

**AUDIT REPORT OF  
MAHABUBNAGAR  
MUNICIPALITY FOR  
THE YEAR 2015-16**




**Office of the Dist. Audit Officer  
State Audit :: Mahabubnagar**

**Submitted**

The D.A.R on the Accounts of Municipality **MAHABUBNAGAR** Dist:  
Mahabubnagar for the year **2015-16** is submitted along with the following  
enclosures for kind perusal and approval.

- 1) Draft forwarding letter
- 2) Draft Special letter.

**Asst. Audit Officer  
(I)**

  
**Asst. Audit Officer  
(II)**

  
**Dist. Audit Officer  
State Audit, MBNR.**



**GOVERNMENT OF TELANGANA  
STATE AUDIT DEPARTMENT**

FROM:

Sri.P. Sudhakar, M.A. M.Phil.,  
Dist.Audit Officer,  
State Audit,  
Mahabubnagar

TO:

The Commissioner,  
Municipality **Mahabubnagar**  
Mahabubnagar Dist.

Lr.SA.No. /DAO.SA/MBNR/2017-18 Dated: -01-2018.

Sir,

**Sub: - AUDIT** – Audit Report on the Accounts of **M.C.MAHABUBNAGAR** for the year 2015-16- forwarded- Reg.

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I am to forward herewith the Audit Report on the Accounts of Muncipal Council, **MAHABUBNAGAR** for the year 2015-16 and to request that the replies to the audit report in triplicate together with the resolution of Nagarapanchayth duly approving the replies may be sent within a period of (2) Months from the date of receipt of the Audit Report as per Sub-rule – I of Rule 8 of A.P State Audit Rules 2000 issued in G.O. Ms.No. 130 Fin. & Plg. (FW. Admn – II) Dept. Dt: 8-9-2000.

Yours faithfully,

  
**Dist. Audit Officer,  
State Audit, Mahabubnagar**

Copy to the C & D.M.A., Telangana,Hyderabad.  
Copy submitted to the Director of State Audit, Telangana,Hyderabad.



**AUDIT REPORT ON THE ACCOUNTS OF MUNICIPALITY NARAYANPET,  
DISTRICT, MAHABUBNAGAR  
FOR THE YEAR 2015-16**

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Name of the Auditors :1. Sri N.Srinivasulu A.A.O  
2.Smt.A.Karnala, A.A.O.  
3.Sri Basker Rao, Senior. Auditor  
4.Sri Shailender Singh, Senior Auditor  
5.Sri Ramesh Kumar, Senior Auditor  
6. Sri M.A.Ferooz, Senior Auditor  
7. Sri. Md.Yousuf, Senior Auditor  
8.Sri S.Srinivas, Senior Auditor  
9. Sri Md.Jahangeer Khan, Senior Auditor  
10. Sri B.Nanda Kishore, Senior Auditor  
11.Sri Kumaraswamy, Senior Auditor

Time taken for Audit : 8.5.2017 to 30.5.2017 &  
28.11.2017 to 30.11.2017

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**PART- I**

**I) Name of the Chairperson/Special Officer**

a) The Office of the Chairperson was held by **Smt. Radha Amar ,  
Chairperson** during the year **2015-16** i.e., from 01.04.2015 to  
31.03.2016.

**II) Name of the Commissioners**

a) The Office of the Commissioners, Municipality, <sup>mahabubnagar</sup> Narayanpet were held by 1)  
**Sri. Dev Singh , Commissioner** during the year **2015-16** i.e., from 01-  
04-2015 to 31-3-2016



**1) BUDGET:**

According to the rule 8 of the rules relating to the preparation of the budget allotment and transfer of funds issued with G.O.Ms.No. 619 M.A Dt 07-10-1967, the budget as approved by the council should be submitted to the Government through the Dist. Collector and the Director of Municipal Administration by 31<sup>st</sup> December of each year. But the approved Budget for the year 2015-16 was not produced for verification in Audit. The same would need to be obtained and produced for verification.

Code.No.9

**2) COMPLIANCE OF AUDIT OBJECTIONS BY THE COMMISSIONER:**

The No. of Audit objections pending and amount involved are detailed hereunder.

Sl.No	Details	No. of objections	Amount involved.
1	No. of objections pending at the beginning of the year	Already Communicated each year	-
2	Objections added during the year through Audit Report	65	33,12,021/-
3	No. of audit objections settled during the year	-	-
4	No. of objections out standing	65	33,12,021/-

According to the orders issued in G.O.Ms.No. 87 M.A Dt: 13-11-1987 the audit reports and the replies to the audit objections shall be placed before the Municipal Council and the replies submitted to the Government through the Director of State Audit, A.P., Hyderabad along with a copy of the resolution approving the replies for settlement of the objections. The records of the Municipal Council do not reveal the observance of these orders. There was not at all progress in the settlement of objections during the financial year was also

### **3) TIME BARRED TAXES :**

Code-7

According to Section 365(2) of the AP Municipalities Act.1965, it is the duty of the Commissioner to place before the Council a list of arrears due to the Municipality which are likely to become time-barred, at least once in a year before expiry of the limitation of time stating the reasons for the non-collection of such taxes and seek instructions of the Council in regard to recovery of such taxes. According to Section 365(3), if the Commissioner fails to submit such lists or omits to chart in such lists any arrears due to failure on the part of the Bill-Collectors or any other employee, entrusted with the collection work, the Commissioner or such bill collectors are their employee, as the case may be are demand to be negligent and action under Sec 370(1) of the Act for the recovery of the said amount should be taken against then placing of the matter before the Council and instructions of the council in respect of leases as detailed in the Demand Collection and Balance which have become time-barred, ar to be taken into account and the loss sustained due to above omissions has be to made good from the Commissioner and his subordinates fixing the responsibility.

(b) The details of Tax amounts due to the Municipality allowed to be come barred by limitations of time prescribed under section 365 (1) of the AP Municipalities Act 1965 during the current financial year could not be verified and certified in audit due to non-maintenance of arrears demand register.

Immediate action would need to taken for the maintenance for the register and produced to audit. Any loss due to non-maintenance which caused would need to be made good from the persons responsible.

Further as noticed in audit no consequential steps like recovery through distraut, prosecution and filing suits as laid down under the Section 365 of the AP Municipalities Act, 1965 were taken to avoid loss to the Municipality. These taxes would need to be collected / recovered as it constituted loss to the Municipality, and fact reported to audit.

Code No.9

**4) IMPORTANT MUNICIPAL RECORDS NOT ATTESTED BY THE COMMISSIONER**

It was observed in audit that money value forms register and chitta were not attested by the Commissioner. Due to non-attestation of the register as above, it is not known how many bill books etc., were issued to Bill Collectors and how many were returned. In absence of the same there is very possibility of misappropriation of amounts so collected through these books. Hence loss if any caused would need to be recovered from the persons responsible. Immediate steps have to be taken to watch this important register so as to prevent the irregularities.

Code No.18

**5) REGISTER OF MONEY VALUE FORMS – CERTAINS DEFECTS**

The register of money value from was maintained without proper abstract of the receipt books available at the begging of the year. Receipt books purchased during the year, receipts books issued and balance of un-used left over as on the date of audit would need to be certified by the authority competent. Action would need to be taken for proper maintenance and the certified register with abstract of receipt books be produced in the next audit.

Code - 9

**6) DEMAND COLLECTION BALANCE (D.C.B) STATEMENT NOT PRODUCED – NEEDS INVESTIGATIONS:**

(A) The Demand Collections and balance statement in respect of Taxes and Fee for the Year 2015-16 was not prepared and produced for verification during the period of audit. In the absence of the same the outstanding balances of taxes and fee could not be verified in the audit and whatever collections made during the year under audit were adopted. In the absence of the same the exact balance under all receipts could not be arrived and the loss if any caused due to above omissions, the same should be recovered from the person(s) responsible. Due to the said reasons there is also a possibility of leakage of revenue which the responsibility has to be fixed on the concerned and action initiated as per rules.

The demand collection and balance statement for the year 2015-16 would need to be prepared and furnished besides taking the figures in accordance with the verification Receipts and charges statement i.e., annual accounts and produced for verification in next local audit besides taking necessary action to collect the outstanding balances of taxes and fee i.e., under tax and non-tax resources of arrears and current years from the person(s) responsible.

However the administrative authorities should investigate the matter as to why the D.C.B has not been produced to audit since several years, though every year the audit is insisting for the same.

