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**DRAFT AUDIT REPORT
ON THE ACCOUNTS OF
PALAKONDA
NAGARA PANCHAYAT,
SRIKAKULAM DISTRICT
FOR THE YEAR 2015-16**

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Submitted,

The Draft Audit Report on the accounts of Palakonda Nagara Panchayath, Srikakulam District for the year 2015-16 is submitted herewith along with the following enclosures for kind consideration and approval please.

- 1) DCB Statements for the year 2015-16
- 2) Audit report for the year 2015-16
- 3) Draft forwarding Letter
- 4) Draft Special Letter
- 5) Work statements

Name of the Auditors : 1) Sri.k.Rammohan Rao,SA
Assistance : 2) Sri.P.Jagga Rao,SA
3) Smt.Praveena.B, SA

Date of audit : 25-7-2016 to 29-7-2016
8-8-2016 to 18-8-2016

DISTRICT AUDIT OFFICER

A.A.O. (I/C)

SA1 SA2 SA3

GOVERNMENT OF ANDHRA PRADESH
STATE AUDIT DEPARTMENT

From

Sri D.D.G. Mullar.,
District Audit Officer,
State Audit,
Srikakulam.

To

Commissioner,
Palakonda Nagarpanchayat,
Palakonda Mandal,
Srikakulam.

S.A. No 2 Dt. 5-11-2016

Sir,

I am to forward herewith the Audit Report on the accounts of Palakonda Nagarpanchayat, Srikakulam District for the Year 2015-16 and request that the replies to the Audit Report in triplicate together with the resolution of the council duly approving the replies, may be sent within 2 months from the date of receipt of this the Audit Report for onward transmission to the Secretary to Government, Municipal Administration, Andhra Pradesh, Hyderabad.

Yours faithfully,

**DISTRICT AUDIT OFFICER,
STATE AUDIT: SRIKAKULAM.**

A.A.O.I/C

SA1 SA2 SA3

Encl: Audit Report for 2015-16

AUDIT REPORT ON THE ACCOUNTS OF PALAKONDA NAGARPANCHAYAT
FOR THE YEAR 2015-16

01) Name of the Auditor : 1) Sri.k.Rammohan Rao,SA
Assistance 2) Sri.P.Jagga Rao,SA
3) Smt.Praveena.B, SA

Time taken for audit : 25-7-2016 to 29-7-2016
8-8-2016 to 18-8-2016

The office of the Executive authority was held by the following persons during the year under report

1. **B.Ramu** 1-4-15 to 31-3-16
Commissioner
Palakonda Nagar Panchayat

The Office of the Special Officer was held by the following persons during the Year under report:

Palla Vijaya Nirmala 1-4-15 to 31-3-16

GENERAL FINANCIAL REVIEW AND BUDGET:

The Opening Balance in the Cash Book is agreement with the closing Balance of the previous year. The closing balances of 001 & 002 Cash Books as on 31-03-2016 is Rs 14336862-00 is in agreement with the consolidated closing balance of various funds as per abstracts of account for March,2016 and is also in agreement with the consolidated closing balance in the Treasury and Bank pass Books after allowing for the uncashed cheques and unremitted revenue on hand at the close of the year subject to the following reconciliation. The annual account for the year 2015-16 is appended herewith.

i) GENERAL ACCOUNT CLOSING BALANCE AS ON 31-3-2016:

001	Rs 11570465-00
002	Rs 2766397-00
Total	Rs.14336862-00

Code No.1

VARIATION BETWEEN 001 GENERAL FUND CASH BOOK AND TREASURY PASS BOOK-NEEDS RECONCILIATION.

During the course of audit for the year 2015-16, on cross verification of 001 General Fund cash book with pass book, it is noticed that an amount of Rs.381121-00 was showing variation as detailed below.

Opening balance as per cash book	17776905-23
Receipts during the year 2015-16	7128961-00
Total	24905866-23
Expenditure during the year 2015-16	13335401-00
Closing balance as per cash book	11570465-23
Closing balance as per pass book	11189344-23
Variation between cash book and Pass book.	381121-00

But, the reasons for variation were not explained to audit. In the absence of the reconciliation, the cases of misappropriations and Defalcations could not be ascertained in audit.

Hence, action would need to be taken to rectify the defects And reconcile the cash book with pass book and produced to audit for

Verification. The loss if any caused in the matter would need to be Made good from the person or persons responsible.

03) BUDGET:

Under section 126 and 127 of A.P Municipalities ACT,1965 and according to rule 8 of rules deal with preparation of Budget, allotments and transfer of funds, issued in G.O.Ms.No.36 MA Dt.7-10-1970 and G.O.Ms.No.740 M.A Dt. 12-12-1977, the budget as approved by the council, should be submitted to the Government through the District Collector and Director of Municipal Administration by 31st December by every year. But the approved budget for the year 2014-15 was not produced to audit for verification.

Code-17

04)NON COMPLIANCE OF PENDING AUDIT OBJECTIONS – PRECEEDING YEARS – NEEDS EARLY ACTION:

The replies to the audit reports for the years up to **2014-15** together with the resolution of the standing committee for finance have not been sent to the Commissioner of Municipal Administration through the Director of State Audit, AP., Hyderabad as instructed by the Government in Memo.No.442/Accts.III/62-2, P&LA Department dt.2.4.1962 read with Govt.Memo.Roc.No.546/Accts.III/62-2, P&LA Department dt.3.5.1962. the records do not reveal the observance of the above orders. The progress of settlement of the audit objections during the year 2014-15 was slow/not much satisfactory as defects pointed out in objections involving an amount of Rs. As shown below are pending settlement at the close of preceding years up to 2014-15. Early action may be taken to settle the audit objections.

Sl. No.	Year	No. of objections	Amount involved (in Lakhs)
01	2005-06	53	20,41,544
02	2006-07	55	30,58,563
03	2007-08	86	43,06,560
04	2008-09	108	51,37,810
05	2009-10	76	9,09,368
06	2010-11	70	14,78,305
07	2011-12	Issued seperately	
08	2012-13	Issued seperately	
09	2013-14	Issued seperately	
10	2014-15	67	31,89,162
	TOTAL	515	2,01,21,312

Code : 7

05) CURRENT YEAR TAXES AND NON-TAXES - PENDING COLLECTION -

NEEDS EARLY ACTION:

The demand fixed collections made and the balances left over at the end of the year under report in respect of taxes and non-taxes are given below.

Sl. No.	Item of revenue	Demand	Collection	Written Off	Balance
01	Property tax	108,54,000	52,66,000		55,88,000
02	Water tax	14,49,000	8,78,000		5,71,000
03	Shop Rooms Rents	45,50,000	10,61,000		34,89,000
04	Daily Market	8,51,000	7,99,000		52,000
	TOTAL	17704000	8004000		9700000

Non collection of Taxes for an amounting Rs.97,00,000.00 will deteriorate the financial position of the institution and hampers the developmental activities in the municipal area. The warrants issued against the defaulters also not produced to audit.

Hence, action would need to be taken to collect the balances of taxes and non-taxes by taking coercive steps under the act with penal interest etc., for the delay in payment.

**06) HUGE BALANCES OF ARREARS OF TAXES PENDING COLLECTION -
NEEDS EARLY ACTION: Rs.61,59,000.00**

The arrear demand of taxes/non-taxes collections made and the balances left over at the end of the financial year under report are detailed below.

Sl. No.	Item of Revenue	Demand	Collection	Written off	Balance
1	Property tax	108,54,000	52,66,000		55,88,000
2	Water Tax	14,49,000	8,78,000		5,71,000
	Total Rs.	12303000	6144000		6159000

But the action taken for realization of the above arrear balances not put forth to audit. If the action as enunciated in the AP Municipal Act was not initiated for collection within the stipulated time, the amounts would be barred by limitation of time and constitutes huge loss to the funds of the institution.

Hence, early action would need to be taken to collect the balances of taxes and non-taxes by taking coercive steps under the Municipal Act with penal interest etc., for the delay in payment.

(Code No. 7)

07) TIME BARRED TAXES AND FEES-YEAR WISE BALANCES NOT ARRIVED AT- NEEDS EARLY ACTION:

As verified from the registers of the Palakonda Nagara Panchayat for the year 2015-16, the balances of taxes, fees, leases amounting to Rs.6159000.00 as detailed below `due` to the municipality under arrear collections, but year wise balances were not arrived at to know whether the taxes and fees were allowed to become barred by limitation of time prescribed under section 365(1) of the A.P Municipality Act 1965.

