

Office of the Assistant Audit Officer,
State Audit (ZP), Anantapuramu



The Draft Audit Report on the accounts of
Municipal Council, TADIPATRI for the year 2016-17 is submitted herewith along
with the following enclosures for kind perusal and approval.


1. Audit Report for the year 2016-17
2. Verified Annual Account.
3. Draft forwarding letter.
4. Draft Special Letter
5. Half margin letters issued to the executive authorities.

DAO

SA, ATP

AAO

SA(ZP), ATP

Invoice No. 

3
24(a)

Hos-11-5-18.

O/o. the Assistant Audit officer,
State Audit (ZP), Ananthapuram.

Statement showing the distribution of work to be conducted on the accounts of Tadipatri
Municipality, for the year 2016-17.
Selected months

Sl. No.	Name of the Auditor	Item of work
1	Sri R.S.N. Prasad, A.A.O.	1) Supervision and planning 2) Finalisation of Draft Audit Report with the assistance of SAs 3) Budget verification. 4) Annual Account verification 5) All schme works.
2	Sri.P.Ajay Kumar,S.A.	Property tax & Water tax Ward Nos.12,13,16 along with ADRs out standing bills PH Estt. & contingencies, Birth & death account D&O Trades Log book, Outsourcing Staff P.F Account, Municipal schools, and Assistance to AAO in finalization of Draft Audit Report.
3	Sri.V.Manjunath ,S.A	Property tax Water tax Ward Nos.4,7,8 along with ADRs out standing bills Water supply account including tap applications (General & Meter reading collection) office collection of PT&WT and Assistance to AAO in finalization of Draft Audit Report.
4	Sri.D.Dastagiri S.A. <i>Smt. Umama</i> <i>Devarvi, S.A.</i>	Property tax Ward No 15 ,along with ADRs out standing bills, Town planning Estt. & contingencies, building applications Encroachments Entertainmenttax, Advertisement tax etc Assistance to AAO in finalization of Draft Audit Report BPS,LRS
5	<i>Smt. D. Dastagiri</i> <i>Smt. Umamaheshwari</i> i, S.A	Property tax Water tax Ward Nos.2,9,10,11 along with ADRs out standing bills Rents and leases VST Register of investiments Deposits, property tax , water tax and Finalisation of all wards DCB
6	Sri. B Kishore Kumar, S.A	Property tax Ward Nos.6,14,15, along with ADRs, out standing bills, General establishment & contingencies P.F Account, Petty cash book Stock registers Audit on the accounts of deposits and advances, Entertainment tax, Finalization and verification of D.C.B towards both HT,WT,etc and Assistance to AAO in finalization of Draft Audit Report.
7	Sri. S.Shaikshavalli, S.A	Verification of Property tax & Water tax 3,6 along with ADRs verification of out sourcing bills and DCB of above wads Engerining estt and Contingencies Assets and libaalities register EMD Register T&P Register Log Books Out sourcing Staff etc.
8	D.Noorjahan Bi	Verification of chitta with reference to MRs & cash books 6 months, . Register of Cheques and DDs wards 10,11,12.
9	Sri P.Rudra Venkata Sai	Out standing Bills , Wards 15,16 and 20 .Verification of chitta with reference to MRs & cash books 6 months,

de

Assistant Audit Officer,
State Audit (ZP), Ananthapuramu.

GOVERNMENT OF ANDHRA PRADESH
STATE AUDIT DEPARTMENT

From

To

Sri G.Ramachandra Reddy,
District Audit officer,
State Audit,
ANANTAPURAMU

The Commissionr,
Municipal Council, TADIPATRI,
(Anantapuramu Dist)

Letter. SA No. 118 Dated. 28-05-2018

Sir,

Sub: AUDIT – Audit on the Accounts of Municipal Council, Tadipatri
for the year 2016-17 - forwarded –Regarding.

* * *

I forward herewith the audit report on the accounts of MUNICIPAL COUNCIL, TADIPATRI for the year 2016-17 in duplicate required under section 146 of Hyderabad Municipal Act 1955 read with rule 7 of A.P. State Audit Rules 2000 and request you to furnish replies to the audit objections pointed out in the audit report within 2 months from the date of receipt of this audit report as per rule 8 of A.P. Sate Audit Act 200 together with the 2nd copy of the audit report.

Yours faithfully,

District Audit officer

State Audit, Anantapuramu

Copy submitted to the Secretary to Government, Housing & Municipal Administration and Urban Development of Andhra Pradesh, Hyderabad.

Copy to the Accountant-General, AP., Hyderabad

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

GOVERNMENT OF ANDHRA PRADESH
STATE AUDIT DEPARTMENT

From

To

Sri G.Ramachandra Reddy,
District Audit officer,
State Audit,
ANANTAPURAMU

Sri S.Siva Ramakrishna,
Commissioner,
Municipal Council, Tadipatri
Ananthapuramu Dist.

Special Letter. No. 192 Dated. 28-05-2018

Sir,

Sub: AUDIT – Audit on the Accounts of Municipal Council, Tadipatri
for the year 2016-17 - Spl.Letter- Issued- Reg.

**

I have the honour to invite your attention to Paragraph Numbers 6(e), 7, 8(L), 10 & 10(a) only of the Audit Report on the Accounts of Municipal for the year 2016-17 during which period you were and to state that unless the defects pointed out therein are rectified and the fact reported to this Office within 4 months from the date of receipt of this letter, action will be taken under Section 10 of the AP State Audit Act 1989 read with rule 9 of AP State Audit rules 2000 issued in G.O.Ms.No.130 (PW-Admin-II) Department, Dated: 08-09-2000. The Special letter was not issued after completion of audit by over sight.

o/c

Yours faithfully,



District Audit officer

State Audit, Anantapuramu



AUDIT REPORT ON THE ACCOUNTS OF GENERAL FUNDS OF THE MUNICIPAL COUNCIL, TADIPATRI, ANANTAPURAMUDISTRICT FOR THE YEAR 2016-17

NAME OF THE AUDITOR :Sri R.S.N. Prasad

Assistant Audit officer

TIME TAKEN FOR AUDIT : 06-03-2018 to 17-03-2018, 19.03 to 23.03.2018
& 27-03-2018 to 28-03-2018

The office the Commissioner, Municipal Council, Tadipatri was held by the following persons during the year under report.

NAME OF THE COMMISSIONERS:

PERIOD

1. Sri S.Siva Ramakrishna

01-04-2016-31-03-2017

The office the Chair person, Municipal Council, Tadipatri were held by the following persons during the year under report.

Name of the Chair-person

Period

Smt.V.Lakshmi Devi

01.04.2016 to 31.03.2017

PART-I**1)GENERAL FINANCIAL REVIEW AND BUDGET :**

- a) The Receipts and payments during the year shown in the abstract of Annual account appended together with the Opening and closing balance. The opening balance in the cash book is in agreement with the closing balance of the previous year. The consolidated closing balance in both the General fund cash book 001 and 02 Cash book as on 31.3.2017 viz., **Rs.9,14,30,187.00** is in agreement with the consolidated closing balance in the account for March,2017, the closing balance **Rs. 9,14,30,187.00 as on 31.3.2017** is in agreement with the balance in the Sub-Treasury pass book after allowing for un-cashed cheques and un-remitted revenue on hand at the close of the year.