(B) The Year wise arrear demand register of all taxes and non-taxes resources were also not certified and produced for verification in audit. In the absence of the same the outstanding balance of year wise arrears could not be ascertained in the audit. The same would need to be maintained besides taking necessary action to collect the outstanding balances without becoming time barred and credits pointed out to audit.

The loss if any occurred in this regard also needs to be investigated departmentally and worked out and recovered from the person(s) responsible.

**7) TAXES AND FEES NOT LEVIED:**

Taxes and fees as indicated below under the various heads of accounts were not levied and pointed out to in audit. The matter would need to be pursued in this regard and the loss if any occurred needs to be made good from the person(s) responsible under intimation to audit.

1. Agriculture Tax (with in the Municipal Area)
2. Education Tax / Libraries
3. Tax on carriages and plates.
4. Tax on advertisement prior approval of Govt., required for taxation.
5. Tax on animals.
6. Levy of duty on transfer of property
7. Land Cess, Local Cess ( Aposrt Land revenue)
8. Compensation of abolition of Octroi.
9. Compensation of due to loss of income to Tools and plants
10. Profession Tax taken away fro Municipalities and for the loss of income in compensation to be given.
11. Compensation of D&O Trades, certain sections were exempted for which compensation was adjusted to Municipal Funds.

**Fees :**

Warrant Fee/ Distrat Fees(If the property tax not paid the warrant has to be issued and collected and collected to property tax)

1. Conversion fee (Agriculture land is converted into building then conversion fees should be collected)
2. Fees on Numbering on carts & carriages.
3. Fees for maintenance of cattle ponds
4. Vaccination fees (this is levied by P.H)
5. Fees for testing of foods samples
6. Fees for fairs and festivals
7. Fees for Burial Grounds
8. Fees under public entertainment of public resorts
9. Fees for shutters if any
10. Fees for Dispensaries.

11. Fees for Encroachments
12. Fees for using cart stand
13. Fees for fisheries rents.
14. Fees for receipts for Travelers Bungalow
15. Hire charges of tools and plants
16. Sales of old trees and furniture
17. Interest of investments, if any
18. Water charges through tankers.
19. Rent of land
20. Demolition and contributions, if any
21. Fees and filed and forfeiture, magisterial levies.
22. Lapsable deposits (Refundable)
23. Surplus from Provident fund invested in interest bearing securities.

**8) BUILDING PERMISSION – R.W.H.S & DEVELOPMENT CHARGES COLLECTED– SEPARATE ACCOUNT NOT OPERATED – IRREGULAR NEEDS IMMEDIATE ACTION:**

During the course of audit, on verification of building permission files, it is observed that, RWHS charges and development charges have been collecting while according building permissions. The amount is being deposited Municipal funds along with building permission fee.

According GO Ms.No.158, Municipal Administration and Urban Development (H) Dept., Dt.22-03-1996, "the amount collected by the local authorities shall be kept in a separate account operated by Municipal Commissioners. It shall be utilized to construction of rain water harvesting pits in the Municipality area and implement provisions of Master Plan viz (a) Traffic improvement (b) construction of Bridges (c) Development of green belt and parks etc., and the local authorities shall not utilize this income towards payment of salaries of staff and other maintenances.

In spite of clear instructions from the Government the Commissioner has not operated separate account for RWHS and Development charges.

Immediate action would need to taken to open separate account for development charges and utilized the funds for aforesaid purpose and intimated to audit.

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**9) TOWN PLANNING SECTION – CERTAIN DEFECTS NOTICED DURING THE AUDIT :**

During the course of audit on verification of the Building Permission files for the year 2015-16 and the following defects has noticed.

1. Master Plan of the Municipality and Residential Zone, Commercial Zone notified details not produced the audit.
2. Occupancy certificate shall be mandatory for all building 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 of laid down. Government have issued GO Ms.No.165, MA & UD Dept., Dt.7-4-2012 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 GO by the ULB could not be checked in audit. Further clause-g-under Rule 26 of GO Ms.No.168 MA & UD (M) Dept., Dt.07-04-2012 the function/line agencies shall not given regular connections of power, water, sewerage etc., unless such occupancy certificate if 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.

Hence immediate action would need to be taken to rectify such defects and produced the same Audit for verification.

**10) MUNICIPALITY IS SUFFERING FROM FINANCIAL LOSS – DUE TO LACK OF COORDINATION BETWEEN TOWN PLANNING AND REVENUE SECTIONS OF THE M.C. MAHABUBNAGAR :**

The permissions for construction of building application form submitted by a prospective builder of a property is verified and necessary permission is accorded by the Town Planning Department with instructions to complete construction of Building within 3 years from the date of sanction in terms of section. 209 of the AP Municipalities Act-1965 (Now T.S.). As soon as the constructions is completed, every owner is supposed to submit information to the Municipal Council where upon personnel from revenue wing of the Municipal Council visits the property and records the measurements in the Monthly List Register and upon approving the same, a new assessment is created in e-Suvidha software and special demand notice obtained from the software is served for collecting the property tax assessed in that half year. As and when the collection is realized an entry shall be made in the PT demand Register in the month in which the said collection is realized.

Due to lack of information sharing between the Town Planning and Revenue sections, such as numbers of building permissions accorded, the numbers of occupancy certificates issued and the field inspection reports of the Town Planning section during the year, which help the revenue section in assessment of property tax, are not being shared with the Revenue sections, and similarly the information pertaining to the unauthorized constructions to notice of the revenue section officials while field inspection and according of ML register, as per the rule, 12 of the Andhra Pradesh Municipalities (Assessments of tax) Rules-1990, are not being forwarded to the Town Planning section for initiating action to stop such unauthorized construction in time.

Hence due to lack of coordination between two sections of the same Municipality, the institution is suffering from financial losses. Hence immediate action would need to be taken to rectify such mistakes and be build up a communication system between both sections for sharing of information with each other, which will in turn improve the financial strength of the municipalities.

**11) DEFECTIVE MAINTENANCE OF MONTHLY LIST REGISTERS (ML):**

According to Rule, 12 of the Andhra Pradesh Municipalities (Assessments of tax) Rules-1990, Now(TS) The bill collectors, Revenue inspectors or other out duty staff, specially selected for the purpose shall submit, for their respective wards or zones monthly revision lists in Form-F (64 Columns) & Form-G (38 Columns) which shall contain particulars of all building and lands, such as:-

- a. The constructions, reconstructions or enlargement of which is completed during the month.
- b. Newly occupied during the month together with the names of the owners of such buildings and the dates of such completion or the new occupation, as the case may be.
- c. Whenever there is a change in the occupation of the building i.e. from owner occupied to rented and vice versa and
- d. Whenever there is change in the usage of the building.
- e. Form-G is pertaining to the list of lands for collection of vacant land tax.

But during the verification of the connected records along with ML register in audit, the following defects were noticed, such as:-

1. The ML registers were not recorded according to the information obtained by the Bill Collectors, Revenue Inspectors or other out duty staff, specially selected for the purpose duly surveying their respective wards/ zones as detailed above. But the same were recording when an application for the assessment of property tax has been received in the municipalities, which is contrary to the instructions issued in the Andhra Pradesh Municipalities (Assessment of Tax ) Rules – 1990 (Now TS).

2. In Column numbers 1 to 25 of ML register (Form-F), the details of assessment would need to be recorded. But in almost all the MLS these details were not filled up, which does not give any scope for comparison of measurements for the scrutiny of higher officials.

3. There was no manual calculation done in ML and out of 64 columns in the ML hardly 8 to 9 columns were filled up, particularly Building permission proceedings numbers and constructions details, zonal area of constructions, whether commercial or residential building and percentage of tax calculation in col. No.36 were not mentioned by the Revenue Inspectors and the same was not signed by the Municipal Commissioners.
4. The Revenue Inspectors and Revenue Officers were not verifying the measurements and the Commissioners are also not approving all the assessments and in many cases the assessments were finalized without formal dated signatures of either Revenue Officers or Commissioners ( in Col.No.48 of M.L)
5. There have been a huge amount of difference in the demand arrived as per the ML register and the E-Mas/E-suidha and both balance have not be tailed in the Audit.
6. The ML registers have been recorded by obtaining data from the E-Mas / E-Suvidha database instead of up loading data from ML register after approval of the measurements done and property tax fixed to the E-Mas, which is contrary to the rules.
7. it is further noticed in the Audit that for unauthorized constructions 100% penalty is being levied by the E.A, but they are ignoring the partially unauthorized or differences between permission accorded and constructions done by the applicant, which caused loss to the municipal fund, hence need to be rectified.
8. the Revenue authorities are making assessment of a property from the year of assessment only, they are ignoring the year of construction and collecting the arrears from the year of occupancy, due to which huge amount of loss has been caused to the municipal fund, need to be calculated and recovered, under intimation to Audit.
9. All the assessment files were not maintained properly and produced to Audit for verification.

