

Office of the Asst.Audit Officer,
State Audit(MP), Anantapur.

The Draft Audit Report on the accounts of Municipal Council, Dharmavaram, Anantapur Dist., for the year 2014-15 is submitted herewith for favor of kind approval please.

1. Annual Account for the year 2014-15
2. Special letters with fair copies.

D.A.O.,

A.A.O.,

Senior Auditor

GOVERNMENT OF ANDHRA PRADESH
STATE ADIT DEPARTMENT

From
The Dist.Audit Officer
State Audit,
ANANTAPUR.

To
The Commissioner
Municipal Council,
DHARMAVARAM,
Anantapur Dist.,

Letter S.A. No. 95 Dated 28.9.16

Sir,

Sub:- AUDIT – Audit on the accounts of General Funds, Elementary Education Fund and Secondary Education Fund of the Municipal Council, Dharmavaram, Anantapur Dist., for the year 2014-15 is forwarded – Regarding.

* * *

I forward herewith the audit report on the accounts of General Funds, Elementary Education Fund and Secondary Education Fund of Municipal Fund of Municipal Council, Dharmavaram, Anantapura Dist., for the year 2014-15 in duplicate required under section 196 of Hyderabad Municipal act 1955 read with rule 7 of Andhra Pradesh state Audit rules 2000. Further it is informed that the many of the following registers and records were maintained with so many irregularities and in incomplete mode and some of the registers were not produced for verification in audit. Due to this, the collections which made through the registers could not be verified and admitted in audit due to this the following audit observations were raised in the audit report. And Expenditure audit was conducted on selected month basis as detailed below-

1. Tax Resources – Property Tax, Water tax, Vacant Site Tax, Agricultural Land Tax, and Advertisement Tax, Tax on Animals and Carts demand registers were not closed with the final abstract and maintained with so many irregularities due to this Demand, collection and Balance was not ascertained in audit.
2. Tax resources – Property tax, water tax, vacant site tax agricultural land tax, and advertisement tax, tax on animals and carts of arrear demand registers were not maintained
3. Monthly lists, Vacancy remission registers of the property tax was not produced.
4. Demand registers relating state Government and Central Government buildings were not produced.
5. Non-tax Resources like License fee on D&O traders, encroachment fee, lease amount such as market fees, shop room rents and slaughter house fees etc registers and records were not maintained properly.
6. Other receipts like building license fees, building application registers were not maintained in the prescribed manner.
7. Register of completion report issued, register of completion certificate sent to the revenue section, register of demolitions were not produced.
8. Warrant and Distrait fees, law charges-cost recoveries, lapsed deposits, fines and penalties, rents on tools and plants were not produced to audit for verification.
9. The grants register was also not maintained properly including with all schemes.
10. The outstanding bills of all tax resources like property tax, water tax and vacant site tax was not produced to audit for verification.
11. Stock registers of phenyl and Bleaching powder, soaps, coconut oil, lime powder, register of dispensaries, medicines, register of compost, register of food alternation, nominal muster rolls of the contract employees were not produced.
12. Bounced cheque registers, mutation registers, register of buildings, roads, contractors, and contractors ledger were not produced.
13. Register of deposits and advances were not maintained properly/

As such the correctness of the demand, collection and balance of the taxes and non-taxes was not ascertained in audit and any lapses, loss found in verification of above records in future the persons concerned held responsible. Hence, it is requested that to furnish replies for the audit objections pointed out in the audit report within 2 months from the date of receipt of this audit report as per rule 8 of Andhra Pradesh State Audit rules 2000.

Your's faithfully,

Dist. Audit Officer,
State Audit, Anantapur.

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

Copy submitted Director of Municipal Administration, Andhra Pradesh, Hyderabad.

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

Copy to the Account General Andhra Pradesh, Hyderabad.

AUDIT REPORT ON THE ACCOUNTS OF GENERAL FUNDS OF THE **DHARMAVARAM**
MUNICIPAL COUNCIL, ANANTAPUR DISTRICT FOR THE YEAR 2014-15

Name of the Auditor: Sri. N. Nagabhushnam Reddy, B.A.,
Assistant Audit Officer

Time taken for Audit : 21.7.2015 to 30.7.2015 & 4.10.2015 to 15.10.2015

The Office of the Commissioner, Dharmavaram Municipal Council was held by the following persons during the year under report.

Name of the Commissioner	PERIOD
1. Sri.N.Pradeep Kumar	1.4.2014 to 31.10.2014
2. Sri.B.Rammohan	1.11.2014 to 31.3.2015

The Office of the Chair Man of Municipal Council, Dharmavaram was held by Sri.B.Gopala Krishna during the period 01-04-2014 to 31-03-2015 under report.

PART I

1) GENERAL FINANCIAL REVIEW AND BUDGET

Code No – I

- a. The Receipts and payments during the year shown in the abstract of Annual Account appended together with the opening and closing balance. The opening balance in the cash book is agreement with the closing balance of the previous year. The consolidated closing balance in both the general fund cash book elementary education and secondary education fund cash books as on 31-03-2013 viz., Rs.40448489 is in agreement with the consolidated closing balance in the account for March-2013 the closing balance viz.Rs. 40448489 as on 31-03-2014 is in agreement with the balance in the sub-treasury pass book after allowing for un-cashed cheques and un-remitted revenue on hand at the close of the year subject to the differences detailed below.

Closing Balance as on 31.03.2013

1. 001 General Fund: 33091112
 2. 002 General Fund: 7357377
- Total: 40448489

Code No. 2

) BUDGET: SANCTIONED BUDGET NOT PRODUCED

According to the rule -8 of the rules relating to the preparation of budget statement and transfer of funds issued with G.O.Ms.No.619 M.A, Dated: 07-10-1967 is to be prepared in the prescribed form by the Municipal Council and approved before 15th November and to be submitted to the Government through the Collector and Director of Municipal Administration by 31st December of each year.

But the Budget for the year 2011-12 was not produced for verification. In the absence of the approved Budget the following procedure whether followed or not could not be verified in audit.

- (a) Whether the Government sanctioned the budget with or without modifications.
- (b) Whether the minimum working balance was less than 5% of the estimated receipts of year excluding those from endowments, State Government grants and debt heads.
- (c) Whether – re appropriation of funds sanctioned by the Municipal Council subject to the condition that the minimum working balance was maintained and that no alteration made in the amount allotted for the service of the debt.

Due to non-production of the approved budget, the items of expenditure if any exceeded the budget limitations could not be verified in audit.

Hence the items of expenditure if any exceeded the budget provisions the ratification orders of the competent authority would need to be obtained form the same and as such the entire expenditure is held under objection as the same could not be held to be authorized in the absence of the sanctioned budget.

TIME BARRED TAXES

Code 7

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

S.No	Name of the Tax	Year	Amount
1	2	3	4
1	Property Tax	Arrear demand register were not written by up to the year 2013-14	
2	Profession Tax		
3	Agricultural land tax		
4	Encroachment fee		
5	V.L.T		
6	Leases		
7	D&O Traders		

Due to non-maintenance of A.D.R.S. the time barred taxes could not be arrived at.

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

Entertainment Tax – Cable Operators – License Fee and Optimum Fee Non Collection – Needs Action.

As per GOMS NO: 708 Revenue (CT – II) Dept Dt: 03.10.2000 and Govt. of A.P. Memo No: 581/TC/2001-1 MA & UD (TCI) Dept Dt: 30.01.01, the commissioner of Municipal Council has to act as Entertainment Tax Officers to exercise the powers in respect of collection of tax on entertainment of cable television net works operated by Cable TV Operators in their respective Jurisdiction under the provisions of the APET Act 1939. The Commissioners have to conduct door to door survey for identifying the houses which are having cable connections and also the names of cable T.V. Operators. They have to identify the number of Cable Operators and verify their RCS and obtain the information regarding number of connections given by them and identify the details of Master Cable Operator who receives the signals from Satellite and obtain the number of connections provided to the subscribers either directly or through the Cable Operators from his control room.

Moreover as per section 15 of the APET Act, 1939 every cable operator has to pay ET per month at the rates mentioned there in, according to the number of connections i.e., @Rs.5/- per connection and according to section 15B of the Act, the cable TV Operator has also to pay a license fee of Rs 5000/- per annum and every master cable Operator has to pay a license fee of Rs 100/- As per Section 15c, every Master Cable Operator shall deposit an amount of Rs.10,000/- towards security deposit.

But it is noticed that no such survey was conducted to ascertain the Number of Cable TV Connections, Cable Operators & Master Cable Operators and they were not brought on record to fix demand of entertainment tax. The inaction of the Council authorities is clearly established in the regard. The loss, if any, in this regard would need to be recovered from the person or persons responsible and made good to Dharmavaram Funds.

BUILDING LICENSES ISSUED-COMPLETION REPORTS/DATE OF OCCUPATION NOT OBTAINED FOR ASSESMENT LEVY AND COLLECTION OF PROPERTY TAX-LOSS OF REVENUE NEEDS INVESTIGATION.

As per the building rules as laid down under Section 230 of Schedule III the town Planning Section should send the extract of Register of Building permissions issued to the outdoor staff for verification of completion or occupation and the same should be reported in the monthly lists for assessment levy and collection of property tax. As verified the register of Building license fee, it is noticed that the applications were received during the year 2012-13. But the entire procedure has not been followed by the Town Planning section. As a result whether all the buildings have been completed with in the time, brought for assessment of property tax could not be verified.

This is a clear evidence of in action of the town planning section and it is a clear violation of rules and loss of revenue to the institution which deteriorate the financial soundness of the local body institution. As such the matter needs for investigation on the lines state above.

SCAVENGING FEES NOT COLLECTED-LOSS TO THE MUNICIPALITY NEEDS EARLY ACTION.

According to the section 85(4) (2) of A.P. Municipality Act 1965 scavenging fees is to be collected but the same was not collected and credited to the Municipal council funds during the year under audit.

Action would need to be taken to levy the tax and collect the amounts at an early date.

CODE No.7

ADVERTISEMENT TAX ON CERTAIN ITEMS NOT LEVIED

No tax is being levied on the following types of advertisements.

1. Wall prints
2. Advertisement Boards
3. Cinema Posters
4. Cinema Slides
5. Trailer films etc.
6. Cable T.V. (as per G.O.Ms.No.266 MA Dept.05.05.2000)

Necessary action may therefore be taken for long of tax on all advertisement category wise.

The demand register of advertisement tax was not written up properly. The same would need to be written up by obtaining the lists from the out door staff. Door to Door, Street wise, ward wise in the Municipality. The demand would need to be assessed and amount foregone would need to be recovered from the person to persons responsible.

) EARMARKED FUNDS NOT ALLOCATED

The earmarked funds for the year 2014-2015 from out of the funds from general revenue of the Municipal Council were not allocated for the developmental activities of SC's, S.T's and Women and Child Welfare as detailed below as per the Govt. instructions issued in G.O.Rt.No.2023 of M.A and U.D.C.H) Dept, dated: 31-12-1986.