PART-II (Income)**REVENUE RECEIPTS :**

The sources of Revenue income during the year were through

1. Revenue raised by Municipal council
2. Receipt's from the State Government towards per-capita grant, Entertainment tax,. MV. Tax, land cess, Surcharge on Stamp duty etc.,
3. Grant –in-aid received from Government 4. Loans

Analysis on receipts under the above heads during the year was not possible in audit due to non-maintenance of posting registers abstract of receipts and charges, consolidated DCB registers for taxes and non-taxes, Grant registers and Grant appropriation registers, and Grant–in-aid particulars. However as per the Receipts and payments statement in DEABAS for the year 2016-17, the tax and non-tax revenues for 2014-15, 2015-16 and 2016-17 are as follows. There is heavy increase in Property Tax collection is due to General revision of property tax in the previous year.

		2014-15	2015-16	2016-17
Tax Revenue	Property Tax	2,67,71,086.00	2,83,57,635.00	3,03,79,168.00
	Vacant Land Tax	3,13,127.00	2,40,968.00	1,45,470.00
	Water Tax	1,56,32,656.00	1,64,10,636.00	2,03,16,570.00
	Sewerage tax	--	--	--
	Tax on cable operators	--	75,000.00	75,000.00
	Advt. tax	5,17,944.00	4,35,311.00	97,272.00
	Encroachments	94,445.00	45,235.00	44,365.00
TOTAL		4,33,29,258.00	4,55,64,785.00	5,10,57,845.00
	Rents on Markets	12,49,636.00	24,37,670.00	13,40,000.00
	Rents on shopping	1,08,65,707.00	1,35,48,845.00	1,48,75,223.00

	complex			
	Trade License	27,71,752.00	20,27,732.00	28,40,059.00
	Water supply donations & deposits	60,78,950.00	53,18,860.00	66,81,927.00
	Slaughter house	--	--	--
TOTAL		2,09,66,045.00	2,33,33,047.00	2,57,37,209.00

i) On comparing between 2015-16 and 2016-17, the increase in collection of tax revenue is 12% where as the non-taxes increased up to 10% from all heads and the financial position of the institution is improved.

Head	2015-16	2016-17	Increase (Rs)	Percentage
Tax revenue	4,55,64,785.00	5,10,57,845.00	54,93,060.00	12.05%
Non-tax revenue	2,33,33,047.00	2,57,37,209.00	24,04,162.00	10.30%

ii) On comparing between 2015-16 and 2016-17, the increase overall payments are as detailed below; the increase took place at% under charges head during the year as against% overall increase in receipts.

Head	2015-16	2016-17	Increase (Rs)	Percentage
Receipts		12,13,84,956.00		
Payments	105547181.00	17,55,50,633.00	7,00,03,452.00	66.32%

Some of the heads in which payments increased / decreased when compared to previous year i.e., 2015-16.

Head	2015-16	2016-17	Increase (Rs)	Decrease
WAGES TO WORKERS	3,93,70,934.00	4,51,04,827.00	57,33,893.00	--
ELECTRICAL CHARGES	8,64,374.00	29,66,527.00	21,02,153.00	--
TELEPHONE CHARGES	1,95,160.00	4,64,924.00	2,69,764.00	--
ADVT. CHARGES	1,38,738.00	80,400.00	--	58,338.00
STATIONARY	6,85,395.00			
FUEL CHARGES	1,30,95,700.00	1,40,42,428.00	9,46,728.00	--
WATER SUPPLY EXP.	48,38,982.00	37,80,197.00	--	10,58,785.00
CONCRETE ROADS	22,02,195.00	83,92,330.00	61,90,135.00	--
WATER DISTRIBUTION LINES	2,09,193.00	77,15,996.00	75,06,803.00	--
MAJOR DRAINS	--	25,74,368.00	25,74,368.00	--

WATER WORKS	11,75,053.00	1,35,23,068.00	1,23,48,015.00	--
STREET LIGHTING MATERIALS	11,17,411.00	7,93,695.00	--	3,23,716.00

iii) Only manual a/c books i.e., Cash book, Treasury pass book, chitta etc., are produced. DEABAS generated ledgers, day book, account-wise ledgers, asses valuation ledger are not produced to verify the annual account prepared in DEABAS. Further Receipts and Charges statement is produced duly clubbing both general funds and capital projected funds.

iv) Heads shown in the Budget not coincide with the heads displayed in DEABAS. Action would need to prepare the budget by displaying heads and head of accounts as contained in DEABAS.

2) COMPLIANCE OF AUDIT OBJECTIONS BY THE MUNICIPAL AUTHORITIES

The number of Audit objections pending at the beginning of the year, no. of objections added during the year, the number of objections settled during the year and the balance left at the closer of the year was not made up to date.

According to the instructions issued in G.O.Ms.No.874 M.A Dept. Dt.13-11-67 the Audit report and the replies have to be placed before the municipal council and later the replies to be submitted to the Government through the Director of the State Audit Andhra Pradesh, with a copy of resolution for taking further action. As verified the settlement of Audit objections during the period was - Nil.

Effective steps would need to be taken to furnish the replies for settlement of Audit objections duly recovering the excess payments made as pointed in the Audit objection.

3) BUDGET ;

Under G.O.MS.No.128 MunicipalAdministration and Urban Devt. (Election-II) Department, Dated 2.3.2007 the **Municipal Council, Tadipatri** fulfill the criteria to declare the same as larger Urban area so as to constitute a Municipal Council (Clause(d) of Section-II of the A.P.Municipal Council Act,1994).

According to Rule 8 of the rules relating to the preparation of budget allotted and transfer of funds issued in G.O.Ms.No.619 M.A Dept. Dt.7-10-67, the budget as approved by the Municipal Council should be submitted to the Government through the District Collector or Director of municipal Administration, Andhra Pradesh by December 31st of

each year. The budget estimate as approved by the municipal council was not produced to audit to verify whether the expenditure incurred was within the budget limits or not.

Further the expenditure is incurred over and above the approved budget, the executive authority shall forthwith communicate the circumstances to the Standing Committee under clauses (e) (f), (g) or (h) of the sub-section 172 and under section(2) of 1991 would need to be got rectified by the Municipal Council and produced for audit.

PART-II

(REVENUE)

4)REVENUE RECEIPTS – TAX REVENUE & NON-TAX REVENUE ANDITS ANALASIS :

The Sources of revenue receipts during the year were through

1. Revenue raised by Municipal council
2. Receipt's from the State Government towards per-capita grant, Entertainment tax,. MV. Tax, land cess, Surcharge on Stamp duty etc.,
3. Grant –in-aid received from Government

Analysis on receipts under the above heads during the year was not possible in audit due to non-maintenance of posting registers abstract of receipts and charges, consolidated DCB registers for taxes and non-taxes, Grant registers and Grant appropriation registers, and Grant–in-aid particulars. In the absence of the same the correctness of the figures noted in the annual account could not be certified in audit. The main source of income for the institution is government grant and grant in audit from government. The revenue income by self was not realized in a satisfactory manner. The council authorities were not taken any steps for 100% realization of revenue income. Hence the council financial position was in satisfactory manner.

5)Leases, VLT, and others – variation in collections – Needs rectification;

As verified from the demand Register with reference to DCB report for the year statement for the year 2016-17, there was discrepancy in the Colleton of the Leases, VLT and others. As per the DCB collections recorded in various amounts furnished in the DCB register as detailed below which would need to be reconciled and produced to audit.

