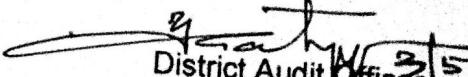


CERTIFICATE

This is to certify that the Audit of Vijayawada Municipal Corporation / Municipality/N.P for the Financial Year 2012-13 have been completed by the State Audit Department on 15-06-2016


Commissioner (FAC)
Municipal Corporation,
Vijayawada.


District Audit Officer,
Krishna District

(W)

Audit Report
on the accounts of
MUNICIPAL CORPORATION
VIJAYAWADA
for the year 2012-13

GOVERNMENT OF ANDHRA PREDESH
STATE AUDIT DEPARTMENT

From:
Sri.G.Satyanarayana, M.A.,
Regional Deputy Director,
State Audit, Zone-II,
Eluru

To:
The Commissioner,
Municipal Corporation,
Vijayawada,
Krishna District.

Lr.S.A.No. ~~16 CA~~ /2016-17, dt. ~~08.08.2016~~ **27-07-2017**

Sir,

Sub:- Audit - Audit on the accounts of Municipal Corporation, Vijayawada
for the year 2012-13 - Issue of Audit Report - Regarding.

I am to forward herewith the Audit Report on the accounts of Municipal Corporation, Vijayawada for the year 2012-13, I request you to furnish replies to the Audit Report within 2 months from the date of receipt of the Audit Report as per Rule 8 of Andhra Pradesh State Audit Rules, 2000 to this office after obtaining the resolution of the Corporation for taking further necessary action in the matter.

Yours faithfully

gj **sd/-**
Regional Deputy Director,
State Audit , Zone-II ,Eluru

Encl:-Audit Report for the year 2012-13

Copy submitted to the Principal Secretary to Government, Municipal Administration,
Andhra Pradesh, Hyderabad.

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

- / T- C-F-B-O /

gj *PS* *14*
DEPUTY AUDIT OFFICER,
STATE AUDIT DEPARTMENT

**AUDIT REPORT ON THE ACCOUNTS OF MUNICIPAL CORPORATION,
VIJAYAWADA, KRISHNA DISTRICT FOR THE YEAR 2012-13**

Name of the Auditor : Sri.G.Subba Reddy, AAO.,

Time Taken for Audit: 21.03.2016 & 22.03.2016, 6.04.2016 & 7.04.2016, 11.04.2016, 13.04.2016, 16.04.2016, 18.04.2016 to 21.04.2016, 23.04.2016, 25.04.2016, 28.04.2016, 9.05.2016 to 13.05.2016, 16.5.2016 to 19.05.2016, 23.5.2016 to 28.05.2016, 30.05.2016 & 31.5.2016, 6.6.2016 to 10.6.2016,

The office of the Commissioner was held by the following persons

Name of the Commissioners:-

- 1) Sri G.Ravi Kumar, from 1.4.2012 to 15.7.2012
- 2) Sri Md.Abdul Azeem, from 16.7.2012 to 16.1.2013
- 3) Sri G. Panda Das, from 16.1.2013 to 31.3.2013

The following officers held of the office during the period under Audit.

1) Additional Commissioner (General):-

Sri R. Mohan Jayram Naik

2) Deputy Commissioner (Revenue):-

1) Venkata Lakshmi

4) Examiner Of accounts : Sri M.V.Prasad, 21.12.2011 to till date

5) Asst. Examiner of Accounts: Sri K.Vijaya Mohan Kumar

6) Accounts Officer: Sri K.Ambedkar

7) Public Relation Officer: Sri Z.Srinivasa Rao,

General Review

The opening balance for the year 2012-13 as on 1-4-2012 is not in agreement with the closing balance of the previous year.

As per the Annual account the closing balances are:

The Closing balance-General funds-cash in hand-Nil. Bank- rs.16,66,86,814/- Cheques in hand- rs.23,39,777/-.

The Closing Balance- capital pj fund- cash in hand- NIL. Bank- rs. . 33,13,29,496. /- cheques in hand- rs.145467/-.

The Closing Balance- primary edu fund- Cash in hand- NIL. Bank- 15501037/-.

Cheques- NIL.rs.

The Receipts and Payments during the year are shown in the abstract of Annual account appended together with the opening and closing balances. The OB was not mentioned in the cash book nor the closing balance in the General cash book on 31-03-2013. The cash books were not written up properly and the receipt side no entries were made. Therefore reconciliation with bank pass books and treasury pass books could not be completed and the accounts could not be certified as genuine.

The consolidation account of all cash books duly showing the opening balance, Receipts, Expenditure incurred and closing balance were not maintained and produced for verification in Audit.

As verified from the cash books for the year 2012-13 it is observed that the cash book monthly and cash book wise opening and closing balances were not arrived and not certified by the concerned Executive Authority. In the absence of the same it could not be verified the correctness of the opening and closing balance. Hence early action would need to be taken to rectify the above defects.

2. BUDGET:

code-4

The annual financial statement (budget) containing the estimated receipts and expenditure of the corporation, Vijayawada for the year 2012-13 was placed before Corporation through the Standing Committee and the same was approved by the Corporation Vide C.R.No.192, dated 14-2-2012 required under section 182 of Hyderabad Municipal Corporation Act, 1955. The Budget was prepared duly considering the requirements of different wings of the Corporation and the obligatory civic amenities of the city.

Every item of receipt or payment categorized 'ordinary' or capital is governed by the following sectoral classification of the Accounts.

- A. General Account
- B. Lighting Account
- C. Elementary Education Account
- D. Drainage and Water Supply Account
- E. Town Planning Account
- F. Deposits and Advance Account

ORDINARY RECEIPTS AND EXPENDITURE:

The ordinary receipts and payments are of recurring nature. Taxes, Fees, Charges, Leases, Rents on Markets and Shops etc., come under ordinary receipts. The expenditure incurred out of the ordinary receipts of the Corporation towards pay and allowances of the establishment, contingencies, repairs towards buildings, maintenance of vehicles, pension payment, postal charges and other miscellaneous expenses come under ordinary expenditure.

CAPITAL RECEIPTS AND EXPENDITURE:

The receipts of non-recurring nature such as grant-in-aid received from State/Central Government, loans borrowed, sale proceeds of assets and the amount transferred from ordinary receipts etc., are the capital receipts.

The expenditure incurred on developmental activities, acquisition of assets, expenditure met from the grant-in-aid released by Government for specific purposes, expenditure incurred towards personal advances, stock accounts etc., constitutes capital expenditure.

DEPOSITS AND ADVANCES: Remittances of Income Tax, Sales Tax, refund of the deposits to the contractors, suppliers, sanction of provident fund loans, payment of library cess constitutes this head.

(3) FINANCIAL POSITION :

code-18

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

(4) TAX REVENUE RAISED:-**code-18.**

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

| Sl. No. | Nature of Tax | Code | Collection | | | Increase/ Decrease with ref. to previous yr |
|------------|----------------------------------|---------|----------------|----------------|----------------|--|
| | | | 2010-11 Rs. | 2011-12 Rs. | 2012-13 Rs. | |
| 1 | Property tax | 1100101 | 473242159 | 614553990.48 | 718583825.96 | Increase |
| 2 | Advertisement tax | 1101106 | -- | 56958390 | 63710000 | Increase |
| 3 | Vacant land tax | 1100102 | 43718072 | 31054800 | 48370113 | Increase |
| 4 | Entertainment tax | 1201002 | -- | 9026997 | 33210156 | Increase |
| 5 | Water Tax (P.T. component) | 1100201 | -- | 117445470 | 84437064 | decrease |
| 6 | Sewerage Tax (P.T. component) | 1100301 | 13786140 | 29970467 | 27865099 | decrease |
| | Total | | | 753309191.48 | 976176257.96 | Increase |

(5) REVENUE RECEIPTS AND ITS ANALYSIS:-**code-18.**

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

| Sl. No. | Item of revenue | RECEIPTS | | |
|------------|---|----------------|----------------|-----------------|
| | | 2010-11 Rs. | 2011-12 Rs. | 20-12-13 Rs. |
| 1 | Revenue raised | | | |
| | a) Tax Revenue | 571726941 | 803605650.48 | 952240175.14 |
| | b) Non-tax revenue leases, fees and rents etc | 67105699 | 685208039.43 | 643009581.00 |
| | Total: | 638832640 | 1488813689.91 | 1595249756.14 |
| 2. | Receipts from Government. | | | |
| | a) Entertainment tax | 0 | 9026997 | 33210156 |
| | b) Surcharge on stamp duty | 213621398 | 319101163 | 260860431 |
| | c) P.T. | 85000000 | 5890753 | 718583825.96 |
| | d) Revenue grants | 0 | 23431527 | 21656000 |
| | Total | 298621398 | 2060409064.39 | |

(6) NON-TAX REVENUE :-

code-18.

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

| Sl. No. | Item of revenue | Code | Collection | | | Increase/D crease with ref. to previous years |
|------------|---|------------------|----------------|--------------------|---------------------|--|
| | | | 2010-11 Rs. | 2011-12 Rs. | 2-12-13 Rs. | |
| 1 | Water charges | 1100201 | 4,09,80,570 | 1,17,44,547 | 8,44,37,064 | Increase |
| 2 | Leases of markets | 130 all codes | 6,71,05,699 | 19,89,02,65 7.6 | 34,25,25,26 7.60 | Increase |
| 3 | License fees (D&O Trades) | 1401101 | 22551189 | 22962740 | 57469671 | Increase |
| 4 | Building license fee | 1401202 | 8412919 | 61932037 | 3052141 | Decrease |
| 5 | Betterment charges | 1401402 | -- | 2176000 | 628723 | Decrease |
| 6 | Advertisement fees | 1404001 | 22423045 | 56958390 | 63710000 | Increase |
| 7 | Property Transfer charges | 1404010 | 40079 | 22427172 | 30907608 | Increase |
| 8 | Park entry fees | 1406001 | 341111 | 6669737 | 6603747 | Decrease |
| 9 | Road cutting and restoration charges | 1407001 | 15360474 | 24667757 | 6693723 | Increase |

7 .SCOPE OF AUDIT

code-18.

NON-MAINTENANCE OF VARIOUS VITAL AND IMPORTANT RECORDS – SCOPE OF AUDIT REDUCED – MIS-APPROPRIATIONS, DEFALCATIONS, IRREGULAR DRAWALS AND OTHER IRREGULARITIES COULD NOT BE POINTED OUT – NEEDS IMMEDIATE ACTION:-

During the course of audit for the year 2012-13, it was noticed that certain vital and important records are not being maintained or partly maintained. In spite of several objections raised in the audit reports of previous years, the Executive authorities did not evince any interest and not taken any effective steps to maintain the records mentioned

hereunder. The non-maintenance and non-production of records and irregular maintenance of the registers without tallying with the account figure leads to all sorts of irregularities such as misappropriations, defalcations and other major financial losses. The situation has not been improved anymore and no steps appear to have been taken towards that direction by the present executive authority. All the functions would be reflected on the record when they were accounted for as per the provisions contained in AP Account Code, which comprises the Comptroller and Auditor General (C&AG) rules together with the local rulings relating to Local variation in accounts procedure. These initial accounts are to be kept ready and should have to be produced to Audit for verification. Then only the transparency in incurring of public money and their utility to the General Public can be reasonably judged.

Such an important function on the part of the Drawing and Disbursing Officers in the maintenance and production of records to audit is not properly being discharged. Thereby the main access to clear the doubt of transparency in public expenditure has not been availed. In spite of all these guidelines and instructions the DDOs have failed to maintain the records and to produce the same to Audit whenever the local teams visited their institutions. Further it is surprising to note that the heads of the institutions could not explain why the records could not be maintained in the office and produced whenever they are being demanded by the audit parties and other agencies during their local visits.

The financial health of an institution depends upon the quality of the records that are being maintained to show the accountability of the financial transactions that occur in the institution. Though several half margin letters issued for production of the required record, the Executive Authorities did not comply which resulted in inaccessibility to the records and raising of paras to that extent.

In the above circumstances there is every possibility ad scope for misappropriation, defalcations and irregular drawls as the state of accounts maintenance and keeping the records is in quite pandemonium situation. Some irregularities are noted below.

(A) property tax. Register Non - Production.

The property tax Manual Demand Register, for the year 2012-13 and Monthly lists and ward wise demand register were not produced to audit.

In the absence of the same, ward wise balances were not reconciled with soft copy of data relating to all wards. The E-seva collection statements relating to the wards were also not produced, which were not authenticated by Municipal authority.

(B) water Tax.

The Manual Demand Register for water tax for the year 2012-2013 were not produced to Audit, and Monthly lists and ward wise demand register were not produced to Audit, and collection made during year 2012-2013, ward wise balances were not arrived due

to non - production. The E-seva Collection statements relating to the wards were also not produced.

(1) Challans not produced.

(C) The following Register and files were not produced.

(1) Property tax arrear demand register for 2012-13.

(2) Water tax arrear demand register for 2012-13.

(3) Collection Register of BCs challans / E-seva /office collection register and receipt books.

(4) Register of bill issue Register and stock Register.

(5) Monthly Reports of Building inspector for completion of building.

(6) Special Notices and services files.

(7) D& O Trade demand Register and ADRS if any outdoor staff monthly reports.

(8) Permanent Encroachment registers.

(9) P.F ledger etc.

(10) Grants files & Appropriation registers.

(11) Service Recovery and watch register and their challans.

(12) Counter foils of cheques.

(13) DD Register.

(14) ALT &VLT Demand & ADRS & their collection.

(15) Register of contributory pension scheme.

(16) APGLI Register.

(17) Contingent Register.

(18) Telephone bills Register.

(19) Service postage Register.

(20) Permanent Advance Register.

(21) Register of T.A. bills.

(22) L.T.C. Register.

(23) Stationery Register.

(24) Births and deaths Register.

(25) Register of EPF, ESI.

(26) Asset Register.

(27) Service registers.

(D) CHEQUE ON HAND Rs.24,85,244/-PARTICULARS NOT KNOWN IN AUDIT

As verified from the Receipt and payment account for the year 2012-13 it is observed that in closing balance as on 31-03-2013 the cheque in hand noted as Rs.2485244 whether the cheques encashed or not, not known in audit. Early action would need to be taken to produce the details in audit.

8). COMPLIANCE OF AUDIT OBJECTIONS BY THE COMMISSIONER

code-9.

The No. of audit objections pending at the beginning of the year the no. of audit objections added during the year, the no. of audit objections settled during the year and the balance left at the close of the year along with the amount involved is given here under.

| Sl.No. | Details | No.of Objections | Amount involved Rs. |
|--------|--|------------------|---------------------|
| 1. | No. of objections pending at the beginning of the year from 1981-82 to 2005 – 2006 | 2527 | 526,10,96,660 |
| 2. | From 2006 – 07 to 2008 -09 | Audit not done | Audit not done |
| 3. | Objections added during the year the audit report 2009-10. | 137 | 24,86,74,903 |
| | 2010-11 | | |
| | 2011-12 | | |
| | 2012-13 | | |
| 4. | Total | 2664 | 550,97,71563 |
| 5. | No. of objections settled | - | - |
| 6. | No. of objections out standing | 2664 | 550,97,71563 |

According to the orders issued in Go Ms- No.874 / MA/ dt 13-11-1967, the Audit report and the replies shall be placed before the municipal council and the replies shall be submitted to the Government, through the Director of State Audit with a copy of the resolution approving the replies for consideration of the waiver of the objections. The records of the VMC do not reveal the observance of these orders. No. of objections 2527 amount involving Rs. 5261096660/- relating to the years from 1981 – 82 to 2005 -06 are pending. The Commissioner is requested to take action for the settlement of the above objections.

9). DIVERSION OF EARMARKED FUNDS

code-16.

The monthly account duly filling the abstract of accounts were not produced to audit to verify whether there is any diversion of earmarked funds. The monthly accounts would need to be prepared and produced to audit for verification.

10) TAX REVENUE RAISED : code-9.

:

PROPERTY TAX DEMAND COLLECTION AND BALANCE

The demand fixed, collection made and the balance left during the year under the following items of tax revenue is given below. The arrears of demand at the beginning of the year, amount collected and the balance left could not be assessed due to non- production of concerned records. Since audit was not completed for previous years, the arrear demand could not be certified.

| Items of revenue | Year | Demand Rs. | Collection Rs. | Balance Rs. |
|------------------|---------|------------|----------------|-------------|
| 1.property tax | Current | 689612597 | 625356071 | 64256526 |

11) a) WATER TAX DEMAND COLLECTION AND BALANCE -(GENERAL) code-9.

The demand fixed, collection made and the balance left during the year 2012-13 under the Water Tax DCB General is given below. The arrears of demand at the beginning of the year, amount collected and the balance left could not be assessed due to non- production of concerned records. Since audit was not completed for previous years, the arrear demand could not be certified.

| Items of revenue | Year | Demand | Collection | Balance |
|--------------------|---------|-------------|-------------|-------------|
| 1.WaterTax General | Current | Rs.83404742 | Rs.72215876 | Rs.11188866 |
| | Arrear | Rs.30974170 | Rs.15563230 | Rs.5410940 |

Huge amounts of balances were pending under Water Tax (General) current and Arrear.

Therefore Early action would need to be taken to collect the balance amount.

b) WATER TAX DEMAND COLLECTION AND BALANCE -NSDP

The demand fixed, collection made and the balance left during the year 2012-13 under the Water Tax DCB NSDP are not produced. The arrears of demand at the beginning of the year, amount collected and the balance left could not be assessed due to non- production of concerned records.

If any loss sustained would need to be taken to collect the due amounts from the persons held responsible

c) WATER METER DEMAND COLLECTION AND BALANCE

The demand fixed, collection made and the balance left during the year 2012-13 under the Water Meter DCB is given below. The arrears of demand at the beginning of the year, amount collected and the balance left could not be assessed due to non- production of

concerned records. Since audit was not completed for previous years, the arrear demand could not be certified.

| Items of revenue | Year | Demand | Collection | Balance |
|-------------------|---------|-------------|-------------|-------------|
| 1.Water Meter DCB | Current | Rs.27491681 | Rs.21368807 | Rs.6122874 |
| | Arrear | Rs.25355868 | Rs.9084082 | Rs.16271786 |

Huge amounts of balances were pending under Water Meter DCB current and Arrear balances. Therefore Early action would need to be taken to collect the balance amount.

12) SEWERAGE TAX DCB

code-9.

The demand fixed, collection made and the balance left during the year 2012-13 under the Sewerage Tax DCB is given below. The arrears of demand at the beginning of the year, amount collected and the balance left could not be assessed due to non- production of concerned records. Since audit was not completed for previous years, the arrear demand could not be certified.

| Items of revenue | Year | Demand | Collection | Balance |
|------------------|---------|-------------|-------------|------------|
| 1.Sewerage Tax | Current | Rs.26824417 | Rs.23684952 | Rs.3139465 |
| | Arrear | Rs.10271827 | Rs.6211370 | Rs.4060457 |

Huge amounts of balances were pending under Sewerage Tax DCB current and Arrear balances. Therefore Early action would need to be taken to collect the balance amount.

13) COMMERCIAL COMPLEX DEMAND COLLECTION AND BALANCE

code-9.

The demand fixed, collection made and the balance left during the year 2012-13 under all items of Non- Tax revenue is given here under. The arrears of demand at the beginning of the year, amount collected and the balance left could not be assessed due to non- production of concerned records. Since audit was not completed for previous years, the arrear demand could not be certified.

| Year (Non-Tax revenue) | Demand | Collection | Balance |
|------------------------|--------------|-------------|-------------|
| Current | Rs.78759098 | Rs.44505840 | Rs.34253258 |
| | Rs.103885338 | Rs.5918929 | Rs.97966409 |

Huge amounts of balances were pending under Non Tax Revenue balances pending under current and Arrear balances. Therefore, early action would need to be taken to collect the remaining amount and intimated to audit.

PARA NO.14:

Code No.09

VARIATION IN ACCOUNTS COLLECTIONS SHOWN IN RECEIPT AND CHARGES STATEMENT NOT TALLIED WITH THE COLLECTION SHOWN IN THE DCB- STATEMENT NEEDS RECONCILIATION- LOSS IF ANY NEEDS RECOVERY.

As seen from the collections shown in the Receipt & Payment in respect of Head of accounts were not tallied with the collections shown in the DCB statement

| Head of Account | Collection R&P In Rs. | Collection DCB In Rs. | Variation In Rs. |
|-----------------|--------------------------|--------------------------|---------------------|
| Property Tax | 718583825.96 | 700941162 | 17642663 |
| Water Tax | 84477064 | 87779106 | (-)3302042 |
| Sewerage Tax | 27865099 | 29896322 | (-)2031223 |

Hence early action would need to be taken to rectify the variations shown above. The loss if any caused in this regard would need to be made good from the persons responsible.

PARA NO:15**code-18.****REGISTERS NOT MAINTAINED**

The following registers were not maintained in spite of repeated objections in the previous audit report

- 1.Consolidation property tax Demand Register
- 2.Consolidation Water tax both Residential + Commercial
- 3.Register of Grants
- 4.Grants Appropriation Register
- 5.Register of Loans
- 6.Register of Works
- 7.Register of Roads
- 8.Register of Buildings and other Properties
- 9.Register of Parks

PARA NO.16.

Code No-4

GRANTS AMOUNT LAPSED DUE TO NON-UTILISATION.

According to the orders issued in G.O.Ms.No.733 dt. 9-8-1968 the grants should be utilized with in one year from the date of sanction, and they are lapsed at the close of the

financial year. Since the records relating to grants in aid were not produced to audit the lapsable amount could not be ascertained during the period under audit.

| Sl No. | Purpose of the Grant | Authority Releasing the grant | Amount released Rs. | Amount utilized Rs. | Amount lapsed Rs. |
|---|----------------------|-------------------------------|------------------------|------------------------|----------------------|
| Grants register and dates of adjustments were not produced to audit. Hence the details of lapsed grants were not pointed out. | | | | | |

The amounts so lapsed was also not refunded back to the government account which is against the provisions regulating the grant in aid as required in Art 211-(A) (3) of A.P. financial code vol 1. The amount should be refunded to the relevant head of account and the fact reported.

PARA NO.17.

Code No.09

RECONCILIATION NOT DONE BETWEEN CASH BOOK AND TREASURY PASS BOOK / BANK PASS BOOKS WITHOUT CLOSING CASH BOOK – OTHER DEFECTS NEEDS ACTION.

