr>
<tr>
<td>6</td>
<td>K. Somalingam</td>
<td>10668</td>
<td>Nil</td>
<td>10668</td>
</tr>
</tbody>
</table>

**Total**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>64008</td>
<td>Nil</td>
<td>64008</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Sl.NO</th>
<th>Name of the lease</th>
<th>Arrear</th>
<th>Demand</th>
<th>Collection</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sk.Khasem Saida</td>
<td>1605</td>
<td>6420</td>
<td>-</td>
<td>8035</td>
</tr>
<tr>
<td>2</td>
<td>Sk.Khasem Saida</td>
<td>1605</td>
<td>6420</td>
<td>-</td>
<td>8035</td>
</tr>
<tr>
<td>3</td>
<td>Sk.Madan Vall</td>
<td></td>
<td>6420</td>
<td>3745</td>
<td>2675</td>
</tr>
<tr>
<td>4</td>
<td>Sk.Madan Vall</td>
<td></td>
<td>6420</td>
<td>3745</td>
<td>2675</td>
</tr>
<tr>
<td>5</td>
<td>D.Lakshmi Bai</td>
<td></td>
<td>6420</td>
<td>2675</td>
<td>3745</td>
</tr>
<tr>
<td>6</td>
<td>Sk.Khasem Saida</td>
<td>1605</td>
<td>6420</td>
<td>-</td>
<td>8035</td>
</tr>
<tr>
<td>7</td>
<td>Sk.Sande Sahib</td>
<td></td>
<td>6420</td>
<td>1070</td>
<td>5350</td>
</tr>
<tr>
<td>8</td>
<td>Sk.Khader Sai</td>
<td></td>
<td>6420</td>
<td>2675</td>
<td>3745</td>
</tr>
</tbody>
</table>

**Total**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4815</td>
<td>51360</td>
<td>13910</td>
</tr>
</tbody>
</table>

**Inner shops (IDSMT)**

For the year 2015-16 the following amounts were not collected. The leases deeds, agreements were not concluded.

<table>
<thead>
<tr>
<th>Sl.NO</th>
<th>Name of the lease</th>
<th>Arrear</th>
<th>Demand</th>
<th>Collection</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>N. Vaitukateswaru</td>
<td>4270</td>
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<td>-</td>
<td>4270</td>
</tr>
</tbody>
</table>

**Egg Shops (IDSMT)**

<table>
<thead>
<tr>
<th>Sl.NO</th>
<th>Name of the lease</th>
<th>Arrear</th>
<th>Demand</th>
<th>Collection</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>N. Vaitukateswaru</td>
<td>4270</td>
<td>-</td>
<td>-</td>
<td>4270</td>
</tr>
</tbody>
</table>

**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, shops.

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.

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Name of the lease</th>
<th>Arrear</th>
<th>Demand</th>
<th>Collection</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sk.Khaseem Saheb</td>
<td>1605</td>
<td>6420</td>
<td>8025</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Sk.Khaseem Saheb</td>
<td>1605</td>
<td>6420</td>
<td>8025</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>Sk.Madan Vall</td>
<td></td>
<td>6420</td>
<td>3745</td>
<td>2675</td>
</tr>
<tr>
<td>4</td>
<td>Sk.Madan Vall</td>
<td></td>
<td>6420</td>
<td>3745</td>
<td>2675</td>
</tr>
<tr>
<td>5</td>
<td>D.Lakshmi Bai</td>
<td></td>
<td>6420</td>
<td>2675</td>
<td>3745</td>
</tr>
<tr>
<td>6</td>
<td>Sk.Khaseem Saheb</td>
<td>1605</td>
<td>6420</td>
<td>8025</td>
<td>-</td>
</tr>
<tr>
<td>7</td>
<td>Sk.Sande Sahib</td>
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<td>6420</td>
<td>1070</td>
<td>5350</td>
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<tr>
<td>8</td>
<td>Sk.Khader Sai</td>
<td></td>
<td>6420</td>
<td>2675</td>
<td>3745</td>
</tr>
</tbody>
</table>

**Total**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4815</td>
<td>51360</td>
<td>13910</td>
</tr>
</tbody>
</table>

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

According to the provisions of APFC Vol.1 the advance paid to the officials towards works shall have to be adjusted within one month of the drawal of such advance through adjustments of vouchers, failing which the entire amount will have to be recovered from the concerned official in one lump sum.

A scrutiny 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 concerned and audit intimated.

<table>
<thead>
<tr>
<th>V/No. and Date</th>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>134/27.6.15</td>
<td>Advance paid to M.V Narasimharao, TPS towards unauthorized building regularization advertisement</td>
<td>50000</td>
</tr>
<tr>
<td>418/15.1.16</td>
<td>Advance paid to J. Ranjith Kumar, C.I towards Jannahshini Mahasamithi programme</td>
<td>50000</td>
</tr>
<tr>
<td>380/15.12.15</td>
<td>Advance paid to J. Ranjith Kumar, C.I towards establishment expenditure</td>
<td>30000</td>
</tr>
<tr>
<td>314/20.10.15</td>
<td>Advance paid to Md. Gouse Basha, S.I towards Mana Amaravathi Mana Rajadhani Programme</td>
<td>50000</td>
</tr>
<tr>
<td>215/30.10.15</td>
<td>Advance paid to Md. Gouse Basha, S.I towards Mana Amaravathi Mana Rajadhani Programme</td>
<td>40000</td>
</tr>
<tr>
<td>313/17.10.15</td>
<td>Advance paid to J. Ranjith Kumar, C.I towards Mana Amaravathi Mana Rajadhani Programme</td>
<td>50000</td>
</tr>
<tr>
<td>322/13.10.15</td>
<td>Advance paid to J. Ranjith Kumar, C.I towards Mana Amaravathi Mana Rajadhani Programme</td>
<td>50000</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>320000</td>
</tr>
</tbody>
</table>

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 said advertisement shall consist of any board, signboard, name board, glass, paper, cloth, book, notice or any similar medium being a permanent advertisement or an advertisement of any movable car, Omni bus and any other vehicle and any movable board used primarily as an advertisement or an advertising medium.