In view of the above omissions the correctness of the assessments made by the executive authority could not be certified in Audit. Hence immediate action would need to be taken to rectified the fore said defects and produced to Audit for verification.

**12) UN-AUTHORISED/AUTHORISED CONSTRUCTIONS IN MUNICIPALITY AREA NOT REGULARISED BY COLLECTING THE PENALTIES LOSSES TO THE MUNICIPALITY - NEEDS EARLY ACTION**

Several objections were raised in the previous Audit Reports stands good in which the audit authorities emphasized the matter by enlightening the orders issued by the Govt. But the Executive Authority did not take interest to implement the Govt. Orders for the regularization of the illegal constructions by collecting the penalties as specified in the orders issued by the Govt.

It is well known fact that there were some houses constructed Un-authorized in the Municipal limits even without layouts and without permission of the Municipality.

Further the amount collected along with LRS/BPS /Building permission application in shape of Cash/D.Ds/Cheques were adjusted not into the bank accounts within the stipulated time could not be verified in Audit due to non furnishing bank statements and it was also noticed that there were huge amount of difference between the closing balance of cash book and bank balance.

Any laxity in this regard causes financial loss to the Municipality for which the Executive Authority will be held responsible. Loss if any sustained in this regard would need to be made good from the person(s) responsible and credited to the Municipal Funds.

**13) YEARLY / HALF YEARLY INSPECTIONS REPORTS OF THE COMMISSIONER & DIRECTOR OF MUNICIPAL ADMINISTRATION AND DEPUTY DIRECTOR PRODUCED :**

Under Section 63 of Municipal Act, 1965, the Commissioner and Director of Municipal Administration or Deputy Director being Administrative Officer, have to inspect the Municipalities and inspection notes should be issued to prevent the financial irregularities.

But, it is observed that no inspections have been conducted by the administrative officer in the entire year.

Availing the chance of non-inspection by the administrative officers, the executive authority of the municipality has made financial irregularities and expenditure made violating the standing instructions without any financial control.

The rules and regulations issued by the government from time to time not followed in the expenditure and acted contrary to the rules.

Therefore to prevent the mis-use of public fund, the inspections have to be taken up by the administrative authority under the provisions to prevent the financial loss.

Code No.- 11

14) WATER TAX MISCELLANEOUS BOOK – FOR THE YEAR 2015-16 NOT  
PRODUCED IN AUDIT.

<b>Sl.No.</b>	<b>Book Sl.No.</b>	<b>Bill Collectors</b>
131	015313001 to 15313100	Smt.Usha Rani, BC
132	015313101 to 15313200	
133	015313201 to 015313300	
134	015313301 to 015313400	
137		
138		
139		
140		

**15) VEHICLES HIRE CHARGES AND FUEL CHARGES INCURRED FOR ENGINEERING SECTION AND SANITATION SECTION – RECORDS NOT MAINTAINED PROPERLY AND IT NOT DEDUCTED – OBJECTED :**

As seen from the vouchers and bills of dealers of vehicles hire charges of Engineering Section and Sanitary Section of M.C. Mahabubnagar. The following defects were noticed in audit for which the H.M.Ltr No.02/Dt.31-05-2017 was issued, but no reply was given. as per H.M. Letter the details are here under:

1.	Total lists of the vehicles used for both sections i.e., MC owned and hired vehicles
2.	Agreements of hired vehicles was not produced, files and trip sheets, tour dairy and tour program of the officials.
3	IT deducted by the firm was not furnished.
4.	In Sanitary section the Log books of vehicles the entries in relevant columns was not filed up and monthly certificate by the officer using the vehicle (Xerox copy enclosed)
5.	In Engineering section the entire log books of the vehicles utilized was not produced the fuel purchased from M/s.P.Narasimha Reddy and Sons, Raichur Road, Mahabubnagar per the statement below enclosed.
6	The Insurance of the vehicles done was not produced to audit.

In view of the above it is very difficult observed during audit for verification of the expenditure incurred. Fuel utilized for owned vehicles in engineering section

Sl.No.	Vr.No. / Date	Vehicle No.	Amount
1	43/4-15	AP 3747	16945
2	60	-do-	9714
3	62	AP 22 W 3261	111352
4	113/5-15	AP 22 V 9707	145408
5	115/5-15	-DO-	110022
6	144/5-15	-do-	35700

7	194/6-15	APM 3747	125513
8	268/7-15	-do-	126470
9	269/7-15	-do-	2083
10	270	-do-	8345
11	237	-do-	13448
12	379	-do-	8445
13	437 to 440/8-15	-do-	153432
14	475	APM 3747 (1.6-15 TO 15.8.15	65970
15	486/9-10-15	17-7-15 TO 31-7-15	9898
16	484/,,	16-8-15 TO 30-8-15	120422
17	485/,,	1-9-15 TO 30-9-15	205534
18	487/,,	5-8-15 TO 15-8-15	5955
19	488/,,	19-8-15	1734
20	635/9-12-15	1-10-15 TO 31-10-15	225890
21	636/,,	1-11-15 TO 4-12-15	194276
22	637/,,	AP 22 W 3261	5160
23	638/,,	-DO-	10898
24	639/,,	14-11-15 to 30-11-15	13299
25	729/23-12-15	1-12-15 to 15-12-15	109244
26	730/,,	AP 22 M 3747, AP 22 W 3261, AP 22	22538
27	748/13-1-16	16-12-15 TO 31-12-15	14955
28	749/,,	16-12-15 TO 31-12-15	123916
29	850/29-1-16	1-1-16 TO 15-1-16	117631

Hire Vehicles expenditure is as below:

Sl.No.	Vr.No. / Date	Vehicle No.	Amount
1	42/4-15	AP 22 TV 1868	23520
2	39	NIL	70560
3	50	AP 22 TV 0071 & AP 22 TV 9388	52000

4	71/5-15	AP 29 AE 669	23520
5	72	AP 22 TV 1868	23520
6	195/6-15	AP 22 AE 6699	23520
7	196	AP 22 W 7903	23520
8	197	NIL	47040
9	213	AP 22 TV 1868	23520
10	239/7-15	AP 22 W 7903	23520
11	261	AP 09 AZ 4367	23520
12	262	AP 09 AZ 4367	23520
13	300	AP 29 AE 6699	23520
14	301	AP TV 1868	23520
15	302	AP 22 W 7903	23520
16	366/8-15	AP 29 AE 6699	23520
17	381	AP 22 W 7903	23520
18	464	NIL	23520
19	465	NIL	23520

Immediate action would need to be taken to write all the columns with supporting proceedings may be submitted to audit.

**16) AGREEMENT OF FLOOD LIGHTS – NEEDS ENQUIRY**

As seen in audit, the following some of example bills were shown below during the year, as per the statement given below Balaji sound & Décor Electrical & works, Mahabubnagar. Amounts was paid to Sri. Md. Saber, the following defects were noticed which needs detailed enquiry and fact intimated to audit for verification.

1. There is no date and sign of proprietor in the firm bills.
2. In all the days was shown for 2 days flood lights.
3. But the note file of me it was one day only seems.
4. The firm bills was not verified properly by MAE, Dy.EE, M.E. etc., as per the note file.
5. Which amount correct is not ascertained in audit.

Sl. No	Vr.No./dt	Bill No. of firm	As per bill arranging of flood light days/amount	As per note file Arranging of flood light days/amount
1	27/4-15	162/3-15	8X250X2days = 2000	2000
2	28/4-15	163/3-15	6X250X2days = 1500	1500
3	29/4-15	164/3-15	6X250X2days = 1500	1500
4	30/4-15	161/3-15	7X250X2days = 1750	1750
5	31/4-15	166/3-15	8X250X2days = 2000	2000
6	32/4-15	167/3-15	7X250X2days = 1750	1750

**17) Abnormal Xerox charges incurred – Objected – Needs action**

During audit it was observed that as per Vr.No.154-5-15, An amount of Rs. 69731/- was paid to M/s Venkateshwara Xerox, Mabubnagar incurred towards Xerox charges during the year which pertains to previous year.

In audit it was advised that, instead of incurring heavy amount of expenditure for Xerox, the stock register of was not produced whether the MC is having Xerox machines. If it was available the same may be get repaired and utilized properly or other wise the new machine be purchased which saves municipal funds.