According to para 196 of A.P. Budget Manual read with G.O. MS.NO. 318 Finance & Planning department dt. 10-11-1980 and orders of Government issued from time to time, the departmental expenditure the receipt figures should be got reconciled (Major Head of Account wise) with those booked by the treasury every month in order to ensure that no misclassification or wrong account of expenditure and receipt took place and also to detect fraudulent drawls if any .

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

- A) The cash books (Manual) which were maintained in the Municipality (all schemes and funds) were not closed monthly and not even annually under the hand and seal of the Commissioner. The closing balance was also not arrived at monthly and annually. In the absence of the maintenance of the cash books the closing balances could not be verified in audit.
- B) The relevant register of DD/MO received was also not maintained properly. As such the classification of the receipt could not be known in audit. The receipt side of the cash book was not maintained at all, as such the treasury adjustments, voucher

adjustments etc., could not be verified. The figure in the annual account were not supported by any subsidiary registers which were ought to be maintained. In the absence of the same the executive authority would need to explain as to how the figures exhibited in the annual account were correct and reflect true and fair view of the transactions contained therein.

RECONCILIATION PROCEDURES NOT OBSERVED:

A.P.M.A.M., prescribed reconciliation procedures with an objective to ensure that the accounting information is recorded at more than one place, there are no discrepancies between the different sets of records. The procedures include the following.

- a) Bank reconciliation: aiming at reconciliation of bank, treasury balances with cash book balances.
- b) Inter Unit reconciliation: intending to identify the disputed/un accepted inter unit transactions and to take appropriate action for rectification which is necessary in the process of consolidation of ULB at the head office level as the balances of inter unit account balances shall be nullified.
- c) Reconciliation of Deposits: Aiming at reconciliation the balance of EMD/SD etc., and any other deposits received by the ULB. The reasons for differences shall be identified and rectification entries passed whenever required by the section concerned.
- d) Reconciliation of receivables and collections : The receivables and collections shall be reconciled on a quarterly basis or such other shorter time intervals, however the procedure for reconciling outstanding balances of receivables and collections of all kinds of receivables namely viz., property tax receivables, Water tax receivables etc., is the same.
- e) Reconciliation of Advances given: Advances given shall also be reconciled on a quarterly basis including advances given to employees of ULB, sections of the ULB and contractors and suppliers.

Further A.P.M.A.M. envisaged reconciliation of loans taken, reconciliation of payables, reconciliation of ledger balances etc., also.

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

Para No.18

code-18

STAFFING PATTERN OF THE VIJAYAWADA MUNICIPAL CORPORATION NOT FURNISHED – NEEDS IMMEDIATE ACTION :

During the course of audit, it was requested to furnish the information of staff pattern of the posts of Municipal Corporation Vijayawada with details of No. of posts sanctioned, working and No. of posts vacant in respect of the revenue, engineering and accounts section for the year 2012-13 in spite of the repeated requests the same was not furnished to audit, to know the exact strength of the cadre working. As such immediate action would need to be taken to furnish the same without further delay.

PARA NO.19

CodeNo.09

NON-IDENTIFICATION OF MANY ASSETS

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

PARA NO.20.

CODE NO-11

NON-PRODUCTION OF RECORD-CHEQUE BOOK/SCROLL- NOT FURNISHED.

a) In spite of correspondence made through half margin letter, connected cheque books and Bank Pass Books/ scrolls have not been furnished to audit for various Accounts maintained under various Grants/ Schemes.

As such the amounts received under the grants for the specific purpose and correctness of expenditure incurred, the funds diverted if any/ misused could not be verified in Audit. Further the balance available under the relevant Grants/ Scheme also could not be verified.

b) Education Fund cash books not produced

The Secondary Education cash books, Treasury pass books and bank scrolls for the year 2012-13 were not produced to audit. In the absence of the same the correctness of the receipts and expenditure, opening and closing balances month wise and cash book wise could not be verified in audit. Early action would need to be taken to produce the cash book to audit.

PARA NO. 21.

Code No.7

PROPERTY TAX – NO ADDITIONAL TAX WAS IMPOSED ON THE OWNERS OF BULDINGS WHO HAVE ALLOWED THE INSTALLATION OF CELLTOWERS – NEDDS ACTION:

In Circular Roc.No.23032/2013/E1-2 Dt.9-11-2013 the Commissioner and Director of Municipal Administrations have issued instructions to the concerned Municipal authorities to collect additional Property tax from house owners who have allowed the installation of cell towers on their premises. No such property tax was imposed and collected from the owners of those who have allowed to install cell towers on their building or vacant site. Action would need to be taken to impose additional Property tax and collect from the owners.

PARA NO.22.

Code No. 9

PROPERTY TAX AND ITS COMPONENTS – NOT IMPLEMENTED :

According to the provision of Sec.85 of the A.P. Municipalities Act, 1965, the government have fixed ceiling to the rate of property tax inclusive of Education tax and library cess that it should not exceed 25% of A.R.V in respect of residential buildings and 33% of A.R.V. in respect of non-residential buildings. The property tax should be allocated to the following components to provide for expenses under each head.

1. General purpose
2. Water supply tax
3. Drainage tax
4. Scavenging tax
5. Lighting tax
6. Education tax
7. Library cess

As verified from the annual account the property tax was not apportioned among the applicable components in the above stated heads. This was contrary to the objective of the provisions made under the said section of the Municipal Act. The same would need to be rectified and the prescribed procedure followed in future. The Commissioner would need to take earnest steps for allocation of property Tax as per the provisions in the Municipal Act to fulfil statutory obligation

PARA NO:23:

code No:9

ADVERTISEMENTS-WITHOUT WRITTEN PERMISSION OF THE COMMISSIONER -FINE NOT IMPOSED - LOSS TO THE CORPORATION – NEEDS ACTION :According to the section 421 of the A.P GHMC act,1955 read with section 14 of the A.P. Municipal corporations Act,1994 “no person shall without the written permission of the Commissioner ,erect ,exhibit, fill or

retain any advertisement whether now existing or not upon any land, building, wall, hoarding or structure.

Further, according to Section 596 of the said Act, for an Advertisement without permission, a fine up to Rs.1,000/- can be imposed and in no case it shall be not less than Rs.500/-.

On verification of the records relating to tax on Advertisement it was noticed that, applications received and permissions issued for erection, exhibit, fix or retain of the advertisement for which tax was levied during the year 2012-13 were not furnished to audit. Therefore, it was construed that, those advertisement were noticed during the inspections of the Town Planning personnel. As the advertisement were exhibited without the written permission of the Commissioner, fine has to be imposed from Rs.500/- to Rs.1,000/- to the owners of those advertisements. But the same was not imposed and the Municipal Corporation suffered loss of revenue to that extent. Therefore action would need to be taken to impose fine and report the compliance to audit.

PARA NO.24.

CodeNo.09

VIOLATION OF RULES-FUNDS RELEASED UNDER CENTRALLY SPONSORED SCHEMES KEPT IN BANK ACCOUNTS- BALANCES IN THE IN-OPERATIVE ACCOUNTS- NEEDS REMITTANCE TO GOVERNMENT ACCOUNT - CONNECTED BANK ACCOUNTS NOT PRODUCED- LOSS IF ANY NEEDS RECOVERY:

According to the Government Circular Memo No. 2872-B/254/A3/W&M/2007 dt.01-9-2007 under centrally sponsored schemes central share and Matching state Share were kept in Bank Accounts in certain Department for smooth implementation of scheme. However, after completion of the scheme the unspent amounts kept in banks are not remitted back to the Government Account by the respective Departments. Consequently balance amounts are lying in banks under inoperative accounts in respect of completed CSS scheme.

As per the above government Memo, the executive Authority concerned has to close all such inoperative accounts immediately and furnish compliance report.

But during audit, inoperative accounts of banks, if any were not produced. In the absence of the same, the balances available in the account could not be verified during audit. Early action would need to be taken to remit all such amounts to the Government accounts immediately under intimation to audit.

It is submitted that the in-operative Bank Accounts and amounts details of centrally sponsored schemes which are lying idle were not mentioned due to Non-production of

concerned records. In the absence of the same, the balances available and lying idle could not be verified during Audit.

PARA NO:25

code No:9

NON COLLECTION OF RENTS – HUGE AMOUNTS PENDING REALISATION AT THE END OF LEASE PERIOD – NEEDS AN EARLY ACTION: Rs. 182394/-

During the course of audit on the accounts of the VMC for the year 2012-13 it was observed that huge amounts were pending realisation from the lease holders of the VMC assets such as Community Halls , Shops etc., some of the examples are

(i)Wood Pet Community Hall was leased for the period 1.7.2009 to 30.6.2012 for an annual rent of Rs.58000/-. An amount of Rs.44575. was paid by the lessee at the end of FY 2011-12 leaving Rs.129425/- as arrear.

(ii)Baptist Palem Community Hall was leased for the period of one year from 24.9.2011 to 23.9.2012 for Rs.102969/-. An amount of Rs.50000 was paid by the lessee at the end of FY 2011-12 leaving Rs.52969 as arrear.

Since the record production pertaining to the estate section was poor the VMC authorities are suggested to look into the pending arrears in the section and got realise the same

PARA NO:26

Code:9

WAIVER OF LEASE AMOUNTS FOR PERIOD OF UTILISATION OF MUNICIPAL BUILDINGS BY THE GOVERNMENT AGENCIES FOR VARIOUS PROGRAMMES – NEEDS REIMBURSEMENT .

During the verification of the records of the VMC it was observed that the lease amounts were waived by the municipal authorities for the periods of utilisation of municipal buildings by the other government departments which was not reimbursed to the VMC funds

(i)*Shadi Khana Ajit Singh Nagar* was leased to K.Samba Siva Rao for the period 27.9.2004 to 26.9.2007 and for 212 days it was utilised for installation of DPL station by the civil supplies department as a result lease of K.Samba Siva Rao was extended by 212 days without rent which caused loss to the VMC funds.

(ii)*O.D.A. Community Hall, Chalasani Nagar* leased to M.SrinivasaRao for the period 28.12.2009 to 27.12.2012 for an amount of Rs.115550/-per annum

PARA NO:27

CODE NO:11

NON PRODUCTION OF APPROVED BUILDING PLAN ALONG WITH ML REGISTER – UNABLE TO ASCERATAIN THE CORRECTNESS OF THE PT – IRREGULER.

During the audit on the accounts of VMC for the year 2012-13 it is observed that approved building plans of the newly constructed buildings are not produced to audit. In the absence of the approved building plan it is not possible to ascertain the correctness of the Property tax imposed on particular building as it is not possible to know the correctness of extant / measurements and purpose of utilisation viz., domestic or commercial.

PARA NO.28

CODE NO. 9

NON ISSUANCE OF OCCUPANCY CERTIFICATE AND CONSEQUENT LOSS.

Occupancy Certificate shall be mandatory for all buildings and unless such certificate has been granted by the sanctioning authority no person shall occupy or allow any other person to occupy any building or part of the building. The Property owners consequent upon completion of the construction have to intimate the Municipality of the same in the prescribed proforma to facilitate the ULB to issue occupancy certificate and levy of PT. It was observed that there was no such arrangement indicating failure of the Municipality in enforcing the provisions laid down. Government have issued G.O.Ms.No.168 MA&UD(M) Department Dated 07.04.2012 and as per Rule 26(d) the rate of compounding fee shall be equivalent to 100% of the value of the land as fixed by the Registration Department at the time of compounding for the violated portion. As the files concerned were not produced to audit the observance of the rules issued in the said G.O by the ULB could not be checked in audit. Further clause 'g' under Rule 26 of GO.Ms.No.168 MA & UD (M) Dept. dated 07-04-2012 the functional/line agencies shall not give regular connections of power, water, sewerage etc., unless such occupancy certificate is produced or alternatively may charge three times the tariff till such time occupancy certificate is produced. It was noticed in audit that in most of the cases the said connections were given even without issuing the occupancy certificate and normal tariffs are charged.

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

PARA NO.29

Code No. 9

NON-REMITTANCE OF EDUCATION CESS BY MUNICIPALITY – NEEDS ACTION

As per section 37 (1) of the Andhra Pradesh Education Act, 1982 any Municipal Council may, with the previous sanction of the Government, and shall if so

directed by them, levy within its jurisdiction, taxes for the purposes of this Act, at such rates as may be considered necessary, as an addition to the taxation levied in the Municipality under the A.P. Municipalities Act, 1965 under the head of property tax or profession tax or under both these heads. Govt. of A.P. GAD (V&E) dept., vide alert note no.38, dated 14.3.05, directed the ULBs to remit the Education cess arrears to the Officers concerned.

It was observed that no amount was remitted to Education cess to the competent authority so far. Reasons if any were not explained to audit as to why the Education cess was not remitted to so far. Immediately the executive authority would need to take good steps to remit education cess at an early time.

PARA NO.30**Code No.9****NON-LEVY OF ADVERTISEMENT TAX ON ADVERTISEMENTS EXHIBITED FOR PUBLIC VIEW THROUGH CABLE TV IN CONTRAVENTION OF GOVERNMENT ORDERS :**

As per the Government order GO Ms.No.266, MA&UD (TC I) department, dated 5-5-2000, where in Government have amended Andhra Pradesh Municipalities (Advertisement Tax) Rules, 1967 by adding item 7B in the schedule after item 7A regarding Advertisement Tax on electronic media including cable TV, advertisement tax shall be collected from the cable TV operators at 10% on the rates charged by the advertisers in respect of advertisements exhibited for public view through cable TV.

It was observed during the scrutiny of the records that advertisement tax on advertisements exhibited for public view through cable TV collectable at 10% of advertisement charges collected by the cable TV operators is not being levied and realized though the GO was issued in the year 2000. Non-initiating of necessary action as per the GO till to date is not in order.

Reasons for non-compliance of the provisions of the GO Ms.No.266, MA&UD, dated 5-5-2000 and details of steps proposed for collection of advertisement tax from cable TV operators were not made available in the records produced to audit. Compliance in this regard may be furnished to audit.

PARA NO.31**Code No.9****ENCROACHMENT FEE WAS NOT COLLECTED – LOSS OF REVENUE.**

Under the section 193 subsection (1) of the AP municipalities Act 1965 the commissioner may grant a license to the encroachments duly collecting the fee in the municipal area .List of encroachments were not furnished to the audit and proper demand

for the encroachment fee for the year 2012-13 was not fixed and not produced to audit. In the absence of proper demand having been fixed with reference to the list of encroachments duly approved both temporary and permanent it is difficult to ascertain the collection and balance details and fixing the arrears for further collection in the next financial year.

PARA NO.32.

CODE:7

**BALANCE NEEDS TO BE COLLECTED FROM SUPRA ADS PVT LTD -
ADVERTISEMENT TAX COLLECTION RIGHTS AUCTION AMOUNT - NEEDS EARLY
ACTION - RS.73,01,894.**

During the course of audit it was observed that Advertisement tax collection rights for the period 2007-08 to 2009 - 10 were awarded to the Supra Ads Pvt Ltd through public auction for initial rate of Rs.3,69,00,000 with 15% increment every year i.e., Rs.4,24,35,000 for the year 2008-09 and Rs.4,88,00,250 for the year 2009-10. The Collection details for the three years were as fallows

| Sl.No. | Year | Demand | Collection | Balance |
|--------|-----------|----------|------------|---------|
| 1 | 2007 - 08 | 36900000 | 36900000 | Nil |
| 2 | 2008 - 09 | 42435000 | 37984360 | 4450640 |
| 3 | 2009 - 10 | 48800250 | 45948994 | 2851256 |
| | | | Total | 7301896 |

It is further observed that balance amount Rs.73,01,896 was deducted from the demand as the APSRTC authorities have not paid Advertisement Tax for the ads on the RTC buses which is irregular and financial loss the VMC funds. Hence an early action need to be taken to realise the balance amount.

PARA NO.33

Code No. 6

**EARMARKED MUNICIPAL FUNDS FOR THE WELFARE OF S.Cs S.T's AND W& C.W.
-PARTICULARS NOT POINTED OUT :**

In G.O.Ms No.41, dt. 24-01-77, instructions were issued to earmark the municipal funds @15%, 4% and 5% for the welfare of S.Cs and S.Ts and Women and Child Welfare respectively. In Government Memo.No.3811/42/77-4,M.A. dated 02-11-78, it was also classified that the welfare schemes for the S.Cs., S.Ts., and women & Child welfare contained in the aforesaid Government order have to be met at the proportion specified above from out of the developmental expenditure of the Corporation. But the details of amount earmarked at 15%, 4% & 5% from out of the developmental expenditure apportioned by the Vijayawada Municipal Corporation for the year 2012-13 and the expenditure incurred were

not furnished in spite of similar defects having been pointed out in the Audit Reports of the Previous years and this year also.

Action would therefore need to be taken immediately to maintain a separate register furnishing the particulars therein to watch whether the funds for welfare of S.Cs and S.Ts and W & C.W., were earmarked and utilized properly for their welfare as envisaged in the Government orders referred to above.

PARA NO.34

Code No.7

PERCAPITA GRANT NOT RECEIVED AND ADJUSTED TO MUNICIPAL FUNDS :

As per A.P. Municipal Corporation Act, 1994, Per Capita grant shall be released to the local bodies @ Rs.8/- per head by the Government to enable the local bodies to take up the developmental activities in its jurisdiction. As per 2001 population census the population of Vijayawada Municipal Corporation was 851282 and the Corporation was entitled to be received Per Capita Grant of Rs.61,10,056 (851282 x 8). On verification of Cash Book and ST Pass book, it was noticed in audit that no amount was received and adjusted to Municipal Funds towards Per Capita Grant. The Per Capita grant is an important resource to the Municipal Corporation to execute various developmental activities. The non receipt of Per Capita grant would hamper the progress of the Corporation. Hence, action would need to be taken by the Executive Authority by addressing the proper authority for early receipt of the Per Capita Grant

PARA NO.35

Code No.7

SOLID WASTE MANAGEMENT – NON COLLECTION OF GARBAGE COLLECTION FEE FROM BULK GARBAGE PRODUCERS :

As per 'Solid Waste Management' guide lines, garbage collection fee has to be collected from the bulk garbage producers monthly. But, Vijayawada municipal corporation is not collecting garbage fee from bulk garbage producers (Hospitals, hotels etc.). Action may be taken for the collection of garbage collection fee from the bulk garbage producers.

PARA NO. 36

Code No. 7

TAX ON DOGS -NOT LEVIED - LOSS TO THE CORPORATION REVENUE - NEEDS ACTION:

Tax on animals (Section 112 to 113)

If the animals specified in schedule II to the Act., are kept, the tax shall be levied not exceeding the maximum rates specified in rule 21 of Schedule II of the Act.

According to the Section 248 of the APGHMC Act, 1955 read with section 14 of the AP Municipal Corporation Act 1994 :-

1. A Tax not exceeding Rs. 10/- per annum shall be levied on every dog kept within the city and not under the age of six months.
2. Every person who owns or is in-charge of any dog on which a tax is livable under sub-section (1) is liable for such tax.
3. (a) Every person who owns or is in-charge of any dog shall, before the first 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.

Licence and number ticket for dogs and disposal of dogs:

1. When the owner or person in-charge of any dog has paid the tax leviable on and the price fixed for the number of tickets for such dog, the commissioner shall
 - (a) grant him a license for the keeping by him of such dog during the financial year for which he had paid the tax; and
 - (b) provide him with a number ticket, the number of which shall be specified in such license.
2. The owner or person in-charge of any dog so licensed shall at times cause the said number ticket to be kept attached to the collar or otherwise suspended from the neck of the dog.
3. Any dog which has no number ticket so attached or suspended shall be presumed to be a dog in respect of which no license has been granted, and may be seized by any officer duly authorised by the Commissioner in this behalf, and detained until the tax due, if any, has been paid.

But in this Corporation, 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 tax on dogs.

PARA NO.37

Code No: 7

DEMAND COLLECTION BALANCE OF TRADE LICENSE FEES - BALANCE KEPT PENDING COLLECTION - NEEDS ACTION.

As verified from the computer-generated DCB statements pertaining to D&O Trade License Fees, it was observed that there are a number of traders who have not paid

the Trade License Fees for years together. The Arrear DCB of Trade License Fees was not prepared and furnished to audit. Hence, the balance which has been kept pending under arrear Trade License Fees are not known. The Public Health section is not maintaining Manual registers and other records regarding Trade Licenses Fees. There is no proper check on new licenses issued, old licenses renewed etc. The Public Health section is not collecting other requirements for the issue of Trade License with application forms viz; NOC from neighbours, property tax receipt, Aadhaar/Voter ID, VAT registration certificate, etc. Adequate records are not being maintained by the Public Health Section of VMC. Therefore, it is difficult to ascertain the loss of revenue due to non-renewal of license Fees or non payment of license Fees by new establishment. There are no checks on amount dues to the Corporation. Huge amounts were not collected at the end of the year 2012-13. This leads to loss of revenue to VMC funds.

PARA NO.38

Code No.11

REGISTER OF MEASUREMENT BOOKS NOT PRODUCED :

The Stock register of measurement books for the year 2012-13 was not produced to audit for verification. In the absence of the same, the details of date of issue of M. Books to A.Es., date of return of M. Books by the A.Es., etc., could not be verified during the course of audit. Action may be taken to produce the register of Measurement Books for verification to audit. Loss, if any, caused due to non maintenance/production of register of M. Books may be estimated and made good by the responsible persons.

PARA NO.39

Code No.11

WATER SUPPLY – NEW CONNECTIONS APPLICATIONS NOT PRODUCED :

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

PARA NO.40

Code No.11

PROPERTY TAX – MUTATION REGISTER NOT MAINTAINED :

Mutation Register showing various alterations and additions of property Ownerships is the basic record for arriving at the correctness of demand of Property Tax with reference to already assessed previous demand. This register was stated to be not maintained nor was produced to audit for verification. This was highly irregular. Early action would need to be taken to maintain this register and produced to audit.

PARA NO.41

Code No. 11

**PUBLIC HEALTH – D & O TRADES – DELETIONS LIST NOT PRODUCED TO AUDIT
– NEEDS ACTION :**

As verified from the D&O Trade license fees register (computer-generated), division wise during the year 2012-13 many new licenses were sanctioned. But the details as to of how many licenses were renewed and how may licenses were cancelled, were not produced to audit for verification. The deletion lists duly enclosing the stoppage letters from the traders along with council resolution were not produced for verification. It would need to be produced early. In the absence of the deletion lists, loss if any caused in this regard would need to be made good from the person or persons responsible.