Sl. No.	Item of Revenue	Demand	Collection	Written off	Balance
1	Property tax	108,54,000	52,66,000		55,88,000
2	Water Tax	14,49,000	8,78,000		5,71,000
	Total Rs.	12303000	6144000		6159000

According to section 365(2) of the A.P municipalities Act`1965 it is the duty of Commissioner to place before the council a list of arrears due to the municipal council which are likely to become time barred at least one year before the limitation stating the reasons for non collection of such taxes, fees and leases and seek instructions of the council in regard to recovery of such Balances. According to section 365(3) of the Commissioner fails to submit such list, or omit to shown in such list any arrears due to failure on the part of bill collector or any other employees entrusted with the collection of these amounts the commissioner or such bill collectors or other employees as the case may be are deemed to be negligent and action under section 374(1) of the A.P Municipal Act-1965 for the recovery of all such recoveries should be made from the commissioner and his subordinates and fact reported to audit.

Code-7

**08) FIRE CESS – FIRE CESS @ 1% ON PROPERTY TAX NOT LEVIED-
IRREGULAR:**

Rs.52,660.00

During the Course of audit for the year 2015-16, as verified from the DCB statement of Property Tax, it is noticed that an amount of Rs..00 was collected property tax as detailed below:

Current collection	:Rs.50,50,000.00
Arrears collection	:Rs.2,16,000.00
Total	:Rs.52,66,000.00

But the fire cess @ 1% was not collected.

As per the instructions of “the High Level Multi Disciplinary committee-2007” the Fire cess has to be collected @ 1% on collection of Property Tax to take precautionary measures against fire accidents.

In addition to collection of firecess, the following instructions were issued:

- Every builder which exceeding 500 Sq.mts plinth area or 6 mts high should be accorded the permission from the Fire Department.
- Every Municipality has to conduct survey to identify the Buildings without having permission from Fire Dept.
- The Municipality has to issue 2 notices within 60 days to rectify the defect.
- Action has to initiate against the defaulters if they didn't rectify the defected.,

But the fire cess was not collected and implementation of the instructions not forth coming to audit.

Hence, action would need to be taken of collect the Fire Cess @1% of property tax and remitted to head of account concerned duly deducting the collection charges under intimation to audit.

Calculation:

Property tax collected	:Rs.5266000.00
Fire cess to be collected	:Rs.5266000.00 x 1/100
	: Rs. 52660

Code-7

09) MDR -HEAVY BALANCES PENDING -COLLECTION -NEEDS IMMEDIATE ACTION.

During the course of audit on the accounts of Nagar Panchayat Palakonda of the Financial Year 2015-16 it was noticed that the shops rents amounting to Rs.7,64,539/- was not collected.

After verifying the MDR it was noticed that the Demand of Shop rents is Rs15,30,475/- , amount collected during the year is Rs.8,06,252/- and Balance of Rs 7,64,534 is yet to be collected as detailed below

SL.No	LOCATION OF SHOPS	DEMAND	COLLECTION	BALANCE
1	Shops opposite to Vegetable Market	644170	397494	28699
2	Cloth Shops in Market	185203	121208	63995
3	Vegetable Market Shops	313923	193680	120243
4	Shops near Old Bus Stand	206414	0	206414
5	Shops opposite to Durga Gudi	54864	50292	4572
6	Shops Beside Durga Gudi	125901	43578	8233333323
	TOTAL	1530475	806252	764539

The Balance amount of Rs.7,64,539/- of Shop rents from the leases should be collected along with belated fees and credit it to the account of Nagar Panchayat Palakonda and intimate to audit for verification

Code-9

10) ASSIGNED REVENUES:

RECEIPTS OF ASSIGNED REVENUES FROM GOVERNMENT/ DEPARTMENT NOT WATCHED – INCOME LOST – NEEDS EARLY ACTION:

During the course of audit of Palakonda Nagara Panchayat or the year 2015-16 it is noticed that the following assigned revenues such as compensation due to abolition of property tax, compensation due to abolition of profession tax, entertainment tax, per capita grant, surcharge on stamp duty, Magisterial fines motor vehicle Tax and seigniorage fee etc., were adjusted to the funds of the institution as detailed below.

It is the responsibility of the grant receiving authority to watch the demand and receipt of statutory income guaranteed in the Acts and rules for every quarter and addressed the Departments concerned for prompt remittance to the Municipal funds.

Details of Assigned Revenues	Amount Adjusted
Profession Tax compensation	NIL
Property tax compensation	NIL
Per capita grant	NIL
Entertainment Tax	NIL
Magisterial fines	NIL
M.V.T	NIL

Adequate action has to be taken for the adjustment of the amounts, which are pending adjustment from the Departments concerned in time duly maintaining the D.C.B. particulars for each head. The amounts `due` under assigned revenues have to be entered separately in the M.D.R.

Code-9

11) EAR MARKED FUNDS- ALLOCATION OF EAR MARKED FUNDS- STATUTORY RULES NOT OBSERVED-IRREGULAR:

During the course of audit for the year 2015-16, it is noticed that the statutory rules were not observed while allocation of Ear Marked Funds.

According to the rules relating to preparation of budget under AP Municipality Rules issued in GO.Ms.No.619, (M.A) Dept., Dt.07.10.1967 every Urban Local Body has to allocate/Ear Mark the following funds out of their general revenue as detailed below:

Sl. No.	Name of the Component	Percentage of funds to be allocated on general revenue as per rules
01	Welfare programmes for Schedule Castes	15%
02	Welfare programmes for Schedule Tribes	7.5%
03	Welfare programmes for Women & Child Welfare	5%
04	Slum Area Development Programmes	40%
05	Public Health Related Programmes	30%

But no allocation was made towards the welfare of the weaker sections and violated the Government Orders as stated above.

Hence, action would need to be taken to allocate the Ear Marked funds as required above for the balanced development of all sections of public.

Code : 9

12) LEASES - LEASE DEEDS NOT GOT REGISTERED - NEED ACTION:

Rs. 40,050 .00

During the course of audit for the year 2015-16, it is noticed that the following lease deeds were not got registered with the registration department resulted in loss of revenue to Government in the form of Registration Stamp Duty and surcharge @ 5% on lease amount.

Sl. No.	Name of the Leased Item	Lease amount During the year
01	Daily market	7,99,000
02	Kamela	2,000
Total		8,01,000

Therefore, action may be taken to get the following lease deeds registered so as to avoid legal complications etc., in future.

Calculation of loss:

Total lease amount	:Rs. 8,01,000.00
Loss of registration fee @ 5%	:Rs. 8,01,000 x 5/100
	Rs.40050.00

Code: 9

13) WATER TAX- CLASSIFICATION NOT DONE- NEEDS ACTION:-

During the course of audit, it is noticed that an amount of Rs.8,78,000 .00 was collected towards water tax during the year 2015-16. But the Tap connections were not classified as domestic and non-domestic connections. The collection was done uniformly to all the connections resulted in loss of revenue. In the absence of the above the correctness of the income realized could not be certified by audit.

Also the following defects were noticed:

1. Category wise (OYT, BPL, General) connections not noted.
2. Date of sanction not recorded.
3. The balance of deposits not arrived at.
4. Sanction orders not produced.
5. House Service connections register not maintained.
6. Meter reading cards not produced.
7. Meter ledgers not maintained.
8. Meter register not shown etc.,

Hence, action would need to be taken to classify the tap connections in the Demand Register and all the above registers shall be maintained.

13(a) Water supply donations received - Water tax demand not raised - needs action:-

The Water Tax Demand for the year 2014-15 was Rs.12,04,000.00 and for the financial year 2015-16 also the demand is similar amount of Rs.12,04,000.00

During the year 2015-16 an amount of Rs.7,77,500 was collected towards water supply donations.

But the water Tax demand was not raised for the year 2015-16 and the reasons were not forth coming to audit.

Code No. 9

14) TAXES- DEMAND OF TAX ON CARRIAGES & CARTS/ANIMALS/ALT/VLT NOT FIXED - LOSS - NEEDS ACTION:-

As verified from the cash Book and annual account it is noticed that the demand of the following taxes was not fixed and collected during the year.

- Tax on Carriages & Carts
- Tax on Animals
- Tax on Agricultural Lands
- Tax on Vacant Lands etc.,

As per the following provisions made in Rule 21 of schedule-II and section 103 to 113 of the AP **Municipalities Act, 1965**, the demand of each tax should be fixed and collected by the Municipality. But the demand of the above taxes was not fixed by the Municipality which causes loss to the municipality.