Sl No.	Name of TAX	As per the DCB statement	As per the Annual account	Difference
1	SHOP ROOM RENTS		14875223.00	
2	MARKETS		1340000.00	
3	VLT	138826.00	145470.00	6644.00
4	ENCROACHMENT FEE	44365.00	44365.00	--
5	ADVERTISEMENT	40372.00	97272.00	56900.00
6	PROPERTY TAX	26965453.00	30379168.00	3413715.00
7	WATER TAX	17180445.00	20316570.00	3136125.00

6)TIME BARRED TAXES;

Code No.7

The following taxes relating to the year of audit must have become barred by limitation of time under section 365(1) of AP.Municipalities Act 1965 during the year under report.

Sl	Name of TAX	Year	Amount
1	PROPERTY TAX	The break amounts year wise for Property tax not furnished. Further the ADRs of the other receipts not furnished for verification.	
2	PROFESSION TAX		
3	AGL.LAND TAX		
4	ENCROACHMENT FE		
5	VLT		
6	LEASES		
7	D&O TREADES		

Due to non-maintenance of A.D.R.S.,(except property tax) the time barred taxes could not be arrived at.

No coercive steps like recovery through distraint, prosecution, fitting suits as laid down under Section 365 of AP.Municipalites Act 1965 appeared to have been taken to avoid loss to Municipal funds. These taxes cannot be covered now and as such constituted, loss which will have to be made good from the person(s) responsible under intimation to audit.

(Code No.7)

6.a) PROPERTY TAX - Demand, Collection and Balance - Balance need realization : Rs.23,75,222.00

As verified from the Property Tax Demand Register for the year 2016-17, an amount of Rs.2,80,15,595.00 was fixed as demand during the year 2016-17, Out of which an amount of Rs.2,56,08,115.00 was collected and remaining a Balance of Rs.23,75,222.00 (rebate @Rs.32258.00 left as un-collected as on 31.3.2017 as the statement issued by the Commissioner, municipality. The same to be collect with penalty under intimation to audit.

	Year	Demand (Rs)	Collection(Rs)	Rebate (Rs)	Balance(Rs)
TOTAL	2016.17	2,80,15,595.00	2,56,08,115.00	32,258.00	23,75,222.00

6.b) PROPERTY TAX - Arrear Demand :Rs.47,06,610.00 (Code 7)

As verified from the Property Tax Arrear Demand Register for the year 2016-17, an amount of Rs.6063998.00 was fixed as demand upto the year 2015-16, Out of which an amount of Rs.1357338.00 was collected and remaining a Balance of Rs.4706610.00 left as un-collected as on 31.3.2017 as the statement issued by the Commissioner, Municipality. The same to be collect with penalty under intimation to audit.

As verified the arrear demand register, it was noticed that amounts collected were not posted properly in the arrear demand and also arrear demand register for the previous year 2015-16 for not produced to audit. Due to non-production of arrear demand register upto 2015-16, the outstanding Property tax could not be verified with reference to the arrear demand.

	Year	Demand (Rs)	Collection(Rs)	Balance(Rs)
TOTAL	Upto 2015.16	60,63,998.00	13,57,338.00	47,06,610.00

(Code No.7)

6.c) WATR TAX - Demand, Collection and Balance - Balance need realization : Rs. 55,98,455.00

As verified from the Water Tax Demand Register for the year 2016-17, an amount of Rs.2,04,36,650.00 was fixed as demand during the year 2016-17, Out of which an amount of Rs. 1,48,38,195.00 was collected and remaining a Balance of Rs.55,98,455.00 left as un-collected as on 31.3.2017 as the statement issued by the Commissioner, municipality. The same to be collect under intimation to audit.

Water Tax	Year	Demand (Rs)	Collection(Rs)	Balance(Rs)
TOTAL	2016.17	2,04,36,650.00	1,48,38,195.00	55,98,455.00

The Executive authorities may be verified as above under intimation to audit.

6.d) WATR TAX - Arrear Demand : Rs. 50,98,591.00 (Code 7)

As verified from the WATR TAX Arrear Demand Register for the year 2016-17, an amount of Rs.74,40,841.00 was fixed as demand upto the year 2015-16, Out of which an amount of Rs.23,42,250.00 was collected and remaining a Balance of Rs.50,98,591.00 left as un-collected as on 31.3.2017 as the statement issued by the Commissioner, municipality. The same to be collect under intimation to audit.

As verified the arrear demand register, it was noticed that amounts collected were not posted properly in the arrear demand and also arrear demand register for the previous year 2015-16 for not produced to audit. Due to non-production of arrear demand register upto 2015-16, the outstanding Water tax could not be verified with reference to the arrear demand.

Water Tax	Year	Demand (Rs)	Collection(Rs)	Balance(Rs)
TOTAL	Upto 2015.16	74,40,841.00	23,42,250.00	50,98,591.00

CODE:07

6.e) BUILDING APPROVALS IN UNAPPROVED LAYOUTS- 14% ON PRESENT MARKET VALUE OF SITE AND BETTERMENT CHARGES ARE NOT COLLECTED- LOSS AND OTHER DEFECTS NOTICED-NEEDS ACTION:-RS.105112.00

In audit as seen from the building applications several plans were falls in unapproved layouts for which 14% of the present market value of the site cost shall be collected. The departmental minutes communicated during the years 2010 and 2016 and it was instructed to collect the said fee without fail. As observed from few the 14% on market value collected in short to u tune of Rs.105112.00 which needs

to be recovered from the reasoned and remitted to the municipal funds under intimation to audit.

Sl.No	BA No	Plinth area in (Sqm)	Present market value per (Sqm)	14% to be collected	Actual collected	Short
1	17/2016	175.58	2700.00	13169.00	--	13169.00
2	14/2016	139.29	2500.00	58307.00	55674.00	2633.00
3	18/2016	90.36	2700.00	40714.00	38092.00	2622.00
4	19/2016	140.37	2700.00	63460.00	50232.00	13228.00
5	20/2016	135.82	2700.00	61403.00	56929.00	4474.00
6	23/2016	70.27	2700.00	31768.00	28046.00	3722.00
7	24/2016	60.96	2700.00	27559.00	23023.00	4536.00
8	25/2016	60.96	2700.00	27559.00	23023.00	4536.00
9	28/2016	61.58	2700.00	27826.00	23442.00	4384.00
10	30/2016	71.15	2700.00	32166.00	27628.00	4538.00
11	34/2016	120.70	2700.00	54567.00	50651.00	3916.00
12	35/2016	80.50	2700.00	36393.00	31194.00	5199.00
13	32/2016	364.46	2700.00	164858.00	152789.00	12069.00
14	40/2016	282.44	2700.00	127688.00	118464.00	9224.00
15	41/2016	191.30	2700.00	86484.00	69622.00	16862.00
					Total	105112.00

CODE NO.7

6.f)NON COLLECTION OF MARKET FEE – NEEDS COLLECTION. Rs.138335/-.

During the course of audit as verified the Market rents and leases with reference to cash book and connected files then the Executive authorities (Revenue) not collected an amount of Rs.138335/- (Statement was enclosed) during the year.