PARA NO42

Code No.11

**RENTAL COLLECTIONS FROM TRAVELERS BUNGALOW – CONNECTED BOOKS
NOT PRODUCED TO AUDIT**

In respect of rental collections from Municipal Corporation travellers Bungalow, connected records and receipts books for the year 2012-13 were not produced to audit for verification. The bye-laws prescribing the tariff of rent were also not made available for verification.

In the absence of the same the correctness of the rental charges collected and accounted for could not be ensured in audit.

Loss, if any, caused in this regard would need to be recovered from the person or persons responsible.

PARA NO.43

Code No.9

**GRANTS RELEASED TO MUNICIPAL CORPORATION FOR VARIOUS PURPOSES –
GRANTS APPROPRIATION REGISTER NOT MAINTAINED:**

During the year under audit several grants both statutory and non-statutory were sanctioned and adjusted to Municipal Corporation. A separate Register of Appropriation of Grants was not maintained and produced to audit. In the absence of which, it could not be verified in audit, whether the grants released to corporation were utilized properly for the purposes for which they were sanctioned without diversion and within the time allowed for utilization. Action would need to be taken to maintain the Grants Appropriation Register and the un-utilized balance, if any, would need to be refunded to Government and remittance challans produced for audit.

PARA NO.44

Code No.11

D & O TRADES – ORDER COPIES OF NEW LICENSES ISSUED -NOT PRODUCED TO AUDIT – NEEDS ACTION :

During the course of audit, it was informed that many new licenses have been issued to the traders during the year under report. But, the connected files containing traders request applications, sanction orders and copies of licenses issued etc., were not produced to audit for verification. In the absence of the same, the correctness of the entries recorded in the Demand registers regarding new licenses could not be ascertained in audit. Action would need to be taken to produce the relevant files for verification in audit.

PARA NO.45

Code No.11

LOANS REGISTER – NOT PRODUCED:

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

- 1) All the loan amounts sanctioned to Municipal Corporation 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
- 3) Interest earned on the loan amounts if any was utilized for the same loan.

PARA NO.46

Code No.11

PUBLIC HEALTH – CONSERVANCY ARTICLES – INDENT ORDER/ LETTERS NOT OBTAINED AND PRODUCED :

As verified from the Public Health Conservancy Articles Stock Register many articles were issued to the Sanitary Inspector/ Maistry of Public Health Section. But, the Indent orders/letters were not obtained and produced to audit for verification.

In the absence of the above indent orders / letters the correctness of the issue and utilisation of the articles could not be established. Loss, if any, caused in this regard would need to be made good from the person or persons responsible.

PARA NO.47

Code No.11

REGISTER OF REVISION PETITIONS AND APPEALS ALONG WITH FILES NOT FURNISHED

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

Further it was noticed that the window for modification was being allowed in the month of April by the e-Suvidha for a predetermined period and there was no assurance in audit that in the said period only RPs allowed by the Commissioner were modified as the system allows modification of any of the assessments there was scope for misuse of the facility more so when the DEO was operating all the three logins of the DEO, RO/RI and the Commissioner. The Executive Authority would need to produce the same to audit for verification.

PARA NO.48**Code No.11****REGISTER OF REMISSIONS AND WRITEOFFS NOT PRODUCED**

The records relating to the remissions and write offs allowed were not produced to audit. It was not made known as to how much was allowed as remissions and write offs. In the absence of the same the quantum of remission and write off and whether the same was allowed as per the provisions of the Act or not could not be verified in audit. The same would need to be produced immediately.

PARA NO. 49**Code No.11****PROPERTY TAX ASSESSMENT FILES NOT PRODUCED**

Property tax of all assessments were fixed through MLs in respect of all the new and additional assessments etc., Elaborate procedure was prescribed to fix the property tax in Circular instructions issued in Cir.-1 in Roc.No.11646/2006-F1-1 Dated 12-12-2006 of CDMA, AP, Hyderabad The measurements entered in the MLs with regard to the buildings assessed by the Bill Collectors were to be verified by the RI/RO and finally approved by the Commissioner and orders to be passed. The assessment files maintained if any were not produced to audit to verify the correctness of the same.

PARA NO.50**Code No.11****TITLE DEEDS OF OPEN SPACES OWNED BY THE MUNICIPAL CORPORATION NOT PRODUCED :**

During the course of audit, it was stated that the Municipal Corporation is having 97 open spaces measuring 258680 Sq. Mts., at various places. But, the title deeds of the open spaces were not produced to audit for verification. Action may be taken to produce the title deeds to audit for verification.

PARA NO:51**Code No:11****IMMOVABLE PROPERTY – CONSOLIDATED REGISTER OF PROPERTIES NOT MAINTAINED AND STATUS OF THE PROPERTIES NOT FURNISHED:**

Consolidated register showing the properties owned by the VMC was not maintained. Several immovable property registers were produced to audit. The reasons for maintaining so many registers were not furnished. The details of properties acquired were

simply noted in the registers. But, the present status of the properties was not noted. In the absence of the same, the details of the buildings, lands, shops, vacant sites etc., owned by the Council and the properties utilizing by the Council, properties leased out, properties encroached etc., could not be verified in audit. Action may be taken for the preparation of consolidated register of properties owned by the Council duly recording the present status, certified and produced to audit for verification.

Loss, if any, caused due to not safe guarding/non-leasing of assets may be worked out and made good from the person or persons responsible.

PARA NO: 52 Code No:11
**PROPERTY TAX – GOVERNMENT OFFICES LOCATED IN PRIVATE
BUILDINGS AND PAYING RENT TO OWNERS – REGISTERS NOT
MAINTAINED AND PRODUCED TO AUDIT.**

Information relating to Govt. Offices located in private buildings was not available to verify whether property Tax was levied as per the rents paid by Government offices to the building owners. A register containing Government offices located in private buildings should be maintained so as to verify whether Property Tax was being levied as per the rent paid by the Government Offices or not and in order to prevent leakage of revenue to the Corporation similarly a register containing Central and State Government Offices located in their own buildings also needs to be maintained so as to verify the correctness of levy of Property Tax as per rules relating to levy and collection of the P.T on Government buildings.

PARA NO.53 Code No.7

TIME BARRED TAXES AND FEES:

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

on the taxes likely to become barred by time in practice the Arrear demand registers were not being maintained to quantify the taxes that are likely to be barred by time. This deficiency of not maintaining the ADRs relating various taxes and non taxes is resulting in the inability of the MC even to quantify the loss on account of barring by limitation of time.

1. Property Tax

2. Vacant land tax

PARA NO. 54

Code No.7

CELL PHONE TOWERS INSTALLATION - PERMISSION FEE NOT COLLECTED :

According to G.O.Ms.No.183, M.A & UD (M) Dept., dt. 27-2-2008 all the cellular companies and telecom companies and all other companies are required to obtain permission from the local authority concerned for installation of their towers. Further, according to Municipal Act., Installation Charges have to be paid by the cellular companies to the Municipal Civic body and the civic body can also levy tax either on the cellular companies or on the owners of the buildings on which the cell towers have been installed as one time installation charges.

A writ petition was filed in W.P No.326 of 2013 in Honourable High Court not to interfere with the function of the towers. After hearing both parties i.e. petitioners and respondents., the Honourable High Court ordered there was no gain saying that matter required a policy matter so that respective GPs and ULBs would be applying the same standards uniformly and would not be applying the same standards uniformly and would not be varying case to case basis. However, the policy formulation may take longer time so in the interest of both petitioner and the respondent the petitioner may be directed to deposit a sum of Rs.10000/- within 30 days from today with the respondent local body. The amount is determined on a tentative basis only.

But, this was not being followed in the Municipal Corporation, Vijayawada since, it was potential revenue to the ULB, the ULB should fix the demand for such income and should collect it from Telephone companies from time to time. During the year under audit, the permission fee from telecom companies was not collected. The executive authority himself would need to be held responsible for the loss caused due to non collection. Action would need to be taken in this regard and tap this potential source of income to augment the own resource of the Corporation.

Therefore, immediate action may be taken not only to collect the amounts but also insist upon getting the unauthorized cell towers regularized satisfying all the conditions like structural stability, willingness of owners and neighbours etc.

PAYMENT OF SERVICE CHARGES IN RESPECT OF CENTRAL GOVERNMENT DEPARTMENTS- NOT REALIZED SO FAR – NEEDS ACTION

As per govt memo no-170/TC1/2014/1/MA&UD dept dt-5.5.10.service charge on govt of India buildings have to be levied and collected.

The Honourable Supreme court of India vide its order dated 19-11-2009 disposed of the civil Appeal No 9458-63/2003 filed by Rajkot Municipal Council& Others Vs Union of India (UOI) & others relating to payment of Service charges by Central Government Departments to urban local bodies with the following Directions.

1.The Union of India (UOI) & its Department will pay service charges for the service provided by appellant Municipal Councils. No property tax will be paid by UOI but service charges calculated @ 75%, 50% or 33 1/3% of property tax levied on property owners will be paid, depending upon utilization of full or partial or nil services. For this purpose agreements will be entered in to UOI represented by concerned departments with respective Municipal Council.

2.In pursuance of the orders of the Supreme Court in this matter, the following instructions are issued to Commissioners of all ULBs by the principal Secretary to government MA&UD for regulating payment of service charges in respect of Central Government properties. The Commissioners of ULBs shall, intimate the Heads of Central Government, Departments about the civic services provided by the ULBs in the vicinity of concerned Central Government Properties and request them to furnish full data regarding their properties to enable the ULB to work out the service charges payable as per Para 6,7 and 8 of the order date 19-11-2009 of Honourable Supreme Court of India. After receipt of the required data, the Municipal Commissioner shall calculate the services charges payable on these properties at 75% 50% or 33 1/3% of property tax levied in the case of private property owners based on the civic services availed by Central Government Properties.

3. To issue a self contained, order to the Heads of Central Government Departments indicating the process followed in Working out the service charges payable by them and the amount of service charges payable per annum as per Para 6,7 and 8 of the order dated 19-11-2009 of Honourable Supreme Court of India.

4. To enter into Memorandum of agreement or understanding with Heads of Central Government Departments for payment of service charges to the ULBs till the next general revision of property tax.

5.In the event of a disagreement on any issue, the Municipal Commissioner shall submit proposals to the Government for constituting a three member mediation committee consisting of the following officers for resolving the issue:

- a) Representative of Central Government
- b) Representative of concerned ULB
- c) Representative of MA&UD Department
- d) In the event of any Central Government Department or Railways owning a property changes the Agreement unilaterally or fails to reach settlement through Mediation Committee, the concerned ULB could take such action as it deems fit by approaching Courts for reliefs.

It has also been clearly stated that Commissioners of all ULBs shall ensure that entire exercise of payment of service charges by central Government properties is completed by end of September,2010 and send a self contained report on the action taken in this matter to the Commissioner and Director of Municipal Administration under intimation to the Government.

In spite of the above direction issued by the principal Secretary to government MA&UD for regulating payment of service charges in respect of Central Government properties by the end of September 2010 Realization of service charges from the central government properties has not been done so far. Though much correspondence has been made with the Central Government departments a conclusion to the payment of service charges by the central government departments for their properties has not been arrived. Much time has been elapsed and the municipal authorities should pay much attention to resolve the issue at the earliest possible and see that the service charges are realized from the central government departments.

Due to constraints of time and slackness in production of records audit could not verify all the remitted challans. However, the Executive Authority may conduct intensive internal examination of all the challans concerned and arrive at the exact amount of loss and take steps for recovery of the same together with penal interest and credited to the Municipal funds. The result may be intimated to audit.

PARA NO 56.

CODE:7

**NON REMITTANCE OF SEIGNORAGE CHARGES RECOVERED FROM WORK BILLS -
HUGE AMOUNTS PENDING FOR MANY YEARS - RS.14,92,05,519.00**

As per the Rule 10 of A.P. Minor Mineral Concession Rules 1966 issued in G.O.Ms.No. 1172, Industries and Commerce (M.I) Department, dated. 04.09.1967, the seigniorage fee or dead

rent whichever is higher, shall be charged on all minor minerals despatched or consumed from the land at the rate specified in Schedule I and Schedule II as the case may be.

During the course of audit on the accounts of the VMC for the year 2012-13s it was observed that huge amounts pending remittance towards the seignorage charges recovered from the work bills during the period 1987-88 to 2011-12 to the department of Mines and Geology . A total amount RS.14,70,12,157.00 is pending remittance.

| SL.No | Year | Amount (Rs.) |
|-------|-----------|--------------|
| 1. | 1987 - 88 | 486271 |
| 2. | 1988 - 89 | 1228284 |
| 3. | 1989 - 90 | 1611443 |
| 4. | 1990 - 91 | 1363848 |
| 5. | 1991 - 92 | 1139466 |
| 6. | 1992 - 93 | 844384 |
| 7. | 1993 - 94 | 1547479 |
| 8. | 1994 - 95 | 1638377 |
| 9. | 1995- 96 | 1083245 |
| 10. | 1996 - 97 | 1629374 |
| 11. | 1997 - 98 | 3639476 |
| 12. | 1998 - 99 | 2314762 |
| 13. | 1999 - 00 | 5138360 |
| 14. | 2000 - 01 | 2144342 |
| 15. | 2001 - 02 | 2870044 |
| 16. | 2002 - 03 | 3529504 |
| 17. | 2003 - 04 | 7876539 |
| 18. | 2004 - 05 | 7099731 |
| 19. | 2005 - 06 | 2163316 |
| 20. | 2006 - 07 | 2993363 |
| 21 | 2007 - 08 | 8593242 |
| 22. | 2008 - 09 | 24709626 |
| 23. | 2009 - 10 | 22704053 |
| 24. | 2010 - 11 | 14700817 |
| 25. | 2011 - 12 | 26156173 |
| | TOTAL | 149205519 |

Remittance particulars of seign. Charges to the Mines and Geology Dept.,

| SL.No | Challan No | Amount (Rs.) |
|-------|------------|--------------|
| | | |

| | | |
|----|-----------------|----------------|
| 1. | 100418/28.09.01 | 500000 |
| 2. | 87731/28.09.01 | 2032 |
| 3. | 105090/24.11.01 | 555938 |
| 4. | 109444/21.02.02 | 435392 |
| 5. | 111267/11.04.02 | 700000 |
| | TOTAL | 2193363 |

Prompt remittance of seignorage charges by the consuming department is a statutory obligation. In this connection under rule 19 of A.P. Minor Mineral Concession Rules 1966 government shall impose penal interest at the rate of 24% per annum for belated remittances.

In view of the above an early action need to be taken to remit the pending seignorages charges. If any loss to the VMC funds in this regard may be made good from the persons responsible.

PARA NO.57

Code No.9

NON-DEDUCTION TOWARDS PROFESSION TAX FOR THE WORKS CONTRACTORS :

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

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

It was observed during the scrutiny of the records that payment of Professional Tax is not being made directly by the Municipal Contractors to the Commercial Taxes Department at the above rates every year and no deduction in this regard is being effected by the Municipal Corporation, Vijayawada authorities from the contractors for crediting the PT to the Commercial Taxes department. Non-bestowing of proper interest on the matter in spite of huge recurring loss of revenue to the Government due to non-payment of the professional tax by the contractors is not in order.

Immediate action needs to be taken for effecting recovery towards professional tax at the above rates in the work bills to be paid in future or for giving instructions to all the contractors registered with the Municipal Corporation for making payment of arrears of professional tax from the date of their registration as municipal contractors or date of coming into force of the APPT Act, 1987 which ever is earlier to the Commercial Taxes Department and submitting receipts under intimation to audit.

PARA NO.58

Code No. 9

TOWN PLANNING -INSURANCE DONE FOR 1 YEAR INSTEAD OF 3 YEARS TO THE BUILDINGS -IRREGULAR -NEEDS ACTION.

G.O.Ms.No.168 Dated:7-4-2012, stipulates that buildings are to be insured for 3 years.

During the course of audit of town planning section for the year 2012-13, it was noticed that insurance was done in all the building applications for 1 year only instead of 3 years. The non-coverage of buildings for the period of permission may lead to disentitlement of the benefit of insurances to the targeted groups.

Hence immediate action would need to be taken to follow the guide lines issued in the said G.O and the town planning authorities should ensure that insurance was done for 3 years and then only building permission approved and sanctioned.

PARA NO.59

Code No. 9

CASH BOOK-MASTER CASH BOOK, HEAD WISE CASH BOOK FOR AMOUNTS MERGED IN PD ACCOUNTS -001, ACCOUNT WISE TRANSACTION WATCH REGISTER AND DAY BOOK- NOT MAINTAINED.

As verified from the Cash Books of the Vijayawada Municipal Corporation for the year 2012-13, it was noticed that, the Head wise, Challan no. wise, Cash/Treasury/Bank wise details on receipt side of the cash book were not narrated throughout the cash book. In addition to that, book adjustments were not shown on either side of the cash book. Though receipt side of the cash book plays a pivotal role, this portion was totally neglected by the employees concerned.

Further it was noticed that, the GMC did not follow the Circular Roc no:/F/CDMA/2012,Dt: 14.12.12 of the Commissioner & Director of Municipal Administration, A.P, Hyderabad. As per the circular, the cash books in the Urban Local Bodies should follow the following norms.

(1). Master Cash Book:

All ULBs shall enter all transactions of Receipts and Expenditure pertaining to all heads i.e., PD Account 002 and all non-operative accounts merged in PD Account 001,003 and all permitted schemes/Projects/individual accounts in the Master Cash Book for the feasibility to arrive the income and expenditure of the ULB and also opening and closing balance of ULB.

(2). Head wise Cash Book for amounts merged in PD A/C.001:

All ULBs shall maintain the Head wise individual cash books for those accounts which are merged in PD account 001, in addition to operating of PD account 001. The operations of PD account 001 and individual head wise cash books will help to identify the head wise balances at each transaction and proper reconciliations prior to merging of these accounts .If there are already head wise cash books in operations, the same shall be continued in addition to PD account 001.But the cheque books for all these accounts shall be the PO account 001 cheque book only.

(3).Account wise transaction watch register

All ULB's shall maintain the head wise transaction watch register for all accounts of all schemes/projects/heads in a single register to observe the individual transactions under the said heads.

(4).Day book:

Day book is an abstract record of all accounts which are in operation. The daily transactions of all receipts and expenditure of the ULB shall have to be entered in the day book in brief, when it would be possible to know the total daily receipts and expenditure of the ULB as well as total balances of opening and closing balances of the ULB as and when required.

The secondary education section has not produced cash books for 2012-13, for audit.

PARA NO.60

Code No.9

RECEIVABLES AND PAYABLES NOT ASCERTAINED PROPERLY

APMAM mandates that the receivables in case of tax income shall be ascertained for the last five years and in case of non tax income for the last three years. The same was not adopted either in the FOBS or in the account rendered now to audit. If the receivables and payables were not assessed properly now there was every chance that of the institution suffers at a later date. However the basis for the amounts arrived at as receivables and payables was also not made known to audit.

PARA NO:61

Code No:9

RECEIPT ENTRIES WERE BASED ON CHITTA

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

PARA NO. 62

Code No.9

INACTION OF ENGINEERING DEPARTMENT IN PROVIDING BASIC AMENITIES TO THE PREMISES OF COMMUNITY HALL – RESULTED IN NON OCCUPATION BY THE SUCCESSFUL BIDDER – LOSS OF REVENUE.

Non compliance of government orders for the auction/leases of municipal assets - Irregular

As per the rule 12(1) of A.P. Municipalities (Regulation of Receipts and Expenditure)Rules 1968, provided that in the case of properties in clause(e) . The Municipal Corporations may renew the lease for a period of three years at a time with the prior sanction of the government for a period exceeding three years not exceeding 25 years with out conducting public auction . If the present lessees agrees to renew the lease in his favour at an amount which will be at 33.33% above the earlier rent or the prevailing market value of shops situated in the vicinity which ever is higher. But it is observed that the rent was fixed simply by enhancing 33.5% with out fallowing the procedure .

Hon'ble High Court of A.P. in its Judgment Dt.25.08.2009, while disposing the W.P.No.6354/2009 has observed that "the Municipality may not propose or recommend nor the Government accord sanction for renewal of a lease of a Municipal property, beyond a period of 25 years without conducting public auction". Hence any deviation from the aforesaid procedure shall be avoided.

It was further noticed that after completion of auction of the municipal properties the successful bidder has to conclude agreement with the municipal authorities duly obliging the terms and conditions of the auction / lease. During the course of audit it was not known whether the successful bidder concluded agreement with the VMC or not as the agreements were not produced to audit , in the absence of which any violation by the lessee could not be challenged in the court of law. Hence an early action would need in this direction.

PARA NO.63**Code No.10****EMPLOYEES COOPERATIVE CREDIT SOCIETY RECOVERIES NOT REMITTED:RS. 2,08 32075.**

During the audit on the accounts of VMC for 2-12-13, it is found that there are huge sum of amounts rs.2,08,32,075, which have been recovered from salaries of VMC staff towards the contribution to employees cooperative credit society, but which are not remitted to the concerned head. It is clear irregularity, hence the amount should be remitted to correct heads and intimated to audit.

PARA NO.64**Code No.11****GUIDELINES ON TRANSFERABLE DEVELOPMENT RIGHT – NOT FOLLOWED – HIGHLY IRREGULAR – NEEDS ACTION:-**

The provisions relating to grant of transferable development right laid down in Para no.17 of G.O.Ms.No.168 MA&UD (M) Dept., dt.7.4.2012 are as detailed below.

GRANT OF TRANSFERABLE DEVELOPMENT RIGHT:-

- a) Transferable Development Right (TDR) can be awarded only when such lands are transferred to the local body/urban development authority as the case may be by way of registered gift deed. The award would be in the form of a TDR certificate issued by the Competent authority/Sanctioning authority.
- b) Grant of TDR can be considered by the competent authority/sanctioning authority for the following areas subject to the owners complying with the conditions of development above, as per the following norms:-
 - i) For the master plan road/road development plan undertaken and developed: equivalent to 200% of built up area of such area surrendered. For conservation and development of lakes/water bodies/nalas foreshores & recreational buffer development with greenery, etc., equivalent to 100% of built up area of such recreational buffer area developed at his cost.
 - ii) For heritage buildings and heritage precincts maintained with adaptive reuse: equivalent to 100% of built up area of such site area.
- c) The TDR may be arrived at on the basis of relative land value and equivalent amount in both export and import areas, as per the Registration Department records. The Competent authority shall have the discretion in the matter of applicability of TDR. The TDR shall not be allowed in unauthorized buildings/structures/constructions and shall be considered only after the land is vested with the local authority/UDA. The TDR certificate issued would be valid or utilized/disposed only within the concerned local body area and as per guidelines and conditions prescribed.
- d) **GUIDELINES ON TRANSFERABLE DEVELOPMENT RIGHT:-**
In order to adopt uniform guidelines throughout state the following conditions and guidelines are prescribed.