15% on the developmental activities of S.C's

5% Women and Child Welfare

4% on the developmental activities of S.T's

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

GRANT - IN –AID:

GRANTS REGISTER – REGISTER OF GRANTS REGISTER - MAINTAINED
DEFECTS – NEEDS ACTION:

As seen from the grants register the following defects are noticed in audit.

1. Grants proceedings copy not posted/produced in the register
2. All the grants pertaining plan grants and non plan grants not recorded in the register
3. Percept grants , State finance Commission grants not included in the said register
4. All the scams for the year 2014-15 not included in the register
5. Grant register not Update and not got attested by the executive authority
6. The Schemes which were maintained processed in the municipal Council not entered and produced in the proceedings pass book , Bank Scrolls to audit

Effective steps may be taken to produce the grant register up-to-date and abstract for the year 2014-15 may be got attested by the executive authority and produced to audit for verification.

*) DIVERSION OF FUNDS TEMPORARY DIVERSION
OF EARMARKED FUNDS CONTRARY TO THE RULES*

As per the Rules issued in G.O.Ms.No.1386 M.A, dt:22-11-1965, the Municipal Council shall not divert the following earmarked funds even temporarily for other purposes without the previous sanction of the Government.

- 1. Water and Drainage Tax funds.*
- 2. Deposits including provident Funds*
- 3. Lighting Tax Fund*
- 4. Loan Funds*
- 5. Special government grants*
- 6. Elementary Education Fund*
- 7. Capital receipts from sale of capital assets, and*
- 8. Endowments.*

Ratification orders would need to be obtained from the competent authority in case of diversions from general funds to scheme funds. As per the instructions the funds released for specific purposes shall not be diverted to other purposes. In absence of the ratification orders from the competent authority in this regard the diverted amount is held under objection.

LEASES – SHOPPING COMPLEXES DAILY MARKETS – LEASE FIXED – AGREEMENT BONDS NOT FILLED IN i.e EMPTY – IRREGULAR – NEEDS ACTION.

On verification of the files relating to the lease & agreements of municipal shopping complexes and daily & weekly markets for the year 2014-15, it is noticed the agreements bonds/copies were not filled in i.e. they were empty. Thus, it was not known that the lease period and the amount of lease fixed in audit which is violation of rules and highly irregular. Without agreement, lease amount was collected from said municipal shopping complexes and daily & weekly markets.

Appropriate and necessary action would need to be taken in this regard. The loss if any sustained to the institution in this regard may be made good from person or persons responsible.

ADVERTISEMENT TAX – ADVERTISEMENT TAX ON CABLE TV OPERATORS –
DEMAND NOT ARRIVED LOSS OF REVENUE TO THE MUNICIPALITY.

Vide G.O.Ms.No.266, M.A Department, Dt 5.5.2000 Govt. have added rule 7/3 to the AP Municipalities (Advt. Tax) rules 1967 and as per sub rule, Advertisement Tax has to be levied @ 10% of the tax collected by cable TV operators towards advertisement made in the cable TV. The corporation authorities have to obtain monthly statement from the cable TV operators regarding the amount of fees collected by the operators for broad costing advertisement in their cable TV and advertisement tax has to be fixed @ 10% on the amount.

As could be verified from the records maintained by the town planning section of this Dharmavaram Municipality it was noticed that no action has been taken to levy the advertisement Tax @ 10% on electronic media including cable T.V on adveloram basis on the rates charges by the advertisers in spite of specific instructions issued by the Government and commissioner and Director of Municipal Administration A.P Hyderabad.

Now a days the electronic media is playing very important role in marketing division by way of advertisements for each and every commodity irrespective of its size.

If the above Government Instructions have been followed by the Municipality scrupulously it definite to drive a considerable income to the Institute much more useful for the development for the municipality.

As the Municipality has not levied and collected the advertisement tax on electronic media for the year 2014-15 it is clear loss to Municipal Funds and some would need to be worked out and recovered from the persons or persons responsible.

But during the year 2014-15 the municipal authorities have not followed the above procedure and not arrived any demand under the head of advertisement tax on cable TV operators resulting in causing loss of revenue to the corporation.

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

ADVERTISEMENTS – LEVY OF TAX ON ADVERTISEMENTS ON NEGLISABLE
NO. OF FIRMS – NEEDS PROPER ENQUIRY - ACTION NEEDS TO BE
TAKEN TO LAVY AND COLLECT THE TAX

As per Section 114 of municipal Act-1965 the Advertisement tax shall be levied on the cases which were displayed any Advertisement to the public view in any manner if any place whether may be public or private which so erected, exhibited, fixed retained or displayed to public view.

But as verified from the Advertisement tax register it is noticed that very negligible amount was collected in Dharmavaram Municipality as such there will be heavy floating population where there is every scope of display of Advertisements like boards, writing and hoarding etc., Hence, it needs proper investigation against firm which left uncollected items by levy the Advertisement tax. Loss sustained if any to the municipal funds under Advertisement tax basing on all the sources of levy of tax on such detailed under section 114 of A.P. Municipal Act-1965 would need to be made good from the person or persons responsible along with penal interest ad remitted to municipal funds by intimating facts to the audit.

ADVERTISEMENTS – WITHOUT WRITTEN PERMISSION OF THE COMMISSIONER – FINES NOT IMPOSED – LOSS TO THE MUNICIPALITY – NEEDS ACTION.

According to section 421 of the AP Municipalities Act, 1967 read with section of the AP Municipality Act, 1994 “No person shall without the written permission of the commissioner, erect, exhibit, fix or retain any advertisement whether now existing or not upon any land, building, wall, hoarding or structure. The Word Structure in this section shall include a tram car, Omni bus and any other vehicle and any movable board used primarily as an advertisement or an advertising medium.

Further according to section 596 of the said act for an advertisement without permission, a fine up to Rs.1000/- can be imposed and in no case it shall not less than Rs,500/-.

On verification of the records relating to tax on advertisement it was noticed that, applications were received and permissions were issued for erection, exhibit, fix or retain of the advertisements for which tax was levied during the year 2014-15 but the same were noticed during the inspections of the town planning personnel. As the advertisements were exhibited without the written permission of the commissioner, fine has to be imposed and the municipal council constituted a loss of revenue to that extent. Therefore, action would need to be taken to impose fine and report the compliance to audit.

ENCROACHMENT – TAX PENDING UPTO 2014-15 NOT COLLECTED DEMAND REGISTER & ARREAR DEMAND REGISTER NOT WRITTEN UP NEEDS – ACTION.

All encroachments of Municipal premises by private persons shall be interested in the encroachment register. The encroachments noticed shall be classified in to objectionable and un objectionable. Commissioner should take steps to evict all objectionable encroachments under section 405 and 406 of Municipality rules 1967. In the case of un objectionable encroachments the corporation has to collect fee at such rates as prescribed and notified.

The year wise classification for that amount was not made available. For the balance amount prosecution have to be filled with three months from the close of financial year. But no such action was taken whether the connected file or register of prosecutions were produced.

) PROPERTY TAX – COLLECTION MADE – DEMAND AND ARREAR
DEMAND REGISTERS NOT MAINTAINED – CERTAIN
IRREGULARITIES – NEEDS ACTION.

As verified from the Annual account, Chitta and Demand Registers of Property Tax, it is noticed that an amount of Rs. was collected towards Property Tax including both the arrear and current during the year under report. Due to the following irregularities, the above collection of the property tax could not verify with the Demand and Arrear Demand Registers.

1. The Ward wise demand was not arrived.
2. The collection of postings was not made in respect of all collections of Property Tax by the way of E. Seva, DDs, Cheques and Challan Register of Bill Collectors.
3. In some cases, the balance was not stroked against the each assessment.
4. In some cases, the figures were written with the pencil.
5. The list of new assessments which taken in Demand during the year was not made available for verification of the fixation of Property Tax whether it has correct or not.
6. The page wise totals in respect of Demand, Collection and Balance in Demand Registers were not made.
7. The ward wise totals of Demand, collection and Balance were not made.
8. The abstract of total Demand, collection and balance was not written and not certified by the Executive Authority.
9. The outstanding bills of Property tax were not made available for verification.
10. And finally, the Arrear Demand Registers were not maintained as on date.

In this connection, the collection which noted above was not classified as arrear and current and the balance of property tax was not also ascertained in audit. Due to this, the above collection was not certified and admitted in audit. And also if any loss sustained to the institution that would need to be recovered from the person or persons responsible.

RECEIPTS – PROPERTY TAXPROPERTY TAX COLLECTED – NON SUBMISSION OF MONTHLY LISTS & ASSESEMENT REGISTERS – CORRECTNESS OF DEMAND FIXED – NOT POSSIBLE TO VERIFY – NEEDS IMMEDIATE ACTION.

Under section 85 of the A.P. Municipalities Act, every Municipality shall levy property tax including Education Tax and Library cess subject to a maximum of 25% of the Annual Rental Value in case of residential Buildings @ 33% of Annual Rental value in respect of Non-Residential Buildings except those exempted under the provision of the act or any other law. Assessment Registers should be prepared based on the General Revision Lists submitted by the Bill Collectors, Revenue Inspectors etc.

The registers of monthly lists for the year 2014-15 from the outdoor subordinates were not obtained and produced during audit. Hence the correct number of new assessments and amount raised could not be arrived at. Since the monthly lists were not produced, the correctness of the Demand fixed for the year 2006-07 could not be verified during audit. Further an amount of Rs..... was shown as receipt towards property tax, but the year wise break up could not be verified as the arrear demand register was not prepared and produced to verify the correctness of the subscriber wise postings and arrears accordingly. Consequently the receipt figure in the annual account could not be cross checked with that of the final abstract figure in the property tax demand register. The loss of any in this regard would need to be recovered from the person or persons responsible and made good to Municipal Funds.

RECEIPTS – PROPERTY TAX

PROPERTY TAX-COLLECTION OF PROPERTY TAX AFTER 30 DAYS OF THE EVERY YEAR – LOSS IN ANY SUSTAINED BY THE INSTITUTION – EXECUTIVE AUTHORITY IS HELD RESPONSIBLE.

The Property tax shall be levied for every half year and it is the duty of the assesses to pay it within 30 days after the commencement of each half year i.e. 30th April/31st October (Section 91)

Loss if any sustained by the institution due to non-collection of tax within time specified as per section 91 of the A.P. Municipalities Act 1965, the Executive Authority will have to be held responsible.

***) WATER TAX – COLLECTION MADE – DEMAND AND ARREAR DEMAND
REGISTERS NOT MAINTAINED – CERTAIN IRREGULARITIES – NEEDS
ACTION.***

As verified from the Annual account, Chitta and Demand Registers of Property Tax, it is noticed that an amount of Rs. was collected towards Property Tax including both the arrear and current during the year under report. Due to the following irregularities, the above collection of the property tax could not verify with the Demand and Arrear Demand Registers.