The compliance done in this regard may be intimated to audit.

Code No. 11

**18) REGISTER OF INVESTMENTS NOT PRODUCED:-**

The register of investments i.e. fixed deposits Receipts and term deposits etc., if any, made during the current year and also the previous years i.e., by way of brought forwarding the same into the current year was not maintained and produced for verification during the period in audit.

In the absence of the registers of Investments the total amount invested, towards terms deposit and scrutiny Security Deposit etc., amount realized and amount and amount realized the due date of maturity and interest gained thereon etc., could not be verified in audit.

The above matter would need to be investigated departmentally and the loss, if any sustained in this regard may be made good form the person (s) responsible and credited to the Municipal Funds under intimation to audit.

CODE No.11

**19) STOCK REGISTER OF TOOLS & PALNTS NOT PRODUCED FOR VERIFICATION IN AUDIT.**

The stock register of Tools and plants was not maintained and produced for verification in audit. In the absence of the same the total No. of tools and plants entered in the above register duly certified by the Commissioner from time to time by entering new purchases etc., made could not be verified and certified in audit. The total number of Xerox machines, type writing machines, Engine oils, furniture, water supply materials electrical material engineering, sanitation and other important articles and machines etc., that are existing would need to be certified by the Commissioner.

The opening and closing stocks maintaining, dead stock of un-serviceable articles etc., should be certified by the commissioner and for the un-serviceable articles, sale proceeds by conducting the public auction after obtaining specific sanction of the competent authority etc., needs to be pointed out to audit.

In view of the above reasons the matte would need to be examined and the loss, if any sustained in this regard needs to be made good form the person (s) responsible and credited to the Municipal funds under intimation to audit.

**20) PHYSICAL VERIFICATION OF STORES/STOCK AND INVENTORY –  
DETAILS NOT FURNISHED**

According to Articles 143 of APFC Vo-1 read with Memo No.10970/228/TFR/90-1 of Finance & Planning Department, Dated. 10-11-1992 stipulate that physical verification of stores and stock, furniture, equipment, tool and plant and other dead stock of the office has to be conducted at least once in a year before close of the financial year by the "Head of the Office" or by "Gazetted Government Servant" nominated for the purpose by him and send a verification report to the controlling authority.

In this connection, it may be stated that physical verification of stores and stock, furniture, equipment, tools and plant other dead stock inventory is being conducted every year. But the details of such physical verification for the period 2015-16 were not furnished to audit for verification. The necessary steps need to be taken to produce the concerned records for verification under intimation to audit.

**21) JEEP HIRE CHARGES CONNECTED FILE AND LOG BOOK NOT PRODUCED**

During the year under audit, it was noticed that, an amount of Rs.540960-00 was drawn from General fund (001 cash book) and spent towards hire charges. But the connected file containing Commissioner and Chairperson tour diaries, tour programmes and its approval of the competent authority etc., were not produced to audit for verification of the correctness of the journey's performed. The log book is also not produced to audit for verification.

In the absence of the same , the of the expenditure incurred towards jeep hire charges could not be genuineness verified in audit.

Hence action would need to be taken for production of the same for verification in audit.

**22) PURCHASE OF FURNITURE-CERTAIN IRREGULARITIE-AMOUNT HELD UNDER OBJECTIO . Rs.98,500/-**

During the audit it was noticed that an amount of Rs. 98,500/- was drawn and paid to M/s Modern Traders Mahabubnagar towards purchase of furniture.

Sl.No	Voucher No.& Date	Details	Amount
1	857/6-2-2016	M/s Modern Traders Mahabubnagar	98500-00
		<b>Total</b>	<b>98500-00</b>

On detail verification of the voucher the following irregularities are noticed.

1. As per the Govt. Orders issued in G.O.Ms.No.228 P.R & R.D. (Pts IV) Dept. Dt: 10-07-2001 tenders were not made from the Government approved rate contract dealers.
2. The above purchases were not made from the Government approved rate contract dealers.

Further Government have imposed total ban on purchase of furniture by Govt. Departments/ Offices vide Govt. Cir Memo. No. 2499-A1/135/TFR.I/200, dt: 15-03-2007 of Finance (TFR-I) Department/

As such the expenditure incurred on furniture cannot be admitted in audit and the entire amount of Rs. 98500/- is therefore held under objection.

**CODE No.9**

**23) Peace meal expenditure incurred – Rate contract not observed objected.**

During the course of audit various types of expenditure was shown as below for which the following points were observed in audit.

1. The firm M/s Yaseen Associates, Mahabubnagar was registered firm or not.
2. The rate contract was not produced for purchases over the year monthly 10 to 12 vouchers expenditure was incurred.

SI.No	Vr/No.	Name of item	Firm name	Amount
1	03/4-15	S/Dofubber bushes to koilkonda	Yassen Associates	1980
2	05/4-15	S/D of timers to starter	Do	1950
3	06/4-15	S/D of rubber bushes to koilkonda	Do	1980
4	07/4-15	Fixing of charges timers	Do	2000
5	10/4-15	Fixing of charges timers	Do	1500
6	11/4-15	S/D of packing rope and iron studeds for R.R. Guda	Do	2000
7	13/4-15	S/D of timers to starter	Do	1950
8	14/4-15	S/D of rubber bushes to Koilkonda	Do	1980
9	15/4-15	S/D of timers to starter	Do	1950

(CODE No.18)

**24) C C CHARGES TOWARDS PAYMENT OF ELECTRICITY BILLS – REGISTER NOT MAINTAINED HELD UNDER OBJECTION**

As seen from the vouchers was drawn and paid to the S.A.O/OP, TSSPDCL Mahabubnagar towards CC charges from PD Account, General Funds (001).

Sl. No	Vr.No & Date	Amount Paid	Particulars	Cheque No. & Date
1	656/15-12-15	10000000	For water pumping	0022120/15-12-15
2	750/13-1-16	995000	-do-	0022150/13-1-16
3	770/18-1-16	998000	-do-	012967/18-1-16
4	771/19-1-16	996000	-do-	012968/19-1-16
5	772/20-1-16	997000	-do-	012969/19-1-16
6	773/21-1-16	998000	-do-	012970/20-1-16
7	774/22-1-16	997000	-do-	012971/21-1-16
8	775/23-1-16	998000	-do-	012972/23-1-16
9	794/25-1-16	999000	-do-	012982/25-1-16
10	836/27-1-16	999000	-do-	012984/27-1-16
11	840/28-1-16	999000	-do-	012990/28-1-16
12	841/29-1-16	999000	-do-	012991/29-1-16
13	851/30-1-16	999000	-do-	013002/30-1-16
14	852/31-1-16	999000	-do-	013003/31-1-16
15	853/4-2-16	999000	-do-	013004/4-2-16
16	854/5-2-16	999000	-do-	013005/5-2-16

On verification of the above vouchers the register of CC Charges recording the dues payable with periods, amounts paid and to be paid not mentioned under the attestation of competent authority not made available in audit for verification.

In view of the above, the genuine of the expenditure could not be verified. Therefore held under objection.

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(CODE No.11)

**25) Payment of salaries to the staff – Post sanction particulars from the Govt. not made available to audit.**

The details of the staff for which the salaries are claimed during the year under audit as furnished by the Commissioner, M.C. Mahabubnagar are shown in the statement enclosed. But the post sanction particulars such as Government Orders relating to sanction of the said posts are not made available during the time of audit. The same was asked in the Half margin Letter No.Spl.02/2016-17, Dated: 06-09-2016. But the reply was not given by the executive authority.

Action would need to be taken for immediate production of the relevant records of the competent authority for verification in audit.

**26) OUTSOURCING AGENCIES DETAILS NOT PRODUCED TO AUDIT NEEDS TO BE PRODUCED:**

During the course of PD-II account Audit on verification of cash book, an amount to of Rs. 2,67,27,503-00 expenditure incur for payment of outsourcing agencies, towards engage of labor in various sections in the Municipal Council, Mahabubnagar under outsourcing basis. But the details (contract and agreement) of outsourcing agencies were not produced to audit for verification. A half margined letter No. 02/02-06-2017 was also issued to executive authority, but no replies was given to audit. Hence the genuine of the expenditure incurred was not certified by the audit. And if any lapses noticed that, the person/ persons held responsible for it. Voucher wise expenditure statement enclosed herewith.

In view of the above the same was held under objection.

