

**AUDIT REPORT ON THE ACCOUNTS OF THE
MC CHIRALA MUNICIPAL COUNCIL, CHIRALA MANDAL,
PRAKASAM DISTRICT FOR THE YEAR 2015-16**

File Number : SA/PKM/CHIRALA/MC(3)/MC CHIRALA/2015-16

Name Of the Auditor (s) :

1. Mr/Mrs VENKATA RATNAM - ASSISTANT AUDIT OFFICER

Date Of Audit :

From 13-12-2016 To 28-01-2017

Name (s) of Executive Authorities :

1.Mr M.Ramesh Babu - Chairman From 01-04-2015 To 31-03-2016

2.Mrs G.C.Suseelamma - Commissioner From 01-04-2015 To 17-08-2015

3.Mr T.Brahmaiah - Commissioner From 18-08-2015 To 31-03-2016

GENERAL FUND

Para Number : 1

VARIATION IN ACCOUNT FIGURES (Code : 1) Rs : 0

GENERAL FINANCIAL REVIEW:-

The receipts and payments during the year were shown in the Receipts & Payments statement together with the opening and closing balance. The opening balance in the cash book was in agreement with the closing balance of the previous year. The consolidated annual account was showing the closing balance of Rs. 159744120.55 as on 31-3-2016. As verified from the cash book, the cash book was not closed every month. The monthly abstract and yearly abstract was not arrived at and not noted in the cash books. As such the correctness of the closing balance of the cash book could not be certified in audit. Immediately the reconciliation between cash book and pass book would need to be made and produced to audit.

DETAILS OF THE CLOSING BALANCES AS PER RECEIPTS AND PAYMENTS STATEMENT AS ON 31-3-2016:-

SL.NO	DETAILS	MGF	CPF	TOTAL
1	Cash in Hand	1438133.00	0	1438133.00
2	Cash at Bank	112707079.40	45442598	158149677.55
3	Cheque in Hand	156310.00	0	156310.00
	TOTALS	114301522.40	45442598	159744120.55

Details of consolidated closing balances:

CB as per the General Funds Cash Book (001) Rs. 47269622-00

CB as per the General Funds Cash Book (002) Rs. 26372734-00

Closing balance of other funds		Rs.	86101764.55
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	Total	Rs.	159744120.55
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001 PD ACCOUNT			
Opening Balance	Rs.		37884805-00
Receipt		Rs.	52233259-00
Total		Rs.	90118064-00
Expenditure	Rs.		42848442-00
Closing balance	Rs.		47269622-00

RECONCILIATION - 001 ACCOUNT OF MUNICIPAL COUNCIL CHIRALA
FOR THE YEAR

	CB as per cash book as on 31-3-2016	Rs.	47269622
ADD	UNCASHED CHEQUES		
I.	1. 006321/19-4-2012		148212
	2. 006873/8-8-2012		126646
	3. 006938/5-9-2012		91270
	4. 016508/5-3-2014		66808
	5. 016509/5-3-2014		131659
	6. 016510/5-3-2014		26311
	7. 016511/5-3-2014		43279
	8. 008705/29-7-2013		277000
	9. 017040/4-3-2015		123600
	In the month of 9/12 pass book expenditure taken as Rs.18,88,437/- instead of Rs.26,70,521/-	II.	782084
	Difference between C.B as on 31-3-2012 to O.B 1-4-2012 in ST pass book	III.	5569930
	The opening balance in ST Pass book was taken as Rs. 44384986 instead of Rs.43936424 due to receipt adjustment of Rs.448562/- in the month of 4/14	IV	448562

	7835361	7835361
TOTAL		55104983

LESS The following cheques which were not related to this account were encashed in this account

I.	1. 006150/3-4-12	233630	
	2. 006149/3-4-12	29296	
	3. 006145/7-4-12	5779	
	4. 006935/24-8-12	64000	
	5. 020377/24-9-12	1000000	
	6. 016472/8-3-14	13625	
	7. 011482/6-8-2015	42517	
	8. 011629/19-8-2015	11288	
	9. 011483/22-8-2015	104946	
		1505081	1505081

Amount of Rs.65906/- was drawn in Cheque No.08171/25-4-2013 instead of Rs.63906/- 2000

CB AS PER ST PASS BOOK AS ON 31-3-2016 Rs. 53597902

002 PD ACCOUNT

Opening Balance		Rs.	33264569-00
Receipt	Rs.	57880934-00	
Total	Rs.	91145503-00	
Expenditure	Rs.	64772769-00	
Closing balance	Rs.	26372734-00	

RECONCILIATION OF 002 ACCOUNT AS ON 31-3-2016

CB as per cash book as on 31-3-2016 26372734

I.	<u>Add: Un Cashed Cheques</u>	
	1 005501/5-12-2011	270792
	2. 008371/29-6-2013	253496
	3. 008582/1-7-2013	131881
	4. 008592/24-7-2013	131224
	5. 008798/13-11-2013	1575

	6.016471/26-2-2014	2496	
	7.06472/8-3-14	13625	
	8.016490/4-10-2014	129668	
	9.016671/30-6-2014	271362	
II.	OB difference between treasury and cash book as on 1-4-2011	2986438	
III.	An amount of Rs.954318/- was taken as OB as on 1-1-12 in ST Pass Book instead of Rs.915652/-	38666	
IV.	Wrong subtraction was made in treasury pass book in the month August 2015(Rs.45158067-Rs.8516926=Rs.36641142)	1	
		4231224	4231224
	Total		30603958
	<u>LESS:</u>		
I.	An amount of Rs.26423/- was taken in ST Pass Book in receipts through Challan No.11234/28-7-11 instead of Rs.26453	30	
II.	An amount of Rs.3572 was taken into cash book on 23-7-11 but not taken into ST pass Book	3572	
III.	Difference between C.B as on 31-3-2012 to O.B 1-4-2012 in ST pass book	1742543	
IV.	The followig cheques which were not related to this acccount was encashed in this account		
	1.006321/19-4-2012	148212	
	2.008705/3-7-2013	277000	
	3.016508/8-3-2014	66808	
	4.016509/8-3-2014	131659	
	5.016510/8-3-2014	26311	
	6.16511/8-3-2014	43279	
		2439414	2439414
	Closing balance as per ST Pass Book as on 31-3-2016	Rs.	28164544

FINANCIAL POSITION:-

The resources of ULBs consist of grants and assistance from the Government of India (GOI) and the State Government under various schemes, loans from Financial Institutions (HUDCO etc.) and own revenue generated through various tax and non-tax collections. The tax revenue mainly accrues from property tax and taxes on advertisement, while non-tax revenue comes from water charges, encroachment fee, developmental charges, building fee, etc. The financial position of the ULB has been analysed with reference to the figures provided in the budget as follows. Further during the year under audit, as the subsidiary registers were not produced, the actual receipts in respect of revenue were taken based on the annual account figures.

Amount in Rs.

Sl. No.	Head of Account	Budget estimates	Actual	Difference	% differ
1	Property Tax from Public-General Tax	5,45,00,000	58001896	-	-
2	Vacant land tax	25,00,000	231244	(-)22,68,756	(-)90
3	Entertainment Tax	15,00,000		(-)15,00,000	0
4	Advertisement Tax	6,00,000	312840	(-)2,87,160	47.80
5	Water tax/ fees	64,75,000	763570	(-)11,16,098	0.17
6	Rent from Markets, Shopping/Office Complexes/Buildings / Canteens	1,18,08,000	16636108	0	-
7	D & O Trades license fee	24,00,000	2622400	0	-
8	Birth and Death Register Extract Fee	12,00,000	545263	(-)6,54,737	54.50
9	Encroachment fee	6,00,000	714900	0	-
10	Surcharge on stamp duty	2,00,00,000	11443325	(-) 85,56,675	42.70

TAX REVENUE RAISED BY THE MUNICIPAL COUNCIL:-

The tax revenue consists of property tax, water tax and advertisement tax etc. Tax on property is the main source which constituted the bulk of revenue receipts of Municipal Council during the year. An analysis of tax revenue for the current year and the preceding two years is given below.

Sl. No.	Nature of Tax	Collection	Increase/Decrease with ref. to
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		2013-14 (Rs.)	2014-15 Rs	2015-16 Rs	previous years
1	Property tax	43631963	48691732	58001896	Increase
2	Advertisement tax	173550	470210	312840	Decrease
3	Vacant land tax	869624	310257	231244	Decrease
4	License fee	2137980	2192873	2622400	Increase
5	Leases	10668231	11309215	16636108	Increase
6	Entertainment tax	542318	1208130	0	Decrease
7	Encroachment fee	430148	1085246	714900	Decrease

The Executive Authority should take good steps to raise the tax in future.

B) REVENUE RECEIPTS AND ITS ANALYSIS:-

The source of revenue receipts during the year was through (1) revenue raised by the Municipal Council (2) receipts from the state government towards share of entertainment tax, M.V. tax, land cess and surcharge on stamp duty etc (3) Grant-in-aid received from the Government. An analysis of receipts under the above heads during the year along with corresponding figures for the preceding 2 years is given below.

Sl. No.	Item of revenue	RECEIPTS		
		2013-14 (Rs.)	2014-15 Rs	2015-16 Rs
1	Revenue raised by Municipal Council			
	a) Tax Revenue	44675137	55122780	58545980
	b) Non-tax revenue leases, fees and rents etc	16568173	14587334	22334942
	Total:	61243310	69710114	80880922
2.	Receipts from Government.			
	a) Entertainment tax	542318	1208130	0
	b) Surcharge on stamp duty	7174317	6227830	11443325
	c) P.T.	0	0	0
	d) Population grant	0	0	0
	Total	7716635	7435960	11443325

C) NON-TAX REVENUE OF THE MUNICIPAL COUNCIL:-

Building rents, leases of markets, slaughter houses, betterment charges etc., form the non-tax revenue and constituted 15.98 % percentage of revenue of the municipal council. An analysis of the non-tax revenue under some principal heads for the year and during the preceding 2 years is given here under.

Sl. No.	Item of revenue	Collection			Increase/Decrease with ref. to previous years
		2013-14 (Rs.)	2014-15 Rs	2015-16 Rs	
1	Water charges	3219644	5650581	763570	Increase
2	Leases of markets/ Shop Room rents	4182301		16636108	Increase
3	License fees (D&O Trades)	2137980	2192873	2622400	Increase
4	Building license fee	1946055	1461682	1052701	Decrease

	Birth and Death Register Extract Fee	-	15160	545263	Increase
	Encroachment fee	-	1085246	714900	Decrease
	Surcharge on stamp duty	-	6227830	11443325	Increase

BUDGET:-

According to rule 8 of the rules relating to the preparation of the budget, allotment and transfer of funds issued with G.O.Ms.No.619, MA., dt.7-10-67, the budget should be submitted to Government through the District Collector and the Director of Municipal Administration, for approval by 31st December of each year. The budget was approved by council in C.R.No.821 Dt.9-1-2014. The date of submission of the Budget to District Collector is not available to check whether the Budget was submitted in time or not. Further, the Budget was also not furnished in form-A, appended to the orders in which the above rules were issued.

AUDIT OBJECTIONS

PARA NO.1

CODE NO.1

VARIATION IN ACCOUNT FIGURES - RECEIPTS - TREASURY PASS BOOK PLUS AND MINUS MONTHLY ABSTRACT CHANGED WITH RETROSPECTIVE AFFECT - NEED RECTIFICATION IN CASH BOOK BALANCES.

On verification of monthly abstract of cash book along with Plus and Minus abstract of treasury pass book it was observed that in the month of 4/14 an amount of Rs. 448562/- was taken as receipt under the adjustment No. 44025Dt:30-3-2014 and the closing balance was also revised to that extent of Rs. 448562/- and the same was certified by the Assistant Treasury Officer, Sun-Treasury, Ongole. This modification was done by the treasury authority after completion of audit for the year 2014-15. As such, the opening balance of cash book for the year 2015-16 was became short fall of Rs. 448562/- than the opening balance of Treasury pass book, Subject to the other reconciliation.

Hence, immediate action may be taken to obtain the nature of receipts and taken into the cash book as receipt under the appropriated head and revise the financial statements accordingly under intimation to audit.

Para Number : 2

VARIATION IN ACCOUNT FIGURES (Code : 1) Rs : 0

PARANO.2

CODE NO.1

RECONCILIATION DONE BETWEEN CASH BOOK AND TREASURY PASS BOOK/BANK PASS BOOKS WITHOUT CLOSING THE 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 figures should be got reconciled (Major Head of account wise) with those booked by the Treasury every month in order to ensure that no misclassification or wrong account of expenditure and receipts took place and also to detect fraudulent draws if any.

The reconciliation statements were produced along with annual account during the year. On verification of the same some defects were noticed as a result of the reconciliation statement could not be verified and also the correctness of the annual account could not be checked with reference to cash book and pass books in audit. The executive authority would need to take good steps for rectification of the defects pointed out at an early date.

- A. The cash books (manual) which were maintained in the municipality (all schemes and funds) were not closed monthly and not even closed annually with the signature and seal of the Commissioner. The closing balance was also not arrived at monthly and annually. In the absence of the proper maintenance of the cash books, the closing balance could not be verified in audit.
- B. The relevant register of DD/MO received was also not maintained properly. As such the classification of the receipts could not be known in audit. The receipts side of the cash book was not written as such the treasury adjustments, voucher adjustments etc., could not be verified. The figures in the annual account were not supported by any subsidiary registers which were ought to be maintained. In the absence of the same the executive authority would need to be explain as to how the figures exhibited in the annual account were correct and reflect true and fair view of the transactions contained therein.

Para No.3

Code

No.1

**COMPLIANCE OF AUDIT OBJECTIONS BY THE MUNICIPAL COUNCIL,
CHIRALA:-**

(A)The replies to the audit objections indicated in the previous audit report for the years from 1988-89 to 2013-14 together with the

resolution of the standing committee were not sent to the Commissioner & Director of Municipal administration, Hyderabad. through the Director of State Audit, A.P., Hyderabad as per Govt.Memo.No.442/Accts.III/62 P&LADept.Dt.2-4-1962 and Govt.Memo.No.546/Accts.III/62-2 P&LA Dept dt.3-5-1962. The records did not reveal the observance of the above orders. The progress of settlement of audit objections during the year 2015-16 was not satisfactory since no objections were settled. No attempts were made to settle the audit objections of serious and recoverable nature. The pending objections would need to be settled in view of long pendency since 1988-89 till to date. The Executive Authority did not evince much interest in rectifying the defects, by settling down the audit objections.

(B) As per the instructions issued by the Principal Accountant General (GSSA)AP., Hyderabad vide Lr.No.PAG(GSSA)/SSI/Sn-II/U-1-13-14, dt.2-7-13 the replies to AG audit objections of the AG Audit Report together with the resolution of the standing Committee for Finance have to be sent to the Deputy Accountant General , AG Office, A.P., Hyderabad through Commissioner & Director of Municipal Administration, Hyderabad. As verified from the AG Audit Report 31 nos of objections were outstanding for pending settlement. Out of 31, Two objections were settled vide letter TDG / G & SSA/ SSI/ LB Cordn./SN-I/UZ//9, Dt.4-6-2014 and remaining 29 objections were pending for settlement at the time of close of audit. .The Executive Authority would need to be taken good steps for settlement of outstanding A.G. audit objections.

Para Number : 3

NON-COLLECTION OF DUES-INCLUDES CASES OF OFFICE MANAGEMENT RESULTING IN SHORT REALIZATION OF DUES (Code : 7) Rs : 114000

Para No.4

Code No.7

LEASE OF PROPERTIES - HUGE LEASE AMOUNT PENDING REALIZATION - NEEDS IMMEDIATE ACTION:-

As seen from the miscellaneous demand register an amount of Rs. 1580212/- was pending realization as on 31-3-2016 from the lease

holders of shops / markets during the year under report.

Hence, immediate action may be taken as deemed fit to collect the balance amounts as on 31-3-2016 along with interest as specified in the auction conditions from the lease holders as detailed below.