Hence, action would need to be taken to fix the demand and collect and loss caused if any due to non collection of above taxes would need to made good from the person or persons responsible.

15) PENSION CONTRIBUTION NOT REMITTED TO THE PENSION CUM GRATUITY FUND - NEEDS EARLY ACTION:

During the course of audit for the year 2015-16, it is noticed that the pension contribution in respect of Non Teaching employees working in the Nagara Panchayat was not remitted to pension cum gratuity fund.

According to the Rule “6” of the A.P Municipality (pension cum gratuity) rules 1969 issued in G.O.Ms.No.799 M.A dated.19-10-1969 all Non Teaching employees of the municipalities are eligible for pension cum gratuity.

The pension contribution payable under clause (i) above by the municipality on behalf of its employees will be 9.5% of the maximum pay of the post held by the employee. The pension contribution has to be paid to the fund by the municipality every month before 5th of the succeeding month by transfer of credit to the fund together with a schedule of payment.

But the steps taken as directed by the Govt. in G.O.Ms.No.799 M.A Dated 07-10-1969 were not put forth to audit. Therefore, action may be taken as per the Govt. Instructions in force.

Code-9

16) MUNICIPAL SOLID WASTE (MANAGEMENT& HANDLING) RULES 2000-IMPLEMENTATION DETAILS CALLED FOR:

According to Municipal Solid Waste(Management & Handling) Rules,2000 Municipal Authorities are responsible for collection, storage, segregation, transportation, processing and disposal of Municipal Solid Waste. The Municipal Authority or an operator of a facility shall make an application for grant of authorization for setting up waste processing and disposal facilities including landfills after obtaining necessary authorization from the AP Pollution Control Board.

a) The schedule fixed in the rules are as follows:

S.No.	Compliance& Criteria	Schedule
1	Improvements to existing land fill sites as per proceedings of rules	By 31 st December, 2003 or earlier.
2	Identification of land filling sites for future use and making sites ready for operation	Once in six months
3	Setting up of waste processing and disposal facility.	By 31 st December, 2001 or earlier.
4	Monitoring the performance of waste processing and disposal facilities	By 31 st December, 2002 or earlier.

However, the scheme was not implemented as per the schedule.

b) **Submission of Annual Reports:**

As per the Rule-4(4) of Municipal Solid Waste(Management & Handling) Rules,2000 the ULB shall furnish its annual report in the form prescribed to the Secretary in Charge of the Urban Department by 30th June of every year with a copy to the AP AP Pollution Control Board. The date of submission of such annual report was not furnished to audit.

c) **Implementation of 3-bin system:**

Segregation of waste after collection is pre-requisite for setting up of waste processing and disposal facility. As per Municipal Solid Waste(Management & Handling) Rules,2000 three separate coloured storage dampened bins were to be set up intermediately points. One each for biogradable waste, non-biogradable waste and for other types of waste. But the information was not furnished to audit.

d) **Plastic Manufacturing Units:**

The Municipality has to levy penalties on plastic manufacturing units as per Municipal Solid Waste(Management & Handling) Rules,2000 . But such action was not forth coming to audit.

Hence, action would need to be taken to implement the scheme in a scientific way.

Code 9

17) SEVERAL SERVICES WERE TAKEN ON CONTRACT/HIRE BASIS – CONNECTED AGREEMENTS NOT GOT REGISTERED:-

As could be seen the following services were taken for use in the institution on contract/hire basis. But the connected agreements executed were not got registered with the Registration Department.

1. Engagement of Private persons for sanitation.
2. Hiring of Tractors for lifting garbage and supply of Drinking water.
3. Hiring of Fogging Machine.
4. Hiring of Bulls for lifting garbage.

As per the rules in force every agreement arrived at with private persons/Firms shall got Registered with the Registration Department.

Therefore, action would need to be taken to get the agreements registered so as to avoid Legal complications and to earn income through registration of the agreements under Surcharge on Stamp Duty.

Code-9

18) NON-COLLECTION OF VACANT LAND TAX – FROM THE INDUSTRIAL FIRMS- NEEDS EARLY ACTION:

According to the section 85(3),© of the Municipal Act 1965 vacant land tax at the rate of not more than 2% of the capital value of the land should be levied on all the vacant lands of the Municipality. The rate was subsequently low to 1% vide G.O.Ms. No.468 MA department Dated31.7.1993. Based on the above provision all the industrial firms have to pay vacant land tax to the Municipality.

The industrial firms and Government under taking have not furnished the extent of vacant land at their jurisdiction so as to arrive the vacant land tax demand of each firm.

The extent of vacant land possessed by the industrial firm and Government under taking may be ascertained to fix the vacant land tax due to be paid by the firm. Action would need to be taken to get the payment of 30% of the vacant land demand for the extent of vacant land possessed as per the instructions contained in G.O.Ms. No. 519 MA Department Dated.21.9.1994.

Code-9

19) FOOD ADULTERATION ACT- NOT IMPLEMENTED WITHIN THE NAGARPANCHAYAT AREA-NEEDS EARLY ACTION:

During the course of audit for the year 2015-16, it is noticed that the Food Adulteration Act was not implemented in the Nagara panchayat area. So the payment of salaries to the sanitary inspector seems to waste full expenditure. Due to the non-implementation Act, Bad sanitary conditions may prevail in Hotels and Restaurants of the nagarpanchayat area.

Hence, early action would need to be taken effectively to implement the Act to improve the public hygiene in the nagarpanchayat area

Code No.9

20) Purchase –Stationary purchase without call for tenders and quotations-Irregular.

Voucher No.38/2015-16 dt.16-6-2015.Amount Rs.1,29,764-00

During the course of audit, it is noticed that an amount of Rs.129764-00

Was drawn and paid towards purchase of stationary from Sri Sowbhagya press, Gudivada without calling of tenders and quotations.

Hence such purchase without quotations will incur loss to the Nagar Panchayat funds and the loss may be recovered from the person or persons responsible.

Code No.9

21)Works-Drilling of trial bores on the sides of existing infiltration well in river Nagavali at Sankili and removing of metal and sand from the infiltration well-work entrusted on nomination basis-Not admissible.

During the year, an amount of Rs.40000-00 was drawn vide Voucher No.182, dt.11-3-2016 and paid to Deviram constructions,Palakonda as 1st and part bill towards execution of work *Drilling of trial bores on the sides of existing infiltration well in river Nagavali at Sankili and removing of metal and sand from the infiltration well.*

As verified from the work file, it is noticed that the work was entrusted to M/S Deviram constructions, Palakonda with an estimate cost of Rs.350000-00 on nomination basis which is not correct.Tenders should be called for in advance for execution of work. But, the procedure was not followed by the Executive authority. Hence, the expenditure can not be admitted in audit and is held under objection.

PARTICULARS OF ARREAR PROPERTY TAX BALANCES NOT FURNISHED - NEEDS EARLY ACTION: **Rs. 25,49,000.00**

PRIVATE PROPERTIES PROPERTY TAX BALANCE	: 6,62,000.00
GOVERNMENT PROPERTIES PROPERTY TAX BALANCE	: 18,87,000.00
Total	: 25,49,000.00

During the course of audit of Nagara Panchayath Palakonda for the financial year 2015-16, the DCB statement under Property Tax amounting to Rs.25,49,000.00 was shown as Arrear Balance under Property Tax. The outstanding bills and year wise particulars for the private properties property tax under manual and online balance of Rs. 6,62,000.00 were not shown.

The Department wise and year wise particulars of the Government under manual and online balance of Rs.18,87,000.00 were not shown for audit.

Loss if any caused due to the above reason would need to be recovered from the person or persons responsible.

Code No.11

23) CAPITAL VALUE OF LAND FIXED BY REGISTRATION DEPARTMENT WAS NOT PRODUCED - IRREGULAR.

During the course of audit on the accounts of Nagarpanchayat Palakonda for the year 2015-16, it was stated that the capital value of land fixed by the Registration Department was not taken. According to the Rule 50(8) (a) the EO should adopt the capital value of land fixed by the Registration Department while calculating the VLT. The information obtained from the Registration Department was not produced at time of audit.