S.No	Description	Demand	Collection	Balance
1	Markets	4130020	3991685	138335

Executive authorities did not explain the reasons for non collection amount.

Hence early action would need to collect the amount as per Government rules laid down by time to time with penal interest for delay of remittance and same to be intimation to audit.

CODE:07

6.g)NON COLLECTION OF SHOP ROOM RENTS – DETAILS NOT KNOWN – NEEDS COLLECTION. RS.257600.00

During the course of audit as verified the DCB register of shop rooms and connected files shop rooms Numbers from 1 to 29 shown as vacant from 01.04.2016 to 31.07.2016 and collection was made from the month of August 2016 to March 2017 (Statement was enclosed).

S.No	Shop Rooms Nos	ST	Rent per month	Total
1	1 x 2500	375	2875x4	11500
	1A x 2500	375	2875x4	11500
	2 x 2500	375	2875x4	11500
	3 x 2500	375	2875x4	11500
	4 x 2500	375	2875x4	11500
	5 x 2500	375	2875x4	11500
	6 x 2500	375	2875x4	11500
	7 x 2500	375	2875x4	11500
	8 x 2500	375	2875x4	11500
	9 x 2500	375	2875x4	11500
	10 x 2500	375	2875x4	11500
	11 x 2500	375	2875x4	11500
	12 x 2500	375	2875x4	11500
	13 x 2500	375	2875x4	11500
	14 x 2500	375	2875x4	11500
	15 x 2500	375	2875x4	11500
	16 x 2500	375	2875x4	11500
	17 x 2500	375	2875x4	11500
	First Floor			
	1	150	1150 x 4	4600
	5	150	1150 x 4	4600
	14	150	1150 x 4	4600
	Back side			
	1A x 1000	150	1150 x 4	4600
	5A x 1000	150	1150 x 4	4600
	9A x 1000	150	1150 x 4	4600
	10A x 1000	150	1150 x 4	4600
	10B x 1000	150	1150 x 4	4600
	12A x 1000	150	1150 x 4	4600
	15A x 1000	150	1150 x 4	4600
	17A x 1000	150	1150 x 4	4600
				257600

But Executive authorities did not explain the rational reasons for vacant of above said period. Hence it could not be certify the correctness of receipts during the year and also early action would need to taken recover the amount from person or persons held responsible under intimation to audit.

7)Advances- Advances pending adjustment Rs.8,70,000.00

On verification of the the cash book and vouchers the expenditure incurred under the payment of advances it was noticed that the advances under Different Works sanctioned to Muncipal Staff as detailed below and not adjusted till the close of audit

Vrno&Date	Particulars	Amount
09/23.3.17 E seva A/C	Advance Sanctioned to Sri.V.RajeshSharooof	20000.00
10/23.3.17	Advance sanctioned to Sri S.Thirupal Reddy towards Refreshment Purpose in Election programme	200000.00
12/24.3.17	Advance sanctioned for Purchase of Election Material Sri.V.Ramana J.A	30000.00
13/30.3.17	Advance sanctioned to Sri.V.RajeshSharooof towards renumeration to polling and Counting staff	60000.00
97/30.3.17 New Veegitable Market A/C	Advance Sanctoned to Sri.G.Rachaiah MAE towards polling booth distribution and counting centers	50000.00
163/11.1.17 Function Hall A/C	Advance Sanctioned Sri.Venkatarshimha Reddy S.I Towards for JanmabhommimavuruProgramme held on 2.1.17 to 11.1.17	50000.00
01/25.6.16 Night shelter A/c	Advance to Sparsha the welfare socity for providing night shelter for urban home less people	240000.00
09/8.8.16TPDF A/c	Advance towards for maintainance of smart pulse survey	200000.00
59/30.12.16	Advance sanctioned to Sanatary Workers towards science congress exhibhitionProgramma	20000.00
	Total	8,70000.00

As per the general provisions contained in AP Financial code Vol-I The Advances should be adjusted with in 3 months other wise the advances have to be recovered and credited to the funds

Hence early action would need to be taken to got the advance adjusted under intimation to audit

8)MUNICIPAL COUNCIL - EARMARKED FUNDS NOT ALLOCATED ;

The Earmarked funds for the year 2016-17, from out of the funds from General Revenue of the Municipal Council were not allocated for the developmental activities of SCs, STs and Women and Child welfare as detailed below as per the Government instructions issued in G.O.Rt.No.2023 of M.A and (UDCH) Dept., dated 31.12.1986.

15% on the developmental activities of S.Cs.,

05% for Women and Child welfare

04% on the developmental activities of S.Ts.,

Due to non-allocation of earmarked funds the particulars of expenditure incurred if any towards the betterment of specified communities could not be verified in audit.

(Code No.9)

8.a) WATER METER RATES – METER READING CARDS & REGISTERS PRESCRIBED – NOT MAINTAINED – VIOLATION OF RULES – NEEDS IMMEDIATE ACTION;

METER REGISTER;

Meters issued to various houses are entered in the Register. Among various details, register includes date of application for meter, date of providing meter and diameter of meter. But the date of providing meter and diameter of meter was not recorded in the Meter Register.

METER READING CARD ;

Wherever tap is provided on meter basis, it is necessary that the water consumed has to be recorded every month. This card provides a record of water consumed. The meters are read by Meter Reader once in a month and the readings (units) will be noted in the Meter Reading cards. The meter reading cards have to be maintained in duplicate, one card has to be given to the owner and the other card will be sent to the municipal office.

METER REGISTER;

Based on the entries in the Meter Reading card, the demand will be fixed and entered in the relevant register i.e., Meter Ledger.

(Code No.9)

8.b)DEPOSITS OVER THREE YEARS LAPSED- DETAILS NOT PRODUCED ;

The Deposits which are pending refunded over three years would become lapsed and transferred to other funds or other account. A separate register would need to be maintained for lapsed deposits. Early action would need to be taken to maintain the Lapsed Deposit Register not produced for audit.

(Code No.9)

8.c) PROVIDENT FUND ACCOUNT OF EMPLOYEES NOT MAINTAINED ;

During the course of audit, it was noticed that the provident fund in respect of employees working in Municipal Council / Municipality recovery was compulsorily and contributions have to be recovered from the salaries of employees every month as measure of welfare of family of employees.

Such deductions were made from the salary bills and PF accounts have also not been maintained separately. Immediate action has to be taken in this regard to open provident fund accounts for all the employees and fact intimated to audit along with reasons for non-implementation of the Government orders issued from time to time.

The loss if any sustained to the Municipal funds due to non-maintenance of the PF account of the employees, the same would need to be made from the person(s) responsible and remitted the same to Municipal funds under intimation to audit.

Code:09

8.d)Grants – Grants Registers not maintained properly – Grants adjusted to Corporation not brought to Register – Variations in Annual Account to be revised.

On verification of the grants registers it is observed that Accounts Section has not paid any attention in connection with the positing of grants received, amount utilized and amount left over. Abstracts were not made relating to each grant for the year 2016-17. This aspect has come to light during the verification of Annual Account with reference to the grants register. Some of the grants adjusted to municipal funds under various schemes are not brought to the register of grants maintained during the year under audit, which is highly irregular. We observed that many of the grants taken to the account do not appear in the grants register.

Compensatory grants received are being taken only on the basis of the receipts received but the details of actual calculation of the amounts receivable from various departments is not being done.