Further, according to Municipal Act, for exhibiting an advertisement without permission, a fine up to Rs. 1,000 can be imposed and in no case, it shall be 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 2014-15 were not furnished to audit.

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.

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.

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.

But, during the year 2014-15, the Municipal council authorities had not 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 lose, if any, sustained would need to be made good from the person or persons responsible and credited to General funds un
Para No: 12  

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

1. The honorable Supreme court of India vide its order dated 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 in respect of Central Government properties. The reasons for not complying with the instruction of the CDMA issued may be explained.

2. It was observed from the records that the CDMAs Hyderabad issued Instructions in his circular dated 21-4-04 that whenever a property of Municipality was lead out lease deed shall have to be registered compulsory and also collect the stamp duty as prescribed under Indian stamp act 1899.

3. The Commissioners of all ULBs shall ensure that entire realization of service charges from the central government properties has not been done so far. Though much emphasis has been given by the government, the realization has not been completed so far. The Honorable Supreme Court of India vide their 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 in respect of Central Government properties.

4. The acceptance of single tender without going for further calls denied the advantage of competitive bidding.

5. Government followed the procedure of calling open tender though 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 norm.

6. The above direction issued by the Honorable Supreme Court of India was for regulation of payment of service charges in respect of Central Government properties by the end of September 2010.

Para No. 13  

MACHERLA MUNICIPAL COUNCIL - 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  

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

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.

Para No. 15  

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 stock accounts.

Para No. 16  

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 were not registered as per the CDMA Hyderabad issued instructions in his circular dated 21-4-04 that whenever a property of Municipality was lead out lease deed shall have to be registered compulsory and also collect the stamp duty as prescribed under Indian registration act 1908.

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.
4. Any other

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 any legal value.

Para No. 17  

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

Government followed the procedure of calling open tender though 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 norm.

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 advantage of competitive bidding.

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.
LAPSES IN ISSUE OF D&O TRADE LICENSES AND COLLECTION OF LICENSE FEE

- As per section 263 of A.P Municipal Act, 1965, every 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. The action taken for the removal of objectionable encroachments was not stated in audit.

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

- As per annual account an aggregate amount of Rs20621000/- was realized under property tax and water tax during the year under audit.

- The monthly lists of vacant lands (requiring the levy of tax) prepared as per the property tax assessment register for the year 2015-16 were not made available for verification in audit. The demand under vacant land tax for the year 2015-16 was not fixed duly maintaining the current and arrear demand registers.

- 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

- The notification for the levy of fees on non objectionable encroachments was not made available for verification in audit.

- The encroachments were not got classified as objectionable or non-objectionable.

- 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.

- The notification for the levy of 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

- The demand under vacant land tax for the year 2015-16 was not fixed duly maintaining the current and arrear demand registers.

- The monthly lists of addition and omission were not at all obtained, from the outdoor staff and produced for audit.

- 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

- As per annual account an aggregate amount of Rs.401905/- was realized under D & O Trades License fees during the year under audit whether all the amounts collected from the traders under D & O trades license fee were remitted to Municipal Funds.

- 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

- As per annual account an amount of Rs.167900/- was adjusted to municipal funds towards encroachment fee.

- The monthly lists of addition and omission were not at all obtained, from the outdoor staff and produced for audit.

- As per annual account an aggregate amount of Rs1679000/- 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

- The demand under vacant land tax for the year 2015-16 were not fixed on the basis of 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

- The action taken for the removal of objectionable encroachments was not stated in audit.

- The notification for the levy of tax on non objectionable encroachments was not made available for verification in audit.

- The encroachments were not got classified as objectionable or non-objectionable.

- 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.

- As per annual account an aggregate amount of Rs.1679000/- 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

- As per section 263 of A.P Municipal Act, 1965, every 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, Guntur Municipality can conduct a ward wise survey to identify the traders and give licenses to each individual with a unique no. and also shall maintain a demand register. By this the

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- As per annual account an aggregate amount of Rs20621000/- was realized under property tax and water tax during the year under audit.

- The monthly lists of vacant lands (requiring the levy of tax) prepared as per the property tax assessment register for the year 2015-16 were not made available for verification in audit. The demand under vacant land tax for

- The notification for the levy of fees on non objectionable encroachments was not made available for verification in audit.

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Para No 26

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 fees paid were not enclosed.

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

Para No 27

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. Declaral 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 HDR.

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 maintained properly and were not closed properly.

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

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 req

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 ti

Para No 29

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
As per section 37 (1) of the Andhra Pradesh Education Act, 1982 any Municipal Council may, with the previous sanction of the Government, and shall if so directed by them, levy within its jurisdiction, taxes for the purposes.

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 execut

As per G.O.Rs.No.1176 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 departmen

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.

As verified from the files and building application 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.

Further, clause 3q. under Rule 25 of GO.Rs.No.168 M & U (M) Dept, dated 07-04-2012 the functional line agencies shall not give regular connections of power, water, sewerage etc., unless such occupancy certificate

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.

Under Section 5(8) 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 31-8 (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:

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 munic

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 form and procedure prescribed in the said Act.