As a result it can't be concluded on what basis the EO has calculated and collected the VLT during the year. The loss if any caused due to the above omission would need to be recovered from the person or persons responsible

Code No.11

24)D&O FEES COLLECTED CONNECTED DEMAND, COLLECTION REGISTER FOR PREVIOUS AND PRESENT YEARS, NEW ASSESEENT REGISTER, DEMAND NOTICES AND RECEIPTS BOOKS - NOT PRODUCED:

It is informed that the, as verified chitta shown as an amount of Rs.1,49,000.00 collected towards D&O, but the connected demand registers previous and present years, new assessments, demand notices, receipts books not produced to audit for verification. In the absence of the above correctness of fixation of D&O and trader wise its collection could not be verified in audit. In view of the above several half margins were also issued to concerned section through commissioner vide H.M. Lr.SA1.No.1,2&3 Dt.25-01-16, 28-1-16 & 11-2-16 and no replies received for production of records to audit for verification till the close of audit. If any loss caused to the institution due the above reason would need to be recovered from the person and persons responsible and made good to the nagarpanchayat funds.

Code No.11

25) HOUSE TAX - COLLECTION - CONNECTED CURRENT DEMAND REGISTERS; ARREAR DEMAND REGISTERS ANDR ELATED REGISTERS - NOT PRODUCED:

It is informed that the, as verified chitta shown as an amount of Rs. 5257952.00 was collected towards house tax. It is noticed that the both current and arrear demand register under house tax was not produced to audit for verification. In the absence of the above records the correctness collection and outstanding balance under house tax as on 31-03-2015 could not be verified and certified in audit and year wise outstanding balance are pending could not be verified in audit. However demand collection balance statement prepared and submitted based on the computer generated data, similarly register of transfer of titles, mutation register, register of vacancy remission, register of bills, register of warrants, register of distrained properties, register of prosecutions, register of suits,

register of demand notices issued, outstanding bills of property tax, write off register, cheques received register and register of appeals were not made available for verification.

In view of the above several times orally asked and half margins were also issued to concerned section through commissioner vide H.M. Lr.SA 1.No.1,2 & 3 Dt.25-01-16, 28-1-16 & 11-2-16 and no replies received for production of records to audit for verification till the close of audit. If any loss caused to the institution due the above reason would need to be recovered from the person and persons responsible and made good to the nagarpanchayat funds.

Code No.11

26) WATER TAX - COLLECTION - CONNECTED DEMAND REGISTERS, ARREAR DEMAND REGISTERS AND CHEQUES RECEIVED REGISTER - NOT PRODUCED:

It is informed that the, as verified chitta shown as an amount of Rs. 878000.00 was collected towards water tax. It is noticed that the both current and arrear demand register under water tax was not produced to audit for verification. In the absence of the above records the correctness collection and outstanding balance under water tax as on 31-03-2015 could not be verified and certified in audit and year wise outstanding balance are pending could not be verified in audit. In view of the above several times orally asked and half margins were also issued to concerned section through commissioner vide H.M. Lr.SA 1.No.1, 2 & 3 Dt. 25-01-16, 28-1-16 & 11-2-16 and no replies received for production of records to audit for verification till the close of audit. If any loss caused to the institution due the above reason would need to be recovered from the person and persons responsible and made good to the nagarpanchayat funds.

27) VACANT LAND TAX COLLECTED CONNECTED DEMAND REGISTERS, ARREAR DEMAND REGISTERS WITH NEW ASSESEMENT FILES - NOT PRODUCED:

It is informed that the, as verified chitta shown as an amount of Rs.79,000.00 was collected towards vacant land tax. It is noticed that the both current and arrear demand register under V.L.T. with new assessment files was not produced to audit for verification. In the absence of the above records the correctness collection and outstanding balance under V.L.T as on 31-03-2015 could not be verified and certified in audit and year wise outstanding balance are pending could not be verified in audit. In view of the above several times orally asked and half margins were also issued to concerned section through commissioner vide H.M. Lr.SA1.No.1,2&3 Dt.25-01-2016, 28-1-16 & 11-2-16 and no replies received for production of records to audit for verification till the close of audit. If any loss caused to the institution due the above reason would need to be recovered from the person and persons responsible and made good to the nagarpanchayat funds.

Code-11

28) LIBRARY CESS-LIBRARY CESS REMITTED TO ZGS, SKLM- DCB REGISTER NOT PRODUCED-NEEDS EARLY ACTION:

It is noticed that the as verified the library cess DCB statement an amount of Rs. .00 was collected towards towards Library cess during the year.

But the connected Library Cess Demand Register was not produced to audit for verification. In the absence of the register, the correctness of the following items could not be verified in audit.

- The year wise demand of Library cess
- Library cess collected for each year
- Balance to be collected for each year
- Library cess remitted

- Balance to be remitted etc.,

Hence, action would need to be taken to produce the Demand Register immediately to audit for verification.

CODE-11

29) BUDGET NOT PRODUCED – NEEDS ACTION:

Under section 126 and 127 of A.P Municipalities ACT 1965 and according to rule 8 of rules deal with preparation of Budget, allotments and transfer of funds, issued in G.O.Ms.No.36 MA Dt.7-10-1970 and G.O.Ms.No.740 M.A Dt. 12-12-1977, the budget as approved by the council, should be submitted to the Government through the District Collector and Director of Municipal Administration by 31st December by every year.

The commissioner and Director of Municipal Administration has to submit the same to Government by 15th of February.

As per the instructions issued in GO.Ms.No.619,M.A; Dt.7.10.1967, while preparing the budget, the following factors need to be considered:

- Receipts should not be over estimated.
- Expenditure need not be under estimated.
- Feeling additional allotment in revised estimate to be avoided.
- No need to save money and show large surplus.
- Minimum 5% of working balance to be maintained.
- Due provision has to be made for obligatory expenditure, viz salaries of employees, loan repayments, contingencies, O&M, Spill Over Works etc.,
- Provision for departmental expenditure only after obligatory expenditure is committed.
- While making development expenditure, provision to be made for welfare programmes for SC, ST, W&CW @ 15%, 7.5% and 5% respectively as per Government Orders.
- Similarly 40% to be earmarked for slum areas.
- 30% of funds to be earmarked for Public Health activities.
- The programmes, policies, priorities of the council to be reflected.
- The assurances, commitments made by council Government to be reflected.

But the approved budget as prepared above for the year 2014-15 was not produced to audit. In the absence of the same, it could not be verified in audit as above.

Hence, action would need to be taken to produce the sanctioned budget for the year 2014-15 may be produced to audit early.

Code-11

30) TAXES & NON TAXES-BYELAWS NOT PRODUCED-NEEDS ACTION:

During the course of audit, on verification of various taxes and non-taxes, it is noticed that the byelaws for levy of taxes and non-taxes for the following items were not furnished to audit:

- Property Tax
- Water Tax
- Advertisement Tax
- Encroachment fee
- D&O Trades License Fee
- Building License Applications Fee etc.,

In the absence of the bye laws the correctness of the taxes and non taxes collected during the year could not be certified in audit. According to the Act provisions, fresh notification has to be issued at least once in 3 years and the rates have to be revised in accordance with the fresh notification.

The loss if any caused to the municipality in the matter would need to be made good from the person or persons responsible.

Code: 11

31) MONTHLY LISTS NOT PRODUCED - NEEDS EARLY ACTION:

As verified from the following Demand Registers, the list of new assessments taken to demand for the year 2015-16 were not made available for verification in audit.

- Water Tax
- Encroachment fee
- Advertisement tax

➤ D& O Trades etc.,

All such new assessments were directly taken to the Demand Register without any preliminary investigation and orders of the commissioner. Therefore, action may be taken to prepare the monthly lists for the above taxes/non-taxes and orders obtained to be taken to the demand register in order to collect the amounts.

Code No. 11

32) MUTATION REGISTER OF PROPERTY TAX NOT PRODUCED-NEEDS ACTION

The Mutation Register of Property Tax in Form-23 containing 55 columns has to be maintained to record all changes in the demand of property tax and to arrive at the correct DCB of Property Tax.

In the absence of the above register the correctness of the demand could not be verified as the Register has to be Written up from the Register of Revision Petitions, Register of Vacancy Remissions, Register of write off, Register of Appeals, Register of Receipts, Appeal Petitions or Notice of Demolition and also from the monthly lists submitted by the outdoor staff.

Therefore, action would need to be taken to maintain the said register and produced to audit.

CODE-11

33) NON-PRODUCTION OF OUTSTANDING BILLS INRESPECT OF PROPERTY TAX- NEEDS EARLY ACTION:

As verified from the DCB Statement for the year 2015-16, it is observed that the outstanding bills in respect of property tax amounting to **Rs.5588000 .00** at the end of the financial year were not produced to audit. The amount not collected should be supported by the outstanding bills s available with the bill collector and produced to audit for verification. But the outstanding bills were not produced to audit.