1. The Ward wise demand was not arrived.
2. The collection of postings was not made in respect of all collections of Property Tax by the way of DDs, Cheques and Challan Register of Bill Collectors.
3. In some cases, the balance was not stroked against the each.
4. In some cases, the figures were written with the pencil.
5. The list of new tap connections of general which taken in Demand during the year was not made available to verify correctness of the demand.
6. The page wise totals in respect of Demand, Collection and Balance in Demand Registers were not made.
7. The ward wise totals of Demand, collection and Balance were not made.
8. The abstract of total Demand, collection and balance was not written and not certified by the Executive Authority.
9. The outstanding bills of Water tax were not made available for verification.
10. The list new meter reading and commercial Taps connections which taken in demand was not made available.
11. And finally, the Arrear Demand Registers were not maintained as on date.

In this connection, the collection which noted above was not

VACNAT SITE TAX – COLLECTION MADE – DEMAND AND ARREAR
DEMAND REGISTERS MAINTAINED – CERTAIN IRREGULARITIES –
NEEDS ACTION.

As verified from the annual account, chitta and demand registers of vacant site tax, it is noticed that an amount of Rs. _____ Was collected towards property tax including both the arrear and current during the year under report. Due to the following irregularities, the above collection of the property tax could not verify with the demand and arrear demand registers.

1. The ward wise demand was not arrived.
2. The collection of postings was not made in respect of all collections of property tax by the way of DDs, Cheques and Challan register of bill collectors.
3. In some cases, the balance was not stroked against the each.
4. In some cases, the figures were written with the pencil.
5. The list of new tap connections of general which taken in demand during the year was not made available to verify correctness of the demand.
6. The page wise totals of demand, collection and balance, in demand registers were not made.
7. The ward wise totals of demand, collection and balance were not made.
8. The abstract of total demand, collection and balance were not written and not certified by the executive authority.
9. The outstanding bills of vacant site tax were not made available for verification.
10. The list new meter reading and commercial taps connections which taken in demand was not made available.
11. And finally, the Arrear demand registers were not maintained as on date.

In this connection, the collection which noted above was not classified as arrear and current and the balance of vacant site tax was not also ascertained in audit. Due to this, the above collection was not certified and admitted in audit. And also if any loss sustained to the institution that would need to be recovered from the person or persons responsible.

TAX ON DOGS – NOT LEVIED – LOSS TO THE INSTITUTION – NEEDS ACTION:

According to the Section 248 of the APHMC Act, 1955 read with section 14 of the AP municipal corporations Act 1994: -

1. A tax not exceeding Rs. 10/- per annum shall be levied on every dog kept within the cities and not under the age of 6 months.
2. Every persons who owns or is in-charge of any dog on which a tax is leviable under subsection (1) shall be liable for such tax
3. (a) Every person who owns or is in-charge of any dog shall, before the rest day of may in each financial year, forward to the commissioner a return signed by him containing his name and address and the age of such dog.
(b) every person who after the first day of may in any financial year becomes the owner or takes the charge of any dog, shall within one week from the date on which he becomes the owner or takes charge of the dog, forward to the commissioner a like return, signed by him.
4. the tax shall be payable or every financial year in advance on the first day of may.
5. the commissioner shall maintain a register showing the persons liable to pay the tax under this section.

But in this institution no such register was maintained and no tax was levied on dogs which causes loss to the revenue of the corporation. Therefore necessary steps have to be taken to levy the tax on dogs and report the compliance.

CODE NO.11

RECEIPTS – PROPERTY TAX

EXEMPTIONS OF PROPERTY TAX NOTED IN THE DEMAND REGISTER – DETAILS NOT FURNISHED TO AUDIT.

During the course of audit it is noticed in the Demand Register that certain assessments taken to demand for the previous years were granted exemptions against the following assessment Nos. The details of such exemptions granted by the appellate authority were not furnished to audit for verification in audit that whether the exemptions have been covered under section 88 of the A.P. Municipal Act. Otherwise it constitutes a loss to the institutions.

Further, the amended rates of Water Tax as assessed in the last General remission was not made available to the audit in order to verify the correctness of the Demand fixed in respect of Water Tax and the year of last General revisions was also not informed to the audit.

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 corporation is 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.

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

The municipality should maintain the water 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 yearly. 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 recorded in ink and should be totalled page wise word wise year wise. The totals should tally with chitta figures. But the concerned registers were not produced.

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

NON-PRODUCTION OF OUTSTANDING BILLS – LOSS TO MUNICIPAL FUNDS.

Bills cum receipts are written in advance and handed over to the bill collectors, collection staff of the taxes. In collection of taxes the receipts, and issued to the tax payers. Every tax amount not collected should be supported by the bill receipts, available with the Bill collectors, Bill collecting staff. But in receipt of the uncollected taxes, the connected bill receipts were not produced for verification. In the absence of the bills receipts the taxes were deemed to have been collected and were not remitted to the Municipal funds and then constituted loss to the Municipal funds. The loss caused to the Municipal funds would need to be made good by way of recovery from the persons responsible in addition to taking action against them for non-remittance of the amounts collected if any.

D&O TRADES-LICENCE FEE DEAMND COLLECTION AND BALANCE REGISTER NOT MAINTAINED NOT PRODUCED RS 2769249/-

The D&O Trade licence fee consolidation register of demand, collection and balance was not maintained properly. The register was not made up to date and the demand collection and balance was not certified by the competent authority.

As seen the individual demand registers of Sanitary inspectors, it was noticed that the details of the shops closed during the year and new shops opened during the year were not made available. The entries made in the register were not authenticated by the competent authority.

However an amount of Rs. 2769249/- was realized towards license fee as per page no. Of annual account. Due to non-maintenance of records the correctness of the same could not be certified in audit.

Hence action would need to be taken to make the register up to date with full details and produced to audit. Any loss caused due to the above lapse to the institution in this regard would need to be recovered from the person or persons responsible.

REGISTER OF LICENCES AND REGISTER OF MISC.SALES ETC., NOT PRODUCED

As per Go.Ms.No.686,MA., dt: 30-07-1968 issued under Regulation of receipts and expenditure rules – 1968, the demand registers and accounts shall be maintained for each kind of receipt / collection. A.D.Rs shall be maintained for the uncollected portion of the income. Whereas the connected registers, counterfoils of MRs, Challans, Sale files etc., not produced to audit. Though the following amounts were noted in the Annual account for the year 2013-14 as receipts/ collection under the heads as noted against each.

1	Tax on Animals & Vehicles	-
2	Slaughter House fee	20000.00
3	Sale of Compost / Ruffish	-
4	Cycle Stand	-

In the absence of the connected Demand Registers the D.C.B amounts of the receipts under the above heads could not be verified in audit. The arrear Demand of each receipt was also could not be pointed out the amount of arrears collected during the year was also met traceable in audit. The connected file on sale of compost also met produced to verify the correctness.

Further the register of Misc.Bill books maintained if any for the total No. Of bill Books printed and issued to each bill collector not produced and the Demand collection, Balance account of bill books not maintained and produced.

In the absence of the connected registers, arrear demand registers, counter foils of bills. Challans and outstanding bills the possibility of leakage / Misappropriation cannot be ruled out.

As could be observed further, there was no collection under the following heads.

1. Sale of Compost / Ruffish
2. Mutton Market
3. Cart stand fee etc.,

The reason for the non-collection of amounts under the above heads not explained to audit.

Hence the matter may be enquired into and if any loss composed to the funds of the institution would need to be made good from the person or persons responsible.

CODE NO.11

REGISTER OF VEHICLES, CARTS AND ANIMALS NOT PRODUCED.

During the course of audit it is noticed that the Register of taxes on vehicles, carts and animals was not produced for verification in audit. In the absence of the same the Demand collection and balances under the tax receipt could not verified and certified in audit. Hence the register shall be produced and the loss if any sustained by the institution as found by the audit on verification the loss would need to be made good from the person or persons responsible.

RECEIPTS-P.H.SECTION-D&O TRADES-COURT CASES-REGISTER OF PROSECUTIONS NOT PRODUCED.

During the course of audit, it was informed that certain court cases have been filed if any by the traders against the Municipal Council. Dharmavaram regarding the new rates of license fee approved and published in Anantapur District Gazette from the year 2001-02. But the connected Register of prosecutions was not maintained and produced to audit.

Action would need to be taken to maintain Register of prosecutions and produce the connected files case wise with full details i.e. along with the final judgement copies if the case was settled.

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

During the course of audit, many of the challans relating to the year pertaining to the license fee (D&O Trades) for the year 2014-15 (Advance collection) were not produced to audit for verification. Due to the non production of the challans, the correctness of the entries in the chitta, D&O Trades Demand Registers for the year 2010-11 could not be verified in audit. Action would need to be taken to produce the remaining challans for verification in audit.

D&O TRADES – ORDER COPIES OF NEW LICENSE ISSUED DURING THE YEAR 2013-14 NOT PRODUCED TO AUDIT – NEEDS ACTION

During the course of audit, it was noticed that many new licenses have been issued to the traders during the year under report. But connected files regarding to licenses issued were not produced to audit for verification. In the absence of the same the correctness of the entries recorded in the registers regarding new licenses cannot be ascertained in the audit. Action would need to be taken to produce the relevant files for verification in audit.

) BIRTHS AND DEATHS REGISTRATION – FEE COLLECTION - CONNECTED
REGISTERS AND RECORDS NOT PRODUCED

As verified from Account, a sum of Rs. 31660.00 was collected towards births and deaths registration fee. But connected registers and records were not produced to audit. The authority concerned was not responded even though several half margin letters issued. In absence of the same the correctness of the receipts/collections could not be verified in audit.

Hence action would need to be taken by the authority concerned for early production of the said registers and records.

Code 11

PAYMENT OF WAGES TO CONTRACT WORKERS SUPPORTING RECORDS – ESTIMATES FILES NOT PRODUCED.

During the year 2013-14, the following amounts were drawn and paid to contractor/Societies towards payment of wages to public health workers who were engaged through societies/contractor for regular maintenance of public health in council area. Similarly workers were engaged for maintenance of Street light maintenance and water supply maintenance of contract basis. The wages were paid to the contract workers basing on the agreement/work order rates. To verify the correctness of the payments made to the Societies/Contractors the following important supporting records not made available for audit.

1. Rough attendance sheets(furnished by the concerned sanitary maistry/sanitary inspector) indicating total number of workers attended both morning hours and afternoon hours for the entire month.
2. Total number of workers engaged during the month duly attested/signed by Sanitary inspector/Sanitary maistry ward wise not made available.
3. Connected file in which the work order, agreements, admn. Sanction not available to audit.
4. The wages were paid at Rs. Per day per worker for which specific approval and authority not made available.
5. The entire transactions paid under wages has been studied in depth. Huge payments were made for payment of wages to private public health workers engaged on Contract basis to justify to correctness of the payments made the following data not prepared by the executive authority before engaging the private public health workers.
 - a. Total number of public workers required for maintenance of streets/roads duly arriving the total number of existing roads/streets in kilometer.
 - b. Total number of PH workers (regular) available in the Council as regular salary basis.
 - c. Short i.e.,(a)-(b)=c
 - d. Private workers actually engaged by the department. The above information shall be collected for each ward wise.