- i) As and when the owner of the building intends to construct the building in the remaining area of the site, he is entitled to construct the building as per the provisions of these buildings rules. In the event the owner does not take up any constructions, the owner is entitled for TDR which can be used disposed depending on convenience.
- ii) A composite Register shall be maintained by the Sanctioning Authority as per the proforma enclosed at Annexure-VIII on the award of TDR and its sale/disposal and utilization. A responsible officer shall be the custodian of the Register.
- iii) At the time of sale/disposal/utilization of a particular TDR, the utilization details of the sale/disposal need to be entered at relevant columns in the register and that therefore, the relevant file need to be referred to the custodian of the Register for making necessary entries in the register. The custodian is held responsible to enter relevant details in the register and also to enter utilization details in the TDR. When TDR Certificate is sold/utilized totally, the same shall be surrendered by the owners and the custodian shall take possession of the certificate and make entries in the register. As per Govt. Orders, TDR award is to be arrived on the basis of relevant land value at both export and import areas as per prevailing Registration value.
- iv) TDR can either be sold or can be utilized by the same owner depending on convenience.
- v) TDR can be allowed to be utilized for construction of one additional floor over the normal permissible floors without insisting additional setbacks subject to the compliance of other norms.
- vi) Every TDR sold or disposed shall be accompanied by a prescribed agreement on Rs.100/- non-judiciary stamp paper between the person disposing the TDR and the person who intend to utilize the TDR draft agreement as per Annexure-XI.

e) DOCUMENTS REQUIRED WITH APPLICATION FOR GRANT OF TRANSFERRABLE DEVELOPMENT RIGHT CERTIFICATE:-

Application to be made by owner in the prescribed format giving the following details:-

- i) Name of the owner with clear address, contact phone number etc.,
- ii) Copy of the ownership documents along with clear site plan and local plan
- iii) Site plan showing the land surrendered, its extent, location with dimensions
- iv) Building permission plan for the site by the ULB
- v) Details of Building permission granted/applied for like use or purpose of building, No. of floors permitted, all round setbacks, floor area permitted and utilized, parking area 24 permitted etc.,

- vi) Whether already benefit of relaxations been utilized for the site?
- vii) Whether any court case is pending against ULB?
- viii) Land value of the site where TDR is to be availed (latest copy from concerned Sub-Register to be closed)
- ix) TDR admissible in terms of sq.m and equivalent land value.

Further, there may be several such cases since the entire files relating to TDR for the year 2012-2013 could not be produced to audit. In the absence of production of records, audit could not point out any other irregularities that might have been occurred. Hence, immediate action is called for to produce all the related records relating to TDR to audit and also to take immediate action against the Municipal Authorities for the lapses in the above pointed out case under intimation to audit

PARA NO.65

Code No.11

WATER SUPPLY - NEW CONNECTIONS APPLICATIONS NOT PRODUCED :

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

PARA NO:66

CODE-9

NON PLAN GRANT - DUE OF RELEASE OF 3 & 4 TH INSTALMENTS -NEED EARLY ACTION

Non Plan grant was released against the compensation for loss of ULBs income and some specific transfers and plays a crucial role in ULBs Income prospects. In this connection Executive authority shall take necessary steps to get the dues of Non plan grant released at the earliest.

PARA NO.67

Code No.18

SANITATION - DEPLOYMENT OF CONTRACT LABOUR.

According to Section 480 to 572 of Hyderabad Municipal Corporation Act, 1955 Urban Local Bodies have the obligation to clean the roads and drains and collect, lift and carry the garbage to the dumping yards And dispose such garbage through scientific

methods. Sanitation includes mainly cleaning of roads and drains. The CDMA, A.P., Hyderabad vide Roc No. 155/2012/H1 dt. 29-12-2009, and Memo. No. 155/2010/ H1dt. 12.8-2010, issued comprehensive guidelines to be followed in engaging public health staff on out sourcing basis.

It was observed that those guidelines are not being followed by VMC in calculation of the total man power required. Reasons for violation of CDMA instructions may be furnished to audit.

PARA NO.68

Code No.09

D.C.B SUBSIDIARY REGISTERS NOT CLOSED D.C.B.PREPARED WITHOUT CLOSING THE SUBSIDIARY REGISTERS AND CERTIFIED -IRREGULAR- NEEDS EARLY ACTION

As verified from the annual account, it is noticed that the subsidiary registers for each receipt viz., Property Tax ,Water Tax , D&O Trades ,Building Licence Fee, Advertisement charges ,Market Auctions etc ., were not closed and certified . It could not be understood how the figures were taken in the said D.C.B in the absence of the above registers. Hence the figure shown in the Annual Account could not be verified. Further the arrear demand registers were also not written up and updated. Hence the year wise balances could not be verified with reference to the balances available.

Para-69.

Code-11

ESTABLISHMENT -ENCASHMENT OF EARNED LEAVE AND HALF PAY LEAVE- SERVICE REGISTER 'S -NOT PRODUCED RS .. 1692480

During the year under Audit an aggregate amount of Rs 1692480 was drawn and paid to the Retired teachers towards Encashment of Earned leave and half pay leave at credit on superannuation but Concerned Service Registers were not produced . IN the absence of the Service Registers of the individual ,the correctness of the payment and leave at credit on the date of retirement could not be verified in the Audit Hence entire amount could not be admitted in the Audit and held under objection The details of payment is. hereunder

| S.no | Name of the Fund | particulars | Vr.no & date | Amount Rs. |
|------|----------------------|---------------------------------|--------------|------------|
| 1 | ELEMENTARY EDUCATION | L.SAKUNTALA, RTD LFL HM EEL | 5/18.4.2012 | 152621 |
| 2 | " | E.SAVITRI, RTD SGT EEL 97 DAYS, | 808/11.10.12 | 102535 |
| 3 | " | E.SAVITRI, RTD SGT HPL 198 D. | 809/11.10.12 | 90222 |
| 4 | " | M.SAMUEL RTD SDGT HPL | 810/11.10.12 | 139143 |
| 5 | " | L.SAKUNTALA,RTD LFL HM HPL 174 | 811/11.10.12 | 112880 |

| | | DAYS | | |
|----|---|-------------------------------|---------------|----------------|
| 6 | „ | CH.C.PADMAVATHI,RTD SGT HPL | 812/11.10.12 | 162633 |
| 7 | „ | NSLD KANAKADURGA,HPL | 902/11.12 | 129884 |
| 8 | „ | SIRAJUNNISA, HPL EEL. | 903/11.12 | 287988 |
| 9 | „ | SMT MUKTA SAGAR,HPL, EEL | 1082/29.12.12 | 267059 |
| 10 | „ | SMT P.S.ZAMEELA BEGUM,EEL,HPL | 1083/29.12.12 | 247515 |
| | | TOTAL | | 1692480 |

PARA NO.70

Code No-11

AUDIT - NON - PRODUCTION OF RECORDS - ACTION CALLED FOR PRODUCTION OF RECORDS RS.57346224.00

The following Vouchers of Expenditure of engineering Section and General Section Connected records and files are not produced to audit for verification. Hence their Check Measurement values and other items could not be verified in audit. Hence their Expenditure was held under objection for want of production of records

| Sl.No. | Vr. No. and Date particulars | File No. | Amount Rs |
|--------|------------------------------|-----------|------------|
| 1 | 358/4-12 | 152097/11 | 130413.00 |
| 2 | 361/4-12 | 141038/11 | 282505.00 |
| 3 | 363/4-12 | 108994/11 | 131018.00 |
| 4 | 364/4-12 | 105729/10 | 69824.00 |
| 5 | 367/4-12 | 167220/10 | 250253.00 |
| 6 | 371/4-12 | 128655/11 | 229732.00 |
| 7 | 372/4-12 | 113081/11 | 400000.00 |
| 8 | 375/4-12 | 159863 | 47349.00 |
| 9 | 376/4-12 | 159864 | 29370.00 |
| 10 | 536/4-12 | 118515 | 232580.00 |
| 11 | 848/4-12 | 137187/10 | 154553.00 |
| 12 | 853/4-12 | 145826/11 | 236225.00 |
| 13 | 207/4-12 | 137224/10 | 570347.00 |
| 14 | 218/4-12 | 113747/11 | 1912038.00 |
| 15 | 357/4-12 | 152299/11 | 80798.00 |

| | | | | |
|----|-----------|-------|-----------------------|-----------|
| 16 | 360/4-12 | EE/6 | 120654/11 | 73283.00 |
| 17 | 377/4-12 | | 134482/11 | 196598.00 |
| 18 | 844/4-12 | | 141743/09 | 200000.00 |
| 19 | 854/4-12 | | 114855/11 | 43755.00 |
| 20 | 5464/4-12 | | 136341/12 | 394000.00 |
| 21 | 7492/2-13 | | 120358/12 | 451778.00 |
| 22 | 7818/2-13 | | 130882/08 | 198026.00 |
| 23 | 8715/3-13 | | 150039/11 | 67431.00 |
| 24 | 8716/3-13 | | 150038/11 | 38509.00 |
| 25 | 8717/3-13 | | 150041/11 | 64807.00 |
| 26 | 8546/3-13 | | 168822/11 | 142479.00 |
| 27 | 8545/3-13 | | 116967/12 | 422337.00 |
| 28 | 108/4-12 | EE/11 | 152089/11 | 67525.00 |
| 29 | 169/4-12 | | Bus bay at Komanpalem | 631618.00 |
| 30 | 174/4-12 | | 101426/11 | 714037.00 |
| 31 | 175/4-12 | | 101430/11 | 355000.00 |
| 32 | 176/4-12 | | 101422/11 | 105029.00 |
| 33 | 338/4-12 | | 142701/10 | 318699.00 |
| 34 | 217/4-12 | | 149854/11 | 376714.00 |
| 35 | 356/4-12 | | 154014/11 | 79579.00 |
| 36 | 359/4-12 | | 107148/11 | 92156.00 |
| 37 | 362/4-12 | | 140302/11 | 83042.00 |
| 38 | 368/4-12 | | 149668/10 | 300000.00 |
| 39 | 369/4-12 | | 120120/10 | 231201.00 |
| 40 | 370/4-12 | | 125792/11 | 79150.00 |
| 41 | 535/4-12 | | 102901/12 | 68424.00 |
| 42 | 741/4-12 | | 110071/12 | 91527.00 |
| 43 | 743/4-12 | | 101979/11 | 810000.00 |
| 44 | 744/4-12 | | 160825/11 | 429472.00 |

| | | | | |
|----|------------|-------|---------------|-----------|
| 45 | 880/4-12 | | 157888/11 | 71255.00 |
| 46 | 979/4-12 | | 110338/12 | 83259.00 |
| 47 | 980/4-12 | EE/11 | 110334/12 | 83259.00 |
| 48 | 843/4-12 | | FI- 138487/10 | 259649.00 |
| 49 | 785/4-12 | | | 142984.00 |
| 50 | 8552/3-12 | | 142550/11 | 117247.00 |
| 51 | 8556/3-12 | | 100802/12 | 62974.00 |
| 52 | 5462/11-12 | | | 19900.00 |
| 53 | 5463/11-12 | | | 18014.00 |
| 54 | 7409/2-13 | | 151250/11 | 173527.00 |
| 55 | 7808/2-13 | | 114236/11 | 241554.00 |
| 56 | 7807/2-13 | | 114239/11 | 141402.00 |
| 57 | 7819/2-13 | EE/3 | 161568/10 | 175828.00 |
| 58 | 7820/2-13 | | 161566/10 | 173231.00 |
| 59 | 8235/2-13 | | 165964/11 | 111535.00 |
| 60 | 8404/3-13 | | 104170/10 | 399716.00 |
| 61 | 8557/3-13 | | 12148/10 | 475533.00 |
| 62 | 8236/2-13 | V2 | 158732/ | 310003.00 |
| 63 | 8472/3-13 | EE/7 | V1- 160488/11 | 499231.00 |

Total 15443282.00

General Section -Establishment

| Sl. No. | Vr .No. Date | Particulars | Amount Rs |
|---------|--------------|--|------------|
| 1 | 172/4-12 | Advance to Salary high school teachers adjustment(K1- 145114/09) | 8863969.00 |
| 2 | 173/4-12 | Teaching &Non Teaching Net Salary Advances (K1- 145114/09) | 3731330.00 |
| 3 | 15/4-12 | Sri K.Yella Rao HPL SR | |

| | | | |
|----|--------------------|--|-------------|
| | | Wanting | |
| 4 | 158/4-12 | Smt R.V.Naga Mani PH Worker SR Wanting | |
| 5 | 3595/7-12 | M/S Sai Raj Travels | 4340.00 |
| 6 | 166/11-12 | PF Loan amount 03/08 to 07/08 | 5688341.00 |
| 7 | 167/11-12 | PF Loan amount 06/09 to 08/09 | 4482231.00 |
| 8 | 6589&6590/22.11.12 | M/S Conquer Technologies Vijayawada | 80771.00 |
| 9 | 6479/11-12 | Proceed to Hyderabad | 4387.00 |
| 10 | 6500/11-12 | Proceed to Hyderabad | 11800.00 |
| 11 | 6469/11-12 | M/S Bharathi Airtel LTD Vijayawada | 10000.00 |
| 12 | 8242/2-13 | Proceed to Hyderabad | 18400.00 |
| 13 | 7845/2-13 | Payment of DWACRA wages 01/2013 | 15758817.00 |
| 14 | 8239/2-13 | M/S Montech Construction s HYD | 490124.00 |
| 15 | 8237/2-13 | M/S Sri Lakshmi Car Travels Vijayawada | 11916.00 |
| 16 | 8240/2-13 | Supply Delivery 1000No Doses 198.30 for Dose | 198300.00 |
| 17 | 7442/2-13 | Sulbh International Service Organization Vijayawada | 520187.00 |
| 18 | 8572/2-13 | Payment of Cell Charges | 121755.00 |
| 19 | 8565/3-13 | 50% Sanitation Contribution to Residential Welfare Associates | 1410350.00 |
| 20 | 8545/3-13 | Supply of Bleaching powder | 422337.00 |
| 21 | 8704/3-13 | Sri N.V.Vasatha Rao Fountain Cleaner | 39134.00 |

| | | | |
|----|-----------|---|-------------|
| 22 | 8705/3-13 | Sri N.V.Vasatha Rao Fountain Cleaner | 34453.00 |
| | | Total | 41902942.00 |

PARA NO.71

Code No-11

**NON-PRODUCTION OF RECORDS – FLOOD GRANT – VOUCHERS AND
CONNECTED RECORDS NOT PRODUCED – IRREGULAR:- Rs.621311.00**

During the course of voucher audit for the year 2012-2013, only Cash book of Flood Grant Scheme was produced but the Tenders or Quotations for fixation of agencies, Vouchers, sub-vouchers, Estimates, Agreements, M.Books, Payment Received acknowledgements from the agencies, Challans and paid recoveries proceedings of the grant released particulars norms and guidelines of the scheme and connected filed etc., were not produced in audit for the following vouchers and It was observed from the Cash book that, Vouchers Number was not started from Serial NO. one (1) but started from 63/4-12 to 68/4-12 and closed. No reason has been explained for the starting the Voucher Serial No.63/4-12 instead of Voucher Serial No.1/4-12. If any loss sustained to Corporation funds may be recovered from the person or persons responsible.

FLOOD GRANT:

| S.No. | Vr.No./Dt. | Particulars | Amount involved (Rs..) |
|-------|------------|--|---------------------------|
| 1 | 63/4-12 | Reconstructions of 8MGD filtration plant @ at water works Name of the Contractor: Sri V.Rama Rao | 571000.00 |
| 2 | 64/4-12 | IT recovery | 14283.00 |
| 3 | 65/4-12 | QC & IT recovery | 427.00 |
| 4 | 66/4-12 | QC Recovery | 3718.00 |
| 5 | 67/4-12 | VAT recovery | 25506.00 |
| 6 | 68/4-12 | Labour Charges recovery | 6377.00 |
| | | Total: | 621311.00 |

PARA NO.72

Code No-11

NON-PRODUCTION OF RECORDS – JNNURM SCHEME 19.85 – VOUCHERS AND CONNECTED RECORDS NOT PRODUCED – IRREGULAR:- Rs. 1059722.00

During the course of voucher audit for the year 2012-2013, only Cash book of JNNURM Grant Scheme was furnished but the Tenders or Quotations for fixation of agencies, Vouchers, sub-vouchers, Estimates, Agreements, M.Books, Payment Received acknowledgements from the agencies, Challans and paid recoveries proceedings of the grant released particulars norms and guidelines of the scheme and connected files etc., were not produced in audit for the following vouchers. If any loss sustained to Corporation funds may be recovered from the person or persons responsible.

JNNURM SCHEME 19.85

| S.No. | Vr.No./Dt. | Particulars | Amount involved (Rs..) |
|-------|------------|---|------------------------|
| 1 | 1/24-4-12 | Laying of 900mm NP case RCC pipe casing across NH5 by Trenches (E9-120644/2010) | 849256.00 |
| 2 | 2/24-4-12 | IT recovery | 20934.00 |
| 3 | 3/24-4-12 | QC & IT recovery | 629.00 |
| 4 | 4/24-4-12 | QC recovery | 5445.00 |
| 5 | 5/24-4-12 | VAT recovery | 6738.00 |
| 6 | 6/4-5-12 | Providing execution of 160KVA Transform @ HP colony DP Structure | 173839.00 |
| 7 | 7/4-5-12 | IT Recovery | 862.00 |
| 8 | 8/4-5-12 | QC & IT recovery | 51.00 |
| 9 | 9/4-5-12 | QC recovery | 430.00 |
| 10 | 10/4-5-12 | VAT recovery | 1538.00 |
| | | Total: | 1059722.00 |

PARA NO.73

Code No-11

NON-PRODUCTION OF RECORDS – JNNURM SCHEME 35.48 – VOUCHERS AND CONNECTED RECORDS NOT PRODUCED – IRREGULAR:- Rs. 1908566.00

During the course of voucher audit for the year 2012-2013, only Cash book of JNNURM Grant Scheme was furnished but the Tenders or Quotations for fixation of agencies, Vouchers, sub-vouchers, Estimates, Agreements, M.Books, Payment Received

acknowledgements from the agencies, Challans and paid recoveries proceedings of the grant released particulars norms and guidelines of the scheme and connected files etc., were not produced in audit for the following vouchers. If any loss sustained to Corporation funds may be recovered from the person or persons responsible.

JNNURM SCHEME 35.48

| S.No. | Vr.No./Dt. | Particulars | Amount involved (Rs..) |
|-------|------------|---|------------------------|
| 1 | 1/26-5-12 | Construction of 50MLD Filtration plant E6-93920/2007 | 1015900.00 |
| 2 | 2/26-5-12 | Construction of 1000 KL capacity ELSL at IGMC Stadium | 800000.00 |
| 3 | 3/5-12 | IT Recovery | 26876.00 |
| 4 | 4/5-12 | QC&IT | 803.00 |
| 5 | 5/5-12 | VAT recovery | 47993.00 |
| 6 | 6/30-5-12 | QC recovery | 4996.00 |
| 7 | 7/30-5-12 | Labour Cess Recovery | 11998.00 |
| | | Total: | 1908566.00 |

PARA NO.74

Code No-11

NON-PRODUCTION OF RECORDS - SJSRY-I SCHEME - VOUCHERS AND CONNECTED RECORDS NOT PRODUCED - IRREGULAR:- Rs. 18960559-00

During the course of voucher audit for the year 2012-2013, only Cash book of SJSRY-I SCHEME Grant Scheme was furnished but the Tenders or Quotations for fixation of agencies, Vouchers, sub-vouchers Payment Received acknowledgements from the agencies, Challans and paid recoveries proceedings of the grant released particulars norms and guidelines of the scheme and connected files beneficiaries and their acknowledgements and other connected files etc., were not produced in audit for the following vouchers. If any loss sustained to Corporation funds may be recovered from the person or persons responsible.