The non production of outstanding bills would be tantamount to amount collected but not remitted which results misappropriation.

Therefore, action may be taken to produce the outstanding bills to audit to verify the correctness of the outstanding balances of property tax..

Code : 11

34) NON-PRODUCTION OF OUTSTANDING BILLS INRSPECT OF WATER TAX – NEEDS EARLY ACTION:

During the course of audit of Palakonda Nagara Panchyat for the year 2015-2016, it is observed that an amount of Rs.571000.00 was shown as outstanding balance up to the year 2015-16 towards water tax.

But the arrear demand register for water tax together with the outstanding bills were not produced in support of uncollected amounts as detailed below in the annexure.

But the connected bills were not produced to audit for verification. The non production of outstanding bills would be tantamount to amount collected but not remitted which results misappropriation.

Therefore, action may be taken to produce the outstanding bills to audit to verify the correctness of the outstanding balances of water tax.

Loss if any caused to the institution due to the above reasons would need to be made good from the person or persons responsible.

Code-11

001

35) DIESEL OIL AND OTHER LUBRICANTS PURCHASED FOR THE PUBLIC HEALTH & ENGINEERING VEHICLES-LOG BOOK NOT PRODUCED.

In the following vouchers an amount of Rs.1,86,053.00 was drawn and paid to oil Companies towards the cost of Diesel oil and other Lubricants, which were supplies to the public health & engineering vehicles during the year. But the Log books of the connected vehicles were produced to the audit but the to-fro reading of the vehicle daily is not noted. In the absence of the same correctness of Utilization was not certified in audit. Further the authority was not certified the scrutinized bills. In the absence of the above expenditure is held under objection as detailed below.

Sl. No	Vr. No./Date	Purpose	Amount.
1	76/14-09-2015	M/s Sri Satyanarayana Filling Station, IOC Dealer, Palakonda Towards supply of HSD Oil & Engine Oil for utilization of Tractors.	16003.00
2	77/14-09-2015	M/s Sri Satyanarayana Filling Station, IOC Dealer, Palakonda Towards supply of HSD Oil & Engine Oil for utilization of Tractors.	17750.00
3	78/14-09-2014	M/s Sri Satyanarayana Filling Station, IOC Dealer, Palakonda Towards supply of HSD Oil & Engine Oil for utilization of Tractors.	17408.00
4	79/14-09-2015	M/s Sri Satyanarayana Filling Station, IOC Dealer, Palakonda Towards cost of HSD Oil & Other Material supplied for utilization of the 60 KVA and 40 KVA Generators.	7414.00
5	121/23-12-2015	M/s Sri Satyanarayana Filling Station, IOC Dealer, Palakonda Towards cost of HSD Oil supplied for utilization of the Water tanker lorry.	13667.00
6	169/24-02-2016	M/s Sri Satyanarayana Filling Station, IOC Dealer, Palakonda Towards cost of HSD Oil supplied for utilization of the JCB.	12959.00
7	170/24-02-2016	M/s Sri Satyanarayana Filling Station, IOC Dealer, Palakonda Towards cost of HSD Oil supplied for utilization of the Tractor.	20758.00
8	171/24-02-2016	M/s Sri Satyanarayana Filling Station, IOC Dealer, Palakonda Towards supply of HSD Oil & Engine Oil for utilization of Tractors.	15200.00
9	172/24-02-2016	M/s Sri Satyanarayana Filling Station, IOC Dealer, Palakonda Towards supply of HSD Oil & Engine Oil for utilization of Tractors.	13710.00
10	/ -01-2016	M/s Sri Satyanarayana Filling Station, IOC Dealer, Palakonda Towards supply of HSD Oil & Engine Oil for utilization of Tractors.	16729.00
11	/-02-2016	M/s Sri Satyanarayana Filling Station, IOC Dealer, Palakonda Towards supply of HSD Oil & Engine Oil for utilization of Tractors.	11604.00

12	405/17-09-2016	M/s Sri Satyanarayana Filling Station, IOC Dealer, Palakonda Towards supply of HSD Oil & Engine Oil for utilization of Tractors.	22318.00
	TOTAL		186053.00

CODE-11

36. EPF, ESI EMPLOYEE CONTRIBUTION INRESPECT OF OUTSOURCING STAFF OF ENGINEERING SECTION - REMITTANCE PARTICULARS - CHALLANS - NOT PRODUCED TO AUDIT - NEEDS EARLY ACTION:-

During the year 2015-16, an amount of Rs.1,13,138.00 was drawn vide Voucher No.37, dt:16.06.2015 and paid to Sri Paddala Venu, contractor, Palakonda towards remittance of EPF/ESI employee contribution inrespect of outsourcing staff in Palakonda Nagar Panchayat. The EPF & ESI recovery particulars of the 25 outsourcing employees working in engineering section in the year 2015-16 were not produced to audit for verification.

The recoveries made from the salaries of 25 outsourcing employees, whether the amounts remitted or not could not be verified in audit.

In the absence of same, the loss if any caused due to the above reasons would need to be recovered from the person or persons responsible.

CODE-11

37) PF - PF RECOVERIES RELATED TO PROVIDENT FUND - NOT PRODUCED NEEDS ACTION:

During the course of audit for the year 2015-16 on verification of annual account at page No. , it is noticed that an amount of Rs. was drawn and paid under Provident Fund during the year. But the following registers were not produced to audit.

1. Register of subscribers
2. P.F.Ledgers and Posting registers

3. Cash Book & Pass Book
4. Register of temporary withdrawals
5. Register of part-final withdrawals
6. Register of final settlements

In the absence of the above registers the correctness of the account figures could not be verified in audit.

Hence action would need to be taken to produce the audit for verification.

Code-11

38) PAYMENT OF SALARIES TO THE OUT SOURCING STAFF CONNECTED DETAILS NOT PRODUCED-NEEDS ACTION:

During the course of Audit on the accounts of Palakonda Nagar Panchayath for the year 2015-2016, it is noticed that an amount of Rs..00 was incurred towards payment of salaries to the out sourcing staff. But, the connected details as details below could not produced to audit for verification.

1. List of members appointed
2. Total No. of members
3. Connected Attendance Certificates along with NMRS
4. Approval of the Special Officers for out sourcing Appointments
5. Register of out sourcing appointment details.
6. Sanction orders of C& DMA A.P. Hyderabad.

In the absence of the same, the correctness of the payment could not be verified in audit. Early action may be taken to produce the same to audit for verification. Any loss caused due to the above omission would need to be made good from the person or persons responsible.

Code-12

39)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 34,416/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No.1/2016 of Sri. Murapaka Chinna Rao, S/o Jagannaikulu, N.K.Rajapuram whose application was approved vide progs. Rc.No.1/2016, dated.11.1.2016 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Feeses approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.1/2016, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant	: Sri.M.Chinna Rao
Survey No.	: 26/2
Extent of Site	: 98.33 Sq. Yards
Present Market Value	: 2500/- per Sq. Yard
Permission issued for	: construction of GF and FF
Open space contribution charges To be collected.	: 98.33 x 2500 x 14/100 = Rs.34416/-

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-12

40)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 42,350/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 90/2015 of Sri Karanam Kurmi Naidu , S/o Pakeeeu Naidu, Palakonda whose application was approved vide progs. Rc.No.90/2015, dated.02.12.2015 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Feeses approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built

up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.90/2015, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant	: Sri Karanam Kurmi Naidu
Survey No.	: 34-1A
Extent of Site	: 121 Sq. Yards
Present Market Value	: 2500/- per Sq. Yard
Permission issued for	: construction of GF
Open space contribution charges To be collected.	: 121 x 2500 x 14/100 = Rs.42350/-

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-12
41)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 56,700/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 17/2016 of Sri N.SaiPrasad , S/o Appaladas, N.K RajaPuram whose application was approved vide progs. Rc.No.17/2016, dated.23.02.2016 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Feeses approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.17/2016, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant	: Sri N. Sai Prasad
Survey No.	: 24-6
Extent of Site	: 162 Sq. Yards
Present Market Value	: 2500/- per Sq. Yard
Permission issued for	: construction of GF and FF
Open space contribution charges To be collected.	: 162 x 2500 x 14/100 = Rs.56700/-