An estimate would have been prepared initially for the entire financial year for engaging of private health workers as detailed below-

Total number of existing roads & streets in kilometer	X men required per kilometer per day	X 30 days	X Rate of wage	= Estimate amount per month	X 12 months
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This was not done by the department in engaging private workers for maintenance of roads, streets, street lights and water supply maintenance.

There is no any supporting record maintained actual work extracted or executed with the labor engaged on contract basis.

In the absence of the above important data with annual maintenance estimate the total number of engaged could not be justified.

FOOD SAMPLE – REGISTER OF FOOD SAMPLE – NOT PRODUCED

According to the orders issued in Roc.No. 280/F8/99-2000, Dt. 9.3.99 of PFA act 1954 food inspectors have to lift 114 food samples.

But due to non-production of the Register of Food samples, it was not possible to know how many food samples were lifted and also it was not known whether food samples were inspected or not. Therefore action would need to be taken to produce the above register to audit.

Code 11 Non production of records.

PUBLIC HEALTH – CONTRACT LABOUR ENGAGED – RELATED EXPENDITURE PARTICULARS AND CONNECTED FILES AND REGISTERS NOT PRODUCED.

During the course of audit it is noticed that the payment made towards wages to contract labours who engaged for sanitation in public health section was not forthcoming in the selected months for verification in audit. In this regard the half margining letter was issued for files relating to contract labour engaged during the year under report. But the sanction orders for payment of wages to daily waged contract labourers from Director of Municipal Administration, Council resolutions for which purposes engaged, movement registers pertaining to daily waged contract labours and nominal muster rolls were not produced even through half margin letter issued. In the absence of the above all records the rationality of work extracted with reference to the wages and expenditure incurred towards wages of contract labours was not certified in audit. Loss if any sustained to the institution due to aforesaid, that would be made good from the person or persons responsible under intimation to audit and early action would need to be taken to produce the above registers with connected files for verification in audit.

Code 11 Non production of records.

PUBLIC HEALTH – PURCHASE OF SANITATION MATERIALS LIKE LIME POWSER ETC., CONNECTED FILES AND STOCK REGISTER NOT PRODUCED.

During the course of audit it is noticed that the expenditure incurred towards purchase of sanitation materials like lime powder, bleaching powder, phenol, malthiyan, soaps, and coconut oil to the public health workers etc., with the stock and issue register for verification during the year under report. But the sanction orders to purchase of above items, Council resolutions, indents, tender files and note files with stock and issued register were not produced even though half margin letter issued. In the absence of the above all important records the utilization of above items and expenditure incurred towards purchase of the above items was not verified and certified in audit. Loss if any sustained to the institution due to aforesaid, that would be made good from the person or persons responsible under intimation to audit and early action would need to be taken to produce the above registers with connected files for verification in audit.

DHARMAVARAM MUNICIPALITY – TOWN PLANNING SECTION – NON-
PRODUCTION OF B.P.S APPLICATIONS ALONG WITH REGISTER – NEEDS EARLY
ACTION FOR PRODUCTION:

During the course of audit, it is noticed that the building penalization scheme during the year under report. But the connected building penalization scheme applications along with the register were not produced to audit. Due to non-production of the building penalization scheme applications along with the register, it could not be verified where the B.P.S. amount was correctly calculated and collected. Hence immediate action would need to be taken to produce the building penalization scheme applications along with register to audit for verification. Loss, if any, caused in this regard would need to be taken to collect and credited to Municipal Funds and produce challans to audit.

ENCROACHMENT FEE DEMAND AND ARREARS DEMAND REGISTER NOT PRODUCED

The demand register of encroachment fee for the year 2014-15 both current and arrears demand register were not produced for verification in audit. In the absence of the same the correctness of the demand fixed and collections made and accounted for could not be verified. The same would need to be produced for audit for verification.

ENCROACHMENT FEES-PROSECUTION REGISTER NOT PRODUCED

The register of Prosecution under encroachment fees was not produced to verify the correctness of the prosecution launched during the year and disposed and necessary fees realized. The register of prosecution would need to be produced duly making it up to date and certified to by the executive authority for verification.

PERMANENT/TEMPORARY ENCROACHMENT FEE – CHALLANS 2014-15 AND OTHER RECORDS NOT PRODUCED TO AUDIT.

The Permanent/Temporary Encroachment fee demand register for the year 2014-15 is not produced DCB and Challans other connected records were not produced to audit for verification.

In the absence of the same the correctness of the Permanent/Temporary Encroachment fee collected during 2014-15 could not verified in audit. Early action may be taken for the production of Permanent/Temporary fee challans for 2014-15 and other connected records for verification to audit.

ADVERTISEMENT TAX – CHALLANS 2011-12 AND OTHER RECORDS NOT
PRODUCED TO AUDIT.

The Advertisement tax demand register for the year 2014-15 Advertisement tax Challans and DCB other connected records were not produced to audit for verification.

In the absence of the same the correctness of the Advertisement tax collected during 2014-15 could not be verified in audit. Early action may be taken for the production of Advertisement tax demand register for 2014-15 and Challans other connected records for verification to audit.

MISCELLANEOUS DEMAND REGISTER – NOT PRODUCED – HELD UNDER
OBJECTION:

During the course of audit, on verification of the miscellaneous demand register made were not produced for verification in audit. In the absence of the same, the correctness of the receipts could not be verified/checked in audit is held under objection.

RECEIPTS – GENERAL TAP APPLICATIONS – NOT PRODUCED – HELD UNDER
OBJECTION:

During the course of audit, on verification of the cash book of water supply scheme, the following general tap applications in respect of the year 2014-15 following receipts made were not produced for verification in audit. In the absence of the same, the correctness of the receipts could not be verified/checked in audit is held under objection.

RECEIPTS – B.P.L. TAP APPLICATIONS – NOT PRODUCED – HELD UNDER
OBJECTIONS:

During the course of audit, on verification of the Cash book of water supply Scheme, the following General tap applications in respect of the year 2014-15 following receipts made were not produced for verification in audit. In the absence of the same, the correctness of the receipts could not be verified/checked in audit is held under objection.

RECEIPTS – COMMERCIAL TAP APPLICATIONS – NOT PRODUCED – HELD
UNDER OBJECTION:

During the course of audit, on verification of the Cash book of water supply scheme, the following general tap applications in respect of the year 2014-15 following receipts made were not produced for verification in audit. In the absence of the same, the correctness of the receipts could not be verified/checked in audit is held under objection.

SOME SCHEMES CASH BOOKS, BANK PASS BOOKS, PAID VOUCHERS CHEQUES
COUNTER FOILS ALONG WITH RELEVANT FILES NOT PRODUCED.

During the course of audit, the cash books, bank pass books, cheque counterfoils, paid vouchers along with the relevant files i.e., pertaining to guidelines etc were not made available for verification.

In the absence of the same, the correctness of the grants and interest amounts adjusted and expenditures incurred for annual account could not be certified in audit. The irregularities if any noticed later pertaining to Scheme funds which are in operation in the M.C. the loss sustained would need to be made good from the person(s) responsible and remitted the same to municipal funds under intimation to audit.

MONEY VALUE FORMS-STOCK REGISTER NOT PRODUCED. Code.No.11

The money value forms stock register for the year 2014-2015 was not produced. In absence of the same, the opening balance of the money value forms received, utilised, balance as on 31.03.2015 and as on the date of audit could not be verified in audit.

In the absence of the same it could not be verified in audit as to who was the custodian of the money value forms and the procedure adopted in issuing the M.V.forms and the watch kept over the return of the bill books.

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

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

CODE: 11

REGISTER OF BILL BOOKS, RECEIPT BOOKS ALONG WITH ARREAR
DEMAND REGISTERS OF VARIOUS TAXES FOR THE YEAR 2014-15 –
NOT PRODUCED

The connected bill books and receipts books of all taxes / fee and the arrear demand register for the year 2014-15 are not produced to audit for verification of arrears of taxes collected and remitted.

The original challans were also not produced to verify with amount shown in challan register.

Further, the money value form register showing the details of total no.of bill books printed, issued and the unused bill books was also not produced to audit for verification.

In the absence of the same the correctness of the arrear amounts collected and credited to municipal funds could not be certified / pointed in audit and the possibility of leakage / misappropriation of amount could not be verified in audit. Hence the attestation of executive authority is invited to investigate on the point that why the bills of arrears of taxes with A.D.Rs not produced the there loss caused to the institution of the misappropriation it would need to be made good from the person or persons responsible under intimation to audit.

REGISTER OF INVENTORY OF IMMOVABLE PROPERTY NOT
PRODUCED:

During the course of audit therefore said register was not produced. Due to non-production of this register the following observations could not be made in audit.

1) That all the lands, buildings and building sites newly acquired or constructed by the municipal council during the year under report have been duly entered in the register with particulars of T.S.No. extent, value cost of construction or acquisition and also the cost of any additions to the existing lands, buildings and due to non-production of each register the following observations could also be not verified whether the following procedure was scrupulously followed or not.

- 1) The register should show a list of roads, bridges, culverts and other properties vested in or belonging to council.
- 2) Governments have ordered that the control of avenues on government roads including national highways in municipal areas be vested in the municipal councils concerned. The councils should maintain and develop the avenues subject to the general control of the high ways authority and may appropriate the entire income from they source.
 - i) That if any property was rented out, the rent has been fixed by competent authority and realized regularly and credited in the accounts and.
 - ii) That no immovable property has been let-out/sold when have without competent sanction.

The total value of the property according to this register should be shown in the statement of assets and liabilities appearing in the annual account.

REGISTER OF TOOLS AND PLANT NOT PRODUCED:

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

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

HALF MARGIN LETTERS ISSUED – INFORMATION NOT FORTH COMING:

During the course of audit of the Dharmavaram Municipality for the year 2012-13, several half margin letters were issued to the heads of sections and other officers also requesting them to arrange for production of the records under their control for audit scrutiny. But, no action was taken by the heads of the sections concerned to arrange for the records sought for. The administrative authorities also failed to cause for the production of the said records. In view of this several records could not be verified in audit and several objections involving substantial amounts had to be raised in the audit report. Non production of records speaks ill of the preparedness of the institution for audit.

Action would need to be taken by the executive authority to avoid such instances in future and records required for audit be produced.

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

During the course of audit the register of investments was not made available for verification in audit. Due to non-production of this important register whether the procedure prescribed in maintenances of this register was followed or not could not be verified in audit and the genuineness of the transactions could also be not certified in audit

As per the procedure.