SJSRY-I SCHEME

| S.No. | Vr.No./Dt. | Particulars | Amount involved (Rs..) |
|-------|------------|---|------------------------|
| 1 | 1/16-4-12 | DATA Programme Computers (P) Ltd, Visakhapatnam towards the completion of training for the year 2010-11 | 565816.00 |
| 2 | 2/4-12 | IT recovery | 62869.00 |

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|----|---------|--|-----------|
| 3 | 3/4-12 | Dr.Reddys Foundation, Somajiguda, Hyderabad towards the payment of Training fee | 33507.00 |
| 4 | 4/4-12 | Pay to IT | 3723.00 |
| 5 | 5/4-12 | The Tally Solution Private Ltd., Nampally, Hyderabad towards payment Tarining fee under SJSRY | 123750.00 |
| 6 | 6/4-12 | Pay to IT | 13750.00 |
| 7 | 7/4-12 | SETWIN Hyderabad towards payment of Training fee under SJSRY | 241644.00 |
| 8 | 8/4-12 | Pay to IT | 26848.00 |
| 9 | 9/4-12 | Salute Systems Pvt. Ltd., Hyderabad towards 25% 1 st Instalment Training cost | 214582.00 |
| 10 | 10/4-12 | Pay to IT | 23843.00 |
| 11 | 11/4-12 | Dhatri Foundation Begumpet, Hyderabad towards 25% 1 st Instalment of the total training cost | 73251.00 |
| 12 | 12/4-12 | Pay to IT | 19249.00 |
| 13 | 13/4-12 | Data Pro Computers Pvt. Ltd., Visakhapatnam towards 25% 1 st Instalment of total Training Cost | 405000.00 |
| 14 | 14/4-12 | Pay to IT | 45000.00 |
| 15 | 15/4-12 | CMC Lt., Abids, Hyderabad towards 1 st Instalment of 25% of the otal training cost | 202455.00 |
| 16 | 16/4-12 | Pay to IT | 22494.00 |
| 17 | 17/4-12 | AP Ele.&Com Education Dev. Society Ltd., Hyderabad towards 1 st Instalment of the total training Cost | 444264.00 |
| 18 | 18/4-12 | Pay to IT | 49361.00 |
| 19 | 19/4-12 | AP Industrial & Technical Consultancy Organization Ltd., Hyderabad towards 1 st Instalment of the total training Cost | 136800.00 |
| 20 | 20/4-12 | Pay to IT | 15200.00 |
| 21 | 21/4-12 | NIIT Ltd. ,Hyderabad towards 1 st Instalment(25%) of the total training Cost | 50762.00 |

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|----|---------|---|-----------|
| 22 | 22/4-12 | Pay to IT | 6640.00 |
| 23 | 23/4-12 | Synchoroserve Global Solution Pvt Ltd., Hyderabad towards 1 st Instalment(25%) of the total training Cost | 24750.00 |
| 24 | 24/4-12 | Pay to IT | 2750.00 |
| 25 | 25/5-12 | Four Training Agencies towards 1 st Instalment(25%) of the total training Cost | |
| | | Setwin | 162133.00 |
| | | IEES | 102623.00 |
| | | APEC | 32400 |
| | | DATA Pro | 54000 |
| 26 | 26/5-12 | Peoples Welfare Society, Vijayawada towards 1 st Instalment(25%) of the total training Cost for the year 2011-12 | 304328 |
| 27 | 27/5-12 | M/s. Comtech, Vijayawada towards 1 st Instalment(25%) of the total training Cost for the year 2010-11 | 166960 |
| 28 | 28/5-12 | M/s. Tremendous Technologies, Hyderabad towards 1 st Instalment(75%) of the total training Cost for the year 2010-11 | 259716 |
| 29 | 29/5-12 | Pay to IT | 39017 |
| 30 | 30/5-12 | Pay to IT | 34946 |
| 31 | 31/5-12 | Pay to IT | 19171 |
| 32 | 32/5-12 | Pay to IT | 29822 |
| 33 | 33/6-12 | Self An amount payable to Sri K.Satyanarayana and Smt. K.Kanaka Durga are working in the training centre as Instructor honorarium for the month of Jan, Feb of 2012 | 23587 |
| 34 | 34/6-12 | The Branch Manager, Andhra Bank towards payment of 25% subsidy under USEP of SJSRY to one beneficiary | 50000 |
| 35 | 35/6-12 | The Branch Manager, Andhra Bank, Machavaram towards payment of 25% subsidy under USEP of SJSRY to one beneficiary | 19250 |

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|----|---------|---|--------|
| 36 | 36/6-12 | The Branch Manager, Andhra Bank Gandhinagar towards payment of 25% subsidy under USEP of SJSRY to one beneficiary | 68750 |
| 37 | 37/6-12 | The Branch Manager, Andhra Bank AS Nagar towards payment of 25% subsidy under USEP of SJSRY to one beneficiary | 75000 |
| 38 | 38/6-12 | The Branch Manager, Andhra Bank Patamata towards payment of 25% subsidy under USEP of SJSRY to one beneficiary | 12500 |
| 39 | 39/6-12 | The Branch Manager, Andhra Bank Gandhinagar towards payment of 25% subsidy under USEP of SJSRY to one beneficiary | 31250 |
| 40 | 40/6-12 | The Branch Manager, Andhra Bank Kedaresanipet towards payment of 25% subsidy under USEP of SJSRY to one beneficiary | 187500 |
| 41 | 41/6-12 | The Branch Manager, Andhra Bank Madhuranagar towards payment of 25% subsidy under USEP of SJSRY to one beneficiary | 50000 |
| 42 | 42/6-12 | The Branch Manager, Andhra Bank Madhuranagar towards payment of 25% subsidy under USEP of SJSRY to one beneficiary | 100000 |
| 43 | 43/6-12 | The Branch Manager, Andhra Bank Main Branch towards payment of 25% subsidy under USEP of SJSRY to one beneficiary | 850000 |
| 44 | 44/6-12 | The Branch Manager, Andhra Bank Gandhinagar towards payment of 25% subsidy under USEP of SJSRY to one beneficiary | 50000 |
| 45 | 45/6-12 | The Branch Manager, SBI, VMC Counter towards payment of 25% of the total training cost as 1 st instalment to various training agencies though onetime for conducting of training under RYK | 571702 |
| 46 | 46/7-12 | Pay to IT | 63518 |
| 47 | 47/7-12 | The Branch Manager, SBI, Counter towards honorarium to instructors on contract basis for the training centres Maintained by VMC | 36413 |

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|----|----------|---|---------|
| | | for the month of March, April, and May 2012 | |
| 48 | 18/7-12 | The Branch Manager, Bank of India, Gandhinagar towards 25% subsidy under USEP of SJRY scheme one beneficiary | 50000 |
| 49 | 49/9-12 | The Branch Manager, Bank of India, Gandhinagar towards 25% subsidy under USEP of SJRY scheme one beneficiaries | 1085000 |
| 50 | 50/9-12 | The Branch Manager, Indian Overseas Bank, Seetharamapuram towards 25% subsidy under USEP of SJRY scheme one beneficiaries | 25000 |
| 51 | 51/9-12 | The Branch Manager, AB, Ajitsingh Nagar towards 25% subsidy under USEP of SJRY scheme one beneficiaries | 25000 |
| 52 | 52/9-12 | The Branch Manager, AB, Gunadala towards 25% subsidy under USEP of SJRY scheme one beneficiaries | 12500 |
| 53 | 53/9-12 | The Branch Manager, AB, Lakshminagar towards 25% subsidy under USEP of SJRY scheme one beneficiaries | 75000 |
| 54 | 54/9-12 | The Branch Manager, AB, Bhavanipuram towards 25% subsidy under USEP of SJRY scheme one beneficiaries | 25000 |
| 55 | 55/9-12 | The Branch Manager, AB, Governorpet, towards 25% subsidy under USEP of SJRY scheme one beneficiaries | 100000 |
| 56 | 56/9-12 | M/s. Sri Sai Baba Corporation, Vijayawada towards supply of 31 Nos Merrit Model Sewing machines for complete set | 145467 |
| 57 | 57/9-12 | Paid to IT | 8333 |
| 58 | 58/9-12 | Paid to IT | 7440 |
| 59 | 59/11-12 | The Branch Manager, SBI towards Honorarium to Instructors to the month of June & July of 2012 | 24000 |
| 60 | 60/11-12 | The Branch Manager, AB, Kothapet, towards 25% subsidy under USEP of SJRY scheme one beneficiaries | 37500 |
| 61 | 61/11-12 | The Branch Manager, Bank of India, Gandingar towards 25% subsidy under | 25000 |

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|----|----------|--|--------|
| | | USEP of SJRY scheme one beneficiaries | |
| 62 | 62/11-12 | The Branch Manager, Bakinghampet, towards 25% subsidy under USEP of SJRY scheme one beneficiaries | 125000 |
| 63 | 63/11-12 | The Branch Manager, Allahabad Bank, Governorpet towards 25% subsidy under USEP of SJRY scheme one beneficiaries | 100000 |
| 64 | 64/11-12 | The Branch Manager, AB, A.S.Nagar, towards 25% subsidy under USEP of SJRY scheme one beneficiaries | 25000 |
| 65 | 65/2-13 | The Branch Manager, AB, Gunadala, towards 25% subsidy under USEP of SJRY scheme one beneficiaries | 102500 |
| 66 | 66/2-13 | The Branch Manager, AB, Kothapet, towards 25% subsidy under USEP of SJRY scheme 3 beneficiaries | 75000 |
| 67 | 67/2-13 | The Branch Manager, AB, KOTHApet, towards 25% subsidy under USEP of SJRY scheme beneficiaries | 25000 |
| 68 | 68/2-13 | The Branch Manager, AB, Patamata, towards 25% subsidy under USEP of SJRY scheme 10 beneficiaries | 256250 |
| 69 | 69/2-13 | The Branch Manager, AB, Prabhodabook centre, towards 25% subsidy under USEP of SJRY scheme one beneficiaries | 50000 |
| 70 | 70/2-13 | The Branch Manager, Bank of India , Gandhinagar, towards 25% subsidy under USEP of SJRY scheme 2 beneficiaries | 75000 |
| 71 | 71/2-13 | The Branch Manager, Bank of India , Kedareswarpet, towards 25% subsidy under USEP of SJRY scheme 4 beneficiaries | 100000 |
| 72 | 72/2-13 | The Branch Manager, Canera Bank , Bhratnagar, towards 25% subsidy under USEP of SJRY scheme 2 beneficiaries | 10000 |
| 73 | 73/2-13 | The Branch Manager, Canera Bank , MPF towards 25% subsidy under USEP of SJRY scheme 1 beneficiaries | 15000 |
| 74 | 74/2-13 | The Branch Manager, Indian Bank , Main Branch towards 25% subsidy under USEP of SJRY scheme beneficiaries | 725000 |

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| 75 | 75/2-13 | The Branch Manager, IOB, Park Road, towards 25% subsidy under USEP of SJRY scheme 2 beneficiaries | 50000 |
| 76 | 76/2-13 | The Branch Manager, Sapatagiri Grameena Bank, Patamata towards 25% subsidy under USEP of SJRY scheme 2 beneficiaries | 18750 |
| 77 | 77/2-13 | The Branch Manager, United Bank of India , Governorpet, towards 25% subsidy under USEP of SJRY scheme 13 beneficiaries | 362500 |
| 78 | 78/2-13 | The Branch Manager, Andhra Bank , Bhavanipuram, towards 25% subsidy under USEP of SJRY scheme 1 beneficiaries | 25000 |
| 79 | 79/2-13 | M/s. Optico Ltd., Hyderabad towards payment of 25% of the total training cost for 3 batches under RYK for the year 2011-12 | 132435 |
| 80 | 80/2-13 | Pay to IT | 14715 |
| 81 | 81/2-13 | M/s Data Pro Pvt. Ltd., towards payment of 1 st Instalment for 25% of training cost for the year 2012-13 | 25625 |
| 82 | 82/2-13 | Pay to IT | 3125 |
| 83 | 83/2-13 | M/s. Satyam Computer Education towards payment of 25% training cost in 1 st instalment | 39975 |
| 84 | 84/2-13 | Paid to IT | 4875 |
| 85 | 85/2-13 | M/s. Ena Power Pragathi Vock Stattting Pvt Ltd. towards payment of 25% training cost in 1 st instalment | 22550 |
| 86 | 86/2-13 | Paid to IT | 2750 |
| 87 | 87/2-13 | M/s Data Pro Pvt. Ltd., towards payment of 1 st Instalment for 25% of training cost for the year 2011-12 | 37800 |
| 88 | 88/2-13 | Paid to IT | 4200 |
| 89 | 89/2-13 | M/s AP Electronics & Computer Education Society towards payment of 1 st Instalment for 25% of training cost for the year 2011-12 | 172620 |
| 90 | 90/2-13 | Paid to IT | 19180 |

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|-----|----------|--|--------|
| 91 | 91/2-13 | M/s Data Pro Pvt. Ltd., towards payment of 1 st Instalment for 25% of training cost for the year 2011-12 | 126000 |
| 92 | 92/2-13 | Paid to It | 14000 |
| 93 | 93/2-13 | Ms/Dhatri Foundation, Hyderabad towards certification fee for 173 candidates of 20 batches Rajeev Yuvakiranalu for the year 2011-12 | 108990 |
| 94 | 94/2-13 | Paid to IT | 12110 |
| 95 | 95/2-13 | M/s. Setwin, Hyderabad towards certification fee for 442 candidates of 20 batches Rajeev Yuvakiranalu for the year 2011-12 | 309330 |
| 96 | 96/2-13 | Paid to IT | 34370 |
| 97 | 97/2-13 | M/s. AP Ele & Computer Edn. Development Society , Hyderabad towards certification fee for 48 candidates of 20 batches Rajeev Yuvakiranalu for the year 2011-12 | 30240 |
| 98 | 98/2-13 | Paid to IT | 3360 |
| 99 | 99/2-13 | M/s. ARUDS towards certification fee for 39 candidates of 20 batches Rajeev Yuvakiranalu for the year 2012-13 | 24570 |
| 100 | 100/2-13 | Paid to IT | 2730 |
| 101 | 101/2-13 | M/s. APITCO towards certification fee for 220 candidates of 20 batches Rajeev Yuvakiranalu for the year 2011-12 | 158400 |
| 102 | 102/2-13 | Pay to IT | 17600 |
| 103 | 103/2-13 | M/s. Core towards certification fee for 42 candidates of 20 batches Rajeev Yuvakiranalu for the year 2011-12 | 26460 |
| 104 | 104/2-13 | Pay to IT | 2940 |
| 105 | 105/2-13 | M/s.DATA Pro Computers Pvt Ltd, Visakhapatnam towards payment of 50% of training cost for 211 candidates of 5 batches Rajeev Yuvakiranalu for the year 2011-12 | 712125 |
| 106 | 106/2-13 | Pay to IT | 79125 |
| 107 | 107/2-13 | M/s.APEC, Hyderabad towards payment of 50% of training cost for 53 candidates of 2 | 162675 |

| | | | |
|-----|----------|--|---------|
| | | batches Rajeev Yuvakiranalu for the year 2011-12 | |
| 108 | 108/2-13 | Pay to IT | 18075 |
| 109 | 109/2-13 | M/s.ILRES Cluster Development Initiative Ltd towards payment of 50% of training cost for 73 candidates of 4 batches Rajeev Yuvakiranalu for the year 2011-12 | 205312 |
| 110 | 110/2-13 | Paid to IT | |
| 111 | 111/2-13 | M/s.Dhatri Foundation, Hyderabad towards payment of 50% of training cost for 179 candidates of 6 batches Rajeev Yuvakiranalu for the year 2011-12 | 408375 |
| 112 | 112/2-13 | Paid to IT | 45375 |
| 113 | 113/2-13 | M/s.SETWIN, Hyderabad towards payment of 50% of training cost for 542 candidates of 20 batches Rajeev Yuvakiranalu for the year 2011-12 | 1242983 |
| 114 | 114/2-13 | Pay to IT | 138109 |
| 115 | 115/2-13 | M/s.BDPS Vijayawada towards payment of 50% of training cost for 2 batches Rajeev Yuvakiranalu for the year 2011-12 | 82812 |
| 116 | 116/2-13 | Pay to IT | 10313 |
| 117 | 117/2-13 | M/s.Satyam Computer Edn., Vijayawada towards payment of 25% of training cost for 1 batches Rajeev Yuvakiranalu for the year 2011-12 | 37925 |
| 118 | 118/2-13 | Pay to IT | 4625 |
| 119 | 119/2-13 | The Branch Manager, SBI towards payment of honorarium from August, to December of 2012 | 60000 |
| 120 | 120/2-13 | M/s. Dhatri Foundatin, Vijayawada towards the 1 st instalment of 25% of the total training cost of 32 Nos of candidates | 58400 |
| 121 | 121/2-13 | Pay to IT | 7200 |
| 122 | 122/2-13 | M/s. Dhatri Foundatin, Vijayawada towards the 1 st instalement of 25% of the total training cost of 32 Nos of candidates | 58400 |
| 123 | 123/2-13 | Pay to IT | 7200 |

| | | | |
|-----|----------|--|--------|
| 124 | 124/2-13 | M/s. Bhavya Dev. Processing Solutions Pvt. Ltd. towards the 1 st instalment of 25% of the total training cost of 32 Nos of candidates | 26650 |
| 125 | 125/2-13 | Pay to IT | 3250 |
| 126 | 126/2-13 | M/s. Satyam Computer Education, Vijayawada towards the 1 st instalment of 25% of the total training cost of 25 Nos of candidates | 25625 |
| 127 | 127/2-13 | Pay to IT | 3125 |
| 128 | 128/2-13 | M/s. Bhavya Dev. Processing Solutions Ltd., towards the 1 st instalment of 25% of the total training cost of 21 Nos of candidates | 21525 |
| 129 | 129/2-13 | Pay to IT | 2625 |
| 130 | 130/2-13 | M/s. AP ECE Dev. Society Hyderabad towards the 1 st instalment of 25% of the total training cost of 36 Nos of candidates | 36900 |
| 131 | 131/2-13 | Pay to IT | 4500 |
| 132 | 132/2-13 | M/s. AP ECE Dev. Society Hyderabad towards the 1 st instalment of 25% of the total training cost of 36 Nos of candidates | 29725 |
| 133 | 133/2-13 | Pay to IT | 3625 |
| 134 | 134/2-13 | M/s. AP ECE Dev. Society Hyderabad towards the 1 st instalment of 25% of the total training cost of 39 Nos of candidates | 39975 |
| 135 | 135/2-13 | Pay to IT | 4875 |
| 136 | 136/2-13 | M/s. AP ECE Dev. Society Hyderabad towards the 1 st instalment of 25% of the total training cost of 38 Nos of candidates | 38950 |
| 137 | 137/3-13 | Pay to IT | 4750 |
| 138 | 138/3-13 | The Branch Manager, United Bank of India, Governorpet towards payment of 25% subsidy under USEP of SJSRY to 6 beneficiary | 200000 |
| 139 | 139/3-13 | The Branch Manager, Union Bank of India, Labbipeta towards payment of 25% subsidy under USEP of SJSRY to 1 beneficiary | 50000 |
| 140 | 140/3-13 | The Branch Manager, Saptagiri Grammena Bank, Kothapeta towards payment of 25% subsidy under USEP of SJSRY to 1 | 15000 |

| | | | |
|-----|----------|--|--------|
| | | beneficiary | |
| 141 | 141/3-13 | The Branch Manager, Oriental Bank of Commerce, RRAR Street Br., towards payment of 25% subsidy under USEP of SJSRY to 1 beneficiary | 25000 |
| 142 | 142/3-13 | The Branch Manager, Indian Bank, Gandhinagar towards payment of 25% subsidy under USEP of SJSRY to 1 beneficiary | 25000 |
| 143 | 143/3-13 | The Branch Manager, Corporation Bank, Main Branch, towards payment of 25% subsidy under USEP of SJSRY to 1 beneficiary | 25000 |
| 144 | 144/3-13 | The Branch Manager, Canera Bank, Venkateswara puram towards payment of 25% subsidy under USEP of SJSRY to 1 beneficiary | 50000 |
| 145 | 145/3-13 | The Branch Manager, Canera Bank, Iman Centre towards payment of 25% subsidy under USEP of SJSRY to 2 beneficiary | 50000 |
| 146 | 146/3-13 | The Branch Manager, Bank of India, Vadereswarapeta towards payment of 25% subsidy under USEP of SJSRY to 1 beneficiary | 25000 |
| 147 | 147/3-13 | The Branch Manager, Bank of India, Governorpet towards payment of 25% subsidy under USEP of SJSRY to 6 beneficiary | 300000 |
| 148 | 148/3-13 | The Branch Manager, Bank of India, Gandhinagar towards payment of 25% subsidy under USEP of SJSRY to 3 beneficiary | 75000 |
| 149 | 149/3-13 | The Branch Manager, Bank of Maharastra, Vijayawada towards payment of 25% subsidy under USEP of SJSRY to 2 beneficiary | 31250 |
| 150 | 150/3-13 | The Branch Manager, Andhra Bank, Wholesale Commercial Complex, VJA towards payment of 25% subsidy under USEP of SJSRY to 2 beneficiary | 100000 |
| 151 | 151/3-13 | The Branch Manager, Andhra Bank, Vijaywada towards payment of 25% subsidy | 100000 |

| | | | |
|-----|----------|--|--------|
| | | under USEP of SJSRY to 2 beneficiary | |
| 152 | 152/3-13 | The Branch Manager, Andhra Bank, Machavaram, VJA towards payment of 25% subsidy under USEP of SJSRY to 6 beneficiary | 150000 |
| 153 | 153/3-13 | The Branch Manager, Andhra Bank, Gunadala, VJA towards payment of 25% subsidy under USEP of SJSRY to 1 beneficiary | 50000 |
| 154 | 154/3-13 | M/s. CMC Ltd., Hyderabad towards payment of 50% of training cost in 3 rd instalment for 4 batches under RYK for the year 2011-12 | 405017 |
| 155 | 155/3-13 | Pay to IT | 45003 |
| 156 | 156/3-13 | M/s. AP E&C Edn. Development Society., Hyderabad towards payment of 50% of training cost in 3 rd instalment for 8 batches under RYK for the year 2011-12 | 875475 |
| 157 | 157/3-13 | Pay to IT | 97275 |
| 158 | 158/3-13 | M/s. APITCO., Hyderabad towards payment of 50% of training cost in 3 rd instalment for 5 batches under RYK for the year 2011-12 | 538470 |
| 159 | 159/3-13 | Pay to IT | 59830 |
| 160 | 160/3-13 | M/s. Reddy's Foundation., Hyderabad towards payment of 50% of training cost in 3 rd instalment for 2 batches under RYK for the year 2011-12 | 59830 |
| 161 | 161/3-13 | Pay to IT | 96429 |
| 162 | 162/3-13 | M/s. Syncoroserve Global Solutions Pvt. Ltd., Hyderabad towards payment of 50% of training cost in 3 rd instalment for 1 batches under RYK for the year 2011-12 | 53633 |
| 163 | 163/3-13 | Pay to IT | 5959 |
| 164 | 164/3-13 | M/s. Data Pro Computers Pvt. Ltd., Visakhapatnam towards payment of 50% of training cost in 3 rd instalment for 2 batches under RYK for the year 2011-12 | 205875 |
| 165 | 165/3-13 | Pay to IT | 22875 |
| 166 | 166/3-13 | M/s. Satyam Computer Education., Warangal towards payment of 25% of | 38950 |

| | | | |
|-----|----------|---|----------|
| | | training cost in 1st instalment for 1 batches under RYK for the year 2012-13 | |
| 167 | 167/3-13 | Pay to IT | 4750 |
| 168 | 168/3-13 | M/s.Care Technologies, RR District towards payment of 25% of training cost in 1st instalment for 1 batches under RYK for the year 2012-13 | 28700 |
| 169 | 169/3-13 | Pay to IT | 3500 |
| 170 | 170/3-13 | M/s. Data Pro Computers, Visakhapatnam towards payment of 25% of training cost in 1st instalment for 1 batches under RYK for the year 2012-13 | 23575 |
| 171 | 171/3-13 | Pay to IT | 2875 |
| 172 | 172/3-13 | M/s. AP E&C Edn. Dev. Society, Hyderabad towards payment of 25% of training cost in 1st instalment for 4 batches under RYK for the year 2012-13 | 193162 |
| 173 | 173/3-13 | Pay to IT | 24863 |
| 174 | 174/3-13 | M/s.Lakshmi Edn. Socieity, Hyderabad towards payment of 25% of training cost in 1st instalment for 1 batches under RYK for the year 2012-13 | 17320 |
| 175 | 175/3-13 | Pay to IT | 2280 |
| 176 | 176/3-13 | M/s. SKYLARK Infra Pvt Ltd., Hyderabad towards payment of 25% of training cost in 1st instalment for 2 batches under RYK for the year 2012-13 | 73600 |
| 177 | 177/3-13 | Pay to IT | 9600 |
| | | Total: | 18960559 |