**CODE - 9**

**27) Payment of remuneration to Outsourcing employees/Contract employee/ Engage of labour for the year 2015-16 Appointment/permission orders issued by the competent authority not produced and other regularities – Objected( 001 & 002)**

On verification monthly bills pertaining to payment of remuneration to Outsourcing employees/Contract employee/ Engage of labour for the year 2015-16, the following defects irregularities were noticed in audit.

1. Appointment and Govt. permission orders issued by the competent authority not produced.
2. Selection process and appointment orders i.e. proceedings of labour issued by the competent authority were not produced for verification in audit.
3. Details of works turned out but the labour were not produced for verification on audit.
4. Municipality council resolutions were not produced for verification.
5. Deduction particulars of ESI, EPF, i.e., file/register and its payment to concerned departments were not produced.
6. Totally how many staff / laborers worked on the basis daily wages/Non-Provincilised/ NMR's / Contract / Outsourcing details were not furnished to audit.
7. NMR sheets for the daily wages No.of days worked and amount per day calculation was not mentioned and not signed by the not certified by the Authorities concerned.

In view of the above defects, the amount incurred is held under objection.

**28) MAINTENANCE OF SERVICE RCORDS DEFECTS POINED OUT**

During the course of audit on verification the service registers of the Municipal staff Mahabubnagar the following defects are pointed out.

- i) The service registers are not updated.
- ii) The E.L. accounts of staff are not updated till the close of audit.
- iii) The Service verification particulars are not written in the service registers of the of this municipal staff.
- iv) The G.I.S entries are not made.
- v) The R.P.S 2015 pay fixations are wrongly written in the service registers.
- vi) The Automatic Advancement Scheme (06/12/18/24) entries are not made correctly.
- vii) Some of the entries are made in the service register in pencil writing.
- viii) Surrender Leave Entries are not made in the S.R's.
- ix) Annual Grade Increments wrongly posted.
- x) Treasury Bill Register not produced to audit.

Above defects were pointed in Half Margin Letter No. Spl.No.5/2016-17, Dated: 19-09-2016 and the reply was not given by the concerned section. Hence immediate action would need to be taken to update the service records under intimation to audit.

**29) IRREGULAR SANCTION OF ANNUAL GRADE INCREMENTS AND REGULARISATION OF SERVICES TO MUNICIPAL STAFF – HELD UNDER OBJECTION**

On verification of the Service Registers and personal files of the following staff of Municipality, Mahabubnagar it is found that the services were regularized contrary to the Government Orders and Commissioner and Director of Municipal Administration as detailed below.

Sl. No	Name of the Employee Sri/Smt	Designation	Services to be Regularized	Services were Regularized	Remarks
1	2	3	4	5	6
1	K. Venkataiah	PHW	Prospective Effect Date	Retrospective effect date i.e. Date of Appointment	
2	T. Pochaiiah	PHW	Prospective Effect Date	Retrospective effect date i.e. Date of Appointment	
3	K. Chennaiah	PHW	Prospective Effect Date	Retrospective effect date i.e. Date of Appointment	
4	Pentaiah	PHW	Prospective Effect Date	Retrospective effect date i.e. Date of Appointment	
5	P. Yellaiah	PHW	Prospective Effect Date	Retrospective effect date i.e. Date of Appointment	
6	A. Venkataiah	PHW	Prospective Effect Date	Retrospective effect date i.e. Date of Appointment	
7	A. Shekar	PHW	Prospective Effect Date	Retrospective effect date i.e. Date of Appointment	
8	A. Manyam	PHW	Prospective Effect Date	Retrospective effect date i.e. Date of Appointment	
9	K. Manikyam	Linemen	Prospective Effect Date	Retrospective effect date i.e. Date of Appointment	
10	G. Buggaiah	Garden Mali	Prospective Effect Date	Retrospective effect date i.e. Date of Appointment	
11	P. venkataiah	PHW	Prospective Effect Date	Retrospective effect date i.e. Date of Appointment	
12	Y. Balanagaiah	PHW	Prospective Effect Date	Retrospective effect date i.e. Date of Appointment	
13	M. Krishna	Sanitary Jawan	Prospective Effect Date	Retrospective effect date i.e. Date of Appointment	
14	Annu Pasha	Attender	Prospective Effect Date	Retrospective effect date i.e. Date of Appointment	
15	Mahmooda Begum	Sanitary Jawan	Prospective Effect Date	Retrospective effect date i.e. Date of Appointment	

According to G.O. Rt.No.1229 M.A. & U.D. (G2) Dept., Dated: 03-08-2013 permission accorded, the services of the above staff are regularize the services in Mahabubnagar Municipality and in terms of G.O.Ms.No.212 Finance (PC-III) Department, Dated: 22-04-1994 from “**Prospective date i.e. date of issue of orders**”

**by competent authority".** Subject to condition that the said vacancies are clear.  
(Copy Enclosed)

In view of the above orders, the services were regularized by the competent authority Retrospective date i.e., date of appointment and the pay fixations and Annual Grade Increments were given to the above staff retrospective effect instead of prospective Effect which is irregular and contrary to the Government Orders.

Therefore immediate action would need to be taken to calculate and recover the excess pay and allowances from the person (s) responsible and regulate the pay fixations and increments time to time under intimation to audit.

**30) IRREGULAR SANCTION OF A.G. I/c DUE TO WRONGLY ALLOWING THE TIME SCALE TO SRI. R. ANJANEYULU, SANITARY JAWAN – EXCESS PAID NEEDS RECOVERY Rs. 20,385/-**

During the course of audit on verification of the service reister of Sri. R. Anjaneyulu (Emp. I.D. No. 1762476), Sanitary Jawan it is noticed that the individual was allowed time scale of Rs. 6900-20680 and pay fixed at Rs. 6900/- instead of Rs. 6700-20110 and pay will be fixed at Rs. 6700/- Due to which excess pay & Allowances paid to the individual.

Therefore the excess pay allowances of Rs. 20,385/- (annexure enclosed) would need to be recover from the person (s) and pay regulate from time to time under intimation to audit.

**31) SHORT DEDUCTION OF T.S.G.L.I MONTHLY PREMIUM AS PER NEW SLABS RATES – NEEDS RECTIFY/-**

As per G.O.Ms.No.231 Fin (Admn-II) Dept., Dated: 28-06-2010 the monthly premium towards A.P.G.L.I Scheme as per new slab rates are to be deducted from the pay of the officials effecting recovery from the pay of June,2010 onwards. Govt. vide G.O.Ms.No. 16, Dated: 17-02-2011 has enhanced the insurable age from 48 years to 53 years.

<b>Pay Slabs</b>	<b>Monthly Premium</b>
Pay from Rs. 6700 to 8440	250.00
Pay from Rs. 8441 to 10900	350.00
Pay from Rs. 10901 to 14860	450.00
Pay from Rs. 14861 to 18030	600.00
Pay from Rs. 18031 to 25600	750.00
Pay from Rs. 25601 & above	1000.00

On verification of the pay bills of the Revenue Section, Engineering section, Town planning section and Health & Sanitation Section for the year 2015-16 some of the employees were not effected the premium towards T.S.G.L.I scheme as per above new slab rates. Hence immediate action would need to be taken to implement the new slab rates under intimation to audit.

Establishment/2015-16

(Code No.10)

**32) VAT paid to firm – payment details to the Department not obtained Needs action for recovery and remittance – Rs.58,991/-**

During the course of audit, in the following voucher the VAT amount was paid as included in the bills of payment for purchase of various material as shown below:

Sl. No	Vr.No./Date	Name of the firm	Particulars	Item amount	Vat amount	Total amount
	35/4-15	M/s Om Sri associates Mbnr	P/of Furniture	670500	33429	33429
1	44/4-15	Prabhathpress guntur	Books	45570	2278	47849
2	Do	Do	Do	35805	1790	37595
3	Do	Do	Do	26775	1338	28114
4	478/9-15	Do	Do	22995	1149	24145
5	351/8-15	A.E	S/D of Ele. Material	93800	4690	98490
6	352/8-15	Do	Do	46710	2335	49045
7	353/8-15	M/s Dayanand Agencies	Do	94871	4520	99391
8	354/8-15	Do	Do	71010	3550	74560
9	355/8-15	Do	Do	45956	2216	48172
10	356/8-15	Do	Do	35346	1696	33918

The VAT payment details by the firm to the Department was not furnished to audit for verification. Therefore immediate action would need to be taken to obtain the remittance particulars from the firm in the prescribed forms or otherwise the same may be recovered from the concerned firms and remit to the department and fact intimated to audit.