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-12

42)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 84,777/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 26/2016 of Sri G. Chandra Sekhar Rao , S/o Ramulu, N.K RajaPuram whose application was approved vide progs. Rc.No.26/2016, dated.18.02.2016 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Feeses approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.26/2016, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant	: Sri G. Chandra Sekhar Rao
Survey No.	: 41-2
Extent of Site	: 242.22 Sq. Yards
Present Market Value	: 2500/- per Sq. Yard
Permission issued for	: construction of GF and FF
Open space contribution charges To be collected.	: 242.22 x 2500 x 14/100 = Rs.84777/-

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-12

43)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 67,550/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 32/2015 of Sri K. Siva Prasada Rao , S/o Parinaidu, Near fire station, N.K RajaPuram, whose application was approved vide progs. Rc.No.32/2015, dated.01.07.2015 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Fees approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.32/2015, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant	: Sri K. Siva Prasada Rao
Survey No.	: 297
Extent of Site	: 193 Sq. Yards
Present Market Value	: 2500/- per Sq. Yard
Permission issued for	: construction of GF and FF
Open space contribution charges To be collected.	: $193 \times 2500 \times 14/100 = \text{Rs.}67550/-$

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-12

44)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 94,318/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 35/2015 of Smt. K.V.S.V.L. Bhramaramba , W/o Ravi Sankar Patnaik, Gayatri Nagar, whose application was approved vide progs. Rc.No.35/2015, dated.16.08.2015 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Fees approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.35/2015, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant	: Smt. K.V.S.V.L. Bhramaramba
Survey No.	: 28-1, 28-2
Extent of Site	: 269.48 Sq. Yards
Present Market Value	: 2500/- per Sq. Yard
Permission issued for	: construction of GF

Open space contribution charges
To be collected.

: $269.48 \times 2500 \times 14/100 = \text{Rs.}94318/-$

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-12

45)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 91,035/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 36/2015 of Sri S. Manmadha rao , S/o Chinnavadu, Sai Vidya Nagar, Vadama Village, whose application was approved vide progs. Rc.No.36/2015, dated.01.07.2015 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Fees approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.36/2015, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant	: Sri S. Manmadha rao
Survey No.	: 281, 282
Extent of Site	: 260.10 Sq. Yards
Present Market Value	: 2500/- per Sq. Yard
Permission issued for	: construction of GF and FF
Open space contribution charges To be collected.	: $260.10 \times 2500 \times 14/100 = \text{Rs.}91035/-$

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-12

46)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 75,250/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 03/2016 of Sri K. Bharat Kumar , S/o Surannaidu, N.K. Rajapuram,

whose application was approved vide progs. Rc.No.03/2016, dated.08.02.2016 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Fees approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.03/2016, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant	: Sri K. Bharat Kumar
Survey No.	: 28-6
Extent of Site	: 215 Sq. Yards
Present Market Value	: 2500/- per Sq. Yard
Permission issued for	: construction of GF and FF
Open space contribution charges To be collected.	: $215 \times 2500 \times 14/100 = \text{Rs.}75250/-$

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-12
47)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 60,900/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 43/2015 of Smt. N. Swapna , W/o Srinivasa Rao, N.K. Rajapuram, whose application was approved vide progs. Rc.No.43/2015, dated.24.06.2015 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Fees approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.43/2015, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant	: Smt. N. Swapna
Survey No.	: 34-1A
Extent of Site	: 174 Sq. Yards

Present Market Value : 2500/- per Sq. Yard
Permission issued for : construction of GF
Open space contribution charges
To be collected. : $174 \times 2500 \times 14/100 = \text{Rs.}60900/-$

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-12
48)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 65,331/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 47/2015 of Sri B. Raghu , S/o SriRamMurty, Sai durga nagar, Vadama village whose application was approved vide progs. Rc.No.47/2015, dated.08.10.2015 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Fees approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.47/2015, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant : Sri B. Raghu
Survey No. : 281, 282
Extent of Site : 186.66 Sq. Yards
Present Market Value : 2500/- per Sq. Yard
Permission issued for : construction of GF and FF
Open space contribution charges
To be collected. : $186.66 \times 2500 \times 14/100 = \text{Rs.}65331/-$

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-12
49)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 32,484/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 59/2015 of Sri D. Durga Rao , S/o Sanyasi Naidu, Sai durga nagar, Vadama village whose application was approved vide progs. Rc.No.59/2015, dated.07.08.2015 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Feeses approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.59/2015, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant	: Sri D. Durga Rao
Survey No.	: 282
Extent of Site	: 92.810 Sq. Yards
Present Market Value	: 2500/- per Sq. Yard
Permission issued for	: construction of GF
Open space contribution charges To be collected.	: $92.810 \times 2500 \times 14/100 = \text{Rs.}32484/-$

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-12
50)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 84,378/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 61/2015 of Sri G. Srinivasa Rao , S/o Appala Naidu, N.K Rajapuram whose application was approved vide progs. Rc.No.61/2015, dated.08.08.2015 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Feeses approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built

up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.61/2015, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant	: Sri G. Srinivasa Rao
Survey No.	: 34-1A
Extent of Site	: 241.08 Sq. Yards
Present Market Value	: 2500/- per Sq. Yard
Permission issued for	: construction of GF
Open space contribution charges To be collected.	: 241.08 x 2500 x 14/100 = Rs.84378/-

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-12
51)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 24,696/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 89/2015 of Sri G. Govinda Rao , S/o Satyannarayana, Sai Gayatri Nagar whose application was approved vide progs. Rc.No.89/2015, dated.09.12.2015 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Feeses approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.89/2015, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant	: Sri G. Govinda Rao
Survey No.	: 29-1
Extent of Site	: 70.56 Sq. Yards
Present Market Value	: 2500/- per Sq. Yard
Permission issued for	: construction of GF and FF
Open space contribution charges To be collected.	: 70.56 x 2500 x 14/100 = Rs.24696/-

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-12
52)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 58,450/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 37/2015 of Smt. A. Krishnaveni , W/o Late Nageswara Rao, Vadama Village, whose application was approved vide progs. Rc.No.37/2015, dated.08.08.2015 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Feeses approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.37/2015, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant	: Smt. A. Krishnaveni
Survey No.	: 43-2
Extent of Site	: 167 Sq. Yards
Present Market Value	: 2500/- per Sq. Yard
Permission issued for	: construction of GF, FF and SF
Open space contribution charges To be collected.	: $167 \times 2500 \times 14/100 = \text{Rs.}58450/-$

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-12
53)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 70,774/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 44/2015 of Sri N. Kasi Viswanadham, S/o Laxminarayana, near fire station, whose application was approved vide progs. Rc.No.44/2015, dated.25.06.2015 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Fees approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.44/2015, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant	: Sri N. Kasi Viswanadham
Survey No.	: 297
Extent of Site	: 202.21 Sq. Yard
Present Market Value	: 2500/- per Sq. Yard
Permission issued for	: construction of GF and FF
Open space contribution charges To be collected.	: $202.21 \times 2500 \times 14/100 = \text{Rs.}70774/-$

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-12

54)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 77,924/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 07/2016 of Sri Kothakota Rameswara Rao, S/o Kanaka Raju, near Jabili Hotel, Vadama Village, whose application was approved vide progs. Rc.No.07/2016, dated.12.01.2016 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Fees approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.07/2016, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant	: Sri Kothakota Rameswara Rao
Survey No.	: 44
Extent of Site	: 222.64 Sq. Yard
Present Market Value	: 2500/- per Sq. Yard

Permission issued for : construction of GF, FF and SF
Open space contribution charges
To be collected. : 222.64 x 2500 x 14/100 = Rs.77924/-

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-12

55)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 71,736/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 43/2016 of Sri Kota Sasikanth, S/o Narayanarao, near Raidu koneru, Parvathipuram Road, whose application was approved vide progs. Rc.No.43/2016, dated.13.04.2016 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Fees approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.43/2016, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant : Sri Kota Sasikanth
Survey No. : 296
Extent of Site : 204.96 Sq. Yard
Present Market Value : 2500/- per Sq. Yard
Permission issued for : construction of GF and FF
Open space contribution charges
To be collected. : 204.96 x 2500 x 14/100 = Rs.71736/-