- 1) Earmarked funds i.e., provident fund, water supply and drainage fund and endowment fund were invested in one. Of the permissible forms and that investments in other forms were not made except with the specific sanction of the government.
- 2) Investments of sums in excess of Rs.5000/- in fixed deposits in the state co-operative banks approved by the register of co-operative societies for the purpose have received the previous approval that particulars of investments made have been entered in the register of investments that certificate, funds, bank receipts or other evidence in support of investments were available and that in cases where the securities were held by the Account General, the amounts were traceable in the list published by him in the list published by him in the gazette.
- 3) Interests due have been realized on the due dates and credited to the accounts.
- 4) Investments made out of earmarked funds have been reinvested if the amount was not required for expenditure
- 5) In the case of investments written off by sale or otherwise the amounts of sale proceeds have been duly credited in the accounts or if the sale was by transfer of investments it is supported by proper vouchers; and
- 6) Investments have not been disposed of except for the specific purpose for which they have been made.

Due to non-production of the investment register, it could not be verified whether any irregularities were committed loss if any sustained to the municipal funds in this regard necessary action would need to be initiated against the concerned.

ESTABLISHMENT AUDIT REGISTER NOT PRODUCED: Code.No.11

As per the procedure, all recurring charges have been entered in the establishment audit register and orders' sanctioning each post has been quoted in support. The order should be verified in every case in which the charges have been newly sanctioned or there has been change in them since last audit.

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

- 1) That any excess over the sanctioned scale appeared in any month or of the while period under, audit and all excesses over the sanctioned monthly scale have been satisfactorily explained.
- 2) That the orders sanctioning the establishment have been noted in all cases and the amount entered to the sanctioned scale columns authenticated by the initials of the manager or executive authority.
- 3) That all the alterations in the scale column have also been initiated by the manager or the executive authority and the dates from which they taken effect have been invariably noted.
- 4) That pensionary contribution if any, as well as house rents and fixed contingencies drawn along with pay have been properly posted in the audit register.
- 5) Those refunds by short drawals, fines and amounts withheld for further payment have been correctly noted.
- 6) That the fly leaves have been correctly noted.
- 7) That the temporary establishments have been entered separately after the permanent establishments in the audit register, the period for which sanction holds good has been noted and lines have been drawn across the pages or months previous and subsequent to such period and.
- 8) That the register has been maintained correctly and on the lines indicated in chapter V and posted monthly when pay bills are passed for

REGISTER OF WORKS NOT PRODUCED:

Due to non-production of this register, the following observations could not be made i.e.,whether the following procedure was scrupulously followed or not.

- i. That all works estimated to cost more than Rs.1000/- have been entered in this register.
- ii. that it shows the amount provided in the estimate and the actual expenditure under sub-heads
- iii. that the several money columns have been totaled at the end of the year or on completion of the work so as to enable a comparison between the total expenditure and the amount of estimate or contract being made and
- iv. That total of the year's expenditure on each work has been recorded in column 12 of the register of estimates and allotments.

Code.No.11

SCHEDULE OF RATES NOT PRODUCED:

Due to non-production of schedule of rates, the following observations could not be made.

- i) That the schedule has been duly sanctioned by the council for adoption every year.
- ii) That all subsequent alternations or new entries of rates have been duly approved by the council and authenticated by the initials of the executive authority.
- iii) That the schedule does not contain the maximum and minimum rates but only mean rates and
- iv) That the schedule provided for rates for collection and carriage of material on different roads in the municipality.

Code.No.11

CONTRACTORS LEDGER NOT PRODUCED:

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

- i) That a separate file was opened in the personal ledger for each contractor.
- ii) That the entries on the debtor side show the payments made to contractors and those on creditor side the value of work done as shown in the contract certificate passed from time to time.
- iii) That the account embraces all transactions to which the contractor was a party whether relating to one or several works or to materials purchased from him.
- iv) That the account show the number and amount of each passed bill

REGISTER OF NEW CONSTRUCTIONS/DEMOLITIONS (UNDER SECTION 94) NOT PRODUCED:

- i) As per procedure if any building was newly constructed the owner should give a notice with in 30-dys from the date of completion or occupation whichever is earlier.
- ii) If that date falls with in the first four months of a half year, the owner was entitled for a remission of proportionate tax as was proportionate the number of days in that half year subject to a maximum of half of tax.

MUTATION REGISTER NOT PRODUCED:

Code.No.11

As per procedure, this register shall indicate all the changes made in the demand of property either due to revision petitions appeals or due to alterations construction, demolitions etc. At the end of the half year the total of the mutation register has to be given effect to the demand register.

REGISTER OF BILLS ISSUED NOT PRODUCED:

Code.No.11

As per procedure, as soon as the bills were written up in advance, they have to be issued the bill collectors after noting the details of books issued in this register.

Code.No.11

REGISTER OF WARRANTS (SECTION 264 OF THE ACT) NOT PRODUCED

As per section 264 of the Act, in the case of uncollected taxes, a warrant has to be issued for distraint of the property. If the tax was not paid with in 15 days of the date of service of the notice, warrant may be issued for distraint of the property.

REGISTER OF DISTRAINTS NOT PRODUCED:

Code.No.11

As per the rules, if the tax was not paid after the issue of warrant, the movable property shall be distrained as per the rule 31(1) if schedule II of the Act and disposed off as per rule 15 and 16.

REGISTER OF DISTRAINTS NOT PRODUCED

As per the rules, if a prosecution is filled at share be noted in the register of prosecutions and realization watched.

MAINTANCE OF VEHICLES – REGISTERS (RELEVANT) NOT PRODUCED, LOG BOOK NOT PRODUCED – EXPENDITURE INCURRED, Rs HELDBDER OBJECTION.

The following are the important registers to be checked in audit of bills relating to maintenance of vehicles.

1. Log books
2. Register showing the repairs, replacements etc.,
3. Register showing the cost of petrol, Oil etc.,
4. Register of inventory or equipment
5. Hire charges payment register
6. Register of ols parts collected after replacement
7. Register of accidents.

- 1) Log book:- during the course of audit due to non-production of this register, it could not be verified in audit that whether the following procedure was followed.
 - a) That all the entries in the relevant columns in the Log Books are made.
 - b) That the entries in log books are noted by the officer used the vehicle in their own hand writing the mileage at the start and at the completion of their trips after verifying kilometers.
 - c) That sufficient particulars are recorded regarding movement and purpose to indicate the journeys are on official business.
 - d) That the Log books in respect to each vehicle is closed at the end of the month and a summary prepared in the log book showing details of duty and non-duty journey per formal during the month in the prescribed proforma.
 - e) That the quantity of petrol diesel oil purchased has been entered in the log books of the respective vehicle.
 - f) That the hire charges collector as per hire charges payment register has been entered in the concerned log books.
 - g) That the log book is scrutiny personally by the authority concerned ince in a month and this signature appended there in.
 - h) That the log book is written in.

CODE.11

REGISTER DRAWING THE REPAIRS, REPLACEMENT, SPARE PARTS ETC.

Due to non-production of this registers, it could not be verified in audit whether the following prescribed produced was followed.

- a) That the voucher No. and Date and nature of repairs etc. together with amount are noted in the appropriate columns of the register.
- b) That in the case of replacement etc. the old parts were disposed off in the public action noted and the sale proceeded credited to municipal funds.
- c) That in case of purchase of spare part, the rules relating to the invitation and disposal of tenders have been observed.

CODE NO.11

REGISTER SHOWING THE COST OF PETROL, OIL, ETC.,

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

- i) That the details of expenditure incurred towards cost of petrol etc. have been entered with reference to the voucher No. and date and the amount covered for the same.
- ii) That the consumption of the petrol, oil, etc. date wise has been entered therein.
- iii) That in respect of the contingent bills for the supply of petro/diesel oil, the following certificate has been recorded by the concerned authority. Certified that quantities purchased have been entered in the log book of the respective vehicle. Certified that necessary recoveries under rules have been made from the parties concerned using the vehicles for non-duty journeys and the amounts credited period as per.
- iv) That the mileage run by the vehicle during a particular period as per log book is in accordance with the issues of petrol and oil shown in this register.
- v) That the propulsion charges or cost of fuel tec., received if any from the persons who used the vehicle on non-duty have been entered in this register and a receipt to that effect has been issued to the parties.
- vi) That the register is periodically checked by the concerned authority and a certificate to that effect has been recorded.

LOANS REGISTER-NOT-PRODUCED:-

Code.No.11

During the course of audit due to non production of loans Registers, the following items could not be verified in audit whether.

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

Code No.11

DEPOSITS REGISTER-NOT-PRODUCED:-

During the course of audit, due to non-production of deposits Registers. The following items could not be verified in audit. Whether

1. All the items of deposits are brought to the register of deposits.
2. The voucher adjustments such as recoveries effected in pay bills and work bills which are meant for remittance to other departments such as P.F,P.T, GIS, Andhra Pradesh G.LI,,I.T,ST, Seignorage charges etc, are recorded in the voucher adjustment Register of deposits.
3. The library cess collected along with property tax also taken in this register.
4. At the end of each month, the vertical totals are made and the abstract of deposits for each month are struck.

Code.No.11

REGISTER OF ADVANCES-NOT PRODUCED:

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

- 1) All the advances recoverable were recovered in pay bills, T.A Bills, L.T.C. Bills or other adjustment bills as entered in the register of advances.
- 2) The totals were made in each month and monthly recoveries and balance were arrived at.
- 3) All the adjustments of advances were recorded against original entries.
- 4) Sanction of municipal council was taken for the payment advances sanctioned to the municipal officers.

GENERAL FUNDS & SCHEMES:

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

During the course of audit regarding execution of works both in general funds and scheme funds, the connected agreements along with Code:11

Files, guide lines of many of the schemes, completion reports, inspection reports of quality control department on works along with grant proceedings (All schemes) were not produced for verification executed under both departmental and tender system.