8.e) ESTABLISHMENT AUDIT REGISTER NOT UP-DATED WITH PROPER CERTIFICATION :

During the verification of Establishment section of Municipal Council, Tadipatri 2016-17, the Establishment Audit Register was not updated with proper attestation / certification by the concerned Executive authorities. The same should be maintained as detailed hereunder;

The Establishment Audit Register will facilitate the check of monthly bills of employees' salaries. One page has to be set apart for each section of the Establishment. All sections in the establishment will be entered consecutively in individual pages and 'one page will be left for total establishment. The sections have to correspond with the establishment bills. The Establishment will be arranged in the order of major and minor heads of account and a page will be left blank after each major head to enable entry of subsequent sanctions.

The details of various posts, sanction orders, scale of pay of each post, eligible allowances etc., have to be entered. Similarly, the details of each person, his date of appointment / promotion / reversion / transfer, date of relief, date of joining etc., shall also be noted. The Gross bill amount has to be noted in the register. The payments made on Establishment bills will be entered in the Establishment Audit Register immediately after the bills are checked (with reference to sanction orders, scale of Pay etc., as per the register) and passed for payment. This practice ensures the objective of preventing double payment.

The Executive authority to take immediate action for maintenance of Establishment Audit Register as above and produced to audit for verification.

Code No.9

8.f) Non-Utilization of Amounts collected towards Rain Water Harvesting Structures for the Intended purpose – Needs Action :

During the course of audit, it was noticed that building licence fee from the applicants who are seeking approval of House plans and permission for construction houses / Apartments being collected along with Rain Water Harvesting Structures / pits for ground water recharging and preventing depletion of ground water in the permission of Houses @Rs.25/- per Sq.meter. But the records are evident that the amount collected for the above purpose was not kept in separate account, but credited to general funds. Amount collected was not utilized for the purpose for which the applicants paid the same. New constructions of Rain Water Harvesting Structures and Tree guards to the house in spite of the collection of amount from the House owners was not in order. Diverting the public money by keeping in the General funds without utilizing for the purpose for which collection was made towards construction of Rain Water Harvesting Structures is irregular.

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

8.g) Town Planning – Approval of Building Plans – LabourCess not Collected - Needs Action.

As verified from the Building application register & files, it is noticed that labourcess of 1% was not recovered and remitted to labour welfare department on the Building Plans approved and submitted by the owners of the buildings. As per GO.Ms.No :59 Labour and Welfare Department Dated: 26-06-2007 and circular memo 54731 Labour II/A1/07-04. Date : 3.01.2008 of LFT and F circular number 4763/PFJ/FA/F1-07 Date: 04.02.2008. It of total value not work was not recovered and remitted to concerned department. Hence necessary steps may be taken to recover Labourcess on the value of construction.

Code No.9

8.h)Erection of Cell Towers – Non-Initiation of Required – Needs Action:

The following audit observations were made during the scrutiny of the records pertaining to Revenue & Town Planning;

1) a) Survey was not conducted for identification of cell towers erected by the cell companies and the details of cell towers erected (viz) Name of cell company which erected particulars of owner of the building on the top of which towers were erected, address of the building property tax assessment number and property tax being paid were not obtained and showed.

b) Notices were not issued to the cell company / House owner to obtain the required permission by the Municipal corporation and for payment of required fee.

2) The buildings on the top of which cell towers were erected were not declared as commercial building and not recorded. So in the records of property tax wing it is the failure of revenue section and loss revenue to municipal corporation.

3) The property tax as applicable in respect of commercial / Non-residential buildings was not being collected from the date of erection of cell tower by the company on the top of buildings. Reasons for non-collection of differential PT from the House owners were not available on record.

Action would need to be taken to furnish the particulars of such buildings to the Revenue section to assess tax on commercial buildings and report the compliance to audit.

8.i)TOWN PLANNING-BUILDING APPLICATIONS-NOTARIZED DOCUMENTS
NOT ENCLOSED:-

As prescribed in Go.Ms.No.569 of MA&UD(A1) dated 23.8.2008 the following declaration shall be notarized and enclosed to the plans

The owner and builder / developer shall give an Affidavit duly Notarised to the effect that in the case of any violation from the sanctioned building plan, the Enforcement Authority shall summarily demolish the violated portion. In respect of Apartment Buildings, the owner or builder shall give a Declaration duly specifying the number of floors permitted, along with the extent of each floor. In case of any violation with regard to the Declaration, the Enforcement Authority shall summarily demolish the violations.

b) Before the release of the building sanction by the sanctioning authority, the owner of the plot/site is not only required to produce the original registered Sale Deed, and also required to demarcate the setbacks and open spaces on the site. The original sale deed is required for the perusal of the sanctioning authority and cross verification with the attested copy submitted with the building application.

c) The owner is required to hand over the ground floor area or first floor or the second floor area, as the case may be, or 10% of the total built-up area, whichever is less, to the sanctioning authority by way of a Notarised Affidavit and after the setbacks and open spaces are demarcated on the site. The Notarised Affidavit shall be got entered by the sanctioning authority in the Prohibitory Property Watch Register of the Registration Department. Only after compliance of the above and (b), the Building sanction will be released by the sanctioning authority and the owner shall be allowed to commence the construction.

d) In respect of gated development schemes like row houses / independent houses / cluster housing / residential enclaves, instead of the condition at c) above, 5% of the built units shall be handed over to sanctioning authority by way of a Notarized Affidavit.

The above bonds were missing for several applications, but same were approved by the EA which is contrary. Loss if any sustains or any legal consequences will arise, the same would make good from the reasoned and early action may be taken to obtain notarized bonds from the applicants on early dates. The EA is instructed to discontinue the future sanctions without furnishing the said bonds.

CODE:9

8.j)OCCUPANCY CERTIFICATE NOT ISSUED BY THE CONCERNED-IRREGULAR:-

As per GO.MS.No. 569 of MA&UD(A1) dated 23.8.2008 the occupation certificates must issued to the occupier after completion of building construction as detailed under.

(i) Occupancy Certificate shall be mandatory for all buildings. No person shall occupy or allow any other person to occupy any building or part of a building for any purpose unless such building has been granted an Occupancy Certificate by the Sanctioning Authority. Partial Occupancy Certificate may be considered by the sanctioning authority on merits, i.e. flats / units or area within a Complex which have fulfilled all the requirements in addition to basic facilities like lifts, water supply, sanitation, drainage, roads, common lighting, etc.

(ii) The owner shall submit a notice of completion through the registered architect and licensed builder/developer along with prescribed documents and plans to the Sanctioning Authority. The Sanctioning Authority on receipt of such notice of completion shall undertake inspection with regard to the following aspects:

(a) Number of floors

(b) External setbacks

(c) Parking space provision

(d) Abutting road width and shall communicate the approval or refusal of the Occupancy Certificate within 15 days or may issue the same after levying and collecting compounding fee, if any as prescribed by the Govt.

But the action taken as per above was not disclosed to audit. The EA should sternly order the concerned to look into the matter strictly in future under intimation to audit.

CODE:09

8.k)IRREGULAR MAINTENANCE OF LOG BOOKS AND OTHER DEFECTS-NEEDS ACTION:-

As could be seen from the log books of public health Autos, Tractors etc., it was maintained in asymmetrical way as detailed under.