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-12

56)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 49,417/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No.36/2016 of Smt. J.Hymavathi, W/o L. Venkata Rao, near Navodaya School, N.K. Raja puram, whose application was approved vide progs. Rc.No.36/2016, dated. 04.03.2016 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Feeses approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.36/2016, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant	: Smt. J.Hymavathi
Survey No.	: 30-4
Extent of Site	: 141.49 Sq. Yard
Present Market Value	: 2500/- per Sq. Yard
Permission issued for	: construction of GF
Open space contribution charges To be collected.	: 141.49 x 2500 x 14/100 = Rs.49417/-

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-12

57)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 21,168/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 38/2016 of Sri Ch. Rajasekhar, S/o Swamulu, near Navodaya School, N.K. Raja puram, whose application was approved vide progs. Rc.No. 38/2016, dated. 17. 03.2016 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Feeses approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built

up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.38/2016, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant	: Sri Ch. Rajasekhar
Survey No.	: 11-2
Extent of Site	: 60.48 Sq. Yard
Present Market Value	: 2500/- per Sq. Yard
Permission issued for	: construction of GF
Open space contribution charges To be collected.	: 60.48 x 2500 x 14/100 = Rs.21168/-

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-12

58)OPEN SPACE CONTRIBUTION CHARGES NOT COLLECTED – IRREGULAR
Rs. 58,590/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No.59/2016 of Sri D. Atchyuta Ananta babu, S/o Late Suryanarayana, near Navodaya School, N.K. Raja puram, whose application was approved vide progs. Rc.No.59/2016, dated.31.03.2016 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Feeses approved by the council, the Open Space Contribution Charges @ 14% of present market value of the site has to be collected for the buildings which are to be constructed in newly built up area or in unauthorized layouts. before issuing permission for the construction.

But in the above B.A.No.59/2016, the Open space contribution charges was not collected though it was built in newly built up area. The details are given below.

Name of the Applicant	: D. Atchyuta Ananta babu
Survey No.	: 8-6
Extent of Site	: 167.40 Sq. Yard
Present Market Value	: 2500/- per Sq. Yard
Permission issued for	: construction of GF
Open space contribution charges To be collected.	: 167.40 x 2500 x 14/100 = Rs.58590/-

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-13

59)BUILDING LICENSE FEES – SHORT COLLECTION OF COMPOUND WALL CHARGES – IRREGULAR.

Rs. 633/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 31/2015 of Sri. Majji Muralibabu, S/o Swaminaidu, Palakonda whose application was approved vide progs. Rc.No.31/2015, dated.25.6.2015 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Fees approved by the council, under section 209(i)(b) of the AP Municipalities Act 1965, the Compound Wall Charges @ 15/- per RMT of the compound wall has to be collected for giving building permission.

But in the above B.A.No.31/2015, the compound wall charges was short collected as detailed below.

Name of the Applicant	: Sri.Majji Murali babu
Extent of Site	: 148.68 Sq. metres
Length of the compound wall	: $(20.08+7.53) \times 2 = 55.22$ RMT
Allowance for entrance gate	: 25% of the width = 2 RMT
Length of the compound wall after allowance	: 53.22 RMT
Compound wall charges to be collected	: $53.22 \times 15 = 798/-$
Compound wall charges actually collected	: Rs. 165/-
Short collection of charges	: Rs.633/-

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-13

60)BUILDING LICENSE FEES – SHORT COLLECTION OF COMPOUND WALL CHARGES – IRREGULAR.

Rs. 576/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 28/2015 of Smt. Mandala Padmavathi, W/o B. Venkat Ramana,

Palakonda whose application was approved vide progs. Rc.No.28/2015, dated.25.6.2015 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Fees approved by the council, under section 209(i)(b) of the AP Municipalities Act 1965, the Compound Wall Charges @ 15/- per RMT of the compound wall has to be collected for giving building permission.

But in the above B.A.No.28/2015, the compound wall charges was short collected as detailed below.

Name of the Applicant	: Smt. Mandala Padmavathi
Extent of Site	: 49.23 Sq. metres
Length of the compound wall	: $(21.32+4.42) \times 2 = 51.48$ RMT
Allowance for entrance gate	: 25% of the width = 1.10 RMT
Length of the compound wall after allowance	: 50.38 RMT
Compound wall charges to be collected	: $50.38 \times 15 = 756/-$
Compound wall charges actually collected	: Rs. 180/-
Short collection of charges	: Rs.576/-

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-13

61)BUILDING LICENSE FEES – SHORT COLLECTION OF COMPOUND WALL CHARGES – IRREGULAR.

Rs. 561/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No. 90/2015 of Sri Karanam Kurmi Naidu, S/o Pakeeru Naidu, Palakonda whose application was approved vide progs. Rc.No.90/2015, dated.07.12.2015 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Fees approved by the council, under section 209(i)(b) of the AP Municipalities Act 1965, the Compound Wall Charges @ 15/- per RMT of the compound wall has to be collected for giving building permission.

But in the above B.A.No.90/2015, the compound wall charges was short collected as detailed below.

Name of the Applicant	: Sri Karanam Kurmi Naidu
Extent of Site	: 99.54 Sq. metres
Length of the compound wall	: $(9.90+10.05) \times 2 = 39.90$ RMT

Allowance for entrance gate	: 25% of the width = 2.47 RMT
Length of the compound wall after allowance	: 37.43 RMT
Compound wall charges to be collected	: 37.43 x 15 = 561/-
Compound wall charges actually collected	: NIL
Short collection of charges	: Rs.561/-

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code-13

62)BUILDING LICENSE FEES – SHORT COLLECTION OF COMPOUND WALL CHARGES – IRREGULAR.

Rs. 146/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No.26/2016 of Sri G. Chandra Sekhar Rao, S/o Ramulu, Palakonda whose application was approved vide progs. Rc.No.26/2016, dated.18.02.2016 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Fees approved by the council, under section 209(i)(b) of the AP Municipalities Act 1965, the Compound Wall Charges @ 15/- per RMT of the compound wall has to be collected for giving building permission.

But in the above B.A.No.26/2016, the compound wall charges was short collected as detailed below.

Name of the Applicant	: Sri G. Chandra Sekhar Rao
Extent of Site	: 201.93 Sq. metres
Length of the compound wall	: (15.25+13.29) x 2 = 57.08 RMT
Allowance for entrance gate	: 25% of the width = 3.32 RMT
Length of the compound wall after allowance	: 53.76 RMT
Compound wall charges to be collected	: 53.76 x 15 = 806/-
Compound wall charges actually collected	: Rs.660/-
Short collection of charges	: Rs.146/-

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

63)BUILDING LICENSE FEES – SHORT COLLECTION OF COMPOUND WALL CHARGES – IRREGULAR

Rs. 120/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No.36/2015 of Sri S. Manmadha Rao, S/o Thaviti Naidu, Palakonda whose application was approved vide progs. Rc.No.36/2015, dated.15.06.2015 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Fees approved by the council, under section 209(i)(b) of the AP Municipalities Act 1965, the Compound Wall Charges @ 15/- per RMT of the compound wall has to be collected for giving building permission.

But in the above B.A.No.36/2015, the compound wall charges was short collected as detailed below.

Name of the Applicant	: Sri S. Manmadha Rao
Extent of Site	: 260.10 Sq. metres
Length of the compound wall	: (13.70+19.00) x 2 = 65.40 RMT
Allowance for entrance gate	: 25% of the width = 3.42 RMT
Length of the compound wall after allowance	: 61.98 RMT
Compound wall charges to be collected	: 61.98 x 15 = 930/-
Compound wall charges actually collected	: Rs.810/-
Short collection of charges	: Rs.120/-

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

64)BUILDING LICENSE FEES – SHORT COLLECTION OF COMPOUND WALL CHARGES – IRREGULAR

Rs. 583/-

During the course of audit in respect of Nagar Panchayat, Palakonda, Town Planning section for the year 2015-16, it is observed that in B.A. No.56/2015 of Smt. D. Vagdevi, W/o Mohan Rao, Palakonda whose application was approved vide progs. Rc.No.56/2015, dated.06.08.2015 of the Commissioner, Nagar Panchayat, Palakonda.

As per the Building License Fees approved by the council, under section 209(i)(b) of the AP Municipalities Act 1965, the Compound Wall Charges @ 15/- per RMT of the compound wall has to be collected for giving building permission.

But in the above B.A.No.56/2015, the compound wall charges was short collected as detailed below.