Collection for the year 2015-16

Sl. No.	Name of the Market	Name of the Tenant	Lease Period	Shop No.	Amount of Monthly Installment	Demand for the year 2015-16	Collection during the year 2015-16	Balance
1	Chirala Market	N.Babu Rao	1-4-2015 to 31-3-2016	1	388333	466000	4583330	76670
2	Perala Market	N.Sreenivasa Chakravarthi	1-4-2015 to 31-3-2016	1	78333	940000	577400	362600
3	RTC Shops	V.Balakoteswara Rao	1-4-2015 to 31-3-2018	1	9986	119832	89888	29944
4	NR & PM Old Complex GF	K.Nageswara Rao	1-6-2014 to 31-5-2017	2	3697	44364	40667	3697
5	NR & PM Old Complex GF	P.Jyothi	1-8-2014 to 31-7-2017	5	7200	86400	0	86400
6	NR & PM Old Complex GF	Sk.Peda Imam Bude	1-9-2012 to 31-8-2015	6	2300	11500	11500	0
			1-9-2015 to 31-3-2018	6	3067	21469	9201	12268
7	NR & PM Old Complex FF	Ch. Peddabbai Nayudu	1-5-2014 to 30-4-2017	1	16380	196560	147420	49140
8	NR PM New Complex GF	Ch. Sreenivas	1-8-2014 to 31-7-2017	7	2680	32160	0	32160
9	NR PM New Complex GF	P.Sambasiva Rao	1-10-2014 to 30-9-2014	8	1600	19200	0	19200
10	NR PM New Complex FF	G.Narasimha Rao	1-5-2012 to 30-4-2015 (1 Month)	5, 6, 7	5200	5200	5200	0
			1-9-2015 to 31-8-2018 (7 Months)		7200	50400	43200	7200
11	PSR Complex	Y.Sreenivasa Rao	1-8-2014 to 31-7-2017	1	10386	124632	72702	51930
12	PSR Complex	K.Krishna Jyothi	1-9-2012 to 31-8-2015 (5 Months)	2	16600	83000	83000	0
			1-9-2015 to 31-8-2018 (7 Months)		22133	154931	110665	44266

13	PSR Complex	J. Savitri Devi	1-10-2012 to 30-9-2015 (6 Months)	4	14850	74250	74250	0
			1-10-2015 to 30-9-2018 (6 Months)		19800	138600	59400	79200
14	PSR Complex	J.Narasimha Rao	1-6-2014 to 31-5-2017	7	4551	54612	45510	9102
15	PSR Complex	A.Hanumayamma	1-6-2014 to 31-5-2017	8	8427	101124	84270	16854
16	PSR Complex	Ch.Balakrishna	1-6-2014 to 31-5-2017	9	6280	75360	69080	6280
17	PSR Complex	Garika Lakshmi Prasanna	1-3-2015 to 28-2-2018	10	11693	140316	93544	46772
18	Perala Market Complex	Patan Salam	1-3-2013 to 28-2-2016	1	950	10450	10450	0
			1-3-2016 to 28-2-2019		1267	1267	0	1267
19	Perala Market Complex	Patan Salam	1-3-2013 to 28-2-2016	2	960	10560	10560	0
			1-3-2016 to 28-2-2019		1280	1280	0	1280
20	Perala Market Complex	T.Sreenivas	1-1-2015 to 31-12-2017	3	960	11520	10560	960
21	Perala Market Complex	T.Sreenivas	1-1-2015 to 31-12-2017	4	987	11844	0	11844
22	Perala Market Complex	T.Sreenivas	1-1-2015 to 31-12-2017	5	960	11560		11560
23	Perala Market Complex	G.Ramesh Babu	1-8-2012 to 31-7-2015	6	780	3120	3120	0
			1-8-2015 to 31-7-2018		1040	8320	4160	4160
24	Perala Market Complex	G.Sekhar	1-1-2015 to 31-12-2017	8	893	10716	8930	1786
25	Perala Market Complex	D.Jhansi Rani	1-4-2015 to 31-8-2015	12	780	3900		3900
			1-9-2015 to 31-8-2018		1040	7280		7280
26	Perala Market Complex	Sk. Khadar Basha	1-1-2015 to 31-12-2017	13	893	10716		10716
27	Perala Market Complex	B.Srinu	1-10-2014 to 30-9-2017	15	800	9600	7200	2400
28	Perala Market Complex	B.Srinu	1-1-2015 to 31-12-2017	16	933	11196		11196
29	Perala Market Complex	M.Prakash	1-2-2013 to 31-1-2016	17	900	9000	4500	4500

			1-2-2016 to 31-1-2019		1200	2400		2400
30	Perala Market Complex	M.Prakash	1-8-2012 to 31-7-2015	19	780	3120	2340	780
			1-8-2015 to 31-7-2018		1040	8320		8320
31	Perala Market Complex	G.Ramesh Babu	1-6-2014 to 31-5-2017	20	871	10452	6968	3484
32	Perala Market Complex	A.Lakshmaiah	1-1-2015 to 31-12-2017	22	907	10884	8163	2721
33	Perala Market Complex	J.Deenamma	1-9-2012 to 31-8-2015	23	780	2340	2340	0
			1-9-2015 to 31-8-2018		1040	7280	5200	2080
34	Perala Market Complex	J.Tulasi Das	1-1-2015 to 31-12-2017	25	987	11844	0	11844
35	Perala Market Complex	G.Venkateswarlu	1-1-2015 to 31-12-2017	26	933	11196	2799	8397
36	Perala Market Complex	G.Ramesh Babu	1-1-2015 to 31-12-2017	27	893	10716	7144	3572
37	Perala Market Complex	G.Koteswara Rao	1-3-2015 to 28-2-2018	28	947	11364	5682	5682
38	Perala Market Complex	P.Mohan	1-1-2015 to 31-12-2017	30	960	11520	5760	5760
39	Perala Market Complex	N.V.Padmavathi	1-1-2015 to 31-12-2017	31	893	10716	0	10716
40	Perala Market Complex	M.Prakash	1-5-2014 to 30-4-2017	32	957	11484	0	11484
41	Perala Market Complex	Ch.Dhanalakshmi	1-5-2014 to 30-4-2017	33	956	11472	8604	2868
42	Perala Market Complex	Ch.Dhanalakshmi	1-5-2014 to 30-4-2017	34	956	11472	956	10516
43	Perala Market Complex	G.David	1-10-2014 to 30-9-2017	35	800	9600	8800	800
44	Perala Market Complex	N.Jakraiah	1-1-2015 to 31-12-2017	36	893	10716	4465	6251
45	Perala Market Complex	G.Ramesh Babu	1-6-2014 to 31-5-2017	38	871	10452	6968	3484
46	Perala Market Complex	T.Durga	1-11-2013 to 31-10-2016	40	985	11820	9850	1970
47	A.R.M. COMPLEX	P. SRINIVASA RAO	1-11-2012 to 31-10-2015 (7 Months)	7	2560	17920	17920	0
48	A.R.M.		1-11-2015 to 31-3-	7	3413	17065	16210	855

	COMPLEX		2016 (5 Months)					
49	A.R.M. COMPLEX	D. RANI	1-4-2013 TO 31-3-2016	9	5000	60000	45000	15000
50	A.R.M. COMPLEX	CH. VENKAT RAO	1-4-2013 TO 31-3-2016	10	5070	60840	45630	15210
51	A.R.M. COMPLEX	T. PAVAN KUMAR	1-10-2013 to 30-9-2016	11	4535	54420	45350	9070
52	A.R.M. COMPLEX	S.VENKATESWA RLU	1-4-2013 TO 31-3-2016	12	5000	60000	50000	10000
53	A.R.M. COMPLEX	N.KRISHNA	1-8-2014 to 31-7-2017	13	4535	54420	9070	45350
54	A.R.M. COMPLEX	K.V.RAMANAKU MARI	1-4-2013 TO 31-3-2016	14	5250	63000	36750	26250
55	A.R.M. COMPLEX	K. SURESH KUMARI	1-3-2015 to 28-2-2018	15	6293	75516	62930	12586
56	A.R.M. COMPLEX	SK. JAMEELA	1-9-2012 TO 31-8-3015	16	3900	19500	19500	0
57	A.R.M. COMPLEX		1-9-2015 TO 31-8-2018	16	5200	36400	0	36400
58	A.R.M. COMPLEX	SK. PHAJULUNNISA	1-3-2015 to 28-2-2018	18	5280	63360	26400	36960
59	A.R.M. COMPLEX	SD. SHAJAD BEGUM	1-8-2014 to 31-7-2017	20	5067	60804	55737	5067
60	A.R.M. COMPLEX	K. MADHAVI	1-4-2013 TO 31-3-2016	21	5090	61080	50900	10180
61	A.R.M. COMPLEX	A.PRABHAVATHI	1-8-2014 to 31-7-2017	24	4267	51204	42670	8534
62	VACANT SITES	SEELAM SYAMBABU	1-11-2013 to 31-10-2016	7	7700	92400	38500	53900
63	RELIANCE			1	4867	58404	43858	14546
64	TOILET ROOMS	PRAKASH BIHARI	1-1-2014 TO 31-12-2017	1	4833	57996	4833	53163
65	PERALA MARKET FISHARIES DEPT.	O. SAMUEL	1-7-2013 TO 30-6-2016	1	1615	19380	0	19380
66	PERALA MARKET FISHARIES DEPT.	M.VENKAI AH	1-7-2013 TO 30-6-2016	2	1200	14400	0	14400
67	PERALA MARKET FISHARIES DEPT.	M. KORESWARAM MA	1-7-2013 TO 30-6-2016	3	1360	16320	0	16320

68	PERALA MARKET FISHARIES DEPT.	O. SAMUEL	1-7-2013 TO 30-6- 2016	4	1335	16020	0	16020
69	PERALA MARKET FISHARIES DEPT.	CH. VENKATESWARL U	1-7-2013 TO 30-6- 2016	6	1200	14400	0	14400
70	PERALA MARKET FISHARIES DEPT.	O. SAMUEL	1-7-2013 TO 30-6- 2016	9	1680	20160	0	20160
71	PERALA MARKET FISHARIES DEPT.	M. SREENIVASA RAO	1-7-2013 TO 30-6- 2016	10	900	8400	0	8400
72	PERALA MARKET FISHARIES DEPT.	D. SAMBASIVA RAO	1-7-2013 TO 30-6- 2016	11	900	8400	0	8400
			Total					158021 2

Para No.5

Code No.7

**AMOUNT TAKEN AS RECEIPTS IN THE CHITTA- BUT NOT REMITTED
TO MUNICIPAL TREASURY - LOSS OF FUNDS - NEEDS IMMEDIATE
RECOVERY - Rs.6000/-**

On verification of the receipts details recorded at Municipal chitta, it was observed that a total amount of Rs.176270/- was realized on 26-3-2016 from various sources. But an amount of Rs. 170270/- was only remitted in the municipal treasury. The remaining amount of Rs.6000/- was not remitted till the close of audit. No action was taken to realize the amount from the person concerned.

Immediate action may be taken to recover the amount of Rs. 6000/- along with interest from the person or person responsible and remit the same in to Municipal Funds under intimation to audit.

Para No.6

Code No.7

SNACK BAR AT CHILDREN PARK - AUCTION CONDUCTED - NO

AMOUNT REALISED - LOSS OF INCOME - NEED IMMEDIATE ACTION.RS. 108000/-

As seen from the connected file, it was observed that the open auction was conducted to lease out the snack bar at children park located at back side of Municipal Office, for the three year period from 1-4-2015 to 31-3-2018 .The Snack bar was handed over to Smt. P.Malleswari W/o Sri P.Paparao who was highest and successful bidder in the open auction on rental basis @ Rs.10000/- per month for the period of three years commencing from 1-4-2015.

On verification of the miscellaneous demand register, it was found that no amount was paid by the contractor till the close of audit expect the deposit amount of Rs.12000/- was paid at the time open auction. The reasons for non-collecting the monthly rent of Rs.10000/- and continuing the contractor were not forth coming to audit. Further, no agreement was concluded regarding the lease with the contractor.

With out concluding the agreement and continuing the contractor who has not paid the monthly rent is highly irregular and heavy loss caused to the institution. Immediate action would need to be taken to recover the remaining amount of Rs.108000/- along with interest for the period from 1-4-2015 to 31-3-2016.

Para Number : 4

NON-COLLECTION OF DUES-INCLUDES CASES OF OFFICE MANAGEMENT RESULTING IN SHORT REALIZATION OF DUES (Code : 7) Rs : 42500

Para No.7

Code No.7

FRESH LEASE PERIOD AUCTION WAS CONDUCTED AFTER LAPSE OF FOUR MONTHS - LOSS OF INCOME - NEEDS RECOVERY. RS.42500/-

On verification of miscellaneous demand register along with connected file regarding the lease out of shop Nos. 5,6,7 combined as

one shop at NR&PM complex, it was observed that the previous lease period was completed by 31-3-2015 and the fresh auction was conducted for the lease out the shop @ Rs.8500/- per month on 4-8-2015. The shop was handed over the lease from 1-9-2015.

In this connection it was noticed that the shop was kept vacant from 1-4-2015 to 31-8-2015. The reasons for non conducting of fresh open auction before 31-3-2015 i.e., minimum one month well in advance for handing over the shop to the successful tenant on 1-4-2015 to avoid the loss of income were not forthcoming to audit.

As a result, the loss caused to the institution due to non conducting of auction well in advance in order to handing over the shop on 1-4-2015 for the period from 1-4-2015 to 31-8-2015 i.e., 5 months should be recovered by assessing the amount basing on the fresh auction rate of Rs. 8500/- per month.

Loss of income due to non conducting of auction well in advance

Shop kept vacant for the period from 1-4-2015 to 31-8-2015 = 5Months
XRs.8500=Rs.42500/-

Para Number : 5

**NON-COLLECTION OF DUES-INCLUDES CASES OF OFFICE MANAGEMENT
RESULTING IN SHORT REALIZATION OF DUES (Code : 7) Rs : 177860**

Para No.8

Code No.7

MISCELLANEOUS INCOME - LEASE OUT OF MUNICIPAL PROPERTIES -
SHORT REALIZATION OF RENT- NEEDS IMMEDIATE
ACTION.RS.175580/-

On verification of miscellaneous demand register along with connected auction for the year 2015-16, it was noticed that the following municipal properties were leased out to various persons on conducting of public auction, but the amounts towards monthly rent were not realized / short realized during the year under report. No action was taken for realization of lease amount. The reasons for non-collecting of lease amounts from leasees were also not forthcoming to audit.

Immediate action may be taken to collect the amount from the

lease holders along with interest as per auction conditions and remit the same to the municipal funds under intimation to audit.

I NRPM old complex

1. Shop No.5 -
Period of lease :1-8-2014 to 31-7-2017(3 years)
Lease amount :- Rs. 7200/- per month
Amount collected during the year : Rs. Nil
Amount to be collected during the year : Rs.7200X12=Rs.86400/-
(Total amount of Rs.86400/- Should be recovered along with interest @ 2.5 % (as per auction condition).)

2. NRPM old complex first floor
lease period 1-5-2014 to 30-4-2017 (3 years)
Lease amount -Rs.16380/- per month
Amount collected during the year for the
period 1-4-2015 to 31-12-2015 (for nine months) =9Months XRs.16380= Rs.147420/-
Amount collected during the year 2016-17
for the period 1-1-2016 to 29-2-2016(2 months)= 2Months XRs.16380 =Rs.32760/-
Total Amount collected for the year 2015-16 =Rs.180180/-
Total amount to be collected for the year 2015-16 = Rs.16380X12 Months =196560/-
Amount short realised, i.e., to be recovered amount =Rs.16380/-
(amount should be recovered along with interest @2.5% .)

3. NRPM New complex Ground floor shop No.7(3 years)
Lease period 1-8-2014 to 31-7-2017
Lease amount -Rs.2680/- per month
Amount collected for the year 2014-15 & 2015-16 = Rs.NIL
Amount to be collected for the period from
(2014-15 &2015-16) 1-8-2014 to 31-3-2016 = 20Months X2680/-=Rs.53600/-
(amount should be recovered along with interest @2.5% .)

4. NRPM New complex Shop No. 8
Lease period 1-10-2014 to 30-9-2017 (3 years)
Lease amount -Rs.1600/- per month
Amount collected for the year 2015-16 = Rs.NIL
Amount to be collected for
the year 2015-16 =Rs.1600X12Months =Rs.19200/-

Due to improper maintenance of miscellaneous demand register, auction register and non furnishing of each property lease file whether the total lease amount was realized from the lease holders could not be ascertained in audit. Hence, a detailed enquiry may be conducted and realize the due amount from the default lease holders along with interest @ 2.5% under intimation to audit. The loss, if any, caused in this regard should be recovered from the person or persons responsible.

Para No.9

Code No.7

WATER TAX - SHORT REMITTANCE OF THE AMOUNTS THAN THE COLLECTED AMOUNT - NEEDS REMITTANCE RS.2280/-

On verification of water tax collection and its remittance statements as furnished by the executive authority it was noticed that the following amounts were short remitted than the collected amount. Hence, the short remittance amount of Rs. 2280/- should be recovered as detailed below from the person or persons responsible.

10-11-2015	Amount collected as per statement	Rs.21520-00
	Remitted as per challan & Chitta	Rs.21120-00

Short remittance	Rs. 400-00
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4-7-2015	Amount collected as per statement	Rs.8280-00
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Remitted as per Chitta & Challan	Rs.7200-00
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Short remittance	Rs. 1880-00
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Total short remitted amount =Rs.400+1880=Rs.2280-00

Para Number : 6

NON-COLLECTION OF DUES-INCLUDES CASES OF OFFICE MANAGEMENT RESULTING IN SHORT REALIZATION OF DUES (Code : 7) Rs : 0

Para No.10

Code No.7

MISCELLANEOUS DEMAND REGISTER - AUCTION TO SHOP ROOMS -

REALIZATION OF LEASE AMOUNT - NON FIXING OF MINIMUM MONTHLY RENT - NEEDS RECOVERY:-

As per the instructions issued in G.O.Ms.No.120 Municipal Administration and Urban Development Department, Dt.31-3-2011, those shop rooms which have completed 25 years lease period shall put to the open auction for the lease out the shops. The shops were leased out on monthly rent without fixing the minimum supporting auction price. Due to non fixing of minimum supporting auction price the shops were leased out in auction on monthly rental basis less than the amount of minimum supporting auction price.