The speedometer readings were not written up in the log books. The no. of trips toured and fuel utilized was only exhibited. The actual kilometers toured and consumption of fuel for the same was not in it.

The garbage vehicles are touring only 1or2 trips in a day and the extract of garbage is in accordance to the target was not confirmed.

The fuel tank capacities of the vehicles should be recorded in the log book and fuel filling should be as per the requirements and capacities of storage.

Due to non maintenance of aforesaid the correctness of the amounts spent for the fuel charges etc., could not be appraised in audit. Hence it is suggested to maintain the log books in appropriate method and produced for verification.

CODE:09

8.I)SERVICE TAX ADDED AND DEDUCTED-EXEMPTION NOT AVAILED-IRREGULAR:-R.2059554.00

As seen from the files of out sourcing employees who were engaged from Indiramma Labor Samachya (both Public health and Engineering), the service tax provided in the Lump sum provision in accordance to the same it was deducted and remitted to the concerned head of account during the year as detailed below. As per the notification no.25/2012 of service tax, there is an exemption for sanitation conservancy, solid waste management, water supply etc., which entrusted to the municipality. But here in the institution the same was added and deducted to a tune of Rs. 2059554.00 and remitted to the concerned head of account which is contrary to the rules. Hence early action shall be initiated to recoup the amounts or else recovered from the responsible that are not intended to utilize the scope as stated in the service tax rules under intimation to audit.

Sl.No	Date	BSR Code	Challan number	Amount
1	26/04/2016	923	01	207242.00
2	26/04/2016	923	02	134725.00
3	14/06/2016	923	01	132230.00
4	14/06/2016	923	02	208112.00
5	13/07/2016	923	03	141440.00
6	13/07/2016	923	05	171483.00
7	13/07/2016	923	02	35360.00
8	13/07/2016	923	04	148240.00
9	13/07/2016	923	07	172529.00
10	12/08/2016	923	01	146132.00
11	12/08/2016	923	02	171835.00
12	12/08/2016	923	03	35360.00
13	22/09/2016	923	01	172584.00
14	29/09/2016	923	03	35360.00
15	01/10/2016	923	04	146922.00
			Total	2059554.00

The exemption will be applied since the issue of notification and hence the implementations shall be accorded for all remittances of service tax i.e., prior and after audit period involvements.

8.m)WAGES- EXTRA WAGES ENGAGED-STATUTORY RECOVERIES NOT IMPOSED-NEEDS ACTION:-

In audit as seen from the cash book and paid vouchers it was found that during several occasions additional labours were engaged from IndirammaLabourSamkhya for which statutory recoveries like Income tax, ESI, EPF etc., were not recovered. The reason for said practice was not explained in audit. The authority if any to exempt the recoveries was not forthcoming in audit. In the absence of the same there is a scope of excess payment which needs to be worked out, recovered and remitted to the concerned head of account by intimating the facts to audit.

Sl.No	Vr.No&Date	Particulars	Amount paid
1	19/5.9.2016	Supply of 2 labours in 6/2016 for 26 days	16588.00
2	20/5.9.2016	Supply of 1 labours in 7/2016 for 26 days	8294.00
3	23/1.11.2016	Supply of 25 labours 5.9.2016 to 10.9.2016	47850.00
4	03/ 10.2016 (2 nd E-Seva)	Supply of 25 labours 1.8.2016 to 6.8.2016	47850.00
5	16/03.17 (2 nd E-Seva)	Supply of 5 labours 1.12.2016 to 31.12.2016	16588.00
6	78/05.2016 (001)	Supply of 25 labours 2.5.2016 to 7.5.2016	47850.00
7	92/21.6.2016(001)	Supply of 25 labours 23.5.2016 to 28.5.2016	47850.00
8	94/21.6.2016(001)	Supply of 25 labours 1.5.2016 to 31.5.2016	16588.00

CODE:09

8.n)TOWN PLANNING-UN AUTHORIZED CONSTRUCTION- SLACKNESS IN ORGANISM:-

As per the Government instructions for Un-authorized construction, the property tax will be imposed 100% of additional on actual.

In audit, the information in respect of Un-authorized constructions which were taxed during the financial year 2017-18 obtained from the Taxation department of Mpl council, where in it was found that there are 278 nos were constructed without getting permission/rejected from the Municipal authorities. As per rules the authorities must issue the notices to the un-authorized buildings and stopped subsequently till getting the permission. The town planning authorities have not disclosed any information regarding the action taken against the un-authorized constructions due to which the mpl council slacks the revenue in the way of license fee, development charges etc.,

Hence it is instructed to take timely action against the un-authorized constructions in future and pull those which are already constructed in to the shade of imposition as per the guidelines issued by the govt time to time under intimation to audit.

CODE:09

8.o)WATER TAP CONNECTIONS – WATER TAX – DEMAND NOT TAKEN – LOSS TO THE INSTITUTION – IRREGULAR – NEEDS IMMEDIATE ACTION:

On verification of the Register of Water Tap Donation it is noticed on a random check that in the following issues noted in the Annexure enclosed the tap connections were issued but the Water Tax Demand was not fixed from the date of issue till the close of audit for the year 2016-2017. As such, loss was sustained to the Municipal Council, Tadipatri.

Further it is noticed that the assessment numbers are not given to the above with effect from the date of sanction of water tap to them.

Therefore, suitable action would need to be taken on the above and also to verify other sanctions and to take the Demand with effect from the date of sanction of water tap connections to them and worked out the amount from the date of sanction. The same would need to be recovered from the owners and person/persons responsible and credit the same to the Municipal Council immediately under intimation to audit.

(Code No:9)

8.p)WATER TAX – DCB REGISTERS OF WATER TAX AND EXCESS WATER CHARGES BOTH CURRENT AND ARREARS NOT UPDATED - POSTINGS NOT DONE AND TOTALS NOT MADE – REGISTER OF WATER TAP CONNECTIONSAND REGISTER OF WATER METERS NOT PRODUCED:

As the DCB registers of water tax and excess water charges and register of water tap connections given and register of water meters fixed were not produced to audit, the following points were not noticed and certified in audit.

1. Demand, Collection and Balance of the Current and arrears not known.
2. Balances at the end of year not available
3. Page wise and ward wise abstract not seen.
4. Challan Registers for the taxes and charges collected were not produced.
5. Outstanding bills, write off if any not made available.
6. Details of the amounts collected through e-SEVA not shown.
7. Number of years from which the arrears of water tax and charges are pending not known.
8. Registers of water meters fixed and tap connection given not produced.
9. Records relating to number of lodges, hotels, hospitals, apartments, Mills, Private Colleges & hostels to which the water tap connections were given and meters fixed were not produced.

In view of the above lapses the Demand, Collection and Balance of the water tax and excess water charges could not be verified and certified in the audit. Any loss noticed in this regard, action would need to be initiated on the responsible persons.

CODE:09

8.q)PUBLIC HEALTH- ARTICLES PURCHASED FROM THE CO-OPERATIVE CENTRAL STORES- IMPROPER PROCEDURE-NEEDS ACTION:-

In audit as seen from the paid vouchers, the public health articles like oils, chemicals, cloths, sanitary wears and materials etc., are purchased from the Co-operative central stores, Tadipatri. The said firm is not active now a days and it is completely meant to supply provisions and stationary. The purchase bills enclosed to the vouchers do not consist of APGST/TAN. The material purchased from the said firm in view of that it is a government firm and to avoid tenders and quotations where ever required.