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

- 1) Number of departmental works executed under general funds and scheme works during 2014-15.
- 2) Number of departmental works pending completion as on 1.04.2011 regarding general and all scheme works (Scheme wise)]
- 3) Number of departmental works pending completion as on 31.03.2011 (general and all scheme funds)
- 4) Outstanding advance: advances pending as on 1.04.2009 both general and all the scheme funds.
- 5) Advances pending as on 31.03.11 general and all scheme funds.
- 6) Whether proper indenting system for issue of materials to the works not exceeding the theoretical requirement as worked out in the estimates were followed (both general and schemes).
- 7) Measurement, detailed designs, estimates, completion reports (as pjr para No. 173 of Andhra Pradesh. P.W.D code and Articles 171 to 174 of A.P.F.C. Vol I (general and all schemes)
- 8) Whether materials were issued after approval of the competent authority were issued

- 10) Whether the utilization of the material in the works based on the measurements recorded and check measured properly calculated (general and all scheme funds)
- 11) Whether the unutilized material returned to the stores duly acknowledged (general and all schemes funds) (cement, steel, sand, gravel. H.B.T. metal etc) complete information of materials stock, issued and balance)
- 12) Whether the labour required were engaged on tender system or through department persons only (general and schemes)
- 13) Whether the nominal master rolls maintained for the labor (general and schemes)
- 14) Correctness of the payments made to the labor particularly when the laborers to be paid partly cash and partly food grains (general and all schemes).
- 15) In case of purchase of materials/machinery required for execution of the works whether the procedure prescribed was followed.
- 16) Whether reasons for execution of the works departmentally were recorded by the competent authority.
- 17) Whether works executed at rates not more than estimates rates.
- 18) Whether material and labor components worked out with reference to the standard data.
- 19) Whether deviations if any-deviation statements
- 20) Quality control measures-connected details
- 21) Others-technical persons engaged-connected details.
- 22) General and schemes achievement of objections of all schemes whether accordance with the guidelines framed regarding connected schemes
- 23) N.M.Rs – Total Mandays-Scheme wiser for all the schemes.’
- 24) Diversion of scheme funds if any details
- 25) Connected lead statements of all the works executed under general and schemes.

REGARDING TENDER SYSTEM: in absence of the aforesaid records, the following observations could not be made whether these instructions were scrupulously followed or not.

1. register of registered contractors of the Municipality
2. Whether agreement was concluded any the competent authority after the finalization the contract
3. Whether the advances were paid for the works earlier to contractors-connected details
4. Whether the bills supported by the necessary documents such as vouchers along with measurement book for the materials produced by the contractor/sector sheets etc.
5. Whether such of the items of the works check measure without any conditions were only billed.
6. Whether additional quantities of already existing items of work in the agreement is billed as per the preliminary specifications.
7. Whether the cost of the materials departmentally supplied to the contractor recovered in the bills if not whether recovery of such material affected at the rates mentioned vide para 332 of the A.P.P.W.A Code.
8. Whether hire charges for machinery supplied to the contractor recovered from him.
9. Whether times/penalties if any imposed, recovered from the contractor.
10. whether all the statutory deductions are affected from the work bills.
11. Whether in case of works entrusted on nominations basis, the payment should be at estimated rates.
12. Quality control measures and its reports.
13. Advances outstanding of all funds general and all schemes as on 1.4.09 and 31.3.10
14. In case of final bills, the release and discharge certificate and a certificate in full and final settlement of all demands should be furnished and income tax clearance certification also
15. Whether the objects with which the work has been executed are achieved and whether fruits are enjoyed by the public.
16. N.M.Rs – Total man days for each work and each scheme pertaining to all the schemes.
17. Higher specification if any
18. Inflation of estimated rates
19. Adhoc estimates if any
20. Revision of estimates-approval and technical sanction of the competent authority.
21. If any changes in the specifications
22. Tender notification-inadequate time and publicity of the tender

MUNICIPAL COUNCIL – AMOUNT PAID WITH COMMISSION CHARGES
TOWARDS PURCHASE OF DIESEL – IRREGULAR – EXCESS PAYMENT –
NEEDS ACTION RS 13705.00

On verification of the cash book and vouchers of the general fund Account 001 and 002 it is noticed that the diesel and other fuels were purchased from the Sri K.Lakshman Rao, Dharmavaram for utilization of the Public Health Section and Engineering section vehicles and others but the amount paid towards diesel bills with commission charges in the vouchers noted below. Further the diesel and other fuels have been purchased from the private persons instead of petroleum agencies. And the executive authority has been failed proper reasons on payment of commission charges including diesel rates which available in the market. Due to this it resulted that the excess payment and loss to the institution. An amount of RS 13705.00 is worked out as excess payment and it is held under objection. Action would need to be taken to recover the excess payment from the person(s) responsible and purchase the diesel and other fuels from the petroleum agencies to avoid commission charges in future.

Annexure enclosed---

ANNEXURE					
Diesel n etc commission charges – 2014-15					
S. No	Vr. & Date	Particulars	Bill paid Rs.	Actual to be paid Rs.	Difference i.e., Commission charges
1	321/8-14	Amount paid towards diesel n etc for Fogging machine for 7/14	64734	62849	1885
2	454/10-14	Do 8/14	15594	15140	454
3	506/11-14	Do 9/14	47225	45792	1433
4	522/11-14		4475	4344	131
5	797/12-14	Do 12/14	13190	12806	384
6	319/8-14	Do to AP04 TSTR 8174 for 7/14	13814	13412	402
7	794/12-14	Do to AP02X2394 for 12/14	11955	11607	348
8	793/12-14	Do AP02 X 2392 for 12/14	11955	11607	348
9	27/4-14	Do AP02 TSTR 5782 for 3/14	14986	14550	436
10	322/8-14	Do 7/14	19077	18522	515
11	519/11-14	Do 9/14	10787	10473	314
12	517/11-14	Do to fogging machine 1 & 2.9.14	7719	7494	225
13	796/12-14	Do	53255	51704	1551
14	798/3-14	Do to AP02 TSTR 5782	11483	11148	335
15	792/12-14	Do AP02 X 967 for 12/14	10658	10348	310
16	800/3-15	Do 1/15	11671	11331	340
17	512/11-14	Do AP02 TJTR 5778 for 9/14	3985	3868	117
18	25/4-14	Do AP02 X 2392 for 3/14	11536	11200	336
19	316/11-14	Do 7/14	13814	13412	402
20	516/11-14	Do 9/14	12780	12408	372
21	790/11-14	Do 11/14	22452	21798	654
22	30/4-14	Do to AP02 TJTR 8174 for 3/14	12978	12600	378
23	447/10-14	Do 8/14	20131	19545	586
24	444/10-14	Do AP04 TSTR 6920 for 8/14	11958	11610	348
25	315/8-14	Fogging machine 7/14	9866	9579	287
26	450/10-14	Do AP02 8863 for 8/14	26574	25800	774
		Total Rs.	468652	454947	13705

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 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 to audit.

As seen from the cheques received register, the corresponding credit entries in the bank account could not be traced in audit and the amount realied 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.

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

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

RECEIPTS – PROPERTY TAX

PROPERTY TAX – MUTATION REGISTER NOT WRITTENUP AND NOT PRODUCED

The permanent changes in the assessment of buildings, land, lighting water, drainage, scavenging, railway and Education taxes have to be recorded in the register of mutations with reference to the register of revision petitions and monthly lists of outdoor subordinates.

But the mutation register for property tax for the year 2014-15 was not written up and produced for verification in audit.

In the absence of the mutation register, the correctness if the demand under property tax could not be verified. The same would need to be maintained and produced early. The omission, if any would need to be included in the demand and fact reported to audit.

ASSET MANAGEMENT-NOT PURSUED-IMMEDIATE NEED FOR PURSUASION:

All Urban Local Bodies are required to maintain separate registers for movable and immovable assets as per the orders issued in G.O.Ms.No.1512, Local Administration, dated 05.08.1948.

Municipal Council, Dharmavaram is endowed with large and varied assets. It should be ensured that the resources are used in the most optimum and efficient manner. However, it was noticed in audit that the Municipal Council, Dharmavaram failed to maintain an assets register and produce to audit.

An asset register must be maintained ensuring that all the physical assets held by it were faithfully entered in it and it will

- Facilitate and secure the physical control and security of these assets
- Provide information and values for insurance and accounting purposes
- Facilitate the provision of detailed statistical information like numbers, location etc,

All new purchases of assets and the value addition due to improvements should be captured in the assets register including the gifted assets that become the property of the Council.

The external sale, write off or scrapping of any asset has to be recorded in the asset register showing the disposal of any asset.

The transfer of ownership from one section to another was done properly or not would need to be watched.

A periodical inspection of the assets by the heads of the sections would need to be conducted to check the accuracy of the details held in the asset register.

In the absence of assets registers showing all the above, it could not be held in audit that the Municipal Council, Dharmavaram is pursuing a sound policy of asset management. The council has to evolve a system of asset management on a scientific basis to safe guard the assets and provide for management on a scientific basis to safe guard the assets and provide for periodical valuation by allowing depreciation of assets as per the norms and to secure the assets from encroachment and to watch that the assets are utilized in an optimum way so as

DEPOSITS OVER THREE YEARS LAPSED NOT MAINTAINED AND PRODUCED

The deposits which were pending refund over three years would become lapsed and would need to be transferred to general funds and scheme funds after obtaining the resolution passed in the council regarding the refund of lapsed deposits by posting in a separate register called lapsed deposits register maintained for the purpose. Early action would need to be taken to maintain the lapsed deposits register and produce the same for verification in audit.

The loss if any sustained in this regard, the executive authority will have to be held responsible for the same.

ENGINEERING ESTABLISHMENT

ENGINEERING ESTABLISHMENT – SERVICE REGSITERS – SOME IMPORTANT ENTRIES – NOT RECORDED – NEEDS IMMEDIATE ACTION.

During the course of audit, on verification of the service registers of the staff of Engineering Establishment, the important entries relating to the service are not recorded in some registers as detailed below.

- List of Family members
- Home Town Declaration
- Subscription details under GIS
- Nominee details under Retirement Gratuity Scheme
- Nominee details under General Provident Fund
- Service verification entries up to 31.03.2011
- Nominee under Provident Fund
- Local status as per G.O.Ms.No. 610
- Signature of Commissioner/Municipal Engineer

Necessary action would need to be taken to record the above entries in the Service Registers of the employees working as they are very important relating to audit and also on the welfare of each employee i.e., in settlement of the claims / pensionary benefits after retirement/resignation/death etc of employee.

CODE 18 OTHERS

NON MAINTENANCE OF REGISTERS PRESCRIBED IN THE MANUAL – NEEDS ACTION.

During the course of audit it is noticed that the cash book and other registers were not maintained as prescribed in the APMAM. 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 mentioned in the Statement below. Action would need to be taken to prepare the following registers as prescribed in APMAM and report the compliance to audit..

STATEMENT

S.n	Name of the Form	Form Number
1	Cash Book	Gen-1
2	Journal Book	Gen-2
3	Ledger	Gen-3
4	Receipt voucher	Gen-4
5	Payment voucher	Gen-5
6	Contra voucher	Gen-6
7	Journal voucher	Gen-7
8	Receipt	Gen-8
9	Receipt Register	Gen-9
10	Statement on status of cheques received	Gen-10
11	Collection Register	Gen-11
12	Summary Daily Collection	Gen-12
13	Register of Bills of payment	Gen-13
14	Payment order	Gen-14
15	Cheque Issue Register	Gen-15
16	Register of Advance	Gen-16
17	Register of permanent advance	Gen-17
18	Deposit Register	Gen-18
19	Summary Statement of Deposits adjusted	Gen-19
20	Demand Register	Gen-20
21	Notice / Bill	Gen-21
22	Summary statement of Bills Raised	Gen-22
23	Register of Notice fee, Warrant fee, Other Fees	Gen-23
24	Summary statement of Notice Fee, Warrant Fee, other fees	Gen-24
25	Register of Refunds, Remissions and write-offs	Gen-25
26	Summary Statement of refunds and remissions	Gen-26
27	Summary statement of write-offs	Gen-27
28	Statement of outstanding liability for expenses	Gen-28
29	Document control register/Stock Account of Receipt/cheque Book	Gen-29
30	Register of Immovable Property	Gen-30
31	Register of Movable Property	Gen-31
32	Register of land	Gen-32
33	Function-wise Income subsidiary ledger	Gen-33

PURCHASE MADE WITHOUT FOLLOWING THE RULES LAID DOWN FOR THAT PURPOSE.