Though the objection was raised in Para No.3(1) of audit report for the year 2014-15 the defect was not rectified and the short realization amount for the year 2014-15 was also not recovered . As a result of non rectification of the defects the loss caused to the institution during the year 2015-16 to a tune of Rs.26640-00 should be recovered from the person or persons responsible.

Shop No.	Minimum supporting price per month	Leased out on monthly rent basis	Short fixation of rent	Loss of income
Shop No.4	5280	4650	630	7560
Shop No.8	4793	4160	633	7596
Shop No.14	3840	3360	480	5760
Shop No.15	4147	3670	477	5724
		Total		26640-00

Para Number : 7

NON-COLLECTION OF DUES-INCLUDES CASES OF OFFICE MANAGEMENT RESULTING IN SHORT REALIZATION OF DUES (Code : 7) Rs : 19150

Para No.11

Code No.7

D&O TRADES - NON COLLECTION OF LICENCE FEE - NEEDS IMMEDIATE ACTION RS.10050/-

The convention in the Urban Local bodies with regard to the collection of D&O trade license fees was to collect the same in advance for the subsequent year ie., before February of an year . The collections made after February are to be made along with belated fees. On verification of D&O trade license fee Demand register for the year 2015-16 along with statements furnished by the executive authority , it was observed that the license fees was not collected from the following firms for the year 2015-16 as detailed below. But no action was taken by the executive authority in this regard. Immediate action would need to be taken to collect the license fee along with belated fee from the firms concerned and remit the same to municipal funds.

License No.	Name of the Firm/ Individual	Address	Nature of the business	Amour
245	Suresh Motors Pro.Bathina Surehs babu 9160235588	GBC Road	Suzuki services	1050
246	Bollapalli Rathamma W/o Samulu DNo.6-1-2	Karamchedu Gate	Cool drink shop	1200
247	VVR S.D.Veeves Bro. Udate Rama Nagswera Rao S/o Subba Rao D.No.8-19-16	Court road perala	Kalamkari Shop	2000
248	Jonnasathina Praveen Kumar S/o Krupa Rao	Court road perala	Colour Karkana	2000
249	Noor basha Nasurmera S/o Khasim	Bosebomma Road, Perala	Sale of Empty Ganni bags	650
250	Shaik Khaji Mahab S/o Hussin DNo. 10-1-46	Bosebomma Road, Perala	Sale of Empty Ganni bags	650
251	Devarakonda Gopala Rao S/o Venkateswar Rao under the over bridge	Gollapalem	Sale of old wood shop	2500
		Total		10050

LEASES - SHOP LEASED OUT ON MONTHLY RENTAL BASIS - SHORT COLLECTION OF RENT -LOSS OF INCOME-NEEDS RECOVERY Rs.9100/-

As seen from the connected open auction file , it was observed that the Shop Nos.5,6,7 combined as one shop at NR&PM complex was handed over to Sri V.Jagan, Dandu bata road, Chirala who was successful tenant on monthly rent basis @ Rs. 8500/- per month and the lease period commenced from 1-9-2015. But the tenant was paid monthly rent @ Rs.7200/- per month for the period from 1-9-2015 to 31-3-2016 ie., for 7 months . The reasons for short payment and acceptance of short payment of Rs.1300/- per month were not explained in audit .

Early action shall be taken to recover the balance amount of Rs. 9100/- as detailed below and remit the same to the municipal funds at an early date under intimation to audit.

Rent to be collected as per auction

for the period from 1-9-2015 to 31-3-2015 Rs.8500X7=Rs.59500/-

Rent collected and remitted for the period

from 1-9-2015 to 31-3-2015

Rs.7200X7=Rs.50400/-

Short collection of the rent, which needs

Recovery from the person or persons

Responsible

Rs.9100/-

Para Number : 8

NON-COLLECTION OF DUES-INCLUDES CASES OF OFFICE MANAGEMENT RESULTING IN SHORT REALIZATION OF DUES (Code : 7) Rs : 0

BUILDING PENALIZATION SCHEME - PENAL CHARGES NOT CREDITED TO MUNICIPAL FUNDS CONTRARY TO MUNICIPAL ACT - LOSS OF INCOME TO THE INSTITUTION - NEEDS IMMEDIATE ACTION:-

As per the instructions issued in G.O.Ms.No.128 Dt. 22-5-2015 all the penal charges in respect of buildings constructed unauthorizedly and in deviation of the sanctioned plans under BPS rules shall be payable through online payment in to the account maintained by the competent authority. First of all the owner/applicant shall have to be paid an initial amount of Rs.10000/- along with the application and

the remaining balance penal charges amount to be paid within 30 days from the date of receiving of intimation from the competent authority

As per the information made available in the audit, it was observed that a total 368 applications were received through online under BPS in urban local body area during the year under audit. As such a total amount of Rs.6380000/- at initial stage was credited in to the separate account which was maintain by the competent authority pertaining to the Chirala Municipal funds.

The amount so collected as penal charges under regulation of buildings constructed unauthorizedly and in deviation of the sanctioned plan rules 2015 and kept in a separate account under the control of competent authority will have to share to the urban local bodies to utilization only for improvement amenities.

But no amount was transferred to the Chirala Municipal Funds till the date of close of audit. Further, the balance penal charges levied under the scheme were also not forth coming to audit.

Immediate action needs be taken to get the proportionate shared amount under BPS which was kept at separate account maintained by the competent authority.

Para No.14

CODE NO.7

TIME BARRED TAXES AND FEES:-

The arrears of taxes and fees relating to the year 2006-07 which were allowed to be time barred by limitation of time prescribed under section 365(1) of the A.P. Municipalities Act, 1965 during the current financial year. According to section 365 (2) of the A.P. Municipal Act 1965 it is the duty of the Commissioner to place before the council a list of arrears due to the Municipal Council which are likely to become time barred, at least one year before the limitation stating the reasons for the non-collection of such taxes and seek instructions of the council in regard to recovery of such taxes. According to section 365(3), if the Commissioner fails to submit such list or omits or show any arrears due in such list was failure on the part of bill collector or any other employee as the case may be, is deemed to be negligent and should take action under the section 374(1) of the Act for all such recoveries should be taken against him. Record showing that the placement of the matter before the council in respect of the taxes and fees which are allowed to become time barred was not pointed out. Under section 374(1) the loss caused to the Municipality due to the above defect has to be assessed and made good from the persons responsible. Further it was noticed in audit that though elaborate procedure was prescribed in rules to take action on the taxes likely to become barred by time in practice the Arrear demand registers were not being maintained to quantify the taxes that are likely to be barred by time. This deficiency of not maintaining the ADRs relating various taxes and non taxes is resulting in the inability of the MC even to

quantify the loss on account of barring by limitation of time.

1. Property Tax
2. Vacant land tax

Para No.15

Code No.7

GARBAGE - COLLECTION OF MUNICIPAL SOLID WASTE - NON-COLLECTION OF USER FEE:-

The garbage is generated daily from different categories like domestic house hold, slaughter house, domestic hospitals/clinics, hotels and restaurants, vegetable markets and private commercial complexes etc.

According to Municipal Solid Waste Rules 2000 the user fee for collection of Municipal Solid Waste from different categories shall be collected as per the rates fixed as detailed below.

Establishment particulars Assessment	Units for	Rate
Hospitals and Nursing Homes etc.	Bed Strength	Up o 10 beds Rs.300/- per month 10-25 beds Rs.500/- per month Above 25 beds Rs.1000/- per month
Diagnostic Centers	Flat Rate	Rs.100/- per month
Restaurants and hotels (eating establishments) including mess homes, Tiffin centers fast food centers, bakeries etc.	Tonnage of garbage generated	Per tone per day Rs.200/- and collection i monthly. Minimum charges are Rs.500/- per montl for hotels and restaurants and Rs.200/- f mess homes and fast food centers.
Function halls and lodges and private guest houses including clubs etc.	Tonnage of garbage generated	Rs.200/- per tone per day. Collection will monthly. However, no charges for days w these are not used.
Private Markets including agriculture markets	Tonnage of garbage generated	Minimum charge will be in two slabs Rs.500/- and Rs.1000/- basing on the an of location and the level of business. Rs.200/- per tone. The total tones lifted i the month are calculated and charges level accordingly.
Private commercial complexes with and more shops inside	No.of shops existing inside the complex. Up to 20 Shops 20 to 50 shops More than 50 shops	Rs. 200/- Rs. 500/- Rs.750/-
Private hostels	Tonnage of garbage generated	Rs.200/- per tone. Total tonnage lifted in month is calculated and charges fixed accordingly. Minimum charge Rs.500/- p month.
Cinema halls and places of entertainment	Flat Rate	Rs.500/- per month
Road side vegetable vendor addas and road side weekly markets (if not garbage included in local market utions)	Tonnage of garbage generated	Rs.200/- per tone. Minimum monthly charge Rs.500/-
Certain selected types of work shops, small industries like saw-mills, furniture charges making units, dress manufacturing units, foot wear manufacturing units and coconut trade units and wholesale fruit units etc.	Tonnage of garbage generated	Rs.200 per tone. Total tonnage lifted in tl month is calculated and levied accordingl Minimum monthly charge Rs.300/-

But no amount has been collected under user fees for collection of Municipal solid waste since 2006-07. Further, the information regarding how much tonnage of garbage generated per day and how

many number of categories established in Municipal area etc. was not made available in audit.

The Executive authority was not explained the reasons as to why the user fees was not collected for collection of solid waste. Due to inaction of the Executive Authority the Municipal council has forego income. Immediate action would need to be taken for collection of user fee.

Para Number : 9**ADVANCES PENDING ADJUSTMENT (Code : 8) Rs : 495056**

Para No.16

Code No.8

**ADVANCES - ADVANCE AMOUNT SANCTIONED - BALANCES OF
ADVANCES PENDING RECOVERY AS ON 31-3-2016 - RS.495056-00**

On verification of 001 General Funds cash book and Advance recoverable register for the year 2015-16, it was observed that the following amounts were sanctioned to the municipal employees under advance as personal advances such as vehicle advance, mirage advance etc., as detailed below. The balances of advances as on 31-3-2016 should be recovered under intimation to audit. The loss, if any, caused due to non recovery/adjustment of advances would be recovered from the person or persons responsible.

ABSTRACT OF ADVANCES PENDING ADJUSTMENT UP TO 31-3-2016

SL. NO.	NAME OF THE INDIVIDUAL	Designation	Nature of Advance	AMOUNT PENDING AS ON 1-4-2015	AMOUNT OF INSTALLMENT PER MONTH	TOTAL AMOUNT TO BE RECOVERED	TOTAL AMOUNT RECOVERED	SHORT RECOVERED
1	P.Srinivasa Rao	Manager	Vehicle Advance	23000	1000	12000	6000	6000
2	D.Venkateswarlu	Sr. Asst	Vehicle Advance	38250	750	9000	0	9000
3	M.Uma Shankar	Sr. Asst	Vehicle Advance	21000	800	9600	0	9600
4	M.Jaya Raju	Jr. Asst	Vehicle Advance	8800	800	9600	0	9600
5	D.Balarami Reddy	Jr. Asst	Vehicle Advance	26400	1600	19200	7200	12000
6	Y.Koteswara Rao	Jr. Asst	Vehicle Advance	15200	800	9600	800	1600
7	G.B.V.Narayana	Jr. Asst	Vehicle Advance	5600	800	5600	400	1600
8	G.Rambabu	Sr. Asst	Vehicle Advance	2000				2000

9	Y. Aneela	Jr. Asst	Marriage Advance	69615	1071	12852	0	12852	69615
10	M.Jaya Raju	Jr. Asst	Marriage Advance	36414	1070	12840	0	12840	36414
11	S.Venkata Krishna	Sr. Asst	Marriage Advance	37895	715	8580	7171	1410	30725
12	D.Balarami Reddy	Jr. Asst	Marriage Advance	40040	1430	17160	6435	10725	33605
13	Y.Koteswara Rao	Jr. Asst	Marriage Advance	48195	1071	12852	10710	2142	37485
14	P.Rama Rao	Bill Collector	Marriage Advance	54621	1071	12852	10710	2142	43911
15	J.Sobhan Babu	Bill Collector	Marriage Advance	37485	1071	12852	5355	7497	32130
16	Y.Kondaiah	Attender	Marriage Advance	37895					37895
17	G.Rambabu	Sr. Asst	Marriage Advance	5868					5868
18	R.Vasantha Rao	Manager	Marriage Advance	7488					7488
19	Panduluri Subbamma	PH Worker	Marriage Advance	28755	2000	24000	12000	12000	16755
20	R.Kotilingam	PH Worker	Marriage Advance	33120	715	8580	5005	3575	28115
								Total	495056

Para No.17

Code No.8

ADVANCES - WORK ADVANCES - PENDING ADJUSTMENT SINCE LONG BACK - NEEDS IMMEDIATE ACTION.

On verification of advance recoverable register for the year 2015-16, it was noticed that the following amounts were sanctioned as work advances to the persons noted against the each as detailed below were still pending adjustment/recovery till the close of audit for the year 2015-16.

As the advances were pending adjustment since long back the action taken in this regard was not forthcoming to audit. The date of sanction of advance was also not noted in the advance recoverable

register. As per financial code provisions the advances sanctioned for departmental execution of works shall be adjusted within fifteen days soon after completion of the work. But in the following cases the advances sanctioned for the purpose of works executed departmentally since long back neither adjusted nor recovered till the close of audit by 28-2-2017.

Hence, immediate action may be taken to recover the amount along with interest from the date drawl of advance under intimation to audit.

LIST OF WORK ADVANCES PENDING ADJUSTMENT FROM THE LONG PERIOD

Sl.No.	Vr.No. & Dt.	Name & Designation	Nature of Advance	Amount
1	Not recorded in the register	N.Venkateswarlu, T.P.B.O.	Work Advance	800000
2		Ch. Papa Rao, T.P.B.O.	Work Advance	650000
3		J.Sivarami Reddy, A.E.	Work Advance	12000
			Totla	1462000

Para Number : 10

VIOLATION OF RULES (Code : 9) Rs : 131440

P (code :9 [19])

Para No.18

Code No. 9

STAMP DUTY COLLECTED FROM LEASE HOLDERS - NOT PAID TO STAMPS & REGISTRATION DEPARTMENT:-

As verified from the file along with MDR, an amount of Rs.147278-00 was collected towards stamp duty from the successful tenders of vegetable market and slaughter house at the time of agreement as per Stamps and Registration Act. The same was available in the municipal general funds. But the same was not remitted to Stamps and Registration Department and available at general fund

accounts of Municipality till the close of audit. The same would need to be remitted to the Stamps and registration department at an early date.

Name of the market	Name of the contractor	Challana No.	Amount Rs.
Chirala vegetable market	N.Babu Rao	5475/30-11-2015	86000/-
In front of TB centre Shop No.8	N.Rama Chandra Rao	2315/3-8-2015	2138/-
In front of RTC centre 1.Shop No.5	SK.Khasim Shab	3045/8-9-2015	2184/-
2.Shop No. 6	D.Nageswara rao	2200/29-7-2015	2350/-
NR&PM Old complex 1.Shop No.5	P.Jyothi	3041/8-9-2015	3564/-
2.Shop No.1(F.F)	Ch.Peddabbai Naidu	2207/30-7-2015	8108/-
PSR Complex 1.shop No.5	B.V.subba rao	3416/1-10-2015	33363/-
2.Shop.No.9	Ch.Bala Krishna	7813/13-3-2015	3109/-
Perala Market Complex 1.shop No.9	G.Narisimha Rao	3237/19-9-2015	509/-
2.Shop No.23	J.Dheenamma	3586/7-10-2015	515/-
3.Shop No.36	N.Jakraiah	2747/25-8-2015	442/-
ARM Complex 1.Shop No.3	N.Sudhakar Guptha	309/16-4-2015	2382/-
2.Shop No.18	SK.Fhajalunneesa	608/2-5-2015	2614/-
	Total		147278/-

Para No.19

Code No. 9

STAMP DUTY NOT COLLECTED FROM LEASE HOLDERS - LOSS OF INCOME TO STATE GOVERNMENT - NEEDS IMMEDIATE ACTION - Rs.131440/-

It was observed that, on verification of Miscellaneous Demand Register along with files, the stamp duty @ 2% on total lease amount was not collected from the lease holders to whom the municipal properties were leased out on rental basis. The reasons for non-collecting of the stamp duty was not forth coming to audit. Immediate action should be taken to collect the stamp duty from lease holders to whom the properties leased out on rental basis during the year under report, i.e., the properties leased out either as fresh allotment or as renewal @ 33.1/3 enhancement on existing rental price as detailed below. The resultant Government has forgone the income amounting to Rs.131440/- as worked out below and the same would be made good

from the person or persons responsible.