Further as per the provisions contained in the said Act all the ULB-s have to file the water cess returns duly mentioning the water supplied by ULB-s for domestic purpose.

Accordingly the engineering authorities of irrigation department were raising demands for the same against the ULB-s. However, the demands were not consolidated and the actual demand, payment and outstanding amounts were not made available in audit.

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 (1) of section 5 of the Act and the Sub-rule(1) of Rule 4 of the Act. The amendments have to be filed with the Competent Authority within 15 days from the date of receipt of the notification.

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 Di

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 hereafter and produce to audit.

As verified from the file no correspondence was made with the Irrigation Department for rental

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

The executive authority would need to take steps to prepare annual action plan/Development Plan for taking up developmental activities in municipality.
Para No.38  Code No.9
EXPENDITURE-ENTIRE EXPENDITURE WAS MADE THROUGH CASH BY EXPENDITURE DRAWING AMOUNTS THROUGH SELF CHEQUES - HIGHLY 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 through self cheques.

Para No.39  Code No.9
MISAPPROPRIATION BY SRI B.V.CH.KRISHNAIAH BILL COLLECTOR MACHERLA MUNICIPALITY ON 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.4,23,060/- . The Commissioner has appointed Sri SK.Silar sahib Manager (06-01-2009) as an Inquiry Officer to inquire into the matter and to report a comprehensive report.

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 undue and inappropriate delay in concluding the case allowed an accused employee 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 ASSISTANT TRAPPED ON 17-11-2005 BY ACB DEPT.- INQUIRY CONDUCTED CHARGES PROVED REVERSION TO LOWER POST ORDERS ISSUED BY REGIONAL DIRECTOR

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. of Macherla Municipality was trapped by ACB on 17-11-2005 and an order reverting SK.Jani Basha J. of Macherla Municipality to bill collector under CCA rules 1991 vide Progs. No.1156/2005 A1 Dt.13-5-2009 was issued orders reverting SK.Jani Basha J. 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 to lower category and subsequent pay fixation in lower cadre was not made.

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) FB Dept.29-7-2005 and G.O. Ms.No.ISS R&B (RIII) Dept. 1954, the following conditions have to be taken in to account.

Para No.42  Code No.10
ESTABLISHMENT - RECOVERY OF 35% OF PROFESSION TAX ARREARS NOT MADE - NEEDS RECOVERY

As per Para 5 of circular memo no.3302/330/42/Exp. Rev./2005 dated 26-2-2007 of finance (Exp.Revenue Dept) in respect of those N.G.G.Os whose P.R.C 2005 bills were already cleared the recovery of 35% of P.T arrears will be made 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 action was taken for rectification.

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.

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.
MAINTENANCE OF VEHICLES - RELEVANT REGISTERS NOT MAINTAINED AND PRODUCED.

Para No: 48

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

Para No.47

D & O TRADES- MONTHLY LISTS - NOT PRODUCED IRREGULAR.

Para No46

MACHERLA MUNICIPALITY - CONNECTED SUBSIDIARY REGISTERS -RECORDS NOT PRODUCED Rs.6960077/-

Para No.44

1. 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.
2. 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.
3. That the consumption of the petrol, oil etc., date wise, has been entered there in.
4. That the details of expenditure incurred towards cost of Petrol, Oil etc., have been entered with reference to the voucher No. and date and the amount covered for the same.
5. That in case of purchase of spare parts, the rules relating to the invitations and disposal of tenders have been observed.
6. That the register was periodically checked by the concerned authority and a certificate to that effect has been recovered

Para No: 45

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 expenditure particulars could not be verified. Hence early action would need to be taken to produce the same.

Para No 46

D & O TRADES- MONTHLY LISTS - NOT PRODUCED IRREGULAR.

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

Para No.47

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 were not produced. Rs.346399

Para No: 48

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 Register.
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 journeys performed
   5. That the log book was scrutinized personally by the authority concerned, once in a month and his signature appended there in.
   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.
   4. That the register was periodically checked by the concerned authority and a certificate to that effect has been recovered

3. Register showing the cost of petrol, oil etc.: Due to non production of this register, it could not be verified in audit whether the following prescribed procedure was followed or not.

   1. That the details of expenditure incurred towards cost of Petrol, Oil etc., have been entered with reference to the voucher No. and date and the amount covered for the same.
   2. That the consumption of the petrol, oil etc., date wise, has been entered there in.
   3. That in respect of the contingent bills for the supply of petrol, diesel oil, the following certificates have been recorded by the authority concerned on the bills. Certificates
   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:

   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.

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 were not produced to audit. Due to non production of above records the correctness of the receipts and expenditure particulars could not be verified. Hence early action would need to be taken to produce the same.
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

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

Para No:50

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 clear. 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

MONEY VALUE FORMS - STOCK REGISTER NOT PRODUCED:

The money value forms stock register for the year 2015-16was 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 audit could not be verified. 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

STOCK REGISTER NOT PRODUCED:

The following important stock registers were not produced for verification in audit. In the absence of these registers the opening balance of the material purchases made during the year, utilized, issued and balance could not be verified. Further the amount collected, credited to municipal funds by using the material 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.

2. Engineering stores 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

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

According to Rule issued under Section 244 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 2014-15, it was noticed that there was difference in collection of the open space charges in the building application.

Apart from the register of approved layouts and the notified extension areas was also not produced to audit. Due to lack of the said records and sufficient information with regard to the approved layouts and unapproved layouts action needs to be taken to get entire transactions verified for finding the correctness of the same.