According to Rule.15(1) (b) of A.P. Municipalities (Purchase maintenance and accounting of forms) Rules 1968 for the invitation and disposal of tenders relating to the supply of materials goods, etc, there shall be prepared annually an estimate of items like stationery, printing articles required for public health sections for sanitation purposes, clothing to be supplied to the members of the P.H. establishment, articles for engineering section, lighting articles and food for livestock and the estimate shall be approved by the competent authority before tenders are invited.

Under Rule 5 of the said rules the Commissioner shall arrange for the proper maintenance of a stock account in such form as may be prescribed by the Government from time to time and for such forms as may be specified in the headings therein as well as for all forms of tickets printed for use in departmental collection of revenue. The correctness of the stock account of forms shall be verified at the end of every half year by the commissioner.

But during the course of audit it was noticed that the prescribed procedure was not followed in as much as the preparation of estimates for the annual consumption of various items and the stock accounts were either not maintained or maintained improperly. The commissioner did not verify the stocks at the end of half year or at the end of the financial year and the annual physical verification certificate was not forthcoming in audit. The files relating to purchases were also not produced to audit in full shape. The executive authority would need to take effective steps to comply with the afore said rules for all purchases to be made and produce the connected records to audit for verification.

CHITTA – CHITTA NOT MAINTAINED PROPERLY – NOT IN ACCORDANCE WITH THE INSTRUCTIONS SPECIFIED IN THIS REGARD – LOSS IF ANY SUSTAINED TO THE MUNICIPAL FUNDS – NEEDS RECOVERY.

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

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

When the payment of miscellaneous dues were made by the parties themselves into Municipal Treasuries, they should prepare a challan in the form appended to G.O.Ms.No.439 M.A Dt. 2.9.1960 in triplicate showing the full particulars of the amount sought to be paid. The challan wise first be presented to the concerned JA/SA in municipal office, who will examine t and initial it in the left hand top corner of the original if he finds it correct in regard to all particulars. The party should then present it with the money to the shroff who will receive the money enter it in a separate chitta to be maintained for recording the receipts on triplicate challans, number the challan in a consecutive order, sign it and send it to the JA/SA maintaining the register of miscellaneous receipts or the JA/SA who maintains the register of license and permissions. The later will enter the challans number particulars and amount in his register, sign the challan in token of having done so in the place provided therefore at the bottom of the challan in all the three forms of challans and send the same to the SA who is to be authorized to sign the challans. This SA will be designated as a cashier. After satisfying himself from the entries on the challans. This SA will be designated as a cashier. After satisfying himself from the entries on the challan that the amount has been made independently by another JA in the register of miscellaneous receipts or register of license and permission, the SA to be called cashier will sign the challan intended to the party. The duplicate will be sent to the accountant and the original be retained by the cashier. At the end of the day all such original should be arranged serially, stitched together and traced by the cashier into the register of miscellaneous receipts and register of licenses and permissions. He should then tally the total collections for the days with the totals in those two registers and the totals in the shorffs chitta mentioned above should be taken to the main chitta before reconciliation of the total there of with the cash book at the end of every day. The challans to be arranged and situated will be produced for audit (G.O.Ms.No. 439, M.A. dt 2.9.1960).

2. That the amounts shown as realized were remitted into the treasury without delay and that no portion was with held.
3. That the total cash balance at the end of the each day including balance, if any left un.remitted from the previous day's collections is verified by the manager or other head ministerial Officer at the close of each day and by the Municipal Commissioner at least once a week, and the balance so verified was stated in words over the initials of the verifying Officer.

CASHBOOK-NOT MAINTAINED IN ACCORDANCE WITH THE INSTRUCTIONS-LOSS SUSTAINED IF ANY NEEDS RECOVERY.

During the course of audit it was observed that the cashbook produced to audit was not maintained in accordance with the instructions specified in this regard as detailed below.

1. That the 'Cash' and 'Bank' columns were correctly used.
2. That the entries on the receipt side have been correctly made from the challan and collection registers and not from the chitta.
3. That there were no erasures and that all corrections have been neatly made and attested by the executive authorities of manager.
4. That the book was closed every month and that a reconciliation of the closing balances of the passbook and cashbook was effected and recorded under the signature of the Executive authority.
5. That the books was written up daily and that the cash balance at the time of the audit was correct.
6. That all receipts paid by the parties in the Treasury direct and amounts of grants etc., adjusted to the personal deposits account at the treasury were entered in red line in the Treasury of bank column of the cashbook.
7. That the amounts entered in the treasury or the bank column on the charges side of the cashbook agrees with those in the counterfoils of cheques.
8. That the cancelled cheques were forthcoming and
9. That the amounts drawn on self cheques were brought on to the petty cashbook with particulars of voucher number and the purpose of payment
10. Receipts column in the schemes cash book were not noted.
11. Monthly reconciliation in all Cash books were noted with pencil figures and not signed by the countersigning authority in the some of the Cash books.

Necessary action would need to be taken for rectification of the above defects and produce the said cash books for verification.

TREASURY PASS BOOK . NOT IN ACCORDANCE WITH THE INSTRUCTIONS
SPECIFIED IN THIS REGARD

During the course of audit as observed from the Treasury Pass book it was noticed that the Treasury passbook was not in accordance with the instructions specified in this regard.

1. That the collections remitted into the Treasury or the bank has been duly credited and that only the amounts cheques issued by the Executive authorities upon the treasury or the bank have been debited in the passbook.
2. That all receipts from the local bodies or other institutions paid into the Treasury direct to the credit of Municipal Funds and amounts of grants etc., adjusted to the credit of the Municipality at the Treasury Audit Report credited in the cashbook and the posting register.
3. That the book was written up at the Treasury or bank and that each receipt entry was duly authenticated.
4. That the book was balanced monthly under the signature of the Treasury Officer or bank agent
5. That the passbook was sent to the Treasury once in a week or 10 days for being written up and
6. That the balance shown in the passbook at the close of the year agrees with the entered in the 'Bank' or Treasury column of the cashbook for the month of March after making the necessary allowances for uncashed cheques etc.,

REMITTANCE CHALLANS:

As per the instruction (1) the amount is noted as remitted in the chitta and the ash book have been acknowledged by the Treasury Officer and Credited in the Pass Book (2) and amount returned by the treasury on the ground that the coins were counter sign over the currency notes mutilated is taken credit in the chitta and included in the next day-s remittance and (3). The remitted challans were signed by the executive authority or the manager, the Executive authority checked the remittance and verified, the actual authority checked to the receipted challans at once in a week and initiated them in token of such verification.

Since the above said records were not maintained in accordance with the instruction specified in this regard and due to procedural lapses the loss if any sustained to the Municipal funds would need to be worked out and made good from the concerned and remitted to municipal funds under intimation to audit.

VOURCHERS:

It is mandatory to mention the Council resolution number on the vouchers for passing the bills concerned. But the procedure was not followed by the executive authority and many vouchers were admitted without making entries of the C.R.No. on the face of the vouchers.

ANNUAL ACCOUNT - NOT PREPARED IN ACCORDANCE WITH RULES;

The rules relating to preparation of Annual account are issued in G.O.Ms.No.42 dated : 20.01.70 originally and in G.O.Ms.No.619 MA Municipal Admn & urban development (U.B.S) department dated 21.08.2007 Government directed all the U.L.Bs in the state to implement the A.P. Municipal Accounting manual. But the Annual account furnished to audit was not found to be inconsonance with either of these. Many subsidiary register from which figures have to be posted in the annual account were neither maintained not produced to audit. In the absence of these subsidiary registers and the figures could not be comprehended as to how the figures adopted in the annual account were obtained and the correctness of the same could not be verified and credited in audit.

Further the receipts side of the cash books was not maintained at all.The monthly accounts that had to be prepared not later than 10th of the succeeding

REGISTERS NOT MAINTAINED

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

1. Un disbursed Pay Register
2. Un disbursed Contingent Register
3. Permanent Advance Register
4. T.A. Bill Register (APTC Form-40)
5. Miscellaneous Bill Register (APTC Form-40)
6. Register of contingent charges
7. Account Bills watch Register
8. Register of Advances of Pay & T.A
9. Tour Advance Register
10. Register of recoveries of advance on transfer
11. Registers of Recoveries of Festival, Medical Advances separately.
12. Register of recoveries of Loans granted to government servants for purchase of Bicycles, House Building, Marriage, Motor cycle etc.
13. Register of recoveries of P.F.
14. Register of other government recoveries i.e. A.P.G.L.I. etc., (A.P.F.C. Vol-II)
15. Increment watch Register (Gazetted & Non-Gazetted separately)
16. Register of valuables (Cheques and drafts received)
17. Register of Security Deposits
18. Register showing account of receipts used and unused.
19. Register showing the temporary establishment and their continuance.
20. File containing the original challans for the amounts remitted in to the Treasury.
21. Register of challans remitted in to Treasury
22. Printed receipt books for the issue of receipts for the amounts received for the parties
23. Register of Accountant general is objections
24. Registers of objected raised by departmental inspecting officer.
25. Stock Register of Furniture
26. Stock Register of Stationary
27. Stock Register of Computer Hardware
28. Stock Register of Computer Stationery
29. Stock Register of Computer Stationary
30. Usage Register of Computer Stationary
31. Condemned Articles Register
32. Mutation Register
33. Grants appropriation Register
34. Appropriation Register of Loans
35. Consolidated tools and plant Register
36. Consolidated tools and plant Register
37. Establishment Audit Register etc.

) Result of Audit:

The general result of audit may be consider fairly satisfactory both

PENDING OBJECTIONS

Items of objection involving a sum of RS. as detailed below were pending settlement at close of audit. Expeditious action would need to be taken for their settlement.