**33) Works – excess payment - Needs recovery – Rs. 2,088/-**

In verification of Vr.No.353/8-15 Rs. 94871/- was paid to M/s Dayanand Agencies, Mahabubnagar towards supply of street lights materials vide bill No.31/dt.31-01-2015 the rate of the GI pipe was excess paid than the estimate rate as shown below needs to be recovered from and credited to funds under intimation to audit.

As per MB.210/14-15	
Page No.5 to 7 & 18 abstract	
Item No.5 for qty 4 @ Rs.1344/-	= Rs. 2688/-
As per estimate the rate for	
Same qty 4 was Rs. 150/-	= Rs. 600/-
<b>Excess Paid</b>	<b>Rs. 2,088/-</b>

**34) Works – Other than the estimate items purchased IT not deducted – Needs deduction – objected – Rs. 12711/- (Rs. 9200/-+Rs. 3511/-).**

During verification of Vr.No.35/4-15 Rs. 702228/- was paid to M/s Om Shree Associates, Mahabubnagar bill No. CHB/148/2015, dt.nil. , it was observed that the one item S/d of revolving chair with two handles etc., qty one amounting to Rs. 9200/- was included to the estimated item of three items cost of Rs. 710000/- (Xerox copy enclosed)

In audit it was objected that,

1. The above one item was not in the quantity of chairs.
2. The rate was paid was lowest quoted or not i.e. quotation not produced.
3. Vat amount of Rs. 33429/- was paid to firm the payment details to the Department not furnished.
4. TDS & 2% on source of income Rs. 702228/- amounting to Rs. 3511/- was not deducted, needs to be recovered.
5. Stock & Utilization not furnished.

**35) EXECUTION OF WORK – EXECUTION OF MOST OF CIVIL WORK'S UNDER GENERAL FUNDS COSTING LESS THAN RUPEES ONE LAKH, TO AVOID OPEN TENDERING SYSTEMS – CERTAIN DEFECTS – IRREGULAR – NEEDS INVESTIGATION.**

During the course of audit, various works was executed General Fund and other schemes, it was noticed that the maximum works i.e., laying of roads/construction of water drainages etc are administratively and technically sanctioned which are under Rupees One Lakh only and executed, actually the works was estimated to more that one lakhs.

In audit was revealed that:

1. The sanctions is done is that the works are splitting in to two and above works, instead of taking full work completely
2. In some of the works payments other than the estimated sanctioned items i.e., i) laying of foundation stones amounts, ii) tent house expenditure, iii) Hospitality charges & iv) bokeys etc., was included and paid which was not in the estimate sanctioned.
3. Among all the works in the General funds, 60% of the works are deviated from the original estimates. This constructed that the estimates are prepared may be without physical verification of site etc.,

In audit it was advised and suggested that the workers to be executed not into single work and competing the work's then the intension of the council and Municipal authorities is clear to avoid open tender system for execution of work as prescribed in G.O.Ms.No.620 M.A Dt.7-10-1967 as amended by G.O.Ms.No.214 M.A Dept Dt.29.5.1974 and also other items expenditure to be added to be avoided to benefit to the contractor whenever needed.

**36) Works Other than the estimate items paid – Not related to work – Needs recovery – Rs.9810/- ( Vr.No.55 dt.4/2015)**

During verification of MB No. 215/13-14 page No. 22 to 24, the items 5 & 6 i.e., supply & delivery of tents etc, Rs. 8250/- and providing of edga etc., Rs.1560/- total Rs. 9810/- was paid for the work of collection o& spreading of gravel & stone dust, laying of RCC slab culvert at Edga, in Mbnr (Xerox copy of MB & Estimate enclosed) As seen the above two items was inot in the estimate sanctioned. Further the above items are not related to the work sanctioned. It was only benefit to the Contractor. Hence objected in audit.

Therefore the same may be recovered from concerned under intimation to audit.

37) Works – excess payment – Needs recovery – Rs. 6,600/-

In verification of Vr.No. 429/8-15 Rs. 77658/- was paid towards supply of pump sets and recorded in MD.40/15-16 page 15 to 28 in the abstract page No. 24 the length was taken 25 mtrs instead of 15 mtrs which measurements was recorded page No.17 the excess paid as shown below needs to be recovered from and credited to funds under intimation to audit.

As per MB.40/15-16  
Page No.24 abstract  
Item No.2 for qty 25 rmt @ Rs.661.70/- = Rs. 16,525.50

As per measurements at page No. 17  
& Deviation state the length  
Of pipe was 15rmt only @ Rs. 661.70 = Rs. 9,925.50

<b>Excess Paid</b>	<b>Rs. <u>6,600.00</u></b>
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**38) CHAIRPERSON HIRE VEHICLE DETAILS NOT PRODUCED TO AUDIT.**

On verification of PD.-II account cash book with correlation of debit vouchers, the Chairperson hire vehicle charges was paid to Sri. Linga Naik R/o Mahabubnagar. But the hire vehicle details i.e. Agency eligibility, agreement vehicle R.C. Insurance and etc. details were not produced to audit for verification. Hence the expenditure incurred to hire vehicle could not be verified and certified in audit. Any lapses noticed that the person/persons held responsible for it.

Code No.8

**39) ADVANCE AMOUNT DRAWN ADJUSTMENT PARTICULARS NOT PRODUCED AMOUNT HELD UNDER OBJECTION – Rs. 11,40,000/-**

An amount of Rs. 14,40,000 as detailed below was drawn and paid towards advances during the year 2015-06, But the adjustment particulars for the advances drawn were not produced to audit for verification H.M.Itr issued vide No.02, dt: 29-05-2017.

Sl.No	Vr.No. & Dt	Amount	Purpose
1	188/6-15	125000	P/of cash counting machines
2	191/6-15	100000	Telangana Avirbhava sambharlu
3	256/7-15	30000	Arresting leakages
4	558/7-12-15	105000	Legal fees
5	589/	30000	Legal fee
6	646/10-12-15	360000	Leakages on 700mm dia PSC pumping main at various places
7	647/15-12-15	390000	Providing lighting arrangement in view of "Batukamma Panduga"
	Total	11,40,000/-	

**40) Execution of works not recorded in M.Book- Objected – Rs.2,52,268/-**

According to G.O.Ms.No.114, MA. Dept: 28-02-67, read with G.O.Ms.No.883 MA Dept, Dt: 17-1-66, every work taken up by the Municipality should be estimated and technically sanctioned and work has to be recorded in M.Book by AE and check measured by the engineering authority.

But in case of the following works, so called procedure was not adopted. The below shown firm bills were not having any TIN number/Vat number. The quotation /Estimate bills were enclosed to some vouchers. In the absence of the same corrections of the work taken up could not be verified & to be recorded in the Measurement Book and produced the records for verification.

Sl.No	Vr.No & Dt	Details of work	Amount
1	193/6-15	Repairing and testing of 33kv out doorveb panal	56701
2	214/6-15	Repair to pump set	13132
3	349/8-15	Repair to pump set	87395
4	434/8-15	To wards engaged a JCB for working compost yards various wards in town	95040
		Total	2,52,268/-

Code No.11

**41) EXECUTION OF WORKS – M.B's AND CONNECTED FILES ETC., NOT PRODUCED TO AUDIT – AMOUNT HELD UNDER OBJECTION Rs. 12,94,663/-**

In the following vouchers as detailed below a sum of Rs. 5607617.00 was drawn and paid towards values of work done and paid to the contractors but the MBs and estimates files etc., were not produced to audit for verification.

In the absence of the same expenditure incurred for Rs. 5607617.00 cannot be admitted in audit and kept under objection.

Sl. No	Vr.No. &Dt.	Name of the contractor	Name of the work	MB.No	Gross	Deduction	Net	Remarks
1	51/24-4-2015	B.I. Benjamen	Servicing of failed 7800 kva distribution transformer	9/14-15p.No.17-19	506181	25721	480460	0
2	52/,,	Parthasarathi	Repairing of various HP pump motors	137/13-14 p.no.48 to 58	609746	64330	545416	0
3	226/23-6-2015	Jagati publication	Publication charges	0	198000	3976	194024	File not produced
4	362/5-8-2015	0	0	0	0	0	74763	MB & Estt file not produced
5	482/15-16	Vijaya Mechanical	Repairs to 1 HP to 10 Hp power boards in town	51/15-16	0	0	0	
6	787/25.01.16	-do-	Repairs to 1 HP to 10 Hp power boards in town	51/15-16	0	0	0	MB's produced but files not produced.
7	776/23.01.16	-do-	Transportation of drinking water through private tankers	178/15-16	0	0	0	

8	855/06 .02.20 16	C.Srinivas Raju	Flushing of existing bore wells @ various places	8/15- 16	0	0	0	
9	618/08 .12.20 15	M.Yadaiah	Drilling of 6 1/2 dia borewell in ward.No.1 3	125/15 -16	0	0	0	MB's produce d but files not produce d.
					Total		12,94,663	

**P.D-II Account/2015-16**

**Code No.11**

**42) NON PRODUCTION OF MEASUREMENT BOOKS – AMOUNT HELD UNDER OBJECTION – Rs.1,70,635/-**

During the course of P.D.-H account Audit the following Measurement Books was not produced to audit for verification, Due to which the correctness of the work is not pointed in audit. The same was asked vide Half Margin Letter No. 02, Dated: 02-06-2017. But the reply was not given to audit as on end of Audit.