PARA NO.75

CODE NO.11

NFDB SCHEME:

NON-PRODUCTION OF RECORDS – NEEDS EARLY ACTION: - Rs. 2657912

During the course of audit, it is observed that, the NFSB scheme cash book the following vouchers were shown but the connected files, M.Books, Estimates, Agreements, Tender files,

Vouchers, Challans etc., were not produced to audit for verification. Hence, the entire amount for the year financial year 2012-13 is held under objection.

| S.No. | Vr.No./Dt. | Name of the work | Amount involved |
|-------|------------|--|-----------------|
| 1 | 1/ 4-12 | Payment towards providing arrangement grills around the fish market building at New RR Pet in 52 nd Divn. | 306191 |
| 2 | 2/4-12 | Pay to IT | 7333 |
| 3 | 3/ 4-12 | Pay to IT on QC | 219 |
| 4 | 4/4-12 | Pay to VAT | 13095 |
| 5 | 5/4-12 | Pay to QC | 1909 |
| 6 | 6/4-12 | Pay to LC | 3274 |
| 7 | 7/4-12 | Payment made to Construction of Retail fish market and internal CC drains cold storage cum watchman room at Durgapuram at 43 rd Divn. | 687000 |
| 8 | 8/4-12 | Pay to IT | 17201 |
| 9 | 9/4-12 | Pay to QC on IT | 514 |
| 10 | 10/4-12 | Pay to VAT | 30716 |
| 11 | 11/4-12 | Pay to QC | 4477 |
| 12 | 12/4-12 | Pay to LC | 7679 |
| 13 | 13/4-12 | Providing water supply arrangements for fish market in near RR Pet in 52 nd Divn. | 86404 |
| 14 | 14/4-12 | Pay to IT | 1726 |
| 15 | 15/4-12 | Pay to IT on QC | 52 |
| 16 | 16/4-12 | Pay to VAT | 3081 |
| 17 | 17/4-12 | Pay to QC | 449 |
| 18 | 18/4-12 | Pay to LC | 770 |
| 19 | 19/4-12 | Construction of Compound wall to retail fish market in Singhnagar excess plant in 56 Divn. | 517000 |
| 20 | 20/4-12 | Pay to IT | 12971 |
| 21 | 21/4-12 | Pay to IT on QC | 388 |

| | | | |
|----|---------|---|---------|
| 22 | 22/4-12 | Pay to VAT | 23162 |
| 23 | 23/4-12 | Pay to QC | 3376 |
| 24 | 24/4-12 | Pay to LC | 5791 |
| 25 | 25/4-12 | Construction of fish market compound wall (balance portion in new RR Pet in 52 nd Divn. | 421162 |
| 26 | 26/4-12 | Pay to IT | 10213 |
| 27 | 27/4-12 | Pay to QC on IT | 305 |
| 28 | 28/4-12 | Pay to QC | 2658 |
| 29 | 29/5-12 | Pay to VAT | 18237 |
| 30 | 30/5-12 | Pay to LC | 4559 |
| 31 | 31/6-12 | Construction of Fish market toilets, watchman shed internal drain to Praksah nagar in 57 th Divn. | 466000 |
| | | TOTAL: | 2657912 |

PARA NO.76

CODE NO.9

DOUBLE ENTRY ACCRUAL BASED ACCOUNT SYSTEM – (DEABAS)
REGISTERS & FORMS PRESCRIBED UNDER DOUBLE ENTRY ACCRUAL BASED
ACCOUNT SYSTEM NOT MAINTAINED & FURNISHED – NEEDS ACTION

For the operation of accounts in the DEABAS the specific books of accounts, forms and register to be maintained at various section of the ULB are defined in the AP Municipal Accounts manual. But the same were not maintained in this corporation and furnished to audit to verify the basic entries made in the Books of accounts.

| Sl.No | Name of Register/ Form | Form Number prescribed in APMAM |
|-------|------------------------|---------------------------------|
| 1. | Receipt Voucher | GEN-4 |
| 2. | Contra Voucher | GEN-6 |
| 3. | Journal Voucher | GEN-7 |
| 4. | Receipt Register | GEN-9 |

| | | |
|-----|---|--------|
| 5. | Statement on Status of Cheques received | GEN-10 |
| 6. | Collection Register | GEN-11 |
| 7. | Summary of Daily Collection | GEN12 |
| 8. | Register of Bills for payment | GEN-13 |
| 9. | Payment Order | GEN-14 |
| 10. | Cheque Issue Register | GEN-15 |
| 11. | Register of Advance | GEN-16 |
| 12. | Register of Permanent Advance | GEN-17 |
| 13. | Deposit Register | GEN-18 |
| 14. | Summary Statement of Deposit Adjusted | GEN-19 |
| 15. | Demand Register | GEN-20 |
| 16. | Notice/ Bill | GEN-21 |
| 17. | Summary Statement of bills raised | GEN-22 |
| 18. | Register of Notice Fee, warrant Fee, Other Fee | GEN-23 |
| 19. | Summary statement of Notice Fee, warrant fee, Other Fee | GEN-24 |
| 20. | Register of Refunds, remissions & write offs. | GEN-25 |
| 21. | Summary statement of refund & Remissions | GEN-26 |
| 22. | Summary Statement of write off | GEN-27 |
| 23. | Statement of outstanding liability for expense | GEN-28 |
| 24. | Document control Register/ Stock Account of Receipt / Cheque Book | GEN-29 |
| 25. | Register of immovable property | GEN-30 |
| 26. | Register of Movable Property | GEN-31 |
| 27. | Register of Lands | GEN-32 |
| 28. | Function wise Income subsidiary Ledger | GEN-33 |
| 29. | Function wise expense subsidiary ledger | GEN-34 |
| 30. | Asset Replacement Register | GEN-35 |
| 31. | Register of Public lighting system | GEN-36 |

PARA NO.77

CODE NO-11

TOWN PLANNING – NON PRODUCTION OF BUILDING APPLICATIONS AND ENCROACHMENTS AND OTHERS RECORDS – NEEDS IMMEDIATE ACTION. :

As verified from the Annual Account for the year 2012-13 an amount of Rs. 69317906/- was shown as the receipt towards building application fee and Rs. 883542/- towards betterment charges as per section 622(II) of HMC Act 1955 r/w Sec 7 of VMC Act in 1979. But the connected registers and files were not produced to audit. In the absence of the

same the monthly and yearly abstracts and the amounts shown in the annual account could not to be verified in audit.

Due to non production of the records in Town Planning Section the correctness of the collections made and balance left cannot be ascertained in audit. The loss if any sustained due to this omission would need to be made good from the person or persons responsible and credited to Municipal Corporation funds under intimation to this department without fail.

- In Vijayawada Municipal Corporation around 3452 building applications files, only 25 files were produced to audit. Hence the maintenance and production of records is very poor in corporation.
- The lists of encroachments in the municipal area was not got prepared by the municipal outdoor staff / Building inspector and verified by the Commissioner. The encroachments were not got classified as objectionable or non objectionable by the municipal commissioner and got approved by the Municipal Corporation and the District Collector all the objectionable encroachments should be removed and the unobjectionable encroachments licensed under Section 193 of the Municipal Act, 1965, duly collecting the requisite fee.
- Town Planning Assets Register.
- Due to Non production of layout register there is a chance for disposal of layouts.

There is every chance for fraud and misappropriation of funds. As stated in Rules 5 and 6 of the State Audit Rules framed under State Audit Act 1989, the Executive authority is responsible for preparing and production of Annual Accounts and produce records for audit. The failure of the Executive authority in discharging the above function defeated the very purpose of audit and thereby there is chance for fraud and misappropriation of the funds of the institution. The loss if any, in this regard would need to be recovered from the person or persons responsible and make good to VMC Funds.

PARA NO.78

CODE NO-11

PROPERTY TAX- DEMAND REGISTER NOT PRODUCED.

The Property Tax Demand Register for the year 2012-13, challan registers and monthly list registers were not produced to audit. In the absence of the same the ward wise final abstract of the property tax Demand collection and balance could not be verified in audit. As verified from the Annual account for the year 2012-13 an amount of Rs.718583825.96- was shown as receipts .But the said figure could not be verified due to non production of demand register.

The loss if any, in this regard would need to be recovered from the person or persons responsible and make good to VMC Funds.

PARA NO.79

CODE NO-11

VACANT LAND TAX- DEMAND REGISTER NOT PRODUCED

The Vacant Land Tax demand register for the year 2012-13 was not produced to audit. In the absence of the same the ward- wise and final abstract of the Vacant Land Tax demand collection and balance could not be verified in audit. As verified from the Annual Account for the year 2012-13 an amount of Rs.48370113/-was shown as receipts. But it is very much peculiar to note that VLT Collection shown as Nil in the Corporation. But the correct figure of VLT Collection could not be verified in audit due to non-production of records.

The loss if any, in this regard would need to be recovered from the person or persons responsible and make good to VMC Funds.

PARA NO.80

CODE NO-11

WATER TAX METER DEMAND-METER FUNCTIONING REGISTER - NEW TAP COMPLETION REPORTS NOT - PRODUCED .

The water tax demand register under meters during the year 2012-13 was not produced for verification in audit .The meter functioning registers which was maintained by the tap inspector and the completion reports of the new connections given in the year2012-2013 was also not produced for verification from the tap inspector. In the absence of the same the connection demand collection and balance under meters could not be verified. Any loss in this regard may be recovered from the person or persons responsible.

PARA NO.81

CODE NO-11

EXCESS WATER CHARGES - WATER METER CARDS - NOT PRODUCED

The water meter cards file of this Municipal Corporation for the year 2012-13 was not produced to audit. Therefore the correctness of the date of installation of meters consumption, records and date of disconnection, the charges for water utilization etc, could not be verified in the audit.

In the absence of the above, correctness of demand could not be verified in audit. Necessary steps would need to be taken to maintain the meter cards files and produce to next audit.

PARA NO.82

CODE NO-11

CASH FLOW STATEMENTS - NOT FURNISHED AND APPENDED TO THE BOOKS OF ACCOUNTS PRODUCED TO AUDIT.

As per the guidelines issued under Double entry system, all MCB's shall prepare a statement of cash flows apart from Income and expenditure, Receipts and payments statements and balance sheet.

Cash flow statement is prepared in order to have information about the cash flows of the MC which are useful in providing the users of Financial statements with a basis to assess the ability of the ULB to generate cash and cash equivalents and the needs of the ULB to utilize those cash flows.

But the same was not furnished and appended to the Books of accounts produced to audit. Action would need to be taken to produce the same to audit.

PARA NO.83

CODE NO-11

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

During the course of audit, the challans pertaining to the license fee (D&O Trades) for the year 2012-13 were not produced to audit for verification. Due to the non production of the challans, the correctness of the entries in the chitta could not be verified in audit. Action would need to be taken to produce the challans for verification in audit.

PARA NO.84

CODE NO-11

ENCROACHMENTS AND ADVERTISEMENT TAX ARREAR DEMAND REGISTERS

NOT PRODUCED-- The encroachments and advertisement tax arrear demand registers for the year 2012-13 were not produced to audit for verification. In the absence of the same, the year wise balances of encroachments and advertisement tax collected could not be verified in audit. Therefore the genuiness of the outstanding bills pending collection of the above taxes could not be verified in audit. The loss if any sustained in this regard would need to be recovered from the person or persons responsible.

PARA NO.85

CODE NO-11

D & O TRADE LICENCE FEE- MONTHLY LISTS FROM OUT DOOR STAFF -NOT PRODUCED.

The monthly lists of D & O trades license fees additions and deletions if any for the year 2012-13 from the out door staff were not . obtained and produced for verification in audit. In the absence of the same ,the correctness of the licence fees demand arrived could not be verified in audit. The loss if any sustained in this regard would need to be made good from the person or persons responsible and credited to municipal corporation funds. The monthly lists from the out door staff would need to be obtained and produced to audit

D&O TRADES DEMAND REGISTER NOT MAINTAINED -NEEDS ACTION

As verified from the Annual Account for the year 2012-13. The D&O Trade demand register is to be prepared duly conducting survey by field staff every year for additions and deletions to arrive at demand. But no such effort was made to fix the demand for issue of licences and for proper watch of the collection as per the rated prescribed in the notification. The Health section is not maintaining manually any registers or other records regarding Demand, collection and Balance of D&O Trade license Fees.

The Health Section is not observing other requirements to issue a Trade License, like Application Form, NOC from neighbours, Property tax receipt, etc.,

In the absence of adequate records are being maintained by the Health Section of Corporation it is difficult to ascertain the loss of revenue due to non - renewal of license fees, or non payment by new establishment.

Further collection register was also not maintained to verify the correctness of the collections made as per Section 521 of HMC Act. The licenses has to be issued on receipt of the prescribed fee before February of the preceding year, otherwise penalty @25% up to 60 days 50% beyond 60days has to be levied. It could not be understood how the traders were allowed to go ahead with their activities without paying the license fee, Hence early action would need to be taken to recover the balance amount and take necessary steps to maintain the above registers.

D &O Trades demand register was not maintained by the Health Section. As the DCB was not maintained it is not possible to tally the same with the Annual Account figures. In the absence of the DCB we are unable to verify the amount receivable by VMC, they are only collecting the amount voluntarily paid by the shop keepers.

ADVERTISEMENT TAX - DEMAND REGISTER NOT MAINTAINED PROPERLY.

As observed during audit advertisement demand register for the year 2012-13 was not produced. Hence the correctness of the demand could not be verified as per notification. The loss if any in this regard many be recovered from the persons responsible.

1. details of advertisement.
2. size of advertisement.
3. rate of advertisement.
4. encroachment fee.

5. advertisement tax.

PARA NO.88

CODE NO-11

HOUSE PLAN APPLICATIONS NOT PRODUCED-SCOPE OF DEVIATION IN CONSTRUCTION AND CORRECTNESS OF PROPERTY TAX COULD NOT BE VERIFIED: IRREGULAR

As verified from the monthly registers relating to the Municipal Corporation, the list of houses modernized or newly constructed was not produced. The building applications relating to the same were not produced in audit. Due to which the deviations in construction if any could not be verified. Whether the revenue inspectors have pointed out any deviations they have found in their jurisdiction could not be verified as dairy of their tour was not produced.

Hence, steps would need to be taken to produce the building applications to audit. The loss if any caused due to this irregularity would need to be made good from the person or persons responsible.

PARA NO.89

CODE NO-11

M.D.R. MISCELLANEOUS DEMAND REGISTER FOR NON TAXES LIKE i.e RENTS ON SHOPPING COMPLEXES, COMMUNITY HALLS AND KALYANA MANDAPAS NOT PRODUCED: IRREGULAR:-

During the course of audit on the accounts of MC Vijayawada for the year 2012-13, as per the receipt & payment account it is noticed that, the following amounts were received and incurred from miscellaneous demand register like , rents on shopping complexes, community halls and kalayanamandapams etc..., but even several half- margin letters issued to municipal authorities no records were produced like M.D.R., statements to audit . Hence the correctness of the funds received and expenditure incurred could not be verified in audit. Therefore any loss sustained in the regard would need to be recovered from the person or persons responsible.

| Sl.No. | Particulars | Income | Expenditure |
|--------|---|----------|----------------------------------|
| 01 | Market and Shopping Complexes (Rents from Civic amenities) | 68647691 | 248188 |
| 02 | Private (Rents from Office Buildings) | 234390 | 222717 73536(Other Buildings) |
| 03 | Parks | 6603747 | 187094 |

PARA NO.90**CODE NO-11****VACANCY REMISSION REGISTER NOT PRODUCED.**

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

(i). The building should be vacant and for a considerable period of 30 days or more days in the half year.

(ii). There should be a notice of vacancy from the owner either in that half year or in the proceeding half year indicating the period of vacancy.

(iii)there should be a demand for remission of tax either in that half year or in the succeeding half year

(iv)The amount of remission shall be proportional to the period of vacancy and it shall not exceed half of the amount of tax.

Hence the above register would need to be written up and produce to audit early for verification whether the above conditions are fulfilled

PARA NO.91**CODE NO-11****WATER TAX - ARREAR DEMAND REGISTER AND OUTSTANDING BILLS NOT PRODUCED.**

As per the rule the arrear and current demand registers, year wise meter water tax demand should be fixed and the new connections if any the same should be raised and collections made from by receipts D.D. cheque, E-sevas should be posted in the connected register. The balance should be struck up. The Collections should be followed with receipts of the Municipality.

In the absence of the register the collections made could not be verified and certified in audit. The out standing bills were also not made available for verification. Due to afore side reasons if any financial irregularities were noticed later, the loss sustained to the Municipal funds would need to be made good from the persons responsible under intimation to audit.

PARA NO.92**CODE NO-11****NON EXCHANGE OF INFORMATION BETWEEN TOWN PLANNING AND REVENUE SECTION:**

The Revenue Wing of the VMC did not have access to the Building Approvals plans from the town Planning wing as there was no system to furnish copies of approvals by the

Town planning Wing to the Revenue Wing for monitoring of the buildings and asses it under PT in accordance with the details therein. The Revenue wing similarly did not follow the procedure to bring to the notice of the Town Planning Wing in respect of buildings that have been constructed unauthorized for taking further necessary action. Details of visits made by the Building inspectors for verification of the status of the buildings for which permissions were given were not forthcoming in audit. The U.C. Registers maintained showing the details of the notices given for the deviations noticed and the unauthorized constructions against which action was taken were not produced to assess the work of the town planning wing of the ULB.

PARA NO.93

CODE NO-11

REGISTER OF DISTRAINTS NOT PRODUCED

The Register of Distraints not produced to Audit. 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) schedule II of the act and disposed off as per rule 15 and 16. Therefore the loss sustained to the Municipal funds would need to be to be made good from the persons responsible under intimation to audit.

PARA NO.94

CODE NO-11

TAXES OUT STANDING BILLS NOT VERIFIED DUE TO NON -PRODUCTION OF PROVISIONAL ARREAR DEMAND REGISTERS

According to the instructions issued in Lr. no 5481/88 as 18-2-1988 of the directors of municipal administration Andhra Pradesh, Hyderabad and Lr. rc no 3123/A2/88 as 27-5-1988 of the director of state audit ,the Commissioner should prepare provisional arrear demand register at the end of each year for the un collected bills and produce the same for audit for verification of outstanding bills. But the provisional arrear demand register along with collection registers of all taxes were not produced to audit . in the absence of the same it is not possible to verify the out standing bills. Action would need to be taken to get the provisional arrear demand registers written up and produced to audit along with the collection registers for verification of out standing bills to prevent the possible defalcations in tax collection. The arrear collections shown in the D.C.B statement could not be verified in the audit due to the above reasons. In the absence of the same if any loss sustained in future could need to be recovered from the person or persons responsible.

PARA NO.95**CODE NO-11**

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

1. 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 this regard was followed or not could not be verified in audit and the genuineness of the transactions could not also be certified in audit.
1. Investments of sum 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 and certificate or bank receipts or other evidence in suppos of investments were available and that in cases where the securities were held by the accounts General, the amounts were traceable in the list published by him in the Gazette.
2. Interests due have been realized on the due dates and credited to the accounts.
3. Investments made out of earmarked funds have been re invested if the amount was not required for expenditure.
4. In the case of investments written off by sale or otherwise the amounts of sale proceeds have been duly credited in the accounts or if the sale was by transfer of investments it is supported by proper vouchers.
5. Investments have not been disposed of except for 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 and loss if any sustained to the Municipal funds in this regard and necessary action would need to be initiated against the concerned.

PARA NO.96**CODE NO-11**

PROVIDENT FUND DEPOSITS RECEIVED-CONNECTED REGISTERS NOT PRODUCED. Rs. 76478318.84

As verified from the Receipts and Payments statement for the year 2012-13, it is observed that the following amounts received towards deposits under Provident Fund

receipts. But the connected registers, records and files were not produced to audit for verification.

Orders were issued in G.O.Ms.No.670 MA&UD(L3) Dept., dt.5.11.2003 permission was accorded to all municipalities/Municipal Corporations in the state for payment of 7% interest per annum on CDF accumulations of municipal employees and municipal corporation employees in the state. After investment the provident fund collections in securities that yield a return of more than 12%.

In the changed scenario of reduced rate of interest on GPF by Govt. Of India, the government in suspension of the orders in G.O.Ms.No.670 MA&UD (L3) Dept., dt.5.11.2003, directed all the commissioners of all municipalities corporation to obtain from all the municipal employees as to whether their PF subscription shall be kept in General funds or be invested / deposited on the post offices/ Govt. Securities/Govt. guaranteed securities in the following pattern.

- 1) Govt. Securities 50%
- 2) State/Central Govt. 25% guaranteed securities
- 3) NSS and other small 25% savings investments (if allowed).

It was also ordered there in that if NAS investments is not allowed, it may be invested in AAA rated boards of PSVS and FIS. Govt., also ordered for allowing the rate of interest on the GPF subscription based on the option exercised by the Municipal employees as follows:-

- a) In case of Municipal Employees opted for investment depositing their GPF subscription in Post offices/Nationalized banks/Govt. Floated loans, the rate of interest that accrued in the investments or deposits made shall only be allowed.
- b) In case of Municipal employees opted for keeping their subscription in general funds of the respective municipal council/corporations they shall be allowed the prevailing rate of interest as fixed by the Govt., from time to time on the GPF subscriptions of the Govt. Servants.

In spite of repeated requisitions made by issuing Half-Margin letters, the Executive authorities have not evinced any interest to cause production of records. Therefore the amounts is held under objection.

Receipts:

3502001 = Rs.76442208.84 - GPF

3502002 =Rs. 36110.00 - GPF

76478318.84

Due to Non production of records any loss sustained to Corporation Funds the same would need to be recovered from the person or persons responsible.