Particulars of the plot/shops	Name of the contractor	Period of lease	Auction amount Rs.	Stamp @2% to be collected
Vegetable market	N.Sreenivasa Chakrvarthi	1-4-2015 to 31-3-2016	820000/-	16400/-
Inter house	N.Vijaya Lakshmi	1-4-2015 to 31-3-2016	69000/-	1380/-
Shops				
Plot No.2 of TB centre	V.Siva kumara	1-4-2015 to 31-3-2018	140868	2817/-
Plot No.3	M.Sesha Giri	1-4-2015 to 31-3-2018	177120	3542/-
Plot No.4	M.Sesha Giri	1-4-2015 to 31-3-2018	123840	2477/-
Plot No.5	V.Padma rao	1-4-2015 to 31-3-2018	153612	3072/-
Plot No.7	B.Venkateswaralu	1-4-2015 to 31-3-2018	145188	2904/-
Plot No.1 of RTC centre	V.Bala Koteswara Rao	1-4-2015 to 31-3-2018	359496	7190/-
Plot No. 2	V.Bala Koteswara Rao	1-11-2015 to 31-10-2018	255348	5107/-
Plot No.7	Ch.Bala Chandra Rao	1-4-2015 to 31-3-2018	196308	3926/-
Plot No.9	M.J.Vilson	1-4-2015 to 31-3-2018	170892	3418/-
Plot No.10	K.V.Narasaiah	1-4-2015 to 31-3-2018	302868	6057/-
Plot No. 11	P.Ammanulla Khan	1-4-2015 to 31-3-2018	187668	3753/-
Plot No. 13	Md.Parveen Begum	1-4-2015 to 31-3-2018	162468	3249/-
Plot No.6 of Old complex	Sk.Pedaimma budey	1-9-2015 to 31-8-2018	110412	2208/-
Plot No.2 of NEW complex	K.Lakshmi	1-9-2015 to 31-8-2018	94572	1891/-
Plot No. 3	G.Amrendra	1-2-2016 to 31-1-2019	167040	3341/-
Plot no. 5	P.H. Venkateswarlu	1-2-2016 to 31-1-2019	68652	1373/-
Plot no. 6	D.Venkata Rao	1-8-2015 to 31-7-2018	86688	1734/-
Plot No.1,2,3(F.F)	G.Syam Prasad	1-3-2015 to 28-2-2018	218880	4378/-
Plot.No.4	K.Veera swamy	1-8-2015 to 31-7-2018	60948	1219/-
Plot.No.5,6,7	V.Jagan	1-9-2015 to 31-8-2018	259200	5184/-
Plot No.2 of complex	K.Krishna jyothi	1-9-2015 to 31-8-2018	796788	15934/-
Plot.No.4	J.Savithri Devi	1-10-2015 to 30-9-2018	712800/-	14256/-
Plot No.1 of Market complex	Phathan Salam	1-3-2016 to 28-2-2019	45612	912/-
Plot No.2	Phathan Salam	1-3-2016 to 28-2-2019	46080	922/-
Plot No. 6	G.Ramesh babu	1-8-2015 to 31-7-2018	37440	749/-
Plot No.11	D.Ghansi Rani	1-9-2015 to 31-8-2015	37908	758/-
Plot No.12	D.Ghansi Rani	1-9-2015 to 31-8-2015	37440	749/-
Plot No.17	M.Prakash	1-2-2016 to 31-1-2019	43200	864/-
Plot No.19	M.Prakash	1-8-2015 to 31-7-2018	37440	749/-
Plot No.7 of Complex	P.Sreenivasa Rao	1-11-2015 to 31-10-2018	122868	2457/-
Plot No.16	Sk.Jhameela	1-9-2015 to 31-8-2018	187200	3744/-
Plot No.1 of Site	Sk.Ajad Ali	1-4-2015 to 31-3-2018	76788	1536/-
Plot No.1 of R complex north	Y.Naloon	1-4-2015 to 31-3-2018	59508	1190/-
Total				131440

PUBLIC HEALTH - PURCHASE OF PUBLIC HEALTH CONVERGENCE ARTICLES - TENDERS RECEIVED FROM CIVIL CONTRACTORS INSTEAD OF REPUTED FIRMS - QUALITY DURABILITY GENUINENESS AND WARRANTY CERTIFICATES NOT OBTAINED AND PRODUCED - HELD UNDER OBJECTION:-

As seen from the cash book and paid vouchers relating to 001 & 002 Municipal funds, it was noticed that a total amount of Rs. 637425/- was drawn and paid to the civil contractors towards supply and delivery of PH convergence articles during the year under report.

On verification of the connected files, it was noticed that the reasons for receiving tenders from civil contractors instead of inviting quotations from reputed authorized dealers of agencies or procurement in local market under rate contract agreement rates from Rate Contract firms as notified by the District purchase committee. Generally, the estimates would be prepared by the engineering authorities based on the APSS and prevailing SSR rates. The reasons for accepting the tenders and finalizing the tender for supply PH convergence articles in favour civil contractors were not forthcoming to audit. In any reason the procurement of PH convergence articles such as bleaching powder, lime powder etc., cannot be admitted in audit. The quality and durability of the material (bleaching powder, lime powder) supplied by the civil contractor was also not checked. The certificate regarding chlorination Percentage in bleaching powder and lime powder was also not obtained from the water quality monitoring cell of RWS Engineering, and produced to audit. The warranty and genuineness certificate issued by the firm from where the said contractor procured the material was also not produced to the audit.

In the light of above defects, the amount spent in this regard to a

tune of Rs.637425/- cannot be admitted in audit and is held under objection. The loss, if any, caused in this regard would need to be made good from the person or persons responsible.

Sl. No.	Voucher No./ Date	Description of the Material	Name of the Contractor
1	499/16-12-2015	Purchase of lime powder	Sri Bellamkonda Ankama Rao
2	498/16-12-2015	Purchase of Bleaching powder	Sri Bellamkonda Ankama Rao
3	501/16-12-2015	Purchase of Broomsticks	Sri Bellamkonda Ankama Rao
4	502/16-12-2015	Purchase of plastic Dustbins	Sri Bellamkonda Ankama Rao
5	503/16-12-2015	Purchase of Various PH items	Sri Bellamkonda Ankama Rao
6	471/1-1-2016 (001 account)	Purchase of lime powder	Sri Udatha Lokeswara Rao
7	44/28-1-2015	Purchase of lime powder	M/s Karthika Agency, Sathena Palli
8	45/28-4-2015	Purchase of Bleaching Powder	M/s Karthika Agency, Sathena Palli
		Total	

Para No.21

Code No.9

D&O TRADES - IMPOSITION OF LICENSE FEE -

READYMADE/GENERAL GARMENTS SHOPS - LICENSE FEE NOT

COLLECTED - LOSS OF INCOME:-

On verification of D&O trade license fee statements furnished by the executive authority (license fee demand register not maintained for the year 2015-16) it was observed that only 12 licenses were issued to 12 Garment trading shops for the year 2015-16 (retail and wholesale shops). In public the Town Chirala known as --Chinna Bombay-- and has around 500 garment shops such as readymade garment shops, cotton garment shops and reputed firm branches ie., reliance, Bombaydying, reamonds etc. As to why the licenses issued to only 12 garment shops was not explained to audit. The reasons for non-issuing the licenses to all the garment shops in the town duly conducting the survey by the field staff were not forthcoming to audit.

Immediate action may be taken to issue licenses to all the garment shops in the town from their existence in the market and collect the license fee along with arrears and belated amount. In the

absence of the above, the Municipality has foregone heavy income. The loss, if any, caused in this regard would need to be recovered from the person or persons responsible under intimation to audit.

DATE OF CONNECTION NOT RECORDED - DEMAND FROM WHICH MONTH RAISED WAS NOT FORTHCOMING - NEEDS EARLY ACTION:-

On verification file it was observed that 193 applications were received from below poverty line people for tap connections and work orders were also issued during the year under report. As such the water tap connections were also fixed. There was no record was maintained regarding issue of work order and date of connection etc. As such, the date of connection was neither available from the file nor record. In the absence of the same, the correctness of the fixation of demand of water fee for the year 2015-16, could not be verified in audit. Early action may be taken to obtain and produce the date connection of water fee along with connected file. The loss caused if any, would need to be made good from the person or persons responsible.

Para Number : 11

VIOLATION OF RULES (Code : 9) Rs : 0

P (code :9 [19])

Para No.23

Code No.9

**SANITATION - ENGAGEMENT OF WORKERS DEPARTMENTALLY -
CONTRARY TO GOVERNMENT INSTRUCTIONS - CERTAIN OTHER
DEFECTS:-**

The sanitation work in the jurisdiction of the Chirala municipality was divided in to four packages. The sanitation work was entrusted to the outsourcing agencies on tender system. Some of the contract agencies who have participated in sanitation work tenders were filed write petitions before the honorable AP High Court, Hyderabad regarding acceptance of tenders and entrustment of sanitation work against the packages 2,3,4. The honorable High Court was passed interim stay orders on acceptance of tenders relating to packages 2,3,4 were canceled due to Honorable High Court interim stay order.

To continue sanitation work, the executive authority taken up the work departmentally through sanitary inspectors.

On verification of the connected file the following observations were noticed during the course of audit.

1. After receiving stay orders of the honorable High Court the executive authority was not failed counter affidavit to vacate stay orders on the write petitions. The circumstances and importance for acceptance of sanitation tenders were not noticed before the honorable high court by the executive authority.
2. Ignoring the appeal before Honorable High Court the issue was brought to the notice of Regional Joined Director, Guntur.
3. The executive authority has taken up sanitation work by engaging labour departmentally through sanitary inspectors. But the authority under which the work was taken up departmentally against to the clear instructions issued in the G.O.Ms.No.581 MA/61196 and orders

issued from time to time in this regard.

4. The method of engagement of PH workers around 200 hundred members was not pointed out in audit.
5. The payment of wages made to the PH workers through their bank accounts directly from municipal funds (self cheque) which leads so many legal complications and problems. The executive authority does not aware of this problem and not even obtains legal opinion or not addressed to higher authority /government, regarding mode of payment of wages of to the workers.

In view of the above circumstances, legal complications/problems if any, aroused in future the executive authority will be held responsible in this regard.

**AGAINST THE PERSONS WHO HAVE NOT APPLIED FOR
REGULARIZATION:-**

According to rule 3 of AP Regulation and penalization of buildings constructed unauthorizedly and in deviation of the sanctioned plan rules 2015, the persons / builder / developer who have constructed the building unauthorizedly and in deviation of the sanctioned plan shall compulsory be applied for penalization . The municipal commissioners have been mandated incase of areas calling in urban local bodies to regulate and finalize the buildings constructed unauthorizedly and in deviation of the sanctioned plans prior to 31-12-2014.

As seen from the information made available to the audit, it was observed that 900 No.of buildings were indentified which were constructed unauthorizedly and in deviation of the sanctioned plan. Out of 900 No.of buildings only 638 applicants/owners have been applied for regulation or penalization through online along with initial amount of Rs.1000/- for each application. The remaining balance 262 no.of houses constructed unauthorizedly and in deviation of sanctioned plans were left without initiate any action by the executive authority. According to rule 14 of G.O.Ms.No.128 Dt.22-5-2015, in case of those who have failure to come forward for penalization of unauthorized constructed buildings or in deviation of the sanctioned plan such unauthorized connections would be treated as continuing offence and other enforcement action including demolition shall be initiated.

However, out of 638 online applications received for regulation only 170 applications process fully completed these finalized applications were not furnished to audit.

In the absence of the same, it was not known whether the

applications received for regulation under building penalization scheme were scrutinized accordance with the norms and conditions issued in G.O.Ms.No.128 Dt.22-5-2015. Further, the penal charges levied as per rules and paid by the owner of building were also not forthcoming to audit.

Immediate action may be taken to process remaining 468 applications which were received for regulation and produce to audit in addition to the action taken against the persons who were not applied under Building Penalization Scheme.

Para No.25

Code No.9

EXECUTION OF WORKS - EXTENSION OF AGREEMENT TIME

WITHOUT VALID REASONS - FINE NOT IMPOSED - IRREGULAR:-

Name of the work : Construction of CC drain from RTC Bus stand to connect existing drain near LIC office via Petrol bunk, connecting BVS cloth market cross road.

Name of the Contractor : Sri T.Venkateswarlu

As seen from the connected file, it was observed that the above work was entrusted and agreement concluded with Sri T.Venkateswarlu, Contractor. After receiving of work order the work was commenced on 8-7-2013 and completed by 23-1-2015 ie., last measurement date. As per the agreement condition the work has to be completed within three months from the date of concluding agreement. Later on, the contractor was requested to the executive authority to allow extension of agreement time. Based on the request of the contractor the executive authority was sanctioned extension of agreement time up to 31-1-2015 vide proceedings ROC No. 933/2014/E1 Dt.1-9-2014 with the reasons non availability of labour

and ill health of contractor. As per the tender schedule conditions the extension of agreement time has to be allowed when the circumstances beyond the control of the contractor ie., having of natural calamities and fields etc. In this case the above conditions are not applied as it is the responsibility of the contractor to supply the sufficient labour and gathering of required material before commencement of the work. As such, the sanction of extension of agreement time with an irrelevant reason without imposing of fine which is contrary to the tender schedule conditions.

**SANITATION - ENGAGING OF SANITARY WORKERS THROUGH
OUTSOURCING AGENCIES ON TENDER BASIS - SOME OF AGENCIES
APPROACHED THE HONOURABLE HIGH COURT - INTERIM STAY
ORDERS ON THE TENDER NOTICE - WORK ORDERS CANCELLED -
SANITATION WORK TAKEN UP DEPARTMENTALLY - WITHOUT PRIOR
PERMISSION - CERTAIN DEFECTS:-**

In resolution No. 269 Dt.28-2-2015 the Municipal council Chirala permitted to engage 285 PH workers on outsourcing basis for the year 2015-16. As such the total requirement of PH workers was arrived division wise and divided in to four packages.

As per G.O.Ms.No.581 MA Dt.6-11-96 and Government Memo No.19056/G2/2014 MA, G2 Dept., Dt.9-1-2015 the tender notice was issued for supply of PH workers to the sanitation work in the 1 to 4 divisions under four packages.

In response to the publication of the tender the following tenders were received.

Package 1:-

quoted service charges

Tender percentage

- | | |
|--|---------|
| 1. Sri Chilli Babu Rao, President Korneliya
Memorial Welfare society, Chirala | 0.00% |
| 2. Sri K.Rajesh, President Jonashakhi
Dalitha Parishudhaya Karmika Sangham | 0.00% |
| 3. Smt Jayamma, President Harijana Labour
co-Operative society | 2% |
| 4. Sri K.Anand Bab, President Sramajeevana
Dhalitha labour co-operative society | 8300-00 |

Package II:-

- | | |
|---|-------|
| 1. Podili Vinod Babu, Presidnet the Sramika
Scheduled cast labour contract co-operative
society Ltd., | 0.00% |
| 2. Smt D.Mariyamma, President supriya mahila
parishudya karmika sangham | 0.00% |

Package III:-

1. Sri Chevuri Subbaiah, President
Sri Tirupathamma Parishudya Karmika Sangham 0.00%
2. Sri D.Prabhakara Rao, President chirala
municipality Ikaya Karmika Children
welfare society 0.00%

Package IV:-

1. Podili Vinod Babu, Presidnet the Sramika
Scheduled cast labour contract co-operative
society Ltd., 0.00%
2. Sri P.Kondaiah , President Swashakthi
Adyudhaya Parishudhaya Karmika Seva Sangham 0.00%

After receipt of the tenders from the above agencies the executive authority invited the remarks from the sanitary inspectors concerned and finalized the remarks and placed before the municipality council.

Package I:-

1. Sri Chilli Babu Rao, President Korneliya
Memorial Welfare society, Chirala

Package II:-

1. Podili Vinod Babu, Presidnet the Sramika
Scheduled cast labour contract co-operative

society Ltd.,

Package III:-

1. Sri Chevuri Subbaiah, President
Sri Tirupathamma Parishudya Karmika Sangham

Package IV:-

1. Podili Vinod Babu, Presidnet the Sramika
Scheduled cast labour contract co-operative

society Ltd

Work orders were issued to the above agencies and agencies were taken up the work. But the other contact agencies those who have not got work orders for 2,3&4 packages have been approached the honourable high court and the honourable high court passed the interim stay orders on all further proceedings pursuant to the tender

notice No. 632 of 2015 Dt.10-3-2015 issued by the commissioner, Municipality Chirala. In view of the stay orders, the executive authority has requested opinion from municipal standing council. The standing council directed the executive authority to stop all the actions pursuant to the tender notification including work order. Further, the wages to workers engaged from the respondent agencies have been paid for a period of 16 days from 1-4-2015 to 16-4-2015 only, as the honourable high court issued stay orders on 16-4-15. As such except first package all other three packages contracts were cancelled.

To continue sanitation work, the work was taken up departmentally and workers were engaged on daily wage method under supervision of sanitary inspectors and the process was continued up to 31-3-2016.

On verification of connected file, it observed that a numerous defects were noticed regarding issue of tender notice, finalization of tenders and entrustment of the work to the agencies. But the urgency and importance of sanitation work on public interest was not bring to before the Honourable Andhra Pradesh High Court through filling the counter affidavit to vacate the --interim stay orders-- on this regard. Moreover, the issue regarding rejection of suggestions and remarks on acceptance of tenders and entrustment of sanitation work to the contract agencies by the council, the executive authority was not bring to the notice to the government through higher authorities and obtained prior permission for engaging of workers by departmentally. Due to improper and inaction of the executive authority the Honourable High Court has issued interim stay orders on the proceedings pursuant to the tender notice.

Immediate action may be taken to vacate the say orders and

fresh tenders may be invited in this regard. The loss, if any, caused to the institution would need to recover from the person or person responsible.