The financial rules say that the purchases shall be made from the certified dealers or from small scale industries, Jail departments etc., who were authorized to manufacture or supply the articles. The facts are not come across in audit to prove the capability of the institution to supply the chemicals like M.L oils, Malathin oils, Tenophase, Bleaching, Phenoil, Lime powder and articles like Broom sticks, Chappals, Shoes, Cloths etc., As per the available information the Co-Operative

stores purchasing from other sellers and supplied to mpl council with their bill face due to which the cost of the material will be higher than actual in market.

In view of all aforesaid it is instructed to acquire the public health articles from the authorized dealers in bulk by assessing requirement per the year by inviting tenders/quotations as per rules in force in future under intimation to audit.

CODE NO.11

9)INVESTEMENT - REGISTER OF INVESTMENTS NOT MAINTAINED PROPERLY.

During the course of audit, it was noticed that the register of investments was not maintained properly duly striking of the final abstract of all investments made during the year under the signature of Executive Authority.

Action would need to be taken written up the register of investments and produced for verification.

In the absence of the register of investments, the details of amounts invested, amounts realized, and dates of maturity etc., could not be verified in audit.

CODE:11

9.a)TOWN PLANNING-BPS&LRS FILES NOT PRODUCED:-

The files pertaining building penalization scheme and Layout regularization scheme were not furnished to audit. In the absence of the same the correctness of amount received from the applicants towards penalizations and decisions whether taken as per rules and timely amendments issued could not be verified in audit. Loss if any incurred due to non-production of said files that would made good from the reasoned. Early action may be taken to produce the files for verification in audit.

CODE:11

9.b)ENCROACHMENT FEE & ADVERTISEMENT CHARGES:-

In audit as seen from the encroachments register it was found that very negligible assessments are taken to demand i.e., Rs.7680.00 under permanent encroachments and Rs.36685.00 under temporary encroachments. The municipal authorities have to focus on the encroachments by conducting proper survey and the demand should be updated according to the actual assessments.

Further the advertisement charges register not been updated and produced for verification. The status of collection under this head of account was also not disclosed to the audit. Hence early action shall be taken to produce the same for verification.

CODE:11**9.c)REMITTANCES LIKE EPF,ESI ETC.,-CONNECTED CHALLANS WANTING:-****Rs.977536.00**

In audit the remittance challans like ESI, EPF deductions of the out sourcing workers as detailed under not furnished for verification. Early action would need to be taken produce the same.

Sl.No	Voucher no& date	Particulars	Amount involved
1	14/05.2016	EPF for the month of 6/2016	429271.00
2	11/04.2016	ESI for the month of 3/2016	108991.00
3	36/6.2016	Income tax	83042.00
4	44/6.2016	EPF for the month of 5/2016	188768.00
5	--do--	EPF for the month of 6/2016	167464.00
		Total	977536.00

Code No.11

9.d) DEPOSITS – REGISTER NOT PRODUCED – LOSS IF ANY SUSTAINED TO MUNICIPAL FUNDS – NEEDS TO TAKE SUITABLE ACTION TO MAINTAINED;

During the course of audit, the deposits register was not made available for verification. Due to non-production of the deposits register, it could not be verified in audit that the procedure prescribed in maintenance of deposits register as detailed hereunder. In the absence of the deposits register the genuineness of the transactions made during the year under report could not be certified in audit. The loss if any sustained to the municipal funds. The same would need to be recovered from the concerned besides imitation of suitable action against the concerned.

- a. That no item of receipt which can be clearly brought to account under the concerned head. Pay, pension, leave salary or other allowance and fines is credited to deposits.
- b. That the written orders of the executive authority have been obtained in respect of every item credited to deposits.
- c. That separate registers or separate pages of the register have been set up for deposits, such as election deposits, contractors deposits, security deposits in cash of mpl.employees etc.,
- d. That transaction relating to deposits otherwise than in cash have been recorded in a separate register maintained for the purpose.

II. That deposits taken from contractors, tenderers, mpl.employees were in the form prescribed in the rules.

a,. That the deposits received in cash have been promptly remitted into the try., and those received otherwise that in cash have been kept by the executive authority in safe custody.

b.That any deposit or balance there of which was remained unclaimed for a period 3 years from the date on which it became repayable and any deposit or balance there of which does not exceed one rupee and which has remained unclaimed for a period of one year from the date on which it became repayable have been credited to the appropriate revenue head of account, sanction of the council.

c. that the refunds have been drawn on prompt vouchers

d. That monthly totals of receipts and refunds have been made in the deposits register and they agree with the figures appearing in the posting register.

Due to non-production of the deposit register, it could not be verified in audit.Whether the said procedure was followed or not.,

Code No.11

9.e)ADVANCES - REGISTER OF ADVANCES PAID AND RECOVERED NOT PRODUCED – LOSS IF ANY SUSTAINED NEDS RECOVERY FROM THE CONCERNED AND REMITTED TO CONNECTED FUNDS OF MUNICIPALITY

During the course of audit, the register of Advances paid and recovered (with opening balance and closing balance) pertaining General fund works and scheme fund works executed under Tender system, departmental system was not made available for verification in audit.

The details of advances paid to contractors and departmental persons towards execution of works under scheme funds and general funds and their recoveries could also be not verified in audit due to non-production of the advance register showing the advance payments recoveries of advances during the year with the balances as on 1st April to 31st March respectively.

In absence of this important register, the losses if any sustained to Municipal funds i.e., both general and scheme funds could also be not verified. If any irregularities are noticed later, the same would need to be made good from the concerned and remitted to connected funds of the municipality under intimation to audit.

Code No.11

9.f)WATER TAX BYE-LAWS NOT PRODUCED ;

The bye-laws of water tax were not produced to audit to verify the conditions and the rates fixed to collect water tax.

Further, as verified the demand register, the register was not maintained category-wise

In the absence of the Bye-Laws whether the water tax has been collected as per the bye-laws or not could not be verified. If any loss sustained the same would need to be verified and made good from the persons responsible.

Code No.11)

9.g) D.D.s AND CHEQUES RECOVERED REGISTER NOT PRODUCED:

Register showing the cheques and Demand Draft prescribed as per Annexure-10 of APT(FORM-14) was not made available for verification in audit . In the absence of this important register, the details pertaining to DDs and cheques received could not be verified in audit. Loss if any sustained to the municipal funds could also be not verified due to non-production of register. If any financial irregularities are noticed the same would need to be made good from the concerned.

(Code No.11)

9.h) REGISTER OF TOOLS AND PLANTS NOT PRODUCED:

Due to non-production of this register, the following observations could not be made:

- i) That the register contains a complete record of tools furniture etc., as mentioned in the note under the heading of the register
- ii) That all tools and plant, like stock etc., purchased during the year according to payment vouchers have been shown in the register
- iii) That the purchase of tools and plant, like stock or and sales if any thereof as being unserviceable have been made with competent authority
- iv) That credits are traceable in the a/cs for are sale proceeds of unserviceable tools etc.
- v) That the certificate has been furnished by the executive authority or other responsible officer as to the actual verification of the balance on land.
- vi) That separate register or separate sets of pages in a register are set apart for recording tools and pant in various subordinate institutions
- vii) That the value of tools and plant found short at the time verification is recovered from the concerned or is written off with the competent sanction
- viii) That articles of tools and plant found in excess at the time of verification are brought to account
- ix) That the balance of stock at the end of the year has been entered in a fresh register.