PARA NO.97.**CODE NO-11****MOBILE CHARGES -CONNECTED REGISTERS ,FILES NOT PRODUCED .RS 930496=00**

As verified from annual account rs. 930496/- were drawn towards Mobile Charges against the vouchers during the year 2012-13..As per GO.NO 291 IT &communication department dt 27-9-2009 where in the expenditure was limited to 625/- per connection per month .But the cell phone charges paid limited to Rs 625/- or Excess paid not known in audit . Cell phone bills above the ceiling amount paid to Officers and other ineligible persons -excess amount needs to be recovered from officers and other employees. As such the correctness of Mobile charges paid could not be verified in audit. There fore the loss or excess payment in this regard could not be ascertained in audit due to non production of relevant records. Hence the said amount is held under objection and brought to the notice of the authority concerned for taking necessary action in the matter.

| S.No. | Mobile Charges | Remarks |
|-------|----------------|--|
| 1 | Rs.930496.00 | Whether the excess paid more than Rs.625/ was not recovered (or) not. |

PARA NO.98.**CODE NO-11****REGISTER OF ADVANCES NOT PRODUCED : rs.71604495/-**

As verified from annual account it is noticed that amount of rs 71604495 Advances were drawn and paid to the Employees of Municipal Corporation Vijayawada for the year 2012-13. But the connected Advances Registers and files were not produced to audit. In the absence of the same, the correctness of advances sanctioned and recovered from the pay bills of the employees during the year under audit could not be verified.

PARA NO.99**CODE NO-11**

ADVERTISEMENT TAX , TEMPORARY STRUCTURES, PERMANENT
STRUCTURES, HOARDINGS – DEMAND, COLLECTION , BLANCE REGISTER
ALONG WITH CONNECTED FILES NOT PRODUCED.

The municipal corporation should prepare the demand register for advertisement tax on temporary structures hoardings, slides in cinema theatres maintained as on first April and further demand should be fixed for the above items by way of monthly list of concerned field staff and fix the tax as per notification and collect the tax.

The aforesaid register along with the connected files were not made available for verification. in the absence of these records the collection shown could not be verified and certified in audit. It could also not be verified

In audit whether the prescribed procedure was followed or not.

- 1) That the rates levied are in accordance with the rates specified or not.
- 2) That the collection of tax on advertisements
- 3) That the tax was collected at 1/2th of every month and if any advertisement was erected for less than a month full month rates was collected (Rule;7)since the rate of the tax is an annual basis.
- 4) That the advertisements were approved by the commissions and whether erected after approval. (Rule4)
- 5) That in addition to this tax , fees or rent for using the land of the municipal corporation was charged.
- 6) Whether if any person failed to pay the tax, the advertisement was removed and the charges there of are recovered from him/her (Rule9)

Due to non-production of the relevant files and records it could not be verified in audit whether the procedure prescribed in this regard as above was followed or not .

If any financial irregularities are noticed later in this regard the loss sustained to the municipal funds would need to be made good from the person (s) responsible.

PARA NO.100.

CODE NO-11

PETTY CASH BOOK - NOT PRODUCED

The petty cash book for the year 2012-13 of Municipal Corporation Vijayawada was not produced to audit. In the absence of the same the payment made from time to time should be entered in the disbursement side in chronological order and a number should be attested to each payment consequently not verified in audit in the last of every month a memo will be prepared in the register showing the details of payments and the undisbursed cash. The undisbursed cash at the end of each month should be refunded into treasury could not be verified in audit .

Early action would need to be taken to produce the above register for verification in audit.

PARA NO.101

CODE NO-11

CHITTAS , CHALLANS REGISTER AND REMITTENCE CHALLANS NOT PRODUCED

Chitta is the Main Register in respect of the ULB, whether it is tax revenue or Non tax revenue, further the amounts so received are remitted to the treasury through challans and the challans are entered in to the challan Register. But the chitta Challan register and remittance challans were not produced to the Audit. In the absence of which the correctness of total receipts received by the ULB whether the received amount were remitted to the treasury account or not, whether the amounts were remitted without delay or, not could not be ascertained in Audit. There is every scope for misappropriation and it is highly irregular. Therefore early action would need to be taken to produce to the Audit.

PARA NO.102

CODE NO-7

**CHEQUE BOUNCE CASES: LOSS OF REVENUE IF ANY , TO BE MADE GOOD
Rs.476451**

During the course of audit on the accounts of VMC for 2012-13, it is found that there are cheques which are bounced to the tune of rs.476451/-

Hence the revenue loss if any, in this regard should be made good under intimation to audit.

PARA NO.103

CODE NO-11

MISCELLANEOUS RECEIPTS- NOT PRODUCED NEEDS ACTION

Receipts of the ULB other than Property tax, Water Tax are received through MRs. But the Miscellaneous Receipt books for the 2012-13 were not produced to audit for verification. Therefore the correctness of collection of other receipts of ULBs could not be verified in audit. Loss if any sustained in this regard needs to be made good from the person/ persons responsible.

PARA NO.104

CODE NO-11

TELEPHONE CHARGES - CONNECTED REGISTERS-FILES NOT PRODUCED:-rs.2053728

As verified from the annual account, the amount. rs.2053728. was incurred towards Telephone Charges during the year 2012-2013. In this connection the connected records and files were not produced to audit. As such the correctness of Telephone charges paid could not be verified in audit. Hence the said amount is held under objection and brought to the notice of authority concerned for taking necessary action in the matter.

PARA NO.105

CODE NO-11

**INTERNETCHARGES PAID-CONNECTED FILES REGISTERS NOT PRODUCED:-
rs.839497**

As verified from the account, the amount rs. 839497.was incurred towards, Internet charges during the year 2012-2013. In this connection the connected records & files were not produced to audit. As such the correctness of Internet Charges paid could not be verified in audit. Hence the said amount is held under objection and brought to the notice of authority concerned for taking necessary action in the matter.

PARA NO.106

CODE NO-11

NON - PRODUCTION OF RECORDS - OAP RECORDS NOT PRODUCED

As per the guidelines of the OAP Scheme, the unspent amount of every month shall be refunded to the Grant releasing authority by 8th of succeeding month. But the records of the Municipal Corporation were not produced to audit.

Thus the delay if any in refund of undisbursed amount from the distribution staff and further delay in refund to the same to the PD, DRDA is not known. The loss if any caused in this regard would need to be made good from the person or persons responsible.

PARA NO.107

CODE NO-11

**NON PRODUCTION OF RECORDS LEGAL CHARGES KHATA EXTRACT NOT
PRODUCED:- rs.731592**

As verified from the annual account during for the year 2012-13, it is observed that amount rs. 731592 was drawn and paid to the advocates but the payees acknowledgement were not furnished to audit. Khata extracts are not produced to audit. In the absence of the same the correctness of legal charges paid could not be verified and any loss sustained to corporation funds the same would need to be recovered from person or persons responsible.

PARA NO.108

CODE NO-11

MONEY VALUE FORMS STOCK REGISTER NOT PRODUCED

The Money Value forms stock register for the year 2012-13 was not produced. In the absence of the same the opening balance, Money Value forms received, utilized during the year balance as on 31-3-2013 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 persons responsible and remitted to Municipal funds under intimation to audit.

PARA NO.109

CODE NO-11

CHEQUE COUNTERFOILS PERTAINING TO DRAWALS MADE UNDER GENERAL, SECONDARY EDUCATION AND ALL SCHEME FUNDS NOT PRODUCED.

During the course of audit, it was noticed that the cheque counterfoils pertaining to drawals made under General, Elementary Education, Secondary Education and all the Scheme funds during the year under report were not made available in spite of half margin letters issued to the authority concerned.

Due to non-production of the cheque counterfoils pertaining to drawals made under all funds including scheme funds relating to the accounts shown in the annual account during the year under report. The cheque amounts shown could only be verified with reference to connected pass books but the correctness of the amounts exhibited in cash books and relevant pass books could not be certified without verification of cheque counterfoils.

If any financial irregularities were noticed in future pertaining to above funds the loss sustained to the funds would need to be made good from the persons responsible.

PARA NO.110

CODE NO-11

ESTABLISHMENT AUDIT REGISTERS NOT PRODUCED

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

Due to non-production Service registers, and others in VMC the following observations could not be made in audit.

1. That any excess over the sanctioned scale appeared in any month or of the whole period under audit and all excesses over the sanctioned monthly scale have been satisfactorily explained.
2. That the orders sanctioning the establishment have been noted in all cases and the amount entered to the sanctioned scale columns authenticated by the initials of the manager or executive authority.

3. That all the alterations in the scale column have also been initiated by the manager or the executive authority and the dates from which they taken effect have been in invariably noted.
4. The pensionary contribution if any as well as house rents and fixed contingencies drawn along with pay have been properly posted in the audit registers.
5. That 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 written pay bills are passed for payment.

PARA NO.111

CODE NO-11

PROVIDENT FUND-CONNECTED REGISTERS NOT PRODUCED

The provident fund cash book and passbook and connected registers for the year 2012-13 were not produced to audit for verification. In the absence of the same the correctness of the PF subscriptions recovered from the salary bill of the employees and part final with drawls sanctioned to the employees and PF ledger showing the PF balances in the employees individual account, and sanction of advances could not be verified in audit. Early action would need to be taken to produce the following registers to audit.

1. PF Cash Book
2. PF Pass Book
3. Provident Fund Advance Recoverable Register
4. Provident Fund Part Final with Drawal Register
5. Provident Fund Subscription Register
6. Provident Fund Ledger.

PARA NO.112

CODE NO-11

PROVIDENT FUND WITHDRAWALS MADE – CONNECTED REGISTERS NOT PRODUCED.
Rs.38703112-00

As verified from the Receipts and Payments statement for the year 2012-13, it is observed that the following withdrawals made towards Provident Fund under payment side. But the connected registers, records and files were not produced to audit for verification.

In spite of repeated requisitions made by issuing Half-Margin letters, the Executive authorities have not evinced any interest to cause production of records. Therefore the amounts is held under objection.

Due to Non production of records any loss sustained to Corporation Funds the same would need to be recovered from the person or persons responsible.

| | |
|--------|-------------|
| GPF | 38700952.00 |
| GPF | 2160.00 |
| Total: | 38703112.00 |

PARA NO.113**CODE NO-10****REGISTER OF PAY BILL RECOVERIES NOT PRODUCED**

The register of pay bill recoveries for the year 2012-13 was not produced for verification in audit. In the absence of the same the amounts recovered from the pay bills under various heads were not known and also whether the amounts recovered were credited to concerned heads were also not known.

Hence the register of pay bills recoveries should be written up and produced for verification in audit.

Balance if any un-remitted amounts recovered from pay bills should be remitted immediately to the concerned head of accounts.

PARA NO.114**CODE NO-11****MEDICAL REIMBURSEMENT PAID CONNECTED RECORDS NOT PRODUCED:RS.395665/-**

As verified from the Receipt and Payments Account for the year 2012-13 it is observed that the Medical reimbursement paid shown under payments side with Rs.395665.00. But the connected records, files were not produced to audit to verify the correctness of Expenditure incurred .Early action would need to be taken to produce the records files to audit.

PARA NO.115**CODENO-11****PHYSICALLY HANDICAPPED ALLOWANCE PAID CONNECTED PARTICULAR NOT PRODUCED. RS._8856-00**

As verified from the Receipt and Payments Account for the year 2012-13 it is observed that the physically handicapped allowance paid to the PH employees, but the connected files records were not produced to audit to verify how many Physically Handicapped employees in VMC and the PH allowance paid yearly could not be verified. The

loss if any sustained to the Municipal Corporation would need to be recovered from the person responsible.

PARA NO.116

CODE NO-11

**PROFESSION TAX - CONNECTED RECORDS, CHALLANS FILES NOT PRODUCED:
RS. 4293706/-**

The Profession Tax recovered rs. 4293706.30/-from the salaries of the employees of Municipal Corporation Vijayawada for the year 2012-13, and connected challans, files, records were not produced to audit. In the absence of the same the correctness of the remittance could not be verified in audit. Therefore early action would need to be taken to produce to audit.

PARA NO.117

CODE NO-11

PENSIONS - CONNECTED RECORDS FILES NOT PRODUCED RS. 192440961-00

As verified from the following vouchers for the year 2012-13. It is observed that Rs. 192440961-00 was spent for Pensions, Commutation, Gratuity paid relating to VMC employees but the connected records and files were not produced to audit. In the absence of the same it could not be verified the correctness of the expenditure incurred. Action would need to be taken to produce the records to audit.

PARA NO.118

CODE NO-10

**NON - GOVT. DEDUCTION - BANK LOAN RECOVERY CONNECTED RECORDS
NOT PRODUCED RS. 19463609-00**

As verified from the annual account it is observed that the Co - Operative Bank recovery rs. 1,94,63,609/-was recovered from the VMC Employees salary bills but the connected recovery particulars and connected records were not produced to audit. In the absence of the same it could not be verified the correctness of the remittance particulars. Action would need to be taken to produce the records to audit.

PARA NO.119

CODE NO-10

**NON GOVERNMENT DEDUCTIONS - COURT RECOVERY CONNECTED RECORDS
FILES NOT PRODUCED RS.1980860-00**

As verified from the annual account it is observed that the court recovery deducted from the employees of Municipal Corporation Vijayawada for the year 2012-13 rs-1980860/- But the connected remittance particulars files records were not produced to audit. In the absence of the same it could not be verified the correctness of remittance. Action would need to be taken to produce the same to audit.

| S.No. | Particulars | Amount |
|-------|----------------------------|------------|
| 1 | Court Recovery | 1673754-00 |
| 2 | Other Employees Deductions | 307106-00 |
| | Total | 1980860-00 |

PARA NO.120

CODE NO-9

REGISTER OF LIBRARY CESS NOT MAINTAINED

(A) As per G.O.Ms No 68 dt.12.9.2009, under Section 85(2) of the AP, Municipality Act read with Section 20 of Andhra Pradesh Libraries Act 1960, the Municipal Council is required to levy and collect the amount of Library Cess @ 8 paisa for every rupee on the property Tax collected and transfer the same to Zilla Grandhalaya Samstha (ZGS) concerned to provide library service to public. The register of library Cess was not maintained in this municipality. As such it could not be known how much the amount was pending to remit to ZGS towards library cess in audit. The executive authority would need to work out and arrive at the remitted Library Cess which was pending prior to 26-10-2009 and same would need to be remitted to ZGS early.

(B) Government issued orders vide GO. No 122 Education (PE Prog.I) Department Dt:26.10.2009 para 5 of (II) directing of Library Cess @ 8 percent on property tax collected, at e-seva center level and remit the same to City/ZillaGrandhalayaSamstha (ZGS) concerned through e-seva. However it was observed from the copies of statements furnished by Administrative Officer, e-seva Vijayawada that library cess was not collected at the rate prescribed by Government i.e @ 8 percent. The executive authorities would need to take good steps to collect library cess as per Government norms.

PARA NO.121

CODE NO-11

**MAINTENANCE OF PUBLIC TOILETS – NON-PRODUCTION OF RECORDS FILES
RS.1608286-00**

As verified from the annual account rs 1608286 was incurred for the maintenance of public toilets of Municipal Corporation Vijayawada for 2012-13. But the connected registers, files, records were not produced to audit to verify the correctness of the expenditure incurred. In the absence of the same the loss if any sustained to the corporation funds the same would need to be recovered from the person or persons responsible.

PARA NO.122**CODE NO-11**

HONORORIUM OF SITTING FEE TO CORPORATORS AND HONORORIUM TO OTHERS IN CODE NO 2101009 AND 2101010 FOR Rs. 11316385 and 383368/- AND FURTHER CODE NO. 2208001 AND 2208002 HONORORIUM TO CHAIRMAN AND COUNSLLERS AND HONORORIUM TO OTHERS SPECIFY TWO HEADS.

Rs.12620898-00

As verified from the Receipts and Payments Accounts for the year 2012-13. it is observed that the Honorarium was booked in two Major Heads as detailed below.

210 Establishment Expenditure

Code No. 2101009 – Honorarium of Sitting fee to Corporators Rs.11316385/-
Code No. 2101010- Honorarium to Others Rs.383368/-

220 Administrative Expenditure

Code No. 2208001 -Honorarium Fee to Chairman and Corporators Rs.12000/-
Code No. 2208002 - Honorarium to Others Rs.909145/-

But the above Expenditure Specific heads details were not produced to audit to verify the expenditure . Action would need to be taken to produce the details.

PARA NO.123**CODE NO-11****DAIRIES OF SANITARY INSPECTORS NOT PRODUCED**

The Dairies of Sanitary Inspectors which show their daily performance i.e., whether they inspected the sanitary conditions of the areas to which they were allotted or not, whether they found any new establishments of D&O trade or not were not produced in audit. It is the duty of Sanitary Inspector to inspect the D&O traders and impose fines if they find any cases in which the certain reasons were not taken to cleanliness of food item, or necessary disposal of dump they produce. The same need to be mentioned in their dairies and should be got approved by the Commissioner. The Commissioner in turn would have to take necessary steps in this regard. But it was not clear whether they imposed any fines or seized any of the trades as the Diaries of Sanitary Inspectors were not produced in audit. Hence certain enquiries should be made by higher authorities in this matter to see that the dairies of sanitary inspectors be maintained regularly without fail.

PARA NO.124**CODE NO-11****VEHICLE DISPOSAL REGISTER – NOT PRODUCED**

While conducting the audit on Municipal Corporation of Vijayawada for the year 2012-13 it is observed that the vehicle disposal register was not produced. A list of disposed vehicles should be noted in this register in order to verify the need of disposal of these vehicles and the hiring of new vehicles. Hence, the steps would need to be taken to see that

the register is maintained properly. The loss if any caused due to such non-maintenance would need to be made good from the person / persons responsible.

PARA NO.125

CODE NO-11

VEHICLES REGISTER – NOT PRODUCED

Municipal Corporation maintains vehicles like water tankers, tractors, trucks, rickshaws and cars etc. A list of such vehicle should be noted in a register in order to verify the expenses on fuel and repairs that have been done. It could not be verified in audit whether the repairs are done only for these vehicles or not. Hence, the steps would need to be taken to see that the register is maintained properly.

PARA NO.126

CODE NO-11

LOG BOOKS RELATING TO THE VEHICLES OWNED BY THE CORPORATION NOT PRODUCED

While conducting the Audit of Vijayawada Municipal Corporation, for the year 2012-13, the log books were not produced to audit. In the absence of the same the correctness of expenditure could not be verified. Hence, early action would need to be taken to produce the log books to audit. The loss if any caused due to such non - production would need to be made good from the person or persons responsible.

PARA NO.127

CODE NO-11

DAIRY OF BUILDING INSPECTORS AND BUILDING OFFICERS WERE NOT PRODUCED

While conducting the audit on the accounts of Municipal Corporation, the diaries of the building inspectors and building officers were not produced to audit. It is the duty of the field officers to maintain their diaries and get them approved by the concerned authorities. But the said officers failed to produce their dairies in audit. In the absence of which their performance could not be verified. There is a possibility that the buildings might be constructed irregularly or without following approved plans and there is also chance for encroachment of the land in their jurisdiction.

Hence, steps would need to be taken to maintain the dairies. The loss if any caused due to this irregularity would need to be made good from the person or persons responsible.

PARA NO.128

CODE NO-11

STOCK – ACCOUNTS OF STORES, STATIONERY, PUBLIC WORKS AND WATER WORKS AND OTHER MISCELLANEOUS ARTICLES – NOT PRODUCED.

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

- (i) that the issues were in accordance with the scale, if any prescribed.
- (ii) That articles were not stocked largely in excess of requirements and
- (iii) that the stock of paper and other stationery articles has been verified and the fact certified in the register at the end of every quarter by the executive authority.

(b) Stock Account of forms

- (1) That the entries of receipt were in agreement with the invoices received from central press or the government press or bills from the press in the case of locally

PARA NO.129

CODE NO-11

FUEL – FUEL CHARGES FOR MUNICIPAL CORPORATION VEHICLES AND POWER GENERATORS LOG BOOKS NOT PRODUCED. Rs.4,36,29,207.

As could be verified from the annual account for the year 2012-13 of Vijayawada Municipal Corporation, huge amount of rs.43629207 was incurred towards fuel charges for corporation vehicles and power generators. But the log books relating to the same were not produced to audit to verify the correctness of the expenditure incurred.

Details of every trip and mileage of the vehicles and power and working hours of generators should be recorded in relevant log books as per rules. But the municipal authorities have failed to do so which might lead to loss to the corporation funds.

PARA NO.130

CODE NO-11

NON-PRODUCTION OF RECORDS WATER SUPPLY – WATER TANKER – HIRE CHARGES RS;54229739

As verified from the annual account amount rs5,42,29,739/-was incurred towards water tanker Hire charges during the year 2012-13. In this connection the connected records files, trip-sheets were not produced to audit. In the absence of the same the correctness of expenditure incurred could not be verified in audit. Hence the said amount is held under objection and brought to the notice of the concerned authority.

PARA NO.131

CODE NO-11

FOOD ADULTERATION REGISTER NOT PRODUCED

The Food Adulteration register during the year 2012-13 was not produced for verification in audit .This is an important register from public health point of view and in the absence of the same it may be deemed as non observance and the consequence may be critical ,Immediate steps may be taken in this regards and facts shall be intimated to audit.

PARA NO.132

CODE NO-11

LICENCE FEES REGISTER NOT PRODUCED

Original-Demand additions/Deletions during the year, connected files were not produced for audit .License fee demand register ,Licence fee arrear demand register were also not produced to audit connected files regarding new licenses if any issued or licenses

which were seized/ closed were not produced to audit in this regard the correctness or the loss if any to the Municipal funds could not be verified.

PARA NO.133.

CODE NO-11

GRANT -IN-AID-PASS BOOKS NOT PRODUCED

- a. JNNURM
- c. Rajiv Pallebata
- d. Pavalavaddi
- e. Rajiv Awas Yojana
- f. Fish Development Board
- g. S J S R Y
- h. M P LADS
- i. Disaster Reduction Programme

N.F.D.B

- j 12th Finance commission

- h 13th Finance Commission

Hence the correctness of the Grant released and utilization was not verified in audit. Therefore any loss sustained in this regard would need to be recovered from the person or persons responsible.

PARA NO.134.

CODE NO-11

ACDP AND CDP FUNDS -CONNECTED RECORDS NOT PRODUCED Rs. 21434886/-

As verified from annual account, a sum of rs.21434886/-was spent towards the ACDP and CDP funds , and it is observed that the connected registers and files were not produced to audit .The Cash books, Pass books, Bank statements relating to ACDP and CDP funds were not produced to audit. In the absence of the same it could not be verified the correctness of the expenditure incurred. Therefore action would need to be taken to produce the records to audit. Hence the amount is held under objection.

PARA NO.135.

CODE NO-9

PAID VOUCHERS - 'RESOLUTION' NUMBER WAS NOT NOTED ON THE PAID VOUCHERS :

As verified from the paid vouchers for the year 2012-13, it was noticed that the 'Resolution' number was noted on the vouchers. In the absence of the same, the fact of obtaining the council resolution for the payment made could not be verified in audit. Action may be taken for noting the council resolution number and date for every paid voucher in future.