Para No.27

Code

No.9

SERVICE LEVEL BENCH MARKS TO FOUR CORE SERVICES NOT
PREPARED AND PUBLISHED:-

According to Para No.9.78 of the Fourteenth Finance Commission report and G.O.Ms.No.95 MA&UD (UBS) Dept., Dt.9-3-16 the basic four core services i.e., 1.Water supply 2.Sewage Management 3.Solid waste management 4.Storm water drainage, Every urban local body shall publish for the year 2015-16 in the district gazette by the end of March 2016 and submit the same to the office of Director of Municipal Administration through concerned Regional Director of Municipal Administration . But the executive authority of urban local body has not prepared the service level bench marks for the year 2015-16 and published in the district gazette by the end of March 2016. In the absence of the same, the status of four core services and targets for the next fiscal year 2016-17 could not be verified in audit. Moreover, publishing of the service level bench marks relating to four basic urban core services in each year for the period is one of the conditions to get performance grant from 2016-17 onwards.

Para No.28

Code No.9

RECEIPTS - DDs /CHEQUES RECEIVED FROM E-SEVA CENTRE - DDs/
CHEQUES AMOUNT WERE NOT RECONCILED WITH ORIGINAL
COLLECTED AMOUNT IN E-SEVA CENTRE - NEEDS IMMEDIATE
ACTION:-

As seen from the DDs /Cheques Received register, it was observed that the Demand Drafts/ Cheques were received from the administrative officer, E-Seva, Ongole towards Collection of property tax, water fee, Birth and death fee by the E-Seva centre, Chirala on behalf of Chirala municipality. The DDs/Cheques so received from the administrative officer

E-Seva, Ongole were not reconciled/verified with the actual collection amounts by the E-Seva centre, Chirala. Further, the head wise classification of receipts was also not forthcoming to audit. Due to non - verification / reconciliation of figures with the E-Seva

collections, the genuineness of the amount shown in the accounts could not be checked in audit. Further, if any financial irregularities are noticed later in this regard the loss, if any, sustained to the municipal funds would need to be recovered from the person or persons responsible under intimation to audit.

Para No.29

Code

No.9

ADVERTISEMENT TAX - DEMAND NOT FIXED - NON-INCLUSIVE/
EXCLUSIVE OF NEW HOARDINGS, TEMPORARY STRUCTURES -
BALANCE AMOUNT WAS NOT REALIZED - NEEDS EARLY ACTION:-

As verified from the advertisement tax demand register, it was found that the amount shown in the years 2013-14 & 2014-15 was taken as Demand during the year 2015-16 was Rs. 4,89,120-00. But the reasons for non-fixing of advertisement tax demand and the demand for years 2013-14 & 2014-15 taken as demand was not forthcoming to audit.

Further, in case of the temporary structure hoardings, if any erected during the year was also not forthcoming to audit. The details of advertisements if any, deleted was also not furnished to audit.

Due to non production of relevant files, records and information regarding fixation of demand it could not be verified in audit whether the procedure prescribed in this regard 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 from the person or persons responsible. Out of the demand shown as Rs.4,89,120-00 an amount of Rs.4,19,910-00 was only collected during the year 2015-16 and left the remaining balance of Rs. 69,210-00. Early action may be taken to realize the balance amount of Rs.69,210-00 and credit to the Municipal funds immediately.

Para No.30

Code No.9

SANITATION - DEPLOYMENT OF CONTRACT LABOUR:-

According to section 480 to 572 of Hyderabad Municipal Corporation Act 1955, Urban local bodies are under obligation to clear the roads and drains and collect, lift and carry the garbage to the dumping yards and dispose such garbage through scientific methods.

			s @ 1 pers on per 2 Km	&3 persons per each Auto 18))		
1	2	3	4	5	6	7	8	9	10	11	12
140.52	167	307.50 or 308	154	40+54=94	80	168	285	117	3.69 Cr	2.18 Cr	1.51 Cr

Para Number : 12

VIOLATION OF RULES (Code : 9) Rs : 0

P (code :9 [19])

Para No.31

Code No.9

NON - LEVY OF ADVERTISEMENT TAX ON CABLE TV OPERATORS

DEMAND NOT ARRIVED:-

As per the GO Ms.No.266 MA Department dt.5.5.2000 Advertisement tax on electronic media including Cable TV has to be levied on advalorem basis @ 10% on the rates charged for the Advertisers on Advertisements exhibited for public view through electronic media. The Municipal authorities have to obtain monthly statement from the Cable TV operators regarding the amount of fees collected by the operators for broadcasting of advertisement in their cable TV and advertisement tax has to be collected @ 10 percent on that amount.

As the municipal authorities had not followed the above procedure and no demand was arrived/ at so far, the ULB suffered loss of revenue on this count. Therefore action may be taken to fix the demand as per procedure in the above GO and the same may be intimated to audit.

Para No.32

Code No.9

**FIRE TAX - FIRE TAX NOT LEVIED AND REMITTED TO STATE
DISASTER RESPONSE & FIRE SERVICE DEPARTMENT - NEEDS**

ACTION:-

As per Section 36 of A.P. Fire Services Act, 1999, there may be levied a fire tax on lands and buildings which are situated in any area in which this Act is in force and on which property tax by whatever name called is levied by any local authority in the area.

As per Rule 35 ? of AP Fire & Emergency Operation Rules, 2006, the Fire tax shall be levied on lands and buildings on which property tax is levied @ 1% of the total amount of the property tax in the form of surcharge. The same shall be recoverable as if it were arrear of land revenue.

As verified from the M.L registers along with e-Suvidha, the Fire tax was not levied on lands and buildings on which property tax is levied @ 1% of the total amount of property tax in the form of surcharge. The option was also not incorporated in E.Suvidha package. The executive authority would need to take good steps to levy fire tax and remitted to the State Disaster Response & Fire Service Department.

Para No.33

Code No.9

ASSESSMENT DEMAND FOR USER CHARGES (WATER CHARGES) NOT FIXED:-

Government has instructed all the Municipalities to install water meters to the house-holds/commercial buildings connection excepting of B.P.L. families. Separate rates were fixed for various categories of connections. The correctness of the demand raised for collection of water tax depends on the following.

- i. Fixing of water meters in respect of all the connections irrespective of Categories (residential and commercial) for measurement of water supplied.
- ii. Periodical review of the functioning of meters to verify their accuracy.
- iii. Immediate action for replacement/repair of the faulty meters.

During the course of audit the following defects were observed
1.Municipality failed to install the water meters to all the domestic house hold connections 2)In case of commercial/non-commercial in non-residential connections, even through meters were installed, the municipality did not monitor their functioning. These consumers got the benefit of being charged at the low rates.

Para No.34

Code No.9

MUNICIPAL FUNDS - UTILISATION OF MUNICIPAL FUNDS IN SLUM AREAS FOR WATER SUPPLY AND SANITATION - GOVERNMENT

INSTRUCTIONS NOT FOLLOWED:-

Government have directed in their G.O.Ms.No.265 MA & UD (K2) Dept.19-07-2004 as amended in G.O.Rt.No.1048 MA & UD Department, dated 23-7-2004, all the Municipalities to utilize 40% of the net funds available for slum areas for improving the living standards of Urban Poor by providing basic infrastructure and amenities and further ordered that priority be given to water supply and sanitation while utilizing funds besides earmarking compulsory expenditure of 15% of all the budget expenditure for the welfare of SCs and 7.5% expenditure for the welfare of S.Ts in addition to 5% of reservation of funds for the welfare of Women & children.

As verified from the annual account, the Receipt of the General funds of the Municipality was Rs.10,04,53,527-00 during the year 2015-16. As per the instructions issued in the above G.O, 40% of the net funds available i.e. Rs.40181142-00 has to be spent for water supply and sanitation in slum areas. But this has not been done, thus defeating the purpose of instructions of the Government. Further, the records do not reveal the observance of Government instructions regarding earmarking of funds for the welfare of S.Cs (15%), S.Ts (7.5%) and W & C W (5%). This is highly objectionable and would have a negative effect on the welfare measures of the Government. Immediate action is called for in this regard.

Para No.35

Code No.9

ADMINISTRATIVE SANCTION ACCORDED WITHOUT LINE

ESTIMATES/SPECIFICATION REPORT TO ESTIMATES:-

As per Codes stipulation a line/rough estimate indicating the cost of the work proposed to be taken up shall be prepared by the Engineers for obtaining Administrative Approval for the work. Thereafter a detailed estimate supported with complete details viz; work provisions, Quantities, Rate etc., needs to be prepared. It was noticed that the Preliminary/Specification Report was not prepared. Thus the

fundamental procedures for grant of administrative and Technical sanction were not followed.

Para No.36

Code No.9

HOUSE TAX - LAPSES IN MAINTENANCE OF -MONTHLY LIST REGISTER:-

The Chirala Municipality has 33 general wards and they were categorized into 4 zones. Records indicated that there are 23651 nos of house holders in the Municipality area. The property tax was collected through

e-Seva centers and Cash counter at Municipality. Various types of Taxes have to be levied under different categories viz; RCC(Posh), RCC(ordinary) M Terrace, M Tiled etc., and the rates were prescribed category viz; A-Shops, A-1 Shops, Public Use Offices, Hospitals, Hotels, Industries etc.

The Municipality was maintaining a -Monthly List- Register which contains 60 columns to be invariably filled and authenticated by the Officer. This register provides a record of new connections, reconstructions or extension of buildings assessed to Property tax. After taking the measurements from the completed constructions in sqm, Length and Breath etc., and depending on the prescribed rates and category under which it falls, the House Tax is assessed. The Dimensions are entered in the Monthly List Register and signed by the Bill collector concerned checked by the Revenue Inspector, scrutinized by the Revenue Officer and finally authenticated by the Commissioner. In this context, the Maintenance of the Monthly Register plays a pivotal role as it is the basic record, on a test check of the Monthly List Registers, the following observations were made.

1. As soon as construction of a building is complete the town planning section will send a completion report together with license number name and address of owner and the nature of construction to the Revenue Section.

There up on the Revenue section will initiate action to include the building in the monthly list and get it assessed to Property Tax. But this was not done due to lack of internal supervision. Similarly, the Revenue Wing did not follow the procedure to bring to the notice of the Town Planning Wing in respect of unauthorized constructions of buildings for taking further necessary action. It was noticed that no deviation penalties were imposed except levying 10 % penalty for unauthorized constructions for which Building Approval Plans were not submitted and action was not taken as per BPS Rules.

2. Property Tax Demand register was maintained up to 2013-14 but the

Postings to the collections of Property Tax were not made in the said demand registers and even the maintenance of the same was discontinued from 2014-15.

3. Education Tax is working out to be 0.4% of Annual Rental Value which shall be not more than 2% as per the orders of the Government in vogue depending upon the number of schools under the control of the Municipal Council. But no valid reasons were put forth for the abnormally less than of 0.4% in the instant case.
4. The Commissioner has not approved all the assessments, many of the assessments were finalized even without the formal dated signature of either Revenue Officer or Commissioner.
5. Out of 60 columns in the M.L. register, hardly 5 or 6 columns like length and breadth, Name of the owner, Door. No. and extent etc., are filled. Further no columns were filled up and the value of property tax was taken based on the e-Suvidha and noted in register. As such the correctness of the property tax could not be verified in audit.
6. The Town Planning Department has not maintained any record regarding how many buildings were inspected during construction stage and the deviations noticed if any, and action taken there of .

The above variations would need to be reconciled and non-authentication of the entries would need to be authenticated by the Commissioner at an early and intimated to audit.

Para No.37

Code No.9

REGISTRATION LEASE DEEDS NOT OBTAINED SO FAR - NEEDS OBTAINED:-

As per guideline the transaction should be in writing and the relevant lease deeds should be registered as per law. As per auction conditions, the lessor should execute the registered deed in favour of successful bidder within 3 days from the date of orders and collect requisite stamp duty as per the provisions of Indian stamp act

1899.The CDMA, Hyderabad vide circular Roc.No.9466/2007/N1, dt.14-8-2007, strictly instructed all the municipal commissioners of ULBs in the State to ensure conclusion of agreements duly obtaining the registered lease deeds by paying requisite stamp duty by the lessees. But the municipality had not entered into the lease agreements till date. The Executive Authority would need to the same obtain and produced to audit.

ParaNo.38

Code.No9

NON OPENING OF SEPARATE ACCOUNT FOR URBAN POVERTY ALLEVIATION FUND (UPAF) - NEEDS OPENED:-

As per G.O.Rt.No.1048/M.A, Municipal Administration & urban development (UBS) Department Dt.23-7-2009, all Municipal Commissioners shall open a separate account for UPA fund (Urban Poverty Alleviation in the existing PD account for utilization of 40% earmarked municipal funds in slum areas. All Municipal Commissioners shall transfer the earmarked funds from general fund account to UPA fund account in every quarter in the financial year. The UPA fund shall be utilized for the following components.

- a. Water supply drainage and sewerage
- b. Construction of community toilets
- c. Solid waste Management
- d. Roads
- e. Street Lights
- f. Parks
- g. Community and livelihood centers
- h. Cost escalation, if any, in housing and infrastructure facilities of sanctioned and ongoing projects in slum relocation/up gradation / rehabilitation schemes of (IHSDP) integrated housing and slum development programme.
- i. Funding ULB contribution for PPP initiatives for slum development and
- j. Preparing ULB level specific actionable development plans slum and property free ULB and for its implementation
- k. Matching funds of ULBs for UPA intervention/activities.

During the course of audit, it was noticed that no separate PD Account for Urban Poverty Alleviation Fund was opened so far. Immediate action

would need to be taken to open separate PD account at an early date.

Para No.39

Code No.9

DEPOSITS - PENDING UNCLAIMED FOR YEARS SHOULD BE LAPSED

- NEEDS ACTION:-

Deposits remaining unclaimed for more than three years from the date of original credit should be lapsed and credited to the general fund account. The deposits thus lapsed shall be entered in a register called -Register of Lapsed Deposits- which should be maintained in the form set out in Annexure VII to the rules relating to Deposits issued in G.O.Ms No. 519 MA dated 04-07-1970 as amended in G.O.Ms No. 385 M.A. Dt. 12-07-1974. For the claims subsequently made and admitted, the amounts concerned may be refunded from the general balance of the Municipal Council with the sanction of the council.

Therefore action would need to be taken accordingly under a report to audit.

Para Number : 13

VIOLATION OF RULES (Code : 9) Rs : 0

P (code :9 [19])

Para No.40

Code No.9

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

During the course of audit it was noticed that both the Demand and Arrear Demand Registers of property tax for the year 2015-16 was not prepared during the year. The statement relating to Demand, Collection and balance was prepared instead of demand register. Manual register of current demand was maintained without posting of collection details amount and produced to audit. Similarly register of transfer of titles, mutation register, register of remission, write off register and register of appeals were not made available for verification. Further, the page wise totals along with the final abstract were not arrived and prepared ward wise statement.

Consequently, cross checking of computer generated data with that of manual registers, as required to be maintained in accordance with the instructions contained in para 3 of the fax message in Roc.No.4994/04/03/(B5), dated 18-3-2004 of the Commissioner and Director of Municipal Administration, A.P., Hyderabad could not be done and the correctness of the number of assessments coming under tax fold could not be ensured in audit.

PARA NO.41

CODE NO.9

TAXES - PROPERTY TAX - DEMAND NOT FIXED:-

As per annual account, an aggregate amount of Rs.58001896-00 was realized under

property tax and water tax during the year under audit. It was observed that the current demand register was written up ward wise. But the consolidated abstract wards wise was not arrived and not authenticated by the Executive authority in this register. In the absence of the Demand register, it could not be ascertained whether the entire amount due has been collected or not. Immediate action may be taken to fix the demand with reference to ward wise Assessment list, and arrive at the D.C.B. under the authorization of the Executive Authority. Any loss, sustained by municipal funds due to non-preparation of D.C.B. would have to be made good from the person or persons responsible.

Para No.42

Code No.9

TOWN PLANNING - ENCROACHMENT REGISTER OF ENCROACHMENTS NOT MAINTAINED

PROPERLY:-

As per annual account an amount of Rs.714900-00 was adjusted to municipal funds towards encroachment fee. Further as verified from the register of encroachments maintained for the year 2015-16 the following defects were noticed. The demand, collection and balances were not noted in the register at the end of the financial year.

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

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

PARA NO.43

CODE

NO.9

REGISTER OF BUILDING APPLICATION - MAINTENANCE DEFECTS:-

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

1. In column No.15 the dates of completion of building were not noted duly obtaining the completion reports.
2. All the columns in the register were not filled in with appropriate information or particulars.

3. Compounding fees levied and collected were not noted.
4. Further action taken for the renewal of license fee for the building which was completed within one year from the date of granting the same was not noted.
5. Renewal of license of any granted and fee collected was not noted.
6. Objectionable constructions were not taken to unauthorized construction register and further action not watched through it.
7. Monthly reports from building inspectors were not obtained and produced for audit.
8. Register of unauthorized constructions was not produced for audit.
9. As seen from the building applications the challans where find/fees paid were not enclosed. In the absence of the above information, it would be different to certify in audit whether the newly constructed buildings were properly assessed in terms of property tax or not in time.