Para No:54

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

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

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

Para No:55

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 not produced to verify the correctness of the issue and utilization of the articles could not be established. Loss, if any, caused in this regard would need to be made good from the person or persons responsible.

Para No:56

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 2015-16many new licenses were sanctioned. But the details as to of how may licenses were renewed and how may licenses were cancelled...
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 Rec.No. 2013-14.Due to non-production of files, it could not be ascertained that all the assessments were fixed through MLs. 

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 or not. 

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 the same, the correctness of the previous remissions and write-offs could not be verified in audit. 

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 year 2015-16 was not produced to audit. This important register may be maintained and produced to audit. 

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 buildings were assessed to other taxes/charges such as water tax, drainage tax and primary service charges etc. 

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 due in appeal could not be verified in audit. 

Para No.63
Code No.11
TAXES - ARREAR DEMAND REGISTERS ALONG WITH OUTSTANDING BILLS NOT PRODUCED:

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.64
Code No.11
ENCROACHMENT FEES - DEMAND AND ARREAR DEMAND REGISTERS NOT MAINTAINED AND PRODUCED:
The register of encroachment fee (current) provides a record of all encroachments identified, and demand, collection and balance of license fees from objectionable encroachments. This register provides information for 5 years. Similarly, the Arrear Demand Register provides record of all balances of encroachment fees outstanding at the end of the year. But the above registers were not maintained and produced to audit. However, an amount of Rs. 167900/- was shown as collection towards encroachment fees, during the year under audit. 

Para No.65
Code No.11
PROVIDENT FUND ACCOUNT NOT MAINTAINED PROPERLY - NEEDS RECTIFICATION:

1. Forms of nomination.
2. Statement of annual account.
3. Notice to the nominee.
4. P.F. ledger of subscriber.
5. Abstract register.
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 ensured that all the items shown in this register with the exception of those that are managed departmentally are entered in the M.D.R. for watching the realization of the revenue due.

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, whether all the sources of revenue were included in the M.D.R. due to non-maintenance of the above register.

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 over.

Para No.69  Code No.11
CONTRACT WORKERS - APPOINTMENT OF WORKERS ON CONTRACT BASIS - DETAILS AND 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 Memos. 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 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 MUNCIPAL 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 whether the grant was spent for the purpose for which it was released or not.

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 pointed out would need to be rectified and loss
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 thrift and credit
10. SJSRY USEP
11. SJSRY UWEP
12. NSFS
13. Pavalavaddi
14. Indiramma pension
15. ACDF
16. MP Lada
17. NOAP
18. Widows
19. Disabled
20. Weavers
21. IDSMT
22. One core grant

Para No.: 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) were not produced to audit for verification.

Para No.: 73  Code No.11
D & O TRADES - ORDER COPIES OF NEW LICENSES ISSUED DURING THE YEAR 2015-16 NOT 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 license were not produced to audit for verification.

Para No.: 74  Code No.11
TENDERS REGISTER OF TENDER SCHEDULES SALE OF TENDER SCHEDULES AMOUNT TENDERS REALISED PAYMENT OF SALES TAX ON RELATION AMOUNT NOT PRODUCED:

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 for 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 as well as A.P state funds would be made good from the person(s) responsible.

Para No.: 75  Code No.11
TAP CONNECTIONS GIVEN UNDER OYT CATEGORY - APPLICATIONS CONNECTED REGISTERS AND AMOUNT REALISED NOT FUNISHED

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 sl
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 verification 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 the person (s) 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 sl
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 verification 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 the person (s) responsible.

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 mon
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 ti
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 of irregularities noticed in future, the same would need to be made good from the person (s) responsible.
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:

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 if interest due have been realized on the due dates and credited to the accounts.

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 the concern.

3) Investments made out of earmarked funds have been reinvested if the amount was not required for expenditure.

4) 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 tender.

5) 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 funds.

Para No.78

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 produced for verification.

Para No.80

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 in audit that the B.R.S. statement neither prepared nor furnished to audit for verification.

Para No.81

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 of the same, the genuineness of the transactions made during 2015-16 could not be verified in audit.

Para No.82

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 channelization.

Even though repeated requests made orally and through half margins, the executive authority failed to produce the information regarding the above earmarked funds.

Immediate action may be taken to furnish the information to audit in order to scrutinize the above said percentages, otherwise according to the instructions issued in the Government Order the Commissioner of Municipalities will be held accountable.

Para No.83

EARMARKED FUNDS - ALLOCATION AND EXPENDITURE NOT FURNISHED.
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 charges have been newly sanctioned or there has been change in them since last audit.

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

1) That any excess over the sanctioned scale appeared in any month or of the while 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 the selected months) but the connected suit register was not made available for verification.

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 suit, the sum decreed towards suit, costs etc were noted in the appropriate column 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.

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Vr.No./Date</th>
<th>Details</th>
<th>Amount Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>585/21.3.16</td>
<td>Cheque No.004510 Dt:21.3.16</td>
<td>38500</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nimmagadda Venkateswarlu, Advocate</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>38500</td>
</tr>
</tbody>
</table>

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) That 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 property tax can be granted were fulfilled.

1) The building should be vacant and unlet for a considerable period of 36 or more days in the half year.
2) There should be a notice of vacancy from the owner either in that half year or in the proceeding half year indicating the period of vacancy.

Para No. 87 Code No. 11

Vacancy Remission Registers Not Produced:

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

1) The building should be vacant and unlet for a considerable period of 36 or more days in the half year.
2) There should be a notice of vacancy from the owner either in that half year or in the proceeding half year indicating the period of vacancy.
### PARA NO. 87

**Code No. 11**

**Vouchers: Paid Vouchers Not Produced to Audit Rs. 2973571/-**

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. 2973571/- thus incurred cannot be admitted in audit and is held under objection.