PARA NO.136

CODE NO-11

**EXPENDITURE INCURRED TOWARDS MUNICIPAL CORPORATION REFUND OF
ELECTIONS DEPOSITS CONNECT ED FILES NOT PRODUCED:- RS.428383-00**

As verified from the annual account for the year 2012-13 amount rs.428383/- Was incurred towards Refund of elections Deposits for the Municipal Corporation Vijayawada. In this connection the particulars of Deposits of Elections for conducting of Elections and the connected records were not produced in audit. In the absence of the same the correctness of expenditure incurred could not be verified in audit. Hence the said amount is held under objection and brought to the notice of the concerned authority.

PARA NO.137

CODE NO-18

USAGE OF FLEX IN MUNICIPAL CORPORATION CERTAIN RECOMMENDATIONS

Plastic usage has become a menace its rate of bio-degradation is much less comparatively which results in health hazards like acute central nerves effect dizziness and headache to name a few flex with the introduction of vinyl printing there is wide spread usage of vinyl posters for political and personal propaganda its commercial advertisement in a irregular haphazard manner, obstructing vision creating traffic problems and due to poor disposal creating environmental problems increasing the burden on municipal staff for cleaning the garbage.

In view of the above, there is every need to discourage the usage of thesee vinyl poster through certain nominal fees to regulate the vinyl printing posters .

PARA NO.138

CODE NO-16

NON-SUBMISSION OF UTILIZATION CERTIFICATES

According to act 211 (A) (2) of the Andhra Pradesh financial code vol-1 it is the responsibility of the grant receiving authority to furnish UCs to the grant releasing authority. The utilization certificates would need to be furnished to the District Audit Officer, state audit Machilipatnam, in the proforma prescribed for counter signature. But the utilization certificates for none of the accounts were furnished to audit for verification.

PARA NO.139.

CODE NO-18

WORKS- EXECUTION OF WORKS-CONNECTED GUIDELINES FOR ANY SCHEME AGREEMENTS AND FILE COMPLETION REPORTS INSPECTION REPORTS OF QUALITY CONTROL DEPARTMENT ON WORKS ETC(ALL SCHEME FUNDS AND GENERAL FUND WORKS)ALONG WITH GRANT.PROCEEDING ALL SCHEMES NOT PRODUCED IRREGULARITIES IF ANY

NOTICED AND LOSS SUSTAINED WOULD NEED TO BE MADE GOOD FROM THE CONCERNED REMITTED TO MUNICIPAL RELAVANT FUNDS.

During the course of audit regarding execution of works both in general funds and scheme funds the connected agreements along with files guidelines of many of the scheme, 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 record ,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 2012-13.
- 2) Number of departmental works pending completion as on 1-4-2012 regarding general and all the scheme works (scheme wise)
- 3) Number of departmental works pending completion as on 31-3-2013(general and all scheme funds)
- 4) Advances pending as on 1-4-2012 both general and all schemes funds.
- 5) Out standing advances ,advances pending as on 31-3-2013 both general and scheme funds
- 6) Whether proper identifying system for issue of material to the works not exceeding the theoretical requirements as worked out in the estimates were followed(both general and schemes)
- 7) Measurement, detailed designs, estimates, completion reports(as per para no.173 of A.P.P.W.D code, article 181 of A.P financial code vol no.-1and paras 216-218 of A.P.P.W.D code and M.books paras 290-292 of A.P.P.W.D code and articles 171-174 of the A.P.F.C vol-1 (general and all schemes) .
- 8) Whether material were issued after approval of the competent authority and duly acknowledged (general and all scheme funds.).
- 9) Whether material at the site account is maintained (general and all scheme funds.).
- 10) Whether the utilization of the material in the works based on the measurements recorded and check measured properly(general and all schemes)
- 11) Whether the material left after utilization returned to the stores duly acknowledged (general and all scheme funds) (cement, steel sand, gravel, HBT metal etc complete on information and material stock issued and balance).

Whether the labour required were engaged on tender system or through department personal only(general and all schemes)

Whether the nominal muster rolls maintained for the labour (general and all scheme funds)

Correctness of the payments made to the labour is to be paid partly cash and partly food grains(general and all schemes)

In case of purchases of material/machinery required for execution of the works whether the procedure prescribed was followed.

Whether reasons for execution of the works departmentally were recorded by the competent authority.

Whether works executed at rates not more than estimated rates.

Whether material and labour components work out with reference to the standard data.

Whether deviation if any-deviation statements

Quality control measures connected details.

Others –Technical persons engaged-connected details.

General and schemes-achievement of object of all schemes whether in accordance with the guidelines framed regarding connected schemes

NMRS-total man days scheme wise for all the schemes.

Diversion of scheme funds, if any details.

Connected lead statements of all the works executed under general and schemes.

Material sufficiency certificates for all the works executed under general and schemes

Revision of estimates, approval and technical sanction of the competent-authority

Whether the quarries are approved as per survey of Report.

REGARDING TENDER SYSTEM

In the 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 municipal corporation whether maintained.
- 2) Whether agreement was concluded by the competent authority after the finalization of the contract.
- 3) Whether the advances were paid for the works early to contractors-connected details.
- 4) Whether the bills supported by the necessary documents such as vouchers along with measurements books for the material produced by the contractor section sheets etc
- 5) Whether such of the items of the works check measured without any conditions were only billed
- 6) Whether additional quantities of already existing items of work in the agreements are billed as per the preliminary specifications

- 7) Whether the cost of the material Departmentally supplied to the contractor recovered in the bill if not whether recovery of such material effected at the rates mentioned vide para 332 of the A.P.P.W.A code.
- 8) Whether hire charges of machinery supplied to the contractor recovered from him
- 9) Whether fines/penalties if any imposed, recovered from the contractor.
- 10) Whether all the statutory deductions are effected from the work bills.
- 11) Whether in case of work entrusted on nominations basis, the payment should be at estimated rates
- 12) Quality control measures and its reports
- 13) Advance outstanding of all funds general and all schemes as on 1-4-2009 and 31-3-2010(complete information)
- 14) In case of final bills, the release and discharge certificate and a certificate in full and final settlement of all demands should be furnished and income tax clearance certification also.
- 15) Whether the objects with which the works has been executed or achieved and whether fruits are enjoyed by the public.
- 16) N.M.R'S total man days for each work and each scheme pertaining to all the schemes
- 17) Higher specification if any
- 18) Inflation of estimated rates.
- 19) Adhoc estimate 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 notification
- 23) Deviation from standard conditions.
- 24) Non-encashment of bank guarantees of contractors who abandoned the works details
- 25) Diversion of funds(general funds to scheme funds and from scheme funds to general funds).

PARA NO.140

CODE NO-18

IRREGULAR CALCULATIOIN OF DEPRECIATION MANUAL INSTRUCTION NOT FOLLOWED -NEEDS RECTIFICATION.

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

a) MIS-CLASSIFICATIONS.

DEABAS was introduced in the Urban local bodies from the year 2012-13 and the work was entrusted to private auditors who were new to municipal accounts. The account was also prepared based on single entry cash book. Instances of misclassification are many and some of the misclassification may have material effect in reflecting the true and fair view of the accounts

b) VARIATION IN ACCOUNT FIGURES- MIS CLASSIFICATION OF THE DIFFERENT HEADS- NEEDS RECTIFICATION.

While comparing the figures entered in the receipt & payment statement in annual account the following amounts were shown in "OTHERS" head during the year 2012 13 resulting in variation of account figure in annual account as detailed below.

| S.No. | Account Code | Amount entered as Receipt | Head of Account entered |
|-------|--------------|---------------------------|-----------------------------------|
| | General Fund | | |
| 01 | 1601011 | 240000-00 | Other Grants |
| 02 | 1603011 | 9058527-00 | Other Contributions |
| 03 | 1806006 | 36300899-00 | Others |
| 04 | 3502058 | 6079874-00 | Other Recoveries from contractors |
| 05 | 3202023 | 400917204-00 | Others |
| 06 | 3501206 | 418658-00 | Others |
| 07 | 3202023 | 139545466-00 | Others |
| 08 | 3501206 | 215468-00 | Others |
| 09 | 2208000 | 380334-00 | Others |

| S.No | Account Code | Amount entered as Expenditure | Head of Account entered |
|------|--------------|-------------------------------|-------------------------|
| | General Fund | | |
| 01 | 2208000 | 2182515-00 | Others |
| 02 | 2303008 | 3220405-00 | „ |
| 03 | 2305121 | 13220-00 | „ |
| 04 | 2502011 | 9753-00 | „ |

| | | | |
|----|---------|------------|---|
| 05 | 2503011 | 20926-00 | ” |
| 06 | 3201011 | 1729519-00 | ” |
| 07 | 3202023 | 28445-00 | ” |
| 08 | 4101006 | 670000-00 | ” |
| 09 | 4308000 | 3433208-00 | ” |
| 10 | 4803000 | 41160-00 | ” |

PARA NO.142

CODE NO-18

TOOLS AND PLANT REGISTERS, ARITCLES NOT ACCOUNTED FOR AND OTHER DEFECTS:-

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

1. That the register contains a complete record of tools furniture etc as mentioned in the note under the heading of the register.
2. That all tools and plant, like stock etc purchased during the year according to payment vouchers have been shown in the register.
3. That the purchase of tools and plant like stock or and sales if any there of as being unserviceable have been made with competent authority.
4. That credits are traceable in the accounts for all sale proceeds of unserviceable tools etc.
5. That the certificate has been furnished by the executive authority or other responsible officer as to the actual verification of the balance on hand.
6. That separate registers or separate sets of pages in a register were set apart for recording tools and plant in various subordinate institutions.
7. That the value of tools and plant found short at the time of verification was recovered from the concerned.
8. That articles of tools and plant found was in excess at the time of verification were brought to account and
9. That the balance of stock at the end of the year has been entered in a fresh register.

PARA NO.143

CODE NO-18

REGISTER OF WORKS NOT PRODUCED:-

Due to non-production of this register, the following observation could not be made i.e whether the 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.

PARA NO.144.

CODE NO-11

SCHEDULE OF RATES NOT PRODUCED

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

- (i) That the schedule has been duly sanctioned by the corporation for adoption every year.
- (ii) That all subsequent alteration or new entries of rates have been duly approved by the corporation and authenticated by the initials of the executive authority.
- (iii) That the schedule provided for rates for collection and carriage of metal on different roads in the Municipal Corporation.

PARA NO.145.

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 and certificate with a brief entry of the name of the work, the number and amount of each bill or certificate.

PARA NO.146.

CODE NO-11

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 within 30 days from the date of completion or occupation whichever is earlier.

(II) If that date falls within 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.

PARA NO.147.

CODE NO-11

REGISTER OF WARRENTS (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 distraints of the property. If the tax was not paid within 15days of the date of service of the notice, warrant may be issued for distraints of the property.

PARA NO.148

CODE NO-11

REGISTER OF AUCTIONS NOT PRODUCED

The register pertaining to unserviceable articles (furniture etc) old new papers, book unserviceable works material etc was not made available for verification the audit that whether the said unserviceable articles etc were auctioned or not, similarly auction of other items like fish ponds, trees, compost yard and aseelu collection etc was not pointed out in audit.

PARA NO.149.

CODE NO-18

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

It appears that while making data entry and creating vouchers many items were booked under the head "others" either due to lack of understanding at data entry level or because of the complexity involved in deciphering the correct classification of the expenditure as per the Chart of Accounts prescribed by the APMAM.

PARA NO.150.

CODE NO-18

GIS - defects

During the year 2012-13 verification of Group Insurance Scheme registers and employees service registers the following defects were noticed.

1. Group Insurance subscription details not recorded in the Service register of the employee.
2. Change of group under group insurance subscription not entered in the service register of the employee.

3. Year wise entries not found in the service register of the employee.
4. Nomination forms are not pasted in the service register of the employee.

Above defects may be rectified and recorded the Group Insurance Subscription details in the Service Register of the employee properly.

PARA NO.151.

CODE NO-18

GROUP INSURANCE SCHEME DELAY IN REMITTANCE RS.2297176/-

As verified from the Group Insurance files and records rs. 2297176/- was the GIS recovered from the salaries of the Municipal Employees for the year 2012-13, it is observed that the recovered amount remitted to the concerned head was delayed. Therefore early action would need to be taken to remit the amount with in the stipulated time as per rules.

PARA NO.152.

CODE NO-18

L.I.C DELAY IN REMITTANCE . RS.51954361/-

As verified from the L.I.C files and records for the year 2012-13 . rs.51954361/-was recovered from the salaries of the Employees of Municipal Corporation, Vijayawada for the year 2012-13. It is observed that the L.I.C recovered amount remitted to the L.I.C office was delayed. Therefore early action would need to be taken to remit the amount with in the stipulated time as per rule.

PARA NO.153

CODE NO-11

SOME OTHER MATERIAL OBSERVATIONS

- As verified from the Schedules enclosed to the 'Income and Expenditure statement', it was noticed that the amounts relating to the 'previous year' were not furnished.
- As verified from the Schedules enclosed to the 'Balance Sheet', it was noticed that the details of 'additions' and 'deletions' during the year 2012-13 were not furnished.
- Statement of cash flows (a summary of ULBs cash flow for the period from 1-4-2012 to 31-3-2013) was not furnished.
- Financial performance indicators were not furnished.
- Financial ratios were not calculated and produced.

PARA NO.154.

CODE NO-11

TOWN PLANNING -REGISTER OF TDR BONDS NOT PRODUCED-SECURITY MEASURES NOT FOLLOWED IN ISSUING TDR BONDS-NEEDS STRICT INSTRUCTIONS-

As per GO.MS No.168, MA &UD(M) department, Rule No 17 says, Grant of Transferable Development Right(TDR). As verified from the building applications, it was noticed that, the Municipal Corporation awarded the TDR Bonds in obedience of the said Government Order. But , the register of TDR bonds not furnished in audit. On verification of Building Applications having TDR Bonds, it was identified that, whether the executive authorities could follow the security measures as detailed below or not was unable to identified in audit.

- (i): Security measures such as procedure of printing, confidential measures etc.
- (ii): For preparing of the Bonds, calling tenders/quotations or any other following methods etc
- (iii): The details whether the signatures of the Competent / issuing authority duly taken on each and every Bond or not
- (iv) and other mandatory measures

The authorities concerned were not responding to the audit party for the above procedural lapses. For non- producing of the said records, the loss caused, if any, held responsible and may strictly instruct to follow the security measures while preparing the Bonds.

PARA NO.155.

Code No.11

ELEMENTARY EDUCATION- COURT RECOVERIES MADE- ACKNOWLEDGMENTS NOT PRODUCED;rs.433608

During the audit on the accounts of VMC for 2012-13, it is observed that recoveries have been made to a sum of rs.433608,s towards court recoveries in Elementary education section, but no acknowledgment has been produced towards their remittance. And it is observed that the recovered amount remittance to the concerned head was delayed. Therefore early action would need to be taken to remit the amount with in the stipulated time as per rules and produce acknowledgment for audit verification.

PARA NO.156.

Code No.11

ELEMENTARY EDUCATION- LIC RECOVERIES MADE- ACKNOWLEDGMENTS NOT PRODUCED Rs.777871;

During the audit on the accounts of VMC for 2012-13, it is observed that recoveries have been made to a sum of rs7,77,871. towards LIC in Elementary education section, but no acknowledgment has been produced towards their remittance. And it is observed that the recovered amount remittance to the concerned head was delayed. Therefore early action would need to be taken to remit the amount with in the stipulated time as per rules and produce acknowledgment for audit verification.

PARA NO.157.

Code No.11

ELEMENTARY EDUCATION- CASH BOOK IMPROPER MAINTENANCE

During the audit on the accounts of VMC for 2012-13, it is observed that the Feb-2013 month salary for SGT teachers has been drawn in Vr No-1317-1535 in march.2013. , noted in cash book at pg no-180. But it is noticed that, there are no authorised signatures, from accounts section, or VMC side. Hence, it is not clear whether the amounts are drawn or not. Early action would need to be taken to rectify this error and submit to audit for verification.

PARA NO.158.

Code No.11

ELEMENTARY EDUCATION- EMPLOYEES COOPERATIVE SOCIETY RECOVERIES MADE-ACKNOWLEDGMENTS NOT PRODUCED;rs.4561520

During the audit on the accounts of VMC for 2012-13, it is observed that recoveries have been made to a sum of rs45,61,520 towards subscription to employees cooperative society in Elementary education section, but no acknowledgment has been produced towards their remittance. And it is observed that the recovered amount remittance to the concerned head was delayed. Therefore early action would need to be taken to remit the amount with in the stipulated time as per rules and produce acknowledgment for audit verification..

PARA- 159

CODE NO.11

**CONTRIBUTARY PENSION SCHEME AMOUNT NOT SHOWN IN ANNUAL ACCOUNT
NEEDS RECTIFICATION**

As verified from the annual Account for the year 2012-2013 it is observed that Contributory Pension Scheme amount deducted from the salary of the Employees was Not shown under Receipt and Expenditure side..As per G.O.Ms.No.655 Finance(Planning-I)department Dated:22-05-2004 C P S @ 10% on Basic pay +DA should be recovered from the employee's salary and remitted to CPS Scheme . The connected CPS remittance particulars files registers were not produced to audit to FOR VERIFICATION. . In the absence of the same the correctness of recovery as well as remittance particulars of CPS could not be verified in audit. Therefore early action would need to be taken to produce the records to audit and to incorporate the CPS figure in Annual Account.

Para - 160

code-11

Recovery of HRA from those Who are residing in the Municipal Quarters details not known in audit.

As verified from the Annual Account for the year 2012-2013 it is observed that no amount was shown as HRA under Receipt side for the Municipal quarters. The connected

pay bill registers files were not produced to audit . In the absence of the same the recovery of H R A from the Salary of those who are provided Municipal Quarters, as per F.R.45(A) @10% on the Basic pay , could not verified in the Audit. In the absence of the above, the loss if any sustained would need to be made good to corporation funds under intimation to Audit

Para- 161

Code No.11

COMPUTERISATION OF PROPERTY TAX- RECORDS PRIOR TO COMPUTERISATION NOT MADE AVAILABE TO AUDIT – CORRECTNESS OF ARREAR DEMAND COULD NOT BE ARRIVED – NEEDS ACTION:

On verification of Property tax computer generated Arrear Demand Register it was noticed that the computerization of A.D.R has taken place from 1983-84 on wards and the same were furnished to audit. But due to non production of Original Manual Arrear Demand Registers of Property tax prior to 1983-84 it could not be ascertained that all the demand pertaining to Property tax has been taken to computers or not. If any assessment or assessments were omitted in the process of computerization to that extent corporation may incur loss. Hence the manual Arrear Demand Register prior to 1983-84 would need to be produced to audit to verify to correctness of the Demand.

Para-162

code-11

SERVICE TAX- DETAILS OF PAYMENT OF SERVICE TAX – NOT FURNISHED – NEEDS ACTION

Every person, providing any of the specified taxable service to pay service tax, service tax being an indirect tax , its burden is to be borne by the person who receives services but it is to be collected and paid to govt exchequer by service provider.

As per the section 65(105) of the financial act 1994, renting of immovable property is taxable at the rates as detailed below.

| | Rate of tax |
|-------------------------------------|-------------|
| Service tax | 10% |
| Education. cess | 2% on st |
| Secondary and higher education cess | 1% on st |

On verification of the annual account for the year 2013-14 an aggregate amount of Rs.36,10,40,767/- was received as rents / leases of immovable property such as shopping complex, markets lands etc., but the lesser amount of Rs.167348 was collected as service tax .Service tax is mandatory to be paid the total value of service provided by service provider / exceeds 10 lakhs rupees.

In spite of half margin letter issued during the course of audit concerned file and registers maintained by the corporation were not produced to audit. In the absence of the non production of particulars relating to service tax, how much of amount collected

and paid during the year under audit was not known to audit. Hence an early action would need to be taken to workout the service tax as per the sec 65(105) of the financial act 1994 and remitted to concerned head of account to avoid the penal interest under section 76 of the act and intimate to the audit.

Result of Audit

The General result of audit may be considered as not satisfactory.

GROSS RECEIPTS AND CHARGES:-

The Gross Receipts and charges for the year 2012-13 as per the annual account

| Name of the Fund | Receipts rs. | Payments rs. |
|------------------------|---------------|---------------|
| Municipal General Fund | 2711909455.08 | 2614791207.78 |
| Capital Project Fund | 969473720.94 | 693548578.00 |
| Total | 3681383176.02 | 3308339785.78 |

Pending Audit Objections

A total no of _____ objections involving an amount of Rs. _____

Pending Settlement as detailed below

| Year | No.Of Objections | Amount Rs. |
|---------|------------------|-------------|
| 1981-82 | 94 | 2,741,901 |
| 1982-83 | 177 | 2,697,984 |
| 1983-84 | 251 | 1,630,811 |
| 1984-85 | 92 | 4,541,120 |
| 1985-86 | 77 | 4,426,709 |
| 1986-87 | 82 | 4,271,985 |
| 1987-88 | 84 | 24,265,673 |
| 1988-89 | 92 | 3,127,448 |
| 1989-90 | 77 | 33,140 |
| 1990-91 | 92 | 2,775,987 |
| 1991-92 | 86 | 4,662,252 |
| 1992-93 | 78 | 2,041,973 |
| 1993-94 | 70 | 455,623 |
| 1994-95 | 129 | 41,535,868 |
| 1995-96 | 113 | 34,011,350 |
| 1996-97 | 153 | 121,618,790 |
| 1997-98 | 153 | 140,274,498 |
| 1998-99 | 119 | 150,475,905 |
| 1999-2K | 22 | 391,069,411 |
| 2000-01 | 124 | 75,776,617 |

| | | |
|-------------|------|----------------|
| 2001-02 | 22 | 1,439,472,179 |
| 2002-03 | 55 | 1,089,986,094 |
| 2003-04 | 167 | 350,917,978 |
| 2004-05 | 45 | 438,124,081 |
| 2005-06 | 73 | 930,161,283 |
| 2009-10 | 137 | 24,86,74,903 |
| Total | 2664 | 550,97,71,563 |
| 2010-11 | | |
| 2011-12 | | |
| 2012-13 | 116 | 796125342 |
| Grand Total | 2780 | 6,30,58,96,905 |

Sd/-
REGIONAL DEPUTY DIRECTOR
STATE AUDIT, ZONE-II, ELURU.

gj

-/- T.C.F.B.O/-

gj *81* *STATE AUDIT DIRECTOR*
STATE AUDIT DIRECTOR, ZONE-II, ELURU