PARA NO.44

CODE

NO.9

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

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

1. Market leases
2. Rents from shop rooms, shopping complexes, building and lands
3. Slaughter house leases
4. Revenue receipts
5. Rents from Municipal Quarters
6. Decrial amounts from the courts

Demand:

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

Collection:

Collections will have to be posted month wise from the entries or register of Miscellaneous receipts. There will be provision of penal

interest under market leases and shop rooms rents, if payments are not made in time.

Balance:

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

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 in full shape and not closed properly. Rent to be received (closing balance) during the year was not taken as arrears (opening balance) of the next year properly. Abstracts were not prepared and DCBs were not maintained by the municipality to ascertain the arrears of rents to be collected from the shops, markets etc.,

However, as seen from the MDR for the year 2015-16 none of the conditions stated above were fulfilled. The entries in the register were neither authenticated by the clerk concerned nor by the executive authority. In these circumstances the correctness of the collections which were made during the year 2015-16 could not be certified in audit. In this connection immediate action may be taken to rectify the defects stated above and the corrected MDR shown to audit early.

PARA NO.45

CODE NO.9

NON ISSUANCE OF OCCUPANCY CERTIFICATE AND CONSEQUENT LOSS:-

Occupancy Certificate shall be mandatory for all buildings and unless such certificate has been granted by the sanctioning authority no person shall occupy any building or part of the building. The Property owners consequent upon completion of the construction have to intimate

the Municipality of the same in the prescribed proforma to facilitate the ULB to issue occupancy certificate and levy of PT. It was observed that there was no such arrangement indicating failure on the part of the Municipality in enforcing the provisions laid down. Government have issued G.O.Ms.No.168 MA&UD(M) Department Dated 07.04.2012 and as per Rule 26(d) the rate of compounding fee shall be equivalent to 100% of the value of the land as fixed by the Registration Department at the time of compounding for the violated portion. As the files concerned were not produced to audit the observance of the rules issued in the said G.O by the ULB could not be checked in audit.

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

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

PARA NO.46

CODE NO.9

**WATER CESS NOT PAID TO AP POLLUTION CONTROL BOARD -
NEEDS PAID:-**

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

The AP Pollution Control Board (APPCB) has to issue Amendments

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

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

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

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

Para No.47

Code No.9

NON OBSERVANCE OF CODAL PROVISIONS IN RESPECT OF MAINTENANCE OF WATER CHARGES

RECORDS - NEEDS ACTION:-

Under the Provisions of Part V of AP Municipalities Act 1965 read with AP Municipalities (water supply House Service Connection) Rules 1977, the Council has to sanction a water connection to every individual or firm/ industry that applied for supply of safe drinking water by levying and collecting appropriates fees/donations/monthly consumption charges etc., as resolved by the council in accordance with the Government orders issued from time to time. The revenues on account of monthly water consumption charges shall be collected in the manner prescribed in the AP Municipalities Accounting Manual and posted against the individual assessment to arrive at the arrears against each assessment/connections given.

The ULB has to prepare the demand register in the beginning of a financial year indicating the current year demand along with arrear demand.

1. During the test check, audit observed that the ULB had not maintained consolidated demand register in respect of all water connections given, in the absence of which audit could not verify the arrears in respect of each water connections. Further no demand notices were issued for each

assess in the beginning of every half year assessment.

2. It was seen from the records that there are 7224 water connections as on date. However, only 32 meters were fixed which are not in working condition. No meters were fixed during the year. A fixed rate of Rs.100/- per connection is charged per month from other connections and double rate was being charged from the unserviceable meter connections. Hence action needs to be taken to fix meters for all the connections.

Due to non fixing of water meters, the possibility of loss of revenue to the ULB on account of consumption of water in excess of normal limits from these water connections also cannot be ruled out.

Para Number : 14

NON-REMITTANCE OF DEDUCTIONS/RECOVERIES FROM WORK BILLS/PAY BILLS/CONTIGENT BILLS ETC. (Code : 10) Rs : 0

DEDUCTION / RECOVERIES OF INCOME TAX NOT REMITTED OR PARTLY REMITTED (code :10 [2])

Para No.48

Code No.10(117)

LIBRARY CESS - LIBRARY CESS COMPONENT AMOUNT NOT REMITTED TO ZILLA GRANDHALAYA SAMSTHA - NEEDS EARLY ACTION FOR REMITTANCE:-

On verification of the cash book it was observed that an amount of Rs.11,05,060-00 was drawn on Voucher No.97/17-6-15 from 002 cash book and remitted to the Zilla Grandhalaya Samastha during the month of 6/2015 towards library cess on the collection of property tax made for the period from 1-4-2014 to 31-1-2015.

But the library cess on the property tax collected for the period from 1-2-2015 to 31-3-2016 was not remitted to ZGS, Ongole.

Hence immediate action may be taken to arrive the total collections made under property tax and calculate library cess component as specified in G.O.Ms.No.37/MA&AD (G1) Dept., Dt.25-1-2006 and remit the same to ZGS Ongole under intimation to audit.

Para Number : 15

NON-PRODUCTION OF RECORDS (Code : 11) Rs : 15933697

Para No.49

Code No.11

WORKS - EXECUTION OF WORKS- EXPENDITURE INCURRED - CONNECTED PAID VOUCHERS

ESTIMATES AND M.BOOKS NOT PRODUCED- RS. 15933697/-

During the course of audit, it was noticed that the paid vouchers, estimates and connected measurement books pertaining to works executed as detailed in the annexure enclosed were not made available for verification in audit.

The connected measurement books as prescribed in the paras 290 to 292 of A.P.P.W.D. code and articles 171 to 174 of A.P financial code volume-I would need to be produced for verification in audit. In the absence of the connected measurement books as prescribed above, detailed designs and estimates as specified vide article 181 of A.P financial code Vol.I as para 216 to 218 of A.P.P.W.D. Code, the genuineness of the expenditure incurred could not be certified and admitted in audit. Hence, the same would need to be produced for verification in audit.

Sl.No	Voucher No.	Description of the work
		Road grant cash book
1	11/9-7-15	Towards payment of CC Ist and final bill providing CC road from T. Rupavathi(H) to T.Ankamma(H) ward No.30, M.B.No.120/2014-15
2	13/10-7-15	Towards payment of CC Ist and final bill providing cement concrete patches From sai Baba rice mill and Uma Nursing to connect wood nagar main Road
3	60/4-11-2015	Raising of CC road towards west connect existing road at Koti Shop
4	87-27-1-2016	Providing CC road from Kotla Bajar Main road to Connect Kasulamara Street etc.,
5	88/27-1-2016	Providing CC road from M.Adishesu (H) to Up to Sk.Jabbar (H) etc.,
		001 Account
6	6/24-4-15	Repairs to the Mutyalapet main road drain and rising of wall
7	10/24-4-15	CC road from Rathna babu (H) upto Malisetty Ram babu
8	135/10-7-2015	Repairs and maintenance of Slaughter House in ward No.19
9	136/10-7-2015	Providing CC road from Bandla Nagendra House towards south etc in ward No. 18
10	223/11-8-2015	Providing Culvert and approaches at Ramanayudu Park at each side drain in ward No. 10

11	224/11-8-2015	Supply and delivery electrical metireal	583173
12	240/14-8-2015	Construction of Incomplete slaughter house	136159
13	241/14-8-2015	Providing Cc road and drain from P.Ravi (H) to Venkata rao (H)	184116
14	260/2-9-2015	Widening of CC road and raising of existing drains on both sides of Dr.Saidulu hospital to connect polimera road and Naaj theatre road	144480
15	278/22-9-2015	Providing to CC road from tadavarthy Jayaram (H) up to Railway Track in ward No. 16	153806
16	298/8-10-2015	Raising of dividers from Suresh Mahal to Mallela Neelambram (H)	683490
17	300/15-10-2015	Completion of incomplete Mahela Swasekthe Bhavan	639436
18	311/28-10-2015	Providing cc road from B.Adiyya (H) to V.Vijayamma (H) etc.,	307143
19	312/28-10-2015	Raising of drain from Parala Vegetable market to Durga Bahavani Cool drink Shop	163835
20	400/21-12-2015	Maintenance of water supply - replacement of existing filer media	787753
21	403/21-12-2015	Construction of CC drain from Gollabrolu Madhava Rao(H) to Road ending in ward No.19	129213
22	420/1-1-2016	Raising of damaged CC road from D.koteswar rao (H) to Sama (H) etc in ward No.31	285678
23	452/27-1-2016	Providing CC flooring near Mukkanam Park Centre in ward No. 15	132486
24	457/30-1-2016	Providing CC road from Annapareddy Sambaiah (H) to A.Vijayalakshmi (H)	120125
25	470/1-2-2016	Construction of CC drain from Ch.Konddalu (H) to A.Parvathi (H)	119639
26	498/18-2-2016	Providing CC road and drain from T.V. Rathnam (H) to M.Neelabram (H) at social welfare colony	132982
27	499/19-2-2016	Providing CC road from ILTD old club road towards east at Leelamahal (H)	176625
28	509/4-3-2016	Construction of CC drain from Navarang hotel to Rekha wines	182081

29	538/9-3-2016	Proviidng CC road from Sundaramma (H) to Jogi mariyamma (H) etc	143596
30	548/17-3-2016	Construction of CC drains form B.Bharathi (H) to SK.Navab (H)	164208
31	554/19-3-16	Providing CC road from T.Venkateswarlu (H) to Shenkaraiah (H) etc in ward No.8	154252
		Total	8732567

Para Number : 16

NON-PRODUCTION OF RECORDS (Code : 11) Rs : 0

Para No.50

Code No.11

VACANCY REMISSION REGISTERS M.A. PRODUCED:-

During the course of audit, the register of vacancy remissions was not produced for verification in audit. In the 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 or not.

1. The building should be vacant and unless 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 preceding half year indicating the period of vacancy.
3. There should be a demand for remission of tax either in that half year or in the succeeding half year.
4. The amount of remission shall be proportional to the period of vacancy and it shall not exceed half of the amount of tax.

Hence the above register would need to be written up and produce to audit early for verification whether the above conditions are fulfilled or not.

Para No.51

Code No.11

MONEY VALUE FORMS -STOCK REGISTER NOT PRODUCED

The money value forms stock register for the year 2015-16 was not produced. In the absence of the same the opening balance of the money value forms received, utilized, balance as on 31.03.2016 and as on the date of audit could not be verified in audit.

In the absence of the same it could not be verified in audit as to who was the custodian of the money value forms and the procedure adopted in issuing the Money Value Forms and watching the return of the bill books.

Further the amount collected, credited to municipal funds by using the money value forms could not be certified in audit.

Loss, if any, noticed later, the same would need to be made good from the person (s) responsible and remit to municipal funds under intimation to audit.

Para No.52

Code No.11

PROPERTY TAX, WATER TAX, VACANT LAND TAX CURRENT AND ARREAR DEMAND REGISTERS NOT PRODUCED TO 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 monthly list on half yearly basis for 2 half years. Demand and amount collected by the house tax receipt by cheque, demand drafts & E-Seva collections, gross amount duly posted in the demand register and balance in the concerned month. The same should be tallied with chitta.

If any interest collected under the concerned head, the same should be recorded in ink and should be totaled page wise month wise year wise. The totals should tally with chitta figures. But the concerned registers were not produced.

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

Further the outstanding bills were not made available for verification. Therefore the executive authority was requested to initiate immediate action to close the connected register and produce the same for verification in audit.

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

Para No.53

Code No.11

LEASES - RENEWAL OF LEASES OF MUNICIPAL PROPERTIES BEYOND 25 YEARS - INFORMATION NOT PRODUCED:-

According to instructions issued in G.O.Ms.No.120 Municipal Administration & Urban Development Department, dated 31-3-2011 all Municipal Properties which have completed 25 years of lease period shall be put to the lease for public auction.

But the information regarding the number of shops in Municipal Council area wise, name of the existing lease holder, date of occupation of shop and period of lease etc. was not made available in audit. In the absence of the same, it could not be verified in audit whether all shops which have completed 25 years of lease period are put into public auction or still in occupation by the earlier lease holders. The loss, if any, caused in this regard would need to be recovered from the person or persons responsible.

Para No.54

Code No.11

D&O TRADES - ADDITIONS AND OMISSION LISTS NOT MADE AND PRODUCED:-

As verified from the D&O trades, register relating to divisions the inclusions and deletions lists of traders for the year 2015-16 ward wise were not made and produced to audit. The monthly lists of traders together with applications and inclusion/omissions lists of trader-s with applications were not made and produced to audit. In the absence of the same the correctness of demand can-t be verified in audit. It would need to be maintained and produced to audit early.

Para No.55

Code No.11

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

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

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

1. Log Book: During the course of audit log books of 28 vehicles were produced. But the following procedure was not 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 vehicles in his own hand, writing the mileage at the start and at the completion of their trips after verifying kilometers.
3. The 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 during the month in the prescribed proforma.
5. That the quantity of petrol, diesel oil purchased has been entered in the log book of the respective vehicle.
6. That the hire charges collected as per hire charges payment register have been entered in the concerned log book.
7. That the log book was scrutinized personally by the authority concerned,

once in a month and his signature appended there in.

8. That the log books were written in the prescribed proforma with full details.

1. Register showing the repairs, replacements, spare parts etc.,

Due to non production of these registers it could not be verified in audit whether the following prescribed procedure was followed.

1. That the voucher No. and date and nature of repairs etc., together with amount were noted in the appropriate columns of the register.
2. That in the case of replacements etc., the old parts were disposed off in Public Auction noted and the sale proceeds credited to Municipal funds.
3. That in case of purchase of spare parts, the rules relating to the invitations and disposal of tenders have been observed.

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

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

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

6. That the register was periodically checked by the concerned authority and a certificate to that effect has been recovered

4. Register of inventory of equipment.

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

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

2. That the inventory of equipment has been checked by the concerned authority every month and a certificate to that effect has been recorded there in.

3. That the Loss if any arising out of negligence or fault of any person has been recovered and credited to the funds.

Para No.56

Code No.11

PROPERTY TAX APPEALS - RECORDS NOT PRODUCED:-

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

Para No.57

Code No.11

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

Consolidated register showing the properties owned by the Municipal Corporation was not maintained. Several immovable property registers were produced to audit. The reasons for why maintaining so many registers were not furnished. The details of properties acquired were simply noted in the registers. But, the present status of the properties was not noted. In the absence of the same, the details of the buildings, lands, shops, vacant sites etc., owned by the Municipality and the properties utilizing by the Municipality, properties leased out, properties encroached etc., could not be verified in audit. Action may be taken for the preparation of consolidated register of properties owned by the Municipality duly recording the present status, certified and produced to audit for verification.

The details of assets available in the official web site of the Chirala Municipality 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.

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

As verified from the Public Health Conservancy Articles Stock Register, it was observed that many articles were issued to the Sanitary Inspector/ Mastery of Public Health Section during the year 2014-15. But the requisition letters from the concerned were not obtained and produced to audit for verification.

In the absence of the above requirement orders 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.59

Code No.11

WATER SUPPLY - NEW CONNECTIONS APPLICATIONS NOT PRODUCED:-

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

PARA NO.60

CODE NO.11

PROVIDENT FUND ACCOUNT NOT MAINTAINED PROPERLY - NEEDS RECTIFICATION:-

Though subscribing to the provident fund is optional in Municipal Councils, the provident fund account with the existing balances of the employees had to be maintained properly as it was governed by the provident fund rules. The following important registers/Forms have to be maintained in connection with provident fund.

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

But none of the above registers were maintained in Municipal Council, Chirala. As a result the correctness of the transactions carried out under P.F. during the year under audit could not be verified in audit. Loss if any sustained by the Municipal Council as a result of non-maintenance of the above registers, would need to be made good from the person or persons responsible. Immediate action may be taken to maintain the above registers and produce the same to audit.

Para No.61

Code

No.11

OUT SOURCING SERVICES - APPOINTMENT OF OUTSOURCING EMPLOYEES THROUGH CONTRACTOR - CONCURRENCE OF FINANCE AND POST SANCTION ORDERS - NOT PRODUCED:-

On verification of the connected records, it was observed that the tenders were invited for supply of the following persons on contract basis during the year 2014-15.

1. Supply of technical and non technical work Inspectors, Mazdoors
2. Supply of Mazdoors for Maintenance of water supply, street lighting.
3. Supply of Work Inspectors Non-Technical and computer Operators
4. Supply of Mazdoors for Maintenance of Parks
5. Supply of computer operators
6. Supply of security guards of watch and ward the Municipal Office

As per the instructions issued in Govt.Cir.Memo.No.14863-F/547/A2/SMPC/07 Finance (SMPC) Dept Dt.14-6-07, at the time of initial appointment of employees under outsourcing services, the head of department has obtained permission from the Government to conclude the agreement with the out sourcing agency within the sanctioned strength of the institution and the concurrence of finance (SMPC) department is also essential.

But the concurrence orders of the finance (SMPC) Dept. along with the sanctioned strength for the MC Chirala of out sourced employees were not produced to audit. In the absence the same, it could not be verified in audit whether the outsourcing employees were appointed with in sanctioned strength along with the concurrence of finance (SMPC) Dept. Any irregularities that comes to light and found in future, action would need to be taken against person or persons responsible.