Sl.No	M.B. No./Page No.	Amount Involved in voucer Rs.	Remarks
1	283/15-16	81,605.00	610/10-03-16- 7405
2	253/01-09	89,030.00	696/17-03-16- 7413
	Total	1,70,635/-	

In view of the above the same as held under objection.

**43) EXECUTION OF WORK IN MC MAHABUBNAGAR FOR THE YEAR 2015-16 – CERTAIN IRREGULARITIES NOTICED.**

During the course of audit on verification of the M.Books and connected records the following defects were noticed.

- 1) The quality control checks were not carried out at different stages of works execution as verified from connected records and files, as per instruction issued in the G.O.
- 2) As per instructions issued in the G.O. the 10% of sanctioned works costing Rs.2.00 lacs and less than Rs. 5.00 lakh of estimate cost shall be check measured by the E.E. at least 30% of the value before final payment, but the said procedure was not followed.
- 3) Construction plans and site plan were not enclosed with the concerned file for verification.
- 4) Photos of the site before, during and after completion of the works were not enclosed with the file for verification.

The above stated defects would need to be rectified and the same shall be produced to subsequent audit for verification.

**44) A LUMP SUM PROVISION NOT MADE TOWARDS INSURANCE IN CIVIL WORKS, HEL UNDER OBJECTION.**

According to the orders issued in G.O.Ms.No. 941& CAD (PW) department Dated. 01-07-2003 in respect of civil works a lump sum provision shall be made in the abstract estimate towards insurance considering the period of agreement and device liability period of 2 years for original works and 1 year maintenance works.

But during the audit of MC Mahabubnagar for the year 2015-2016 it was notice that the a lump sum provision was not made in respect of civil works towards insurance.

Hence immediate action would need to be taken to make a lump sum provision towards the insurance in civil works.

**45) EXECUTION OF WORKS – TOTAL VALUE OF WORK DONE MORE THAN THE ESTIMATE CONTRACT VALUE/TENDER AMOUNT-NOT RESTRICTED TO E.C.V.- EXCESS PAID – NEEDS RECOVERY Rs. 3,471/-**

An amount of Rs. 6,14,854/- was drawn on Voucher No. 31, Dated: 23.06.2015 and paid to the contractor towards execution of the following work under 13<sup>th</sup> Finance in the year 2015-16.

**Name of the Work :** Const. of Sullage Drain from H.No. 1-1-81/E/A to existing Nala from Masjid-E-Sadh to H.No. 1-1-74/1 & from H.No. 1-1-74/A to H.no. 1-1-74/A/4 at Mothinagar area Ward No, 35

**M.B.No. :** 21//14-15, P.No. 1 to 18

**Name of the Contractor :** Sri. Mohd. Abdul Faheem

**Estimated Contract Value:** 6,53,741/-

On verification of the M.Book and file an amount of Rs. 3,471/- was excess paid to the Contract due to non – restriction of Estimated Contract Value as worked below..

Total Value of Work	:	<b>6,27,050-00</b> (As per M. .Book)
Excess 4.81% (T.P.)	:	30,161-00
Total	:	<b>6,57,213-00</b>

But the total amount of Rs. 6,57,213/- was not restricted to Rs. 6,53,741/- as per the agreement and work order of the Estimated Contract Value. Due to which an amount of Rs. 3,471/- was excess paid to the contractor.

Hence immediate action would need to be taken to recover the above excess payment of Rs. 3,471/- was excess paid to the contractor.

**46) EXECUTION OF WORKS – TOTAL VALUE OF WORK DONE MORE THAN THE ESTIMATE CONTRACT VALUE/TENDER AMOUNT – NOT RESTRICTED TO E.C.V. – EXCESS PAID – NEED RECOVERY Rs. 6,891/-**

An amount of Rs. 4,42,654/- was drawn on Voucher No. 74, Dated: 05.11.2015 and paid to the contractor towards execution of the following work under 13<sup>th</sup> Finance in the year 2015-16.

**Name of the Work:** Const. of Sullage Drain from Pochamma Temple to Existing drain at NewPremnager area.  
**M.B.No.:** 110/2015-16, P.No. 15

**Name of the Contractor:** Sri. Mahendra Prasad.

**Estimated Contract Value:** 4,62,457/-

On verification of the M. Book and file an amount of Rs. 6,891/- was excess paid to the Contractor due to non - restriction of Estimated Contract Value as worked below.

Total Value of Work	:	<b>4,64,483-00</b> ( As per M. Book)
Excess 3.51% (T.P.)	:	4,865-00
Total	:	4,69,348-00

But the total amount of Rs. 4,69,348/- was not restricted to Rs. 4,62,457/- as per the agreement and work order of the Estimated Contract Value. Due to which an amount of Rs. 6,891/- was excess paid to the contractor.

Hence immediate action would need to be taken to recover the above excess payment of Rs. 6,891/- from the person(s) responsible and credited to the N.P. funds under intimation to the audit.

**47) EXECUTION OF WORKS – TOTAL VALUE OF WORK DONE MORE THAN THE ESTIMATE CONTRACT VALUE/TENDER AMOUNT-NOT RESTRICTED TO E.C.V.- EXCESS PAID – NEEDS RECOVERY Rs. 3,203/-**

An amount of Rs. 3,43,672/- was drawn on Voucher No. 82, Dated: 09.12.2015 and paid to the contractor towards execution of the following work under 13<sup>th</sup> Finance in the year 2015-16.

**Name of the Work :** Const. of Sullage Drain from Telugu Chandraiah (H) To B. Anjaneyulu (H) in Bandameedi Pally in Ward No. 19

**M.B.No. :** 142/2015-16, P. No. 1 to 13

**Name of the Contractor:** Sri. Mohd. Anjum Ali

**Estimated Contract Value:** 3,64,797/-

On verification of the M. Book and file an amount of Rs. 3,203/- was excess paid to the Contract due to non – restriction of Estimated Contract Value as worked below..

Total Value of Work	:	<b>3,70,888-00</b> (As per M. .Book)
Excess 4.81% (T.P.)	:	15,577-00
Total	:	3,86,465-00
Restricted As per M. Book	:	3,68,000-00

But the total amount of Rs.3,68,000/- was not restricted to Rs. 3,64,797/- as per the agreement and work order of the Estimated Contract Value. Due to which an amount of Rs. 3,203/- was excess paid to the contractor.

Hence immediate action would need to be taken to recover the above excess payment of Rs. 3,203/- from the person(s) responsible and credited to the concerned funds under intimation to audit.

**48) EXECUTION OF WORKS – EXCESS PAYMENT DUE TO WRONG CALULATION – NEED RECOVERY Rs. 1,000/-**

An amount of Rs. 7,72,884/- was drawn on Voucher No. 83, Dated: 09.12.2015 and paid to the contractor towards execution of the following work under 13<sup>th</sup> Finance in the year 2015-16.

**Name of the Work :** Const. of Sullage Drain from h.No. 6-3-43/4/B/1 to 6-3-43/4/D17 from back side of H.No. 6-3-37/K/a/6 TO EXISTING s.w. Drain from H.No. 6-3-37/ka/7 to Existing drain in Hanmanpura in Ward No. 19.

**M. B. No. :** 137/2015-16, P. No. 1 to 19

**Name of the Contractor:** M/s Yaseem Associates

**Estimated Contract Value:** 7,77,122/-

On verification of the M. Book and file an amount of Rs. 1,000/- was excess paid to the Contract due to wrong calculation in the Earth Work Excavation as detailed below.