Name of the Applicant	: Smt. D. Vagdevi
Extent of Site	: 75.36 Sq. metres
Length of the compound wall	: $(3.53+21.35) \times 2 = 49.76$ RMT
Allowance for entrance gate	: 25% of the width = 0.88 RMT
Length of the compound wall after allowance	: 48.88 RMT
Compound wall charges to be collected	: $48.88 \times 15 = 733/-$
Compound wall charges actually collected	: Rs.150/-
Short collection of charges	: Rs.583/-

Hence the above said amount has to be made good to the Funds by recovering the amount from the person or persons responsible.

Code : 18

65) APPEALS REGISTER NOT MAINTAINED AND PRODUCED – NEEDS EARLY ACTION:

During the course of audit for the year 2015-16, it is noticed that the register of appeals for property tax was not maintained and produced to audit during the year 2015-16. Due to non-maintenance of appeals register, it is not known to audit that how many appeals were received, considered and returned. Hence the same would need to be maintained and produced to audit.

The loss if any caused due to non maintenance of the said register should need to be recovered from the person or persons responsible.

CODE-18

66) REGISTER OF BILL BOOKS AND MONEY VALUE FORMS NOT MAINTAINED:

During the course of Audit, it is observed that the Bill Books for collection of Taxes & Miscellaneous Receipts Books for collection of Non-Tax revenue have been purchased. But the Register of Money Value Forms not maintained for the

bill books miscellaneous receipts as per rules all the stock account such bills/miscellaneous receipts shall be recorded in the Register of Money Value Forms and the Demand, Collection and Balance struck at the end of the financial year.

Therefore, action may be taken to maintain the Register of Bill Books and Money Value Forms so as to ensure the correct use of M.V. Form in future.

CODE-18

67) BILLS PASSED REGISTER-NOT MAINTAINED-NEEDS ACTION:-

The bills passed register shall be maintained with following information. Voucher wise and date wise payments, head wise payments, Budget details etc.,. But the Register was not maintained. Due to non maintenance of bills passed register, the correctness of the following could not be verified in Audit, any misclassification of heads of expenditure, correct details of payments double payments if any Budget provision against the particulars head of expenditure with item of included in budget.

Therefore, any action would need to be taken to maintain the above said records produced to Audit for verification.

Code-18

68) CONTINGENCIES-REGISTER OF CONTINGENCIES NOT MAINTAINED-NEEDS ACTION:

During the course of audit for the year 2015-16, it is noticed that the Register of Contingencies was not maintained which is irregular. In the absence of the same, the correctness of the following items could not be verified in audit:

- Items purchased under contingencies
- Cost of each item
- Utilisation of Material
- Item wise balance available as on 31-3-2016 etc.,

Hence, action would need to be taken to maintain the above register and produced to audit for verification.

CODE-18

69) REGISTERS-DEFECTIVE MAINTENANCE OF REGISTERS-NEEDS RECTIFICATION:-

During the course of audit for the year 2015-16, the following defects were noticed in the various books of accounts as detailed under each:

1) General Fund Cash Book:

- a. the details of head wise receipts not noted.
- b. the book adjustments were not noted head wise.
- c. the book adjustments were not taken as receipt.
- d. the names of each employee was not noted for salary bills.
- e. the cash book was not closed daily.
- f. the grant particulars were not noted in the cash book.
- g. Monthly reconciliation was not done and certified.
- h. the month wise and annual abstract of Receipts and Charges was not prepared and recorded etc.,

2) CHITTA:

- a. the month wise and head wise annual abstract of Receipts was not prepared and recorded.
- b. necessary entries were not signed/ certified by the Manager and book.

3) ADVANCE RECOVERABLE REGISTER:

- the register was not updated.
- details of voucher number and date of adjustment were not noted.
- number of installment and installment amount were not noted.
- individual wise opening balance, advance adjusted and balance at the close of financial year were not noted etc.,

In view of the above defects the correctness of the receipts and payments presented in the accounts could not be ascertained and certified in audit.

Hence, action would need to be taken to rectify the defects and produced to audit for verification.

70) DEMAND REGISTERS - DEMAND REGISTERS NOT WRITTEN UP - EARLY ACTION CALLED FOR:

During the cause of audit, it is noticed that the following demand registers and ADRs were not written up for the year 2015-2016 and produced to audit for verification.

- 1) Vacant Land Tax Demand Register.
- 2) Agricultural land Tax Demand Register.
- 3) Animal & Vehicle Land Tax Demand Register.

Also the monthly lists furnished by outdoor staff were not made available during the audit. The Mutation Register in respect of the taxes were not written up for the year 2015-16. Hence the DCB Statements for above taxes for the year 2015-16 could not be verified in audit.

Hence, necessary action may be taken to finalize the demands under various taxes by arriving the balances as on 31-3-15. Any loss caused to the institution due to the above reasons would need to be made good from the person or persons responsible.

Code-18

71) REGISTER OF REVENUE YIELDING PROPERTIES - NOT MAINTAINED- NEEDS ACTION:

The Register of revenue yielding properties is meant to guard against any revenue yielding Palakonda Nagara Panchayath property being left out without yielding revenue. All these properties will be entered in the M.D.R and the revenue thereon is watched.

Due to non maintenance of the above Register the correctness of Miscellaneous Demands relating to Nagara Panchayath could not be watched properly. Early action would need to be taken to maintain the revenue yielding property Register and produced to audit.

Any loss caused due to above omission would need to be made good to from the person or persons responsible.

**72) ACCOUNTS – ANNUAL ACCOUNTS NOT FURNISHED IN TIME–
IRREGULAR- NEEDS ACTION:**

In G.O.Ms.No.42 M.A dated 20-01-1970 has prescribed, an abstract of monthly account in form-A (part-1) a detailed annual account in form-B (part-II).

All abstract of monthly account together with the D.C.B Statement and a certification of verification as to be forwarded to the auditor not later than the end of the succeeding month. A detailed annual account has to be forwarded to the auditor not taken than the 15th June of the succeeding year duly appending the following statements.

The matter was also brought to the notice of the District Collector, Srikakulam as well as to the Regional Director of Municipal Administration, Visakhapatnam in the DLC meetings held in time to time. Finally, the Annual Account was furnished to audit at the time of conduct of audit. Though the Annual Account was furnished after lapse of one financial year the following statements were not appended:

- Endowment Account.
- Scavenging Tax Account.
- Showing the transaction of the fund earmarked for expenditure under P.H account.
- Statement Showing the investment transaction of the fund earmarked for expenditure in P.H
- Special Govt.Grants accounts for capital works and other special purposes.
- Loan account with Loans Statements.
- Investment Account.
- Assets and liabilities statement.
- Abstract of account of security and other deposits not in cash.
- Abstract of account of P.F Transactions.
- Abstract of account of pension cum gratuity fund.
- Abstract of Transactions under advances.

Hence, action would need to be taken to prepare and furnish the Annual Account along with the above statements within the stipulated period in future.

73) Chitta collection was not adjusted in Treasury passbook

During the course of audit for the year 2015-16 as verified the challans with chitta, collection on 3.10.15, challan.No 4822 for Rs.8766/- was not adjusted in 001 Treasury Pass book as on 31.3.2015. There is much scope for misappropriation, if any loss sustained on account of this, it should be recovered from the person or persons responsible.

CODE NO.18

74) CASH BOOK NOT MAINTAINED PROPERLY NEEDS RECTIFICATION:

As could be seen the following defects are noticed in the cash books maintained for the year 2015-16.

1. In the expenditure side, in the particular column the gross amount, deduction and net amounts not noted.
2. The book adjustments not taken to receipt side.
3. The month wise book adjustments not worked out.
4. The cheque issued not attested.
5. Monthly not closed with reconciled with Pass Books.

Therefore, action may be taken to maintain cash book in the above this in future.

PENDING AUDIT OBJECTIONS.

.....**586**..... items of objections involving a sum of Rs.....**2,75,97,885.00**..... as detailed below are pending settlement as on the date of close of audit.

Year of Audit Report	No. of Objections	Amount Involved (Rs.)
Up to 2005-06		
2005-06	53	2041544.00
2006-07	55	3058563.00
2007-08	86	4306560.00
2008-09	108	5137810.00
2009-10	76	909368.00
2010-11	70	1478305.00
2011-12	Issued seperately	
2012-13	Issued seperately	
2013-14	Issued seperately	
2014-15	67	3189162.00
2015-16	71	7476573.00
TOTAL	586	2,75,97,885.00



**DISTRICT AUDIT OFFICER,
STATE AUDIT, SRIKAKULAM**

AAO (I/C)

SA1 SA2 SA3