Para Number : 17

EXCESS PAYMENTS (Code : 13) Rs : 150809

Para No.62

Code No.13

WORKS - SUPPLY OF SAND BAGS - RATE ALLOWED IN EXCESS OF SSR - RATE - DATA NOT PRODUCED - NEEDS RECOVERY Rs.34200/-

Name of the work : supply of sand bags and labour for patrolling on canal in chirala , Municipality.

Estimate : Rs.200000/-

Admn : 484 Dt: 11-2-2016

Tech sanction :METSNo. 267/15-16 Dt:12-2-2016

M.B. No. : 148/ Chirala /2015-16
 Voucher No. : 532 9-3-2016 Rs.181227-00
 Contractor : Sri J.Srinivasa Rao

On verification of the connected M.Book along with estimate, it was noticed that the rate for --supply and delivery of empty cement bags filling with sand etc., was allowed at the rate of Rs. 37/- per bag. To verify the correctness of the rate, the data sheet was not enclosed to the estimate. However, as per SSR 2015-16 the rate for supply and delivery of cement bags filling with sand etc., was only Rs.25.60/-. As such the excess amount paid due to allowing of excess rate in the estimate than the SSR rate as detailed below should be recovered from the person or persons responsible.

Details:	Quantity	Rate	Total Amount
Supply, delivery of empty cement bags filling sand with bags , stitching the bags and placing the bags across canal including all labour charges for filling and stitching the bags as suggested by the dept.	3000 Nos.	Rs.37/-	111000-00

			1 No.
As per SSR		25.60	76800-00

Difference (Excess Paid)			34200-00

(ii) Further, after completion of the work ie., lifting of the water from canal on 25-1-2016 the sand bags were removed and laying on the bank of the canal and their auction was not forthcoming to audit. The rate of 3000 No.of bags of sand was also not explained in audit. The reason for non conducting of auction of sand soon after completion of the work which earned minimum 25% of the total original cost.

Immediate action may be taken to assess the loss of income due to non conducting of auction and recover the same from the person or persons responsible.

Para No.63 Code No.13
WORKS - HDPE PIPES - PURCHASED RATE LESS THAN ESTIMATE RATES - EXCESS PAYMENT
Rs.115416/-

On verification of connected estimate and M.Book along with file, it was observed that the supply and delivery of HDPE pipe cost was not limited to the purchased invoice cost, issued by the company, in addition allowing the estimate rates with the Tender Percentage excess on the estimate cost was also allowed and the final payment

made to the contractor accordingly .

The contractor was purchased the pipes from the local market and produced the invoice bill of the firm which shows the less price than the estimate rates. As per the provisions of the financial code and APDSS the estimate rates should be limited to the purchased rate. But the same was not done. Hence the excess payment made due to non limiting to the invoice rates as detailed below should be recovered from the person or persons responsible.

1.Name of the work :Providing HDPE distribution pipe line along with kotla bazaar west side form Sanyasi Lingammara road to Puvvadavari Veedhi junction and cross road in Ayyappa Swami temple road

Estimate : Rs.995000/-

Admn Sanction : 406Dt:20-1-2012

Tech sanction : EEPH No. 16/2012-13 Dt:9-5-2012

M.B.NO. : 124/CRLA/2014-15 P.No.46 to 79

TP : (+) 4.45%

Voucher No. : 18/14-08-2015 Rs.207468-00(IIIrd Final bill)

	Quantity	Rate	Total
Manufacturing and supply and delivery of			
110 MM dia HDPE pipes	904.80RM	224-00	202675-20
160 MM dia	495 RM	469-00	232155-00
Total	1399.8RM	693-00	434830-00

As per invoice bill of Kissan Polymers India Ltd., Bommala Ramavaram Village and Mandal Nalgonda

	Quantity	Rate	Total
Manufacturing and supply and delivery of			
110 MM dia HDPE pipes	904.80RM	172.81	156358.49
160 MM dia	95 RM	405.25	200598.75
Total			356957.24

Excess payment = Paid rate - Invoice rate (to be paid)

=434830- 356957.24=77873-00

Add TP +4.45% 3465-00

81338-00

2.Name of the work :Providing HDPE distribution pipe line From Mosque at Government Hospital Junction to Andhra Bank ATM

Building (Via)clock town

Estimate : Rs.993000/-
Admn Sanction :406Dt:20-1-2012
Tech sanction :EEPH No. 19/2012-13 Dt:9-5-2012
M.B.NO. :110/CRLA 2014-15
TP : (+) 4.49%
Voucher No. :19/14-08-2015 Rs.207468-00(IIIrd Final bill)

	Quantity	Rate	Total
Manufacturing and supply and delivery of			
110 MM dia HDPE pipes	10.70RM	224-00	2396.80
160 MM dia	3RM	469-00	235907-00
Total			238303-80

As per invoice bill of Kissan Polymers India Ltd Bommala Ramavaram Village and
Mandal Nalgonda (invoice No.14/8-9-2014)

	Quantity	Rate	Total
Manufacturing and supply and delivery of			
110 MM dia HDPE pipes	10.70RM	172.81	1849.07
160 MM dia	503 RM	405.25	203840.75
Total			205689.82

Excess payment = Paid rate - Invoice rate (to be paid)
=238304-205690=32614-00

Add TP +4.49% 1464-00

34078-00

Total excess payment paid in the above tow works =Rs.81338+34078

=Rs.115416-00

Para 64

Code No.13

WORKS - WRONG CALCULATIONS - EXCESS PAYMENT

RS.1193-00

Name of the Work :Providing CC road from Nageswari Nilayam to Kaja
Srinivasarao (H) and beside Sai school in ward No. 7

Estimate :500000/-
Admn No. :209/31-1-2015
Grant : non- plan grant 2013-14
Contractor : Sri U.Lokeswara Rao
Voucher NO. :443/13-1-2016 for Rs. 66888-00

On verification of the connected M.Book along with files, it was observed that the quantity of laying VCC in M30 was wrongly arrived as 26.71 M³ (Page No. 23 to 27 of MB) instead of 26.50 M³ which results excess payment of Rs.1192-00 made to the contractor as detailed below. Early action may be taken to recover the amount from the person or persons responsible and remit the same to Municipal funds.

Details of excess payment:

Recording of -- laying VCC M30-- arrived to be arrived

18-12-2015 laying VCC M30 size design -

----- . for CC pavement 26.71Cum 26.50Cum

Abstract of the bill at Page No. 39

Item No. 5	Quantity	Rate	Amount
laying VCC M30 size design -			Rs. Ps.
--- -for CC pavement	26.71Cum	5680.17/1Cum	151717.34
correct quantity	26.50 Cum		,, 150524.50
		Excess payment	1192-84

Para Number : 18

EXCESS PAYMENTS (Code : 13) Rs : 165759

Para No.65

Code No.13

LIBRARY CESS - PAYMENT OF LIBRARY CESS COMPONENT AMOUNT IN EXCESS OF THE ELIGIBILITY AMOUNT - NEEDS RECOVERY - RS.165759-00

As verified from the cash book and paid vouchers, it was observed that on Vr.No.97/17-6-2015 an amount of Rs.1105060-00 was drawn from Municipal 002 General funds and paid to the Secretary, Zilla Grandhalaya Samstha, Ongole towards balance library cess component which was collected along with property tax for the period 1-4-2014 to 31-1-2015.

As per the Government orders issued in G.O.Ms.No.37 MA & UD (G1) Department dated 25-1-2006 85% of library cess component amount only has to be remitted to the concerned Zilla Grandhalaya Samstha and the remaining 15% library cess component amount to be retained with Municipality and remit later subject to improvement of the libraries which were under administrative control of Municipal council. But in this case, entire library cess component amount was remitted to Zilla Grandhalaya Samstha, Ongole without retaining 15% amount which is contrary to the Government instructions, as there are some libraries under the administrative control of Municipal council and some expenditure was also incurred for their improvement by the Municipality Chirala . As a result, an amount of Rs.165759/- was excess remitted to Zilla Grandhalaya Samastha, Ongole. Immediate action would need to be taken to make correspondence with the Zilla Grandhalaya Samstha, Ongole authorities on this subject and get back the excess remitted amount or adjusted in future remittance.

Para No.66

Code No13

ALLOWING OF CEMENT QUANTITY IN VRCC M20 ITEM AS 400 KGS INSTEAD OF 350 KGS IN THE DATA - AGAINST THE STANDARD DATA NORMS - INADMISSIBLE:-

On verification of the DATA sheets for execution of CC item works for the years 2014-15 & 2015-16 it was observed that the cement quantity was taken as 400 Kgs instead of 347 Kgs for the work item vibrated reinforced cement concrete M20 grade nominal mix using 20MM crushed stone to cover slabs on the top of drain walls. As per the provision made in AP Standard Data, RBR SNDN-4-C2, the required quantity of cement was only 347 Kgs. But the reasons for allowing 400 Kgs than the quantity specified in the standard data were not explained in audit. Further, the authority under which the quantity of 450 Kgs allowed was also forthcoming to audit.

As such, the allowing of 400Kgs for M20 item cannot be admitted in audit and excess payment made due to allowing of excess quantity of cement 50Kgs per cubic metre @ Rs. 64 per Kg / as the rate applicable to the date of execution, cannot be admitted in audit and needs recovery.

Further, all the works in which M20 item was executed with this data should be traced out and the excess payment made may be worked out and recover from the person or persons responsible under intimation to audit.

Para Number : 19

WASTEFUL EXPENDITURE (Code : 14) Rs : 0

PH CONVERGENCE ARTICLES - NOT UTILIZED - STOCK KEPT IDLE - WASTE FUL EXPENDITURE:-

On verification of the stock register in respect of purchase of oils for the year 2015-16, it was noticed that the following PH convergence stock was purchased and received and entered (noted) in the stock register and utilization was also recorded. The balance of stock shown as on the date of purchase of metireal was not utilized till the close of audit. Further, it was also not noted in the stock register whether the purchased material stock was taken as OB for the next year.

In the absence of the utilization of stock already available, the metireal purchased during the year treated as wasteful expenditure. Further, the convergence stock of --Malathion and technical oil -- quantity of 198 Kgs was purchased and stock received on 23-11-2015. But only 36.5 Kgs of stock was only utilized up to 14-10-2016 i.e., an average utilization was only 3Kgs for month only. As such the necessity and need of purchase of Malathion oil in such a huge quantity of 198 Kgs with cost of Rs.100000/- when their requirement of oil was only 3Kgs for month was not forthcoming to audit. The durability and power of Antibacterial of oil was also not forthcoming to audit, when the utilization of oil takes time more than three months.

As such the stock purchased without need and necessity and kept idle for months together treated as wasteful purchase and the amounts spent in this regard was also treated as wasteful expenditure. The loss caused in this regard should be recovered from the person or persons responsible under intimation to audit.

Voucher No.	Details of purchase	Date of Stock received		Utilization of stock up to		balance of stock	
		Date	Quantity	Date	Quantity	Quantity	An
6/17-12-2015 Rs.99792-00	Malathiyan technical	23-11-15	198 Kgs	23-11-2015 to 14-10-2016	36.50 Kgs	161.50	81
5/16-12-2005 Rs. 97650/-	Temethoes 50 EC oil	28-11-2015	160 Lit	28-11-2015 only (not utilization was recorded up to the	20 Lit	40 Lit	65

					close of audit i.e., 28-2-2017 since 28-11-2015)					
3	5	4/16-12-2015 for Rs. 72188/-	Pyrosene oil	28-11-2015	125 Lit	28-11-2015 only (no utilization since 28-11-2015)	100 Lit	25 Lit	14	38-00
Total									16	934-00

Para Number : 20

OTHERS (Code : 18) Rs : 0

Para No.68

Code No.18

PURCHASE OF UNIFORM CLOTHES TO PH & NON-PH WORKERS - ABNORMAL RATES PAID - NEEDS DETAILED INVESTIGATION:-

An amount of Rs.333176/- was drawn through voucher No.578/11-2-2016 and paid to APCO Sales Emporium Chirala towards purchase of uniform cloth during the year under report.

On verification of connected file along with bills issued by the APCO emporium it was observed that the rates paid towards cloth for uniforms i.e., cotton sarees, Terry Cotton shirting cloth and towels were abnormal than the general market rates. For example one towel cost was shown in the bill as Rs.267/- and one cotton saree cost shown as Rs.1480/-

Hence, a detailed enquiry may be conducted duly addressing the director of A.P.S.H.W.C.S, Ltd with a request to send an assessing Officer to examine the supplied material and rates shown in the bill. The loss, if any, caused in this regard would be made good from the person or persons responsible under intimation to audit.

Details of Expenditure:-

Voucher No. 578/11-2-2016

Supply of uniform to PH and Non-Ph workers .

Bill No. 32 Dt:6-2-2016 - APCO sales emporium ,chirala

Total Bill amount :	Rs.416470.80
APCO Discount 20%	Rs.83294.80
Total Amount	Rs.333176-00

Para No.69

Code No.18

REGISTERS NOT MAINTAINED:-

The following important registers to be maintained along with cash book were not maintained as detailed below. Early action would need to be taken to maintain these important registers and produce for verification in audit.

1. Register of Government offices located in private buildings
2. Consolidated register of properties owned by the
M.C.Chirala
3. Register of A.G. Objections.
4. Stock register of Furniture
5. Establishment Audit register
6. Register of revision petitions
7. Register of remission and writt off
8. Stock register of M.V. Forms
9. Register of Security deposits
10. Register of recoveries of loans granted to Government
Servants for purchases of Bicycles, H.B.A.M.A., Motor cycle
etc.,
11. Condemned articles register.
12. Stock register of P.H. articles.
13. Petty Cash book
14. Tools and Plants Register
15. Stock Register for Stationery
16. Register of V.L.T.
17. D.C.B of vacant Land Tax
18. Used Receipt Books for the taxes collected manually
(WT VLT and M.R)
19. Register of Auction files of Vacant condemned
20. Computer stock register
21. Register of vehicle
22. Register of Assets
23. Register of buildings exempted from the payment of
Properties

24. Vacancy remission register

Para No.70

Code No.18

DATA BASE OF THE RECORDS OF TAXATION - EFFICACY OF THE

SOFT WARE:-

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

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

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

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

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

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

as to verify the same.

Para No.71

Code No.18

LAPSED DEPOSIT REGISTER NOT MAINTAINED:

As per the deposit register, the deposits which remain unclaimed for more than three years are to be listed out and taken to the register of lapsed deposits. The amount so arrived shall have to be transferred to general funds.

Contrary to the above procedure, no action appears to have been taken to maintain the -lapsed deposit register- and no amount was transferred to general funds. The loss if any caused due to belated action has to be made good by the person or persons responsible.

Para No.72

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 to have been issued through the bill collectors concerned to the property owners, the same could not be ensured in audit that all the notices were issued in time by the bill collectors concerned. The special notice number and the date of issue had to be entered in the ML register at Col.No.45 and 46 respectively but the details were not being entered in the MLs in majority of the cases. Further the revenue section of the ULB did not maintain the copies of the special notices obtained from the package. In the absence of the same the correctness of the demand fixed and timely issuance of the same could also be not verified in audit.

Para No.73

Code No.18

DEPARTMENTAL INSPECTION AND INTERNAL AUDIT OF THE OFFICE NOT DONE:-

Departmental Inspection:- According to the Government orders

in G.O.Ms.No.247,GAD,dated 8.2.1962 and instructions issued from time to time. District Officers and their subordinate officers are required to be inspected by the Heads of Departments periodically and furnish Inspection Reports in the form of Questionnaire prescribed therein. The need for inspection of Government offices periodically was also emphasized in Government Memo.

Internal Audit:- As per the orders in G.O. Ms.No.34, F & P Department dated 1-7-1997, it is the responsibility of the Accounts Branch of the Head of the Department to conduct Internal Audit of the Regional offices, District offices, unit offices etc., periodically at least once in a year and furnish report.

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

Para No.74

Code No.18

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

As per G.O.ms.No.303 Municipal Administration & Urban Development (A2) Department, dated 3-8-2004 the Government has decided to formulate a new strategy for the urban poor i.e. Below Poverty Line house holds, for provision of house service connections. Accordingly the following orders are issued.

1. Any Below Poverty Line house 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 road cutting charges. The cost of tap, however shall be borne by the individual.
2. The beneficiary shall be given the option of paying the amount in 12 equal monthly installments without interest. The house service

connection shall be given after payment of 1st installment and the rest shall be recovered along with the monthly/bi monthly billing for water consumed.

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

Para No.75

Code No.18

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

In accordance with Government memo.no.22889/MA/97, MA&UD, dated 1-11-1997, an amount of Rs.100/- from individuals and Rs.1000 from apartment builders, are being collected by the municipal authorities towards fee for publication of building permissions in newspapers while according approval for house plans. The amounts collected shall be utilized towards publication charges payable to news media for printing the particulars viz., name of the applicant/GPA, sanction, total sq.ft sanctioned, total floors sanctioned, number of flats per floor, area of flats, parking space, etc., as a measure of transparency.