CODE:13

10)WAGES-INCOME TAX ADDED TO THE GROSS-CONTRA- NEEDS RECOVERY:-RS.549341.00

As could be seen from the paid vouchers of the out sourcing labors who were engaged in public health and engineering sections from Indirammalaboursamakhya, the income tax added to the total value of work done @2.66% (as per present slabs the IT shall be deducted @ 2% for firms deals on partnership and 1% from the individual) and deducted which was onward remitted to the income tax department. As per rules the income tax is liable to pay by the contractor and it can be directly deducted from the bills. But here in the case the process was not implemented and arrived from the gross value like Vat, Labor Cess which meant from the Lump sum provision. Due to the said implementation the IT paid to the concerned department behalf of contractor falls excess payment which shall be recovered from the reasoned and remitted to the municipal funds by intimating the facts to the audit.

Vr.No& Date	Income tax for the month	Amount remitted
05/4.2016	March-2016 (PH)	82690.00
51/7.2016	- (PH)	41355.00
42/21.6.2016	May -2016 (PH)	41100.00
36/6.20116	- (PH)	83042.00
05/10.06.2016	June-2016 (Eng)	8670.00
11/10.07.2016	--do--- (Eng)	8670.00
103/08.2016	July-2016 (Eng)	8670.00
05/9.2016	August-2016 (Eng)	36023.00
05/8.2016	--do-- (Eng)	8670.00
03/11.2016	September-2016 (Eng)	8670.00
04/01.2017	November-2016 (Eng)	36315.00
/01.2016	December-2016(Eng)	36875.00
„	---do-- (Eng)	9337.00
„	January-2017 (Eng)	36973.00
„	--do-- (Eng)	9337.00
--	February-2017 (Eng)	37290.00
--	--do-- (Eng)	9031.00
--	March-2017 (Eng)	37016.00
--	--do-- (Eng)	9337.00
	Total	549341.00

The details are shown above basing on the available information during the audit of selected months. If similar cases have been observed the same shall be worked out and recovered.

CODE:13

10.a)WAGES-EXCESS SERVICE CHARGES INVOLVED MORE THAN ELIGIBLE- EXCESS PAYMENT-NEEDS RECOVERY:-

in audit as seen from the paid vouchers and relevant files it was observed that the service charges concluded at 4.50 %, but while payment the percentage calculated at 5% due to which an excess payment incurred at 0.50% in every month of payment which need to be worked out and recovered from the reasoned under intimation to audit.

CODE:18

11)REGISTER OF BUILDING APPLICATION NOT MAINTAINED PROPERLY – NEEDS RECTIFICATION

As verified the building applications register the following defects have been observed.

1. The outdoor staff efforts for reporting the date of completion of occupation.

2. Whether the construction completed in time and in accordance with the approved plans not noted.

3. Date of expiry of license not noted.

4. If not completed in time, the subsequent action taken not noted.

5. Communication of completion report not noted against the construction not completed within time.

6. If the Building application refused the grounds for refusal not noted

7. If the work is commenced un-authorisedly in any case the action taken for regulation etc., not noted.

8. Whether all the completed constructions were taken for assessment of property tax.

9. Date of renewal of license if any not noted for the incomplete construction and also grant of extension of period if any

10. Whether permission obtained for use of water during construction if any not noted.

Therefore, the above information renewal that the register was not maintained properly. The same would need to be rectified and produced to audit early.

Code.18

11.a)ANNUAL ACCOUNT – STATEMENT TO BE APPENDED WITH ANNUAL ACCOUNT NOT PRODUCED

The following statement vide G.O.Ms.No.42 MA dt.20/1/070 has to be appended to the detailed annual account were prepared and produced to audit despite specific requests made in this regard.

- 1 Endowment Account
- 2 Scavenging
- 3 Account showing the transactions of the fund earmarked for expenditure on the public health
- 4 Statement showing the investment transaction of the fund earmarked for expenditure on the public health
- 5 Special Government grants account for capital works and other special purpose
- 6 Loan account
- 7 Loan Statement
- 8 Investment account
- 9 Demand collection and balance statement

- 10 Statement of Assets and Liabilities
- 11 Statement furnishing the particulars of each Medical institution
- 12 Abstract of pension cum gratuity fund
- 13 Abstract of transaction under advance

Hence necessary steps need to be taken to produce the above statements immediately to audit.

ENGINEERING SECTION:

- 1 Register of road cutting work
- 2 Register of contractors & contractor's ledger.
- 3 Register of roads
- 4 Register of buildings
- 5 Register of immovable properties
- 6 Register of EMD & FSD deposits

ACCOUNTS SECTION:

- 1 Posting register of receipts and charges
- 2 Register of loans
- 3 Register of saving deposits of employees
- 4 Stock register of tools and plants
- 5 Establishment audit register
- 6 Demand register of pensionary contribution
- 7 Register of transfers
- 8 Register of appeals
- 9 Register of grants appropriation
- 10 Register of lapsed deposits
- 11 Register of revenue yielding properties

Several half margin letters were issued to concerned authorities of Municipal Corporation for production of records. But no action was taken either to furnish the replies or to produce the records. Due to non-maintenance and produced the same loss of revenue if any could not be verified.

Hence action would need to be taken by the executive authority for production of records. Loss if any caused needs to be recovered from the person or persons responsible.

11.b)REGISTERS NOT MAINTAINED AND PRODUCED

The following registers which were prescribed by the government were not maintained and produced for verification in audit. Early action would need to be taken to produce the same duly certified by the commissioner.

REVENUE SECTION

- 1) Cheques deposit register.
- 2) Bounced cheques register.
- 3) Self assessment registers.
- 4) Register of enhanced tax notices issued.
- 5) Suits register.
- 6) Field books of the bill collectors.
- 7) Outstanding bill book register.
- 8) Register of write off and remissions.
- 9) Vacancy remission registers.
- 10) Mutation registers.

TOWN PLANNING SECTION

- 1) Register of plans sanctioned during the year.
- 2) Register of completion report issued.
- 3) Register of completion certificate sent to the revenue section.
- 4) Register of Encroachment fee
- 5) Demand register of cable TV collections
- 6) Register of demolitions
- 7) Certified demand register of advertisement tax
- 8) All Arrear demand registers

PUBLIC HEALTH SECTION

- 1) Garbage lifting register.
- 2) Cheques register.
- 3) Register of trade license issued.
- 4) Register of compost.

Accounts & Audit

12)RESULT OF AUDIT;

The General result of audit may be considered as Satisfactory both with regards toAccounts and financial position of the municipality.

13)RECEIPTS AND CHARGES

The Gross and Receipts and Charges of the Municipal General Revenue Fund and Capital Project Fund were noted below;

Sl.No.	Name of the Fund	Receipts (Rs)	Charges(Rs)
1	Municipal General Revenue fund	9,86,85,061.49	11,39,24,382.08
2	Municipal Capital Project fund	18,39,65,948.00	11,22,33,235.64
	GRAND TOTAL	28,26,51,009.49	22,61,57,617.72