<table>
<thead>
<tr>
<th>Vr.No &amp; Date</th>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>58 &amp; 25.4.15</td>
<td>Transportation of water supply to unserved areas M.B No.7/2014-15</td>
<td>47997</td>
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<td>59 &amp; 25.4.15</td>
<td>Supply delivery of Bleaching Powder M.B No.15/2014-15</td>
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<td>60 &amp; 30.4.15</td>
<td>Supply &amp; delivery of copper sulphate M.B 1/2015-16</td>
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<td>61 &amp; 30.4.15</td>
<td>Supply and delivery of Bleaching powder M.B No.2/2014-15</td>
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<td>63 &amp; 30.4.15</td>
<td>Supply and delivery of Chara and fiber stools M.B No.4/2015-16</td>
<td>44352</td>
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<tr>
<td>64 &amp; 14.5.15</td>
<td>Construction of Makinu Swasthalin Bhavan at M.C Premises M.B No.6/2013-14; M.B No.7/2013-14; M.B No.12/2013-14</td>
<td>773203</td>
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<td>65 &amp; 15.5.15</td>
<td>Supply and fixing of computer in engineering and loan planning sections M.B No.4/2015-16</td>
<td>98349</td>
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<td>66 &amp; 10.6.15</td>
<td>Supply and delivery of Bleaching powder</td>
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<td>67 &amp; 10.6.15</td>
<td>Transportation of drinking water to unserved areas M.B No.3/2015-16</td>
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<td>68 &amp; 4.9.15</td>
<td>Providing 165 mm bore well motor in 21st ward M.B No.35/2014-16</td>
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<tr>
<td>70 &amp; 6.6.15</td>
<td>Supply and delivery of Autos to PH Section</td>
<td>93003</td>
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<td>71 &amp; 6.6.15</td>
<td>Providing cover bore and mini submersible water pump M.B No.57/2014-16</td>
<td>70207</td>
</tr>
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</table>

### PARA NO. 88

**Code No. 11**

**Works - Execution of Works Connected 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.F. financial code volume-I would need to be produced for verification in audit to certify the genuineness of the expenditure incurred.

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<th>Code No. 11</th>
<th>Pariculars</th>
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<td>01 &amp; 26.4.16</td>
<td>Towards the payment of Sri Bharathi press supply of Printer New Cartridges</td>
<td>12350</td>
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<td>038 &amp; 15.12.15</td>
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<td>080 &amp; 15.12.15</td>
<td>Amount payable to Prabath towards supply of Property Tax Notice and assessment register</td>
<td>1280</td>
</tr>
</tbody>
</table>
Para No. 89

PURCHASE OF STATIONERY - STOCK AND UTILISATION NOT POINTED OUT TO AUDIT

Para No. 90

PURCHASE OF PETROL AND OTHER OILS TO MUNICIPAL VEHICLES - LOG BOOKS

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

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Vr.No. &amp; Date</th>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>38/27.2.15</td>
<td>Vadde filling station Macherla</td>
<td>39043</td>
</tr>
<tr>
<td>2</td>
<td>38/29.2.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>800</td>
</tr>
<tr>
<td>3</td>
<td>12/10.2.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>850</td>
</tr>
<tr>
<td>4</td>
<td>12/18.2.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>870</td>
</tr>
<tr>
<td>5</td>
<td>13/1/3.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>950</td>
</tr>
<tr>
<td>6</td>
<td>13/1/3.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>1000</td>
</tr>
<tr>
<td>7</td>
<td>13/1/3.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>1000</td>
</tr>
<tr>
<td>8</td>
<td>13/1/3.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>1000</td>
</tr>
<tr>
<td>9</td>
<td>13/1/3.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>1000</td>
</tr>
<tr>
<td>10</td>
<td>13/1/3.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>1000</td>
</tr>
<tr>
<td>11</td>
<td>13/1/3.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>1000</td>
</tr>
<tr>
<td>12</td>
<td>13/1/3.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>1000</td>
</tr>
<tr>
<td>13</td>
<td>13/1/3.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>1000</td>
</tr>
<tr>
<td>14</td>
<td>13/1/3.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>1000</td>
</tr>
<tr>
<td>15</td>
<td>13/1/3.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>1000</td>
</tr>
<tr>
<td>16</td>
<td>13/1/3.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>1000</td>
</tr>
<tr>
<td>17</td>
<td>13/1/3.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>1000</td>
</tr>
<tr>
<td>18</td>
<td>13/1/3.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>1000</td>
</tr>
<tr>
<td>19</td>
<td>13/1/3.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>1000</td>
</tr>
<tr>
<td>20</td>
<td>13/1/3.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>1000</td>
</tr>
</tbody>
</table>

Total: 1510896

Para No.90

MACHERLA MUNICIPALITY - PURCHASE OF STATIONARY - 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

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Vr.No. &amp; Date</th>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>19/12.2.15</td>
<td>Sri Navarang Fancy for Purchases</td>
<td>39059</td>
</tr>
<tr>
<td>2</td>
<td>19/12.2.15</td>
<td>Sri Srinivas Book Stall</td>
<td>700</td>
</tr>
<tr>
<td>3</td>
<td>19/12.2.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>520</td>
</tr>
<tr>
<td>4</td>
<td>19/12.2.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>408</td>
</tr>
<tr>
<td>5</td>
<td>19/12.2.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>334</td>
</tr>
<tr>
<td>6</td>
<td>19/12.2.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>307</td>
</tr>
<tr>
<td>7</td>
<td>19/12.2.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>280</td>
</tr>
<tr>
<td>8</td>
<td>19/12.2.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>280</td>
</tr>
<tr>
<td>9</td>
<td>19/12.2.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>280</td>
</tr>
<tr>
<td>10</td>
<td>19/12.2.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>280</td>
</tr>
<tr>
<td>11</td>
<td>19/12.2.15</td>
<td>Sri Bharathi Press, Macherla</td>
<td>280</td>
</tr>
</tbody>
</table>

Total: 1510896
Para No.91

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.92

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, the genuineness of the transactions made during 2015-16 could not be verified in audit for the above items by way of monthly lists of concerned field staff and fix the tax as per notification and correct the tax.