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

Para No.76

Code No.18

GENERAL RULES NOT FOLLOWED AT THE TIME OF PREPARATION OF BUDGET ESTIMATES - NEEDS TO BE FOLLOWED:-

As per the Budget manual, the budget estimates for the coming year shall generally follow the Revised Estimate of the current year after allowing for any abnormal circumstances that have existed in the current year or expected in the Budget year. No increases shall be made over the Revised Estimate unless adequate reasons are given. It shall not, however, be assumed that provision should be always made for the budget year on the basis of the Revised Estimates as a matter of course. The Budget Estimates for receipts shall be based on the grants released during the previous year, the taxes, duties, contributions and fees levied etc., and net increase or reduction in such rates which has not been sanctioned by the competent authority shall be proposed in the Budget Estimates. If proposals of this kind have already been sent to the Government or to Commissioner & Director of Municipal Administration, Andhra Pradesh,

Hyderabad separately the financial effect of such proposals shall be indicated in the -Remarks-. The Budget Estimates have to be divided in two sections viz. Section I(Maintenance) and Section II (Development). Section I (maintenance) deals with the budget estimates of grants to be received from Government and Heads of Departments. Section II (Development) of the budget estimate deals with grants received and expenditure incurred for development works relating to plan schemes and other capital works.

It was observed that the Executive Authority did not follow the above guidelines at the time of preparation of Budget and revised budget for the year 2015-16.

A. The budget provisions were enhanced/decreased/newly added in the revised budget estimates for the year 2015-16 without proper evidence as follows.

Sl.No	Name of the Head	Actuals Receipts & Expenditure for the 2014-15 Rs	Budget for the Year 2015-16 Rupees in Lakhs.	Revised budget for the year 2015-16 Rupees in Lakhs
1	Sale of old material	0	4.00	5.00
2	Fee for issue of Birth and death certificates	0	7.50	12.00
3	Encroachment fees	0	8.00	6.00
4	Building development fee	0	18.00	8.00
5	Betterment charges	0	2.50	1.00

A. As per census report 2011 the population of the Chirala Municipality, Prakasam District is 87393. No amount was shown towards per capita grant in the budget. The reasons for non- realization and efforts to realize them were not explained.

B. As per G.O.Rt.No.1048/M.A. municipal Administration & Urban Development (UBS) Department, Dt.23-7-2009, every Urban Local Body has to prepare an estimate of its own revenues to be realized for the next financial year as provided in the Budget estimate as shown hereunder.

- a. Tax Resources
- b. Non- Tax Resources
- c. Assigned Revenues

d. Non-Plan grant

The ULB has to prepare an estimate of the amount required for maintenance of all civil services including outsourcing of services, office and contingent expenditure, deduct this amount from total own resources and arrive at the own resources i.e. net municipal funds that will be available for under taking developmental activities in the next financial year. But no earmarked funds for improving the living stand areas of Urban poor by providing basic infrastructure and amenities and creating income generating opportunities and further ordered that priority be given to water supply and sanitation while utilizing funds in slum areas.

A. As per budget rules the following proforma was prescribed for the preparation of budget.

Sl.No	Name of the head	Actual Receipts and expenditure for the year 2014-15 Rs	Budget for the year 2014-15 Rs	Revised budget for the year 2015-16 Rs	Budget for the year 2015-16
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But the Colum relating to actual receipt &Expenditure for the year 2014-15 was not shown in the revised budget for the year 2014-15 & budget for the year 2015-16.

Para Number : 21

OTHERS (Code : 18) Rs : 0

Comments on Annual Account

Para No.77

Code No.18

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 instances of under/over stating of value of assets and non-identification of assets etc., were pointed out and communicated to the Executive Authority for rectification. But the said FOBS were not returned duly rectifying the defects pointed out or existed in the FOBS. The annual account for the year 2009-10 furnished was prepared with the OBs as arrived at in the FOBs. Thus adopting of uncorrected OBs rendered the annual account for the year 2015-16 not reliable and cannot be held to reflect the true and fair view of the transactions of the accounting period. In view of the non rectification/ remedying the defects pointed out in FOBS issued to the Municipal Council persisted in the final accounts and as such

the defects already pointed out may be read as part and parcel of this audit report. However, the same are also abstracted here under for the sake of convenience.

VERIFICATION OF ANNUAL ACCOUNT IN DEABAS

During the verification of annual account of Municipal Council, Chirala for the year 2015-16, the following observations were made in audit.

77.1) RECEIVABLES NOT RECONCILED

The accounts section and the tax section shall reconcile the balance at the beginning of the accounting year in respect of the year wise property and other tax receivables as appearing in the balance sheet of the previous year with the year wise total of the arrear recorded in the demand register. But during the verification of the annual accounts it was noticed that the arrear demand registers were not maintained by the ULB and as such the amount shown in the balance sheet could not be held to be correct and the basis on which the figures had been finalized was also not made known to audit.

77.2)NON MAINTENANCE OF REGISTERS PRESCRIBED IN THE MANUAL

The APMAM prescribed maintenance of certain registers and forms. The formats of the books, registers and forms referred to in Table 4.1 of Chapter 4 need to be maintained. But it was observed that all the registers and forms were not maintained contrary to the instructions contained in the manual. The details are shown below.

Details of Registers/Statements/Forms not produced

S.No.	Form No.	Name of the Register/Statement
1	GEN-9	Receipt Register
2	GEN-10	Statement on status of cheques received
3	GEN-11	Collection Register
4	GEN-12	Summary of daily collection of Tax Revenue/Non-Tax Revenue collection office/collect centre
5	GEN-13	Register of bills for payment for the year 2015-16
6	GEN-14	Payment Order
7	GEN-15	Cheque Issue Register
8	GEN-16	Register of Advances for the year 2015.16
9	GEN-17	Register of Permanent Advance
10	GEN-18	Register of Deposits for the year 2015.16
11	GEN-19	Summary Statement of Deposits adjusted
12	GEN-20	Demand Register of _____ Income for the year 2015.16
13	GEN-21	Notice/Bill of _____ Income for the period _____
14	GEN-22	Summary Statement bills raised for the period _____ in respect of _____
15	GEN-23	Register of Distrant Fee, Warrant Fee, Other Fees and penalties charges in respect _____
16	GEN-24	Summary Statement of Distrant Fee, Warrant Fee, Other Fees and Penalties Charged
17	GEN-25	Register of refunds, remissions & write off for the year _____ in respect of _____
18	GEN-26	Summary Statement of Refunds and remissions for the period _____
19	GEN-27	Summary Statement of Write-offs for the period _____
20	GEN-28	Statement of outstanding liability for expenses as on _____
21	GEN-29	Document control register/Stock account of receipt/Cheque book
22	GEN-30	Register of Immovable Property
23	GEN -31	Register of Movable Property
24	GEN-32	Register of Land
25	GEN-35	Asset Replacement Register
26	GEN-36	Register of Public Lighting System
27	G-1	Grant Register
28	OTH-1	Summary Statement of Demand Raised on Assessment for the year _____
29	OTH-2	Summary Statement of year-wise collection of other incomes for the period _____
30	OTH-3	Summary Statement of Refunds for the period _____
31	OTH-4	Summary Statement of write offs for the period _____
32	WS-1	Summary Statement of Demand raised on assessment for the period _____

33	WS-2	Summary Statement of year-wise and head-wise collection of Water Taxes for the period
34	WS-3	Summary Statement of Refunds/Remissions for the period
35	WS-4	Summary Statement of Write offs for the period
36	ES-1	Consolidated pay bill/summary roll of the permanent/temporary establishment for the month of
37	ES-2	Register of Employee Loans/Advances for the year
38	ES-3	Register of interest of loans to employees for the year
39	ES-4	Unpaid salary for the year
40	ES-5	Register of Pension Payment Order
41	ES-6	Pension Register
42	SF-1	Special Funds Register
43	BR-1	Register of Loans
44	BR-2	Register of Debentures
45	BR-3	Register of Sinking funds
46	IN-1	Investment Ledger/Register
47	IN-2	Calculation Sheet for Provision for Diminution in Value of Investments for the period ending 31.03.2016
48	ST-1	Material Receipt Note
49	ST-2	Stores Ledger
50	ST-3	Statement of closing stock as on 31.3.2016
51	ST-4	Statement of material issued to contractors
52	PW-1	Summary Statement of status of capital work-in-progress/ Deposit works
53	PW-2	Work Sheet
54	PW-3	Deposit Works Register
55	LA-1	Register of Loans to Others
56	SPL-1	Register of grants to school boards/Other undertakings

77.3) NON IDENTIFICATION OF MANY ASSETS

Many assets were not identified in spite of pointing out relevant objections in the FOBS verification report. The Executive Authority of the ULB ought to have shown much more interest in identifying valuable assets and taken steps to include the same in the Balance Sheet. In most of the ULBs the head water works constructed by the PH Engineering Department were not taken as asset on the plea that the expenditure was not incurred by the ULB.

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

77.5) DEPOSITS AND ADVANCES OF YESTER YEARS NOT FINALISED

During verification of FOBS it was noticed that the amounts under advances and deposits were not ascertained with reference to the registers maintained for that purpose. It was also observed during verification of FOBS that only the deposits refunded during the financial year 2015-16 were taken as OB as on 01-04-2015 the deposits received during the year 2014-15.

77.6) 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 APMAM.

77.7) 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 along with collection of belated fees. The advance collection made shall be kept under deposit for this year and adjusted to General funds in the subsequent year. But during the course of verification of account it was noticed that the said distinction was not observed and the collections made were not classified in to the year to which they pertain. As a result of which the entire amount collected is reflected as income in the Income and Expenditure statement for the year 2015-16 though the income actually pertains to the year 2016-17. The correctness of the Income and Expenditure statement to that extent suffered due to the above defect pointed out.

77.8) VOUCHERS NOT VERIFIED DURING DATA ENTRY

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

77.9) RECEIPT ENTRIES WERE BASED ON CHITTA

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

77.10) OTHER DEFECTS NOTICED:

- a. The expenses payable Ledger account was not produced along with the final accounts
- b. The Cash Books and other registers/forms were not furnished in the forms prescribed in the Andhra Pradesh Municipal Accounts Manual.
- c. As verified from the financial statements no schedules relating to Income and Expenditure Statement and Balance sheet were enclosed for verification. In the absence of the above the additions and deletions during 2015-16 were not forth coming to audit.
- d. Statement of cash flows (a summary of ULBs cash flow for the period from 1-4-2015 to 31-3-2016) was not furnished.
- e. Financial performance indicators were not furnished.
- f. Depreciation on Movable and Immovable assets possessed by the Municipal Council and acquired during the financial year 2015-16 was provided as a huge lump sum figure in the balance sheet for the year 2015-16 as Accumulated Depreciation of Rs.105,13,85,389/- and Rs.3,00,67,898/- for General Fund and Capital Project Fund respectively. In the absence of the detailed calculation of depreciation category wise for all types of assets keeping in view the mode of acquisition and dates of acquisition, it would not be possible to ascertain the correctness of the huge depreciation provided and the resultant less

net worth of the assets. Therefore the detailed calculations regarding the depreciation would need to be produced to audit for review forth with.

77.11) IRREGULAR CALCULATION OF DEPRECIATION

As per para 5.2.1 of A.P. Municipal Asset Valuation Methodology Manual Depreciation shall be provided at full rates for assets purchased/constructed before October 1st and at half rates if purchased/constructed on or after October 1st of an accounting year. Contrarily it was noticed during audit scrutiny that the above manual instruction was not followed and depreciation has been allowed irregularly.

The observance of these instructions could not be verified in audit as the detailed calculation/basis of arriving at the depreciation was not produced in audit and as such the correctness of the provision made could not be held to be correct.

77.12) FIXED ASSETS REGISTER NOT MAINTAINED

The A.P. Municipal Asset Valuation Methodology Manual provides for maintenance of fixed assets register for 11 categories of assets and formats prescribed in Annexure-6 and as per instructions the register has to be maintained updating the details of acquisition/construction/improvement of assets for each particular year. But it was noticed during audit that no such registers have been maintained under certification by the competent authority for the year 2015-16 duly incorporating the assets identified in FOBS/rectified FOBS. (No effort has been made either to maintain fixed asset register as part of preparation of annual account in the year 2015-16 and no updation was recorded by capturing the additions/deletions during the year 2015-16 in the annual accounts for the year 2015-16)

Non maintenance of the important Asset register by the ULBS having significant and valuable assets, impairs the asset management system and proper watch on the cost of the assets/improvement to assets would not be possible.

77.13) LACK OF FINANCIAL DISCIPLINE:

As verified from the income and expenditure statement for the year 2015-16 the income of Capital Project Fund ran into deficit which shows that the ULB was spending more than the income for the year 2015-16. There is every need to exercise restraint on expenditure to limit the same well within the income for an year.

77.14) NOTES TO ACCOUNTS NOT ENCLOSED TO FINANCIAL STATEMENTS

The Notes to accounts comprising of statement of significant accounting principles followed by the ULB in respect of accounting for its transactions and its preparation and presentation of the financial statements, statement of contingent liabilities representing obligations relating to past transactions and claims against the ULBS which were contingent on the happening of a future uncertain events, subsidy report in accordance with the provisions of the Act and rules governing the ULBS and instructions of the Government in respect of certain services along with many other disclosures like details of honorarium paid to mayor/chair person, amount of refunds, remissions and writes of etc., were not enclosed with the financial statement and in the absence of the same the annual account prepared could not be analyzed fully during the course of audit.

77.15) CLOSING BALANCES AS PER BANK RECONCILIATION STATEMENTS NOT AGREEING

Bank reconciliation statements were prepared and enclosed to the final accounts. But it was noticed that the balances as exhibited by the ledger balances of various bank accounts were not adopted for preparation of the bank reconciliation statements and in some cases the figures adopted were at variance and there were no reasons forthcoming in audit to explain the discrepancy as such the reconciliation statements appended to the final accounts could not be held to be correct in audit.

77.16) RECONCILIATION PROCEDURES NOT OBSERVED:

A.P.M.A.M., prescribed reconciliation procedures with an objective to ensure that the accounting information is recorded at more than one

place, there are no discrepancies between the different sets of records. The procedures include the following.

a) Bank reconciliation: aiming at reconciliation of bank, treasury balances with cash book balances.

b) Inter Unit reconciliation: intending to identify the disputed/unaccepted inter unit transactions and to take appropriate action for rectification which is necessary in the process of consolidation of ULB at the head office level as the balances of inter unit account balances shall be nullified.

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

d) Reconciliation of receivables and collections : The receivables and collections shall be reconciled on a quarterly basis or such other shorter time intervals, however the procedure for reconciling outstanding balances of receivables and collections of all kinds of receivables namely viz., property tax receivables, Water tax receivables etc., is the same.

e) Reconciliation of Advances given: Advances given shall also reconciled on a quarterly basis including advances given to employees of ULB, sections of the ULB and contractors and suppliers. Further A.P.M.A.M. envisaged reconciliation of loans taken, reconciliation of payables, reconciliation of ledger balances etc., also.

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

AUDIT OPINION

We conducted our audit in accordance with auditing standards generally accepted in (the country where the report is issued). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and

disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion except for not disclosing the determination of depreciation expense not assessing the receivables and payables on the basis of any authenticated register/records duly certified by the competent authority not rectifying the defects crept into the preparation of the FOBS not giving proper treatment to the advances given and adjusted not rectifying many mis-classifications pointed out inclusive of mis-classifications of capital expenditure into revenue expenditure with cascading effect on incorrect determination of depreciation expense and mis-statement of assets in the balance sheet not disclosing the significant accounting policies adopted.

The financial statements referred to above present fairly, in all material respects, the financial position of the Municipal Council as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted.

77.17) REVENUE EXPENDITURE VIS A VIS CAPITAL EXPENDITURE:-

It is the object of any institution to contain the revenue expenditure well within the revenue income. But in case of this ULB ie Municipality Chirala, the revenue expenditure Rs.225222411.40 was allowed to shoot up more than the revenue income Rs.195638944.40. Excess of revenue expenditure might have been met from capital income or by borrowings. This discloses the financial ill-health of the ULB. Urgent steps would need to be taken to contain the revenue expenditure well within the revenue income.

RECEIPTS AND CHARGES:-

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

Receipts	Rs. 225222411.40 /-
Expenditure	Rs.195638944.40/-

CODE NO.19

STATUS OF AUDIT OBJECTIONS:-

643 no. of objections involving amount of Rs. **170497173**-00 as detailed below are pending settlement, at the close of audit.

Year	No.of Objection	Amount
1988-89	23	476856
1989-90	8	152513
1990-91	20	1115778
1991-92	9	15158
1992-93	5	12498315

1993-94	36	6422713
1994-95	29	1839478
1995-96	38	3724010
1996-97	24	3595501
1997-98	19	607736
1998-99	9	27352361
1999-00	23	5119450
2000-01	0	0
2001-02	0	0
2002-03	9	8597500
2003-04	7	7811211
2004-05	18	3879051
2005-06	0	0
2006-07	24	5575939
2007-08	15	4047639
2008-09	11	5773903
2009-10	14	4089978
2010-11	7	235361
2011-12	13	0
2012-13	89	4561541
2013-14	60	32212160
2014-15	56	13562750
2015-16	77	17230271
Total	643	170497173

DISTRICT AUDIT OFFICER,

STATE AUDIT, ONGOLE.

DAO (Signature)

Enclosures :-

I. Employee Particulars Report

II. Inventory Report

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This Report is Electronically Generated, So Signature is not required