<u>S.NO</u>	<u>YEAR</u>	<u>NO.OBJECTIONS</u>	<u>AMOUNT</u>
1	1995-96	42	2121715
2	1996-97	46	645829
3	1997-98	48	2195198
4	1998-99	68	16239430
5	1999-2000	Not Available	
6	2000-2001	Not Available	
7	2001-2002	Not Available	
8	2002-2003	Not Available	
9	2003-2004	Not Available	
10	2004-2005	Not Available	
11	2005-2006	77	17534638
12	2006-2007	Not Available	
13	2007-2008	Not Available	
14	2008-2009	65	56791459
15	2009-2010	145	4019607535
16	2010-2011	97	31377449
17	2011-2012		
18	2012-2013		
19	2013-2014	94	1078082
20	2014-2015	76	13705
	Total:		

ABSTRACT
LIST OF OBJECTIONS IN RESPECT OF MUNICIPAL COUNCIL,
DHARMAVARAM FOR THE YEAR 2014-15

S.NO	CODE.NO	PARA.NO	AMOUNT INVOLVED
1	2	2	
2	7	3	
3		3.1	
4		3.2	
5		3.3	
6		3.4	
7	9	4	
8		4.1	
9		4.2	
10		4.3	
11		4.4	
12		4.5	
13		4.6	
14		4.7	
15		4.8	
16		4.9	
17		4.10	
18		4.11	
19		4.12	
20		4.13	
21	11	5	
22		5.1	
23		5.2	
24		5.3	
25		5.4	
26		5.5	
27		5.6	
28		5.7	
29		5.8	
30		5.9	
31	11	5.10	
32		5.11	
33		5.12	
34		5.13	
35		5.14	
36		5.15	
37		5.16	

46		5.25	
47		5.26	
48		5.27	
49		5.28	
50		5.29	
51		5.30	
52		5.31	
53		5.32	
54		5.33	
55		5.34	
56		5.35	
57		5.36	
58		5.37	
59		5.38	
60		5.39	
61	11	5.40	
62		5.41	
63		5.42	
64	13	6	13705
65	18	7	
66		7.1	
67		7.2	
68		7.3	
69		7.4	
70		7.5	
71		7.6	
72		7.7	
73		7.8	
74		7.9	
75		7.10	
76		7.11	
		76	13705

STATEMENT SHOWING THE RECEIPTS AND CHARGES OF N.O.A.P OF DHARMAVARAM
MUNICIPALITY FOR THE YEAR 2014-15

S.NO	RECEIPTS	AMOUNT	S.NO	CHARGES	AMOUNT
1	TOTAL RECEIPTS	17814976		Total Expenditure	16897039
	INTEREST	10085		Bank Charges	-
	Total	17825061		Total	16897039
	O.B.	259640		C.B	1187662
	Grand Total	18084701		Grand Total	18084701

Reconsilation

CB as per cash book and Pass Book as on 31.03.2015 : 1187662

STATEMENT SHOWING THE RECEIPTS AND CHARGES OF NON-PLAN GRANT OF
DHARMAVARAM MUNICIPALITY FOR THE YEAR 2014-15

S.NO	RECEIPTS	AMOUNT	S.NO	CHARGES	AMOUNT
1	TOTAL RECEIPTS	-		Total Expenditure	53861
	INTEREST	69323		Bank Charges	-
	Total	69323		Total	53861
	O.B.	1727888		C.B	1743350
	Grand Total	1797211		Grand Total	1797211

Reconsilation

CB as per cash book and Pass Book as on 31.03.2015 : 1797211

STATEMENT SHOWING THE RECEIPTS AND CHARGES OF URBAN HEALTH CENTRE OF
DHARMAVARAM MUNICIPALITY FOR THE YEAR 2014-15

S.NO	RECEIPTS	AMOUNT	S.NO	CHARGES	AMOUNT
1	TOTAL RECEIPTS	-		Total Expenditure	11929
	INTEREST	--			
	Total	--		Total	11929
	O.B.	11929		C.B	--
	Grand Total	11929		Grand Total	11929

Reconsilation

CB as per cash book as on 31.03.2015: --

Add uncashed cheques Rs: --

CB as per Treasury Pass Book as on 31.03.2015: --

STATEMENT SHOWING THE RECEIPTS AND CHARGES OF I.R.G.PLAN GRANT OF
DHARMAVARAM MUNICIPALITY FOR THE YEAR 2014-15

S.NO	RECEIPTS	AMOUNT	S.NO	CHARGES	AMOUNT
1	TOTAL RECEIPTS	--		Total Expenditure	276936
	INTEREST	40214			
	Total	40214		Total	276936
	O.B.	1081616		C.B	844894
	Grand Total	1121830		Grand Total	1121830

Reconsilation

CB as per cash book as on 31.03.2015: 844894

Add uncashed cheques Rs: --

CB as per Treasury Pass Book as on 31.03.2015: 844894

STATEMENT SHOWING THE RECEIPTS AND CHARGES OF 150% COMPONENT OF
DHARMAVARAM MUNICIPALITY FOR THE YEAR 2014-15

S.NO	RECEIPTS	AMOUNT	S.NO	CHARGES	AMOUNT
1	TOTAL RECEIPTS	-		Total Expenditure	17952
	INTEREST	49608			
	Total	49608		Total	17952
	O.B.	1231129		C.B	1262785
	Grand Total	1280737		Grand Total	1280737

Reconsilation

CB as per cash book as on 31.03.2015:	1262785
Add uncashed cheques Rs:	--
CB as per Treasury Pass Book as on 31.03.2014:	1262785

STATEMENT SHOWING THE RECEIPTS AND CHARGES OF B.P.S/B.R.S OF DHARMAVARAM
MUNICIPALITY FOR THE YEAR 2014-15

S.NO	RECEIPTS	AMOUNT	S.NO	CHARGES	AMOUNT
1	TOTAL RECEIPTS	1746350		Total Expenditure	272674
	INTEREST	19048			
	Total	1765398		Total	272674
	O.B.	352431		C.B	1845155
	Grand Total	2117829		Grand Total	2117829

Reconsilation

CB as per cash book as on 31.03.2015: 1845155

Add uncashed cheques Rs: --

CB as per Treasury Pass Book as on 31.03.2014: 1845155

STATEMENT SHOWING THE RECEIPTS AND CHARGES OF MAHILA SHIVA SHAKTHI BHAVAN OF
DHARMAVARAM MUNICIPALITY FOR THE YEAR 2014-15

S.NO	RECEIPTS	AMOUNT	S.NO	CHARGES	AMOUNT
1	TOTAL RECEIPTS	--		Total Expenditure	138346
	INTEREST	8704			
	Total	8704		Total	138346
	O.B.	270243		C.B	140601
	Grand Total	278947		Grand Total	278947

Reconsilation

CB as per cash book as on 31.03.2015: 140601

Add uncashed cheques Rs:

CB as per Treasury Pass Book as on 31.03.2015: 140601

STATEMENT SHOWING THE RECEIPTS AND CHARGES OF PARKING AND PLAYGROUNDS OF
DHARMAVARAM MUNICIPALITY FOR THE YEAR 2014-15

S.NO	RECEIPTS	AMOUNT	S.NO	CHARGES	AMOUNT
1	TOTAL RECEIPTS	--		Total Expenditure	6045
	INTEREST	24998			
	Total	24998		Total	6045
	O.B.	620155		C.B	639108
	Grand Total	645153		Grand Total	645153

Reconsilation

CB as per cash book as on 31.03.2015: 639108

Add uncashed cheques Rs: --

CB as per Treasury Pass Book as on 31.03.2015: 639108

STATEMENT SHOWING THE RECEIPTS AND CHARGES OF MP LADS OF DHARMAVARAM
MUNICIPALITY FOR THE YEAR 2014-15

S.NO	RECEIPTS	AMOUNT	S.NO	CHARGES	AMOUNT
1	TOTAL RECEIPTS			Total Expenditure	172832
	INTEREST	9301			
	Total	9301		Total	172832
	O.B.	284102		C.B	120571
	Grand Total	293403		Grand Total	293403

Reconsilation

CB as per cash book as on 31.03.2015: 120571

Add uncashed cheques Rs: --

CB as per Treasury Pass Book as on 31.03.2015: 120571

STATEMENT SHOWING THE RECEIPTS AND CHARGES OF SOLID WASTE MANAGEMENT OF
DHARMAVARAM MUNICIPALITY FOR THE YEAR 2014-15

S.NO	RECEIPTS	AMOUNT	S.NO	CHARGES	AMOUNT
1	TOTAL RECEIPTS	--		Total Expenditure	522734
	INTEREST	66385			
	Total	66385		Total	522734
	O.B.	1942029		C.B	1485680
	Grand Total	2008414		Grand Total	2008414

Reconsilation

CB as per cash book as on 31.03.2014: 1485680

Add uncashed cheques Rs: 1556

CB as per Treasury Pass Book as on 31.03.2014: 1487236

STATEMENT SHOWING THE RECEIPTS AND CHARGES OF M.E.P.M.A OF DHARMAVARAM
MUNICIPALITY FOR THE YEAR 2014-15

S.NO	RECEIPTS	AMOUNT	S.NO	CHARGES	AMOUNT
1	TOTAL RECEIPTS	--		Total Expenditure	--
	INTEREST	27018			
	Total	27018		Total	--
	O.B.	670618		C.B	697636
	Grand Total	697636		Grand Total	697636

Reconsilation

CB as per cash book as on 31.03.2014: 697636

Add uncashed cheques Rs: --

CB as per Treasury Pass Book as on 31.03.2014: 697636

STATEMENT SHOWING THE RECEIPTS AND CHARGES OF GENERAL FUNDS (002) OF
DHARMAVARAM MUNICIPALITY FOR THE YEAR 2014-15

S.NO	RECEIPTS	AMOUNT	S.NO	CHARGES	AMOUNT
1	TOTAL RECEIPTS	49446367		Total Expenditure	47799379
	INTEREST	-			
	Total	49446367		Total	47799379
	O.B.	5710389		C.B	7357377
	Grand Total	55156756		Grand Total	55156756

Reconsilation

CB as per cash book as on 31.03.2013: 7357377

Add uncashed cheques Rs: 125524

CB as per Treasury Pass Book as on 31.03.2013: 7482901

Uncashed cheques

12. 007727: Rs 25925

13. 007736: Rs 99599

Total: Rs 125524

STATEMENT SHOWING THE RECEIPTS AND CHARGES OF GENERAL FUNDS (001) OF
DHARMAVARAM MUNICIPALITY FOR THE YEAR 2014-15

S.NO	RECEIPTS	AMOUNT	S.NO	CHARGES	AMOUNT
1	TOTAL RECEIPTS	76814403		Total Expenditure	69366804
	INTEREST	-			
	Total	76814403		Total	69366804
	O.B.	25643513		C.B	33091112
	Grand Total	102457916		Grand Total	102457916

Reconsilation

CB as per cash book as on 31.03.2014	:	33091112
Add uncashed cheques Rs:		885659
Deduct: A.M by Treasury:		11185
CB as per Treasury Pass Book as on 31.03.2014:		33965586

Uncashed cheques

7. 007718:	Rs 542625
8. 007716:	Rs 94500
9. 007717:	Rs 233624
10. 007719:	Rs 14910
Total:	Rs 885659