Para No.93

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.

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.

ADVERTISEMENTS TAX- TEMPORARY STRUCTURES, PERMANENT STRUCTURES, HOARDINGS - DEMAND, CORRECTION, BALANCE REGISTER ALONG WITH CONNECTED NOT PRODUCED.

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).

That in addition to this tax, fees or rent for using the land of the municipality was charged (Rule 6).

That the advertisements were approved by the commissioner and whether erected after approval (Rule 4).

That the tax was collected at 1/12

That the collection of tax on advertisements may be leased out for a period not exceeding one year on the terms and conditions fixed by the council (Section 119 of the Act).

That the rates of very shall be in accordance with the rates specified.

In the absence of the above items by way of monthly lists of concerned field staff and fix the tax as per notification and correct the tax.

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.94  
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 production of records under their control for audit scrutiny.

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  
PAYMENT OF VEHICHEL HIRE CHARGES - 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 tour @ Rs.24000/- per month. Contrary to the said instructions the hiring charges paid more than Rs.24000/- per month.

<table>
<thead>
<tr>
<th>Vr. No.&amp; Date</th>
<th>Month</th>
<th>Amount drawn</th>
<th>Amount admissible</th>
<th>Excess amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>102/6.6.15</td>
<td>3/15</td>
<td>29195</td>
<td>24000</td>
<td>5195</td>
</tr>
<tr>
<td>103/6.6.15</td>
<td>4/15</td>
<td>29470</td>
<td>24000</td>
<td>5470</td>
</tr>
<tr>
<td>196/21.9.15</td>
<td>5/15</td>
<td>27965</td>
<td>24000</td>
<td>3965</td>
</tr>
<tr>
<td>197/21.9.15</td>
<td>6/15</td>
<td>3620</td>
<td>24000</td>
<td>6620</td>
</tr>
<tr>
<td>198/21.9.15</td>
<td>7/15</td>
<td>3960</td>
<td>24000</td>
<td>6960</td>
</tr>
<tr>
<td>199/21.9.15</td>
<td>8/15</td>
<td>29338</td>
<td>24000</td>
<td>5338</td>
</tr>
<tr>
<td>310/8.1.16</td>
<td>12/15</td>
<td>24597</td>
<td>24000</td>
<td>597</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>148045</strong></td>
<td><strong>168000</strong></td>
<td><strong>34045</strong></td>
</tr>
</tbody>
</table>

Para No.96  
NON-SUBMISSION OF UTILISATION CERTIFICATES:

According to Article 211 (A) of the Andhra Pradesh, Financial Code Vol-I it is the responsibility of the grant receiving authority to furnish U.C. to the grant releasing authority. The Utilization certificates would need to be furnished to the District Audit Officer, State Audit.

Para No.97  
NON ADJUSTMENT OF ENTERTAINMENT TAX ON CINEMA THEATERS

As per the aforesaid GO Ms. 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 share of ET on cinema theaters was not being regularly credited to ULBs account.

Para No.98  
NON RECEIPT OF PER CAPITA GRANT AMOUNT:

As per Section 172(4) 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  
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
As verified from the paid voucher, it was noticed that an amount of Rs.1,000,000/- 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 Code No.18.

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 pass book were authenticated or not.

Para No:102 Code No.18

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

During the course of audit regarding execution of works both in General funds and scheme funds the connected agreements along with files, guidelines framing regarding departmental execution in absence of the aforesaid records, the following observations could not be made whether these instructions were scrupulously followed or not:

1) Number of departmental works executed under General funds and scheme works during 2015-16.
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.
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 -1 and par No.219/17-11-2014 towards the expenditure incurred in connection with Meals for Municipal Election staff. The expenditure is heavy and abnormal in nature.
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 work was recorded and check measured properly calculated (General and all schemes).
11) Whether the utilization of the material returned to the stores duly acknowledged (General and all scheme funds) (Cement, steel, sand, Gravel, HBT me etc. complete information of material stock, issued and balance)
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)
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 certificate 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. - 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-encashment 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 different 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 affects 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 diversification.

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 - CERTIN OBSERVATION

As per SR 3 - TR 10 and SR2 - TR 11 every Drawing and disbursing Officer should maintain cash book in APTC From 5. 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 book. 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 were made.

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 maintained separate registers for movable and immovable assets as per the orders issued in G.O.Ms.No.1512 Local Administration Dts.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. Hence, It was n

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
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

TOOL 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 unaccounted articles. In the absence of the same, the cost of articles would need to be made good from general revenue.

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

DEFECTS

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. Unbursed pay register
2. Permanent advance register
3. Register of contingent charges
4. Register of A.D. 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. Stock register of B.P.A.
11. Register of recoveries of loans granted to government servants for purchases of Bicycles, H.B.A.H.A., Motor Cycle etc,
12. Register of receipts,/DD/Cheque registers, in connection with the collection of Property Taxes and other revenues
13. Tools and Plant registers
14. Mutation register
15. Stock register of P.P.T. articles
16. Petty Cash book
17. Tools and Plants Register
18. Stock Register for Stationery
19. Register of V.L.T.
20. D.C.B. of vacant Land Tax
22. Register of V.L.T.
23. Stock Register for Stationery
24. Register of Audit files of Vacant condemned

Para No.112 Code No.18

DATA BASE OF THE RECORDS OF TAXATION - EFFICACY OF THE SOFTWARE

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 collection of property tax and other revenues is done in many ways like remittance in e-seva, by online remittance, payment by way of Cheque or Demand Draft etc., from the tax payers. Whether the software takes care of Treasury adjustments, voucher adjustments etc., were not carried out.

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.

Monthly lists of outdoor staff whether given effect, if so whether given effect promptly within the time or not were not produced to audit.

In the absence of the same, the cost of articles would need to be made good from the person(s) responsible.

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 the absence of the same, the cost of articles would need to be made good from the person(s) responsible.

Para No.114 Code No.18

DD/CHEQUE REGISTERS NOT MAINTAINED PROPERLY.

Scrubity of the -DD/Cheque register - 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.115 Code No.18

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

As per GO.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.No.68 dt.12.9.2009, under Section 85(2) of the AP, Municipality Act read with Section 20 of Andhra Pradesh Libraries Act 1960, the Municipal Council is required to levy and collect the amount of Library Cess. At 8 percent on property tax collected, at e-seva center level and remit the
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.

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

Para No.118

**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 8.3.1962 and instructions issued from time to time. District Officers and their subordinate officers are required to be inspect the 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, Dist.

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 c

Para No.119

**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 form the town Planning wing as there was no system to furnish copies of approvals by the Town planning Wing to the Revenue Wing.

Para No.120

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

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

Para No.121

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

As per G.O.ms.No.352 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 instalments without interest. The house service connection shall be given after payment 1st instalment and the rest shall be recovered al.

The proof of receiving the instalments 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

**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 levyi

Para No.123

**INCONSISTENCIES IN THE E-SUVIDHA PACKAGE RESULTING IN LOSS TO THE MC:**

- 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 instalment and the rest shall be recovered al.

Para No.124

**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.125

**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 Go

Para No.126

**CODE NO.18**

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

1. Many advances sanctioned during the year were not entered in the register which is highly irregular. The advances sanctioned during the year were detailed in the next page (Annexure).
2. Previous balances were not 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
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 DDO/DO 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

Para No. 127
MUNICIPAL COUNCIL, NACHIRELA - TOWN PLANNING SECTION – NON-COLLECTION OF LABOUR CES 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 constructive 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 - S(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

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 if

2) NON MAINTENANCE OF REGISTERS PRESCRIBED IN THE MANUAL

The APAM 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 APAM need to be maintai

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 APAM, and is persisted in the final accounts of this year 2015-16as 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

APAM 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 accc

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 previu

7) ADVANCE COLLECTION OF D&A 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 Chitita. The endeavor of the accountant who prepared annual accounts was to faithf

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, stater

12) REVENUE EXPENDITURE V/S A 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:

APAM prescribed reconciliation procedure 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 proceed


b) Inter Unit reconciliation: intending to identify the disputed/un accepted inter unit transactions and to take appropriate action for rectification which is necessary in the process of consolidation of ULB at the head office level as

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 l
4) 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 the correct classification of the expenditure as per the Chart of Accounts prescribed by the AP Municipalities Act.

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 as 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 totalising.

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 of the following year.

Further the authority concerned would need to examine whether the compliance of this mandate of the A.P. Municipal Act was done and whether the software is giving such a report or not. In case the compliance is not in the books of accounts the same should be reflected in the books of accounts to be true and fair view of the accounts.

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 and 33% of ARV in respect of non-resident.

Further the authority concerned would need to examine whether the compliance of this mandate of the A.P. Municipal Act was done and whether the software is giving such a report or not. In case the compliance is not in the books of accounts the same should be reflected in the books of accounts to be true and fair view of the accounts.

Para Number: 4

STATUE OF OBJECTIONS (Code : 19) Rs : 9

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.

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EMPLOYEES PARTICULARS:

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

DISTRICT AUDIT OFFICER
STATE AUDIT, GUNTUR
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<td>Water Tax: 11, 13, 14, 15 Revenue Wards</td>
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<td>3. K. Krishna Rao, S.A</td>
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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 pointed out there in are rectified and fact reported to this office within 4 months...

Yours faithfully,

Enclosures:
Extract of the Paras
From: Sri J.Nagendra Kumar, M.Sc.,
To: Sri M.B Narasimha Rao District Audit Officer,
State Audit, Municipal Council,
Guntur. 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 pointed out there in are rectified and fact reported to this office within 4 months ... issued Vide G.O.Ms.No.130 F&P (FW.Admn.II) Department, Dt:8-9-2000 and under section 10 of A.P.State Audit Act, 1989.

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, Guntur.

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 req

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: 
Para No 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 in case of non tax income for the last three years. But the same was not adopted either in the FOBS or in the annexed other books.

Para No 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 previous year.

Para No 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 as per the rules.

Para No 8
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
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 that very few of the ULBs furnished the same.

Para No 10
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 receivables was not ascertained.

Para No 11
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 Chittha. The endeavour of the accountant who prepared annual accounts was to finally convert the same in the form prescribed in the instructions.

Para No 12
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 pass book were genuine.

Para No 13
SOME OTHER MATERIAL OBSERVATIONS
1. 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.
2. 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.
3. Statement of cash flows (a summary of ULB cash flow for the period from 1-4-2015 to 31-3-2016) was not furnished.
4. Financial performance indicators were not furnished.
5. Financial ratios were not calculated and produced.

Para No 14
FIXED ASSETS REGISTER NOT MAINTAINED
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 is aimed at reconciling of bank, treasury balances with cash book balances.

Para No 15
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 of sources and application of funds and other financial information in respect of the year 2015-16 was not furnished.

Para No 16
REVENUE EXPENDITURE V/S A V IS CAPITAL EXPENDITURE
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 pass book were genuine.

Para No 17
RECONCILIATION PROCEDURE 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 includes:

b) Inter Unit reconciliation: intending to identify the disputed/un accepted inter unit transactions and to take appropriate action for rectification which is necessary in the process of consolidation of ULB at the head office level as also in the process of consolidation of ULB.

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 identified and reconciliation entries passed whenever required by I:

Para 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 the correct classification.
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

**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 values.

Para No 21

**INPROPER MAINTENANCE OF ACCOUNTING RECORDS:**

- Reconciliation of balances of cash book with those of banks was not made regularly.
- The closing balance was also not arrived at monthly and annually. In the absence of the maintenance of the cash books and their regular and proper closing the balance could not be verified in audit.

Para No 22

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

- 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

**NON-DEDUCTION TOWARDS PROFESSIONAL TAX FOR THE WORKS CONTRACTORS:**

- It was observed during the scrutiny of the records that payment of Professional Tax is not being made directly by the Municipality to the Commercial Taxes Department at the above rates every year and no deduction in this regard is being effected by the Municipality.

Para No 24

**DD/CHEQUE REGISTERS NOT MAINTAINED PROPERLY:**

- 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, receipt no and amount in the register were recorded, the DD/Cheques were not being counter signed by the incharge of the department.

Para No 25

**RECONCILIATION OF BALANCES OF CASH BOOK WITH THOSE OF BANKS WAS NOT MADE - OTHER DEFECTS - NEEDS ACTION:**

- 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.

Para No 26

**NON-MAINTENANCE OF CASH BOOKS:**

According to General Accounting procedures of National Municipal Accounts Manual (NMAM), Cash Book shall be maintained as per format specified vide Form GEN-1. However, the maintenance of Cash Book as per format specified is not being done and most of the entries are being made in pencil, which was highly irregular.

Para No 27

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

- As per 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 file, 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.

Para No 28

**IMPROPER MAINTENANCE OF ACCOUNTING RECORDS:**

- The closing balance was also not arrived at monthly and annually. In the absence of the maintenance of the cash books and their regular and proper closing the balance could not be verified in audit.

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

- Reconciliation of balances of cash book with those of banks was not made regularly.
- The closing balance was also not arrived at monthly and annually. In the absence of the maintenance of the cash books and their regular and proper closing the balance could not be verified in audit.

**STATUS OF OBJECTIONS:**

972 no. of objections involving amount of 182278640/- as detailed below are pending settlement, at the close of audit.

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<tr>
<th>Year</th>
<th>No. of Objection</th>
<th>Amount</th>
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<td>2009-10</td>
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<td>2</td>
<td>2374847</td>
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<td>2</td>
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<td>2013-14</td>
<td>11</td>
<td>331350</td>
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<tr>
<td>2014-15</td>
<td>17</td>
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<td>2015-16</td>
<td>23</td>
<td>172702</td>
</tr>
<tr>
<td>2016-17</td>
<td>107</td>
<td>5973327</td>
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</table>

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

- 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
<table>
<thead>
<tr>
<th>Para Number</th>
<th>OTHERS (Code : 18) Rs : 0</th>
</tr>
</thead>
<tbody>
<tr>
<td>PARA.NO.1</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>S.No.</th>
<th>VI.No. &amp; Date</th>
<th>Particulars</th>
<th>Amount</th>
<th>Remarks</th>
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<tbody>
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<td>1</td>
<td>D.D.No.932118243</td>
<td>Advertisement tax</td>
<td>11050</td>
<td>Not taken</td>
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<tr>
<td>2</td>
<td></td>
<td>Per capita grant</td>
<td>2621834</td>
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Para Number : 10
OTHERS (Code : 18) Rs : 0

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

Para Number : 11
RECEIPTS & CHARGES (Code : 20) Rs : 0

RECEIPTS AND CHARGES:
The gross receipts and Charges of the Municipal Council, Macherla for the year 2015-16 are as furnished below.
Receipts: Rs. 579,927/-
Expenditure: Rs. 730,8627 /-

Para Number: 12

EMPLOYEES PARTICULARS (Code : 21) Rs : 0

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<tr>
<th>District</th>
<th>Municipal Council</th>
<th>Institute Name</th>
<th>Audit Year</th>
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<tbody>
<tr>
<td>GUNTUR</td>
<td>MACHERLA MUNICIPALITY GRADE II</td>
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<table>
<thead>
<tr>
<th>Sector Name</th>
<th>Department Name</th>
<th>Category</th>
<th>As per the information obtained from the department</th>
<th>As per the budget appendices</th>
<th>Working as per information</th>
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<tr>
<td>MUNCIPAL</td>
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<tr>
<td>AND URBAN</td>
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<td></td>
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</tr>
<tr>
<td>DEVELOPMENT</td>
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</table>

Para Number: 13

OTHERS (Code : 18) Rs : 0

From
Sri J. Nagendra Kumar, M.Sc.,
Commissioner,
Municipal Council,
MACHERLA
Guntur

To
Commissioner,
District Audit Officer,
MACHERLA
State Audit,
Guntur

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:

1. Employee Particulars Report
2. Inventory Report

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