Description	Qty	Rate Allowed	Paid	To be Paid	Excess Paid
1	2	3	4 (2 X 3)	5	6 (4-5)
Earth Work Excavation from road way soil and drains as per drawing and technical specifications	210.356	146.90	31901	30901	1000

Hence immediate action would need to be taken to recover the above excess payment of Rs. 1,000/- from the person(s) responsible and credited to the concerned funds under intimation to audit.

**49) EXECUTION OF WORKS – WITHOUT SPECIFICATION REPORT, DATA SHEET & ESTIMATION, ITEMS INCLUDED IN M. BOOK- IRREGULAR – NEED RECOVERY Rs. 9,416/-**

**Name of the Work :** Const. of Sullage Drain from H.No. 8-5-58 to Bala subramaniyam A.S.I. House at Dhana Laxmi Colony.

**M. B. No. :** 135/2015-16, P. No. 1 to 18

**Name of the Contractor:** Sri. Umar Farooq Saifuddin

**Estimated Contract Value:** 2,33,855-00

An amount of Rs. 1,44,483/- was drawn on Voucher No. 40, Dated: 30.07.2015, and paid to the contractor towards above Work under 13<sup>th</sup> Finance in the year 2015-16.

On verification of the above estimated file it is noticed that the following items were neither included in estimate nor pointed in final completion report of the estimate. But the same was included in final work of the Measurement book without approval by the concerned Deputy Executive Engineer which is irregular and excess paid to the contractor towards following item of the work.

Sl. No	Description of Work included in Abstract	Qty	Rate Allowed	Amount Paid
1	2	3	4	5
1	Supply Fitting and Placing HYSD bar reinforcing in foundation Complete	77.11	58.78	4532.52
2	VCC Grade M30 design Mix using 20mm Gravel Metal Corresponding to table of IS 456	0.84	5813.79	4883.58
<b>Total</b>				<b>9,416-00</b>

Therefore the above excess item of the work an amount Rs. 9,416/- to be recovered from the person(s) responsible and credited to the concerned funds under intimation to audit.

**50) EXECUTION OF WORKS – EXCESS PAYMENT MADE TO CONTRACTOR DUE TO EXCESS QUANTITY ALLOWED THAN THE APPROVED ESTIMATE & FINAL COMPLETION REPORT – NEED RECOVERY Rs. 46,808/-**

An amount of Rs. 65,342/- was drawn on Voucher No. 42, Dated: 30.07.2015 and paid to the contractor towards execution of the following work under 13<sup>th</sup> Finance in the year 2015-16.

**Name of the Work :** Const. of Sullage Drain from h.No. 6-3-43/4/D/7 to 6-3-43/4/b/1 AT Hanmanpura area.

**M.B.No. :** 165/2015-16, P. No. 21 to 22

**Name of the Contractor:** Sri. Umar Farooq Saifuddin

**Estimated Contract Value:** 3,72,150/-

On verification of the M. Book and file an amount of Rs. 46,808/- was excess paid to the Contract due to excess quantity allowed than the approved estimate and final completion of the work quantity in M. Book as detailed below.

Sl. No	Description	Qty Allowed	Actual Qty to be Allowed	Excess Allowed	Rate	Excess Paid
1	2	3	4	5 (3-4)	6	7 (5x6)
1	Filling with Crusher Stone dust as per drawing and technical specifications class 305.39 MORED	17.85	15.80	2.05	759.42/ Cum	1557-00
2	PCC(1:4:8) using 40mm size 2HBZ gauge M/c Metal	17.85	15.80	2.05	3433.05/ Cum	7038
3	CRS Masonary with CM(1:6) Prop. Including L/C fo all materials	64.26	55.20	9.06	3508.99/ Cum	31791

4	Laying of Plain cement Concrete (1:2:4) including Cost & Conveyance of all materials	8.93	7.91	1.02	4978.44/ Cum	5078-00
5	Plastering 12mm thick single coat in CM (1:3) including cost & Conveyance of all materials	142.80	132	10.80	124.48 sqm	1344-00
					Total Excess Payment	46,808-00

Hence immediate action would need to be taken to recover the above excess payment of Rs. 46,808/- from the person(s) responsible and credited to the concerned funds under intimation to audit.

**51) EXECUTION OF WORKS – EXCESS PAYMENT MADE TO CONTRACTOR DUE TO EXCESS QUANTITY ALLOWED THAN THE APPROVED ESTIMATE & FINAL COMPLETION REPORT – NEED RECOVERY Rs. 13,403/-**

An amount of Rs. 8,86,485/- was drawn on Voucher No. 13, Dated: 08.08.2015 and paid to the contractor towards execution of the following work under 13<sup>th</sup> Finance in the year 2015-16.

**Name of the Work :** Restoration of existing B.T. Road from Rajiv Gandhi Statue to Clock Tower Junction.

**M.B.No. :** 35/2015-16, P. No. 1 to 20

**Name of the Contractor:** M/s Sri Laxmi Constructions

**Estimated Contract Value:** 9,94,733/-

On verification of the M. Book and file an amount of Rs. 13,403/- was excess paid to the Contract due to excess quantity allowed than the approved estimate and final completion of the work quantity in M. Book as detailed below.

Sl. No	Description	Qty Allowed	Actual Qty to be Allowed	Excess Allowed	Rate	Excess Paid
1	2	3	4	5 (3-4)	6	7 (5x6)
1	Providing 25mm thick Completed Semi derise Bituminous concrete Using HBG/HBT concrete including cost and Conveyance	66.30	64.84	1.46	9180	13403-00

Hence immediate action would need to be taken to recover the above excess payment of Rs. 13,403/- from the person(s) responsible and credited to the concerned funds under intimation to audit.

Non – Plan Grants/2015-16

(Code No. 13)

**52) EXECUTION OF WORKS – EXCESS PAYMENT MADE TO CONTRACTOR DUE TO EXCESS QUANTITY ALLOWED THAN THE APPROVED ESTIMATE & FINAL COMPLETION REPORT – NEED RECOVERY Rs. 1,707/-**

An amount of Rs. 6,59,181/- was drawn on Voucher No. 34, Dated: 11.01.2016 and paid to the contractor towards execution of the following work under Non-Plan Grants in the year 2015-16.

**Name of the Work :** Restoration of existing B.T. Road from Shetty Complex to Municipal Guest House.

**M.B.No. :** 225/2015-16, P. No. 1 to 18

**Name of the Contractor:** M/s Sri Laxmi Constructions

**Estimated Contract Value:** 7,40,121/-

On verification of the M. Book and file an amount of Rs. 1,707/- was excess paid to the Contract due to excess quantity allowed than the approved estimate and final completion of the work quantity in M. Book as detailed below.

Sl. No	Description	Qty Allowed	Actual Qty to be Allowed	Excess Allowed	Rate	Excess Paid
1	2	3	4	5 (3-4)	6	7 (5x6)
1	Providing 25mm thick Completed Semi derise Bituminous concrete by Govt. mix plant using HBT/HBG concrete	63.80	63.614	0.186	9180	1707-00

Hence immediate action would need to be taken to recover the above excess payment of Rs. 1,707/- from the person(s) responsible and credited to the concerned funds under intimation to audit.

**53) EXECUTION OF WORKS UNDER SCHEMES/GENERAL FUNDS- CERTAIN IRRREGULARITIES NOTICED**

During the course of audit on verification of the connected records, the following defects were noticed.

1. The quality control checks were not carried out at difference stages of works execution as per instructions issued in the Government orders.
2. As per instructions issued in the G.O. the 10% of sanctioned works costing Rs. 2.00 Lakhs and less than Rs. 5.00 Lakhs are to be super checked by the Executive Engineer concerned and for the works above Rs. 5.00 lakhs of estimate cost shall be check measured by the E.E. at least 30% of the value before final payment. But the said procedure was not followed.
3. As per G.O. Ms No. 94, I & CAD Dated : 01-07-2003, the delegation powers for according technical sanction is as follows.

I)	Dy. E. E.	::	Upto Rs. 2.00 Lakhs
II)	E.E.	:	Rs. 2.00 to Rs. 5.00 Lakhs
III)	S.E.	:	Rs. 5.00 to 20.00 Lakhs
IV)	C.E.	:	above Rs. 20.00 Lakhs

On scrutiny of the records of works executed by the municipality for the year 2015-16, it was noticed that the C.C. Road works, Underground drainage works and B.T. Road works were spilt up into small works and were entrusted on nomination basis to a few contractors to avoid sanction of higher authority as detailed in the Annexure.

4. Construction plans and site plan were not enclosed with the concerned file for verification.
- 5 "PHOTOS" of the site before, during and after completion of the works were not enclosed with the file for verification
- 6 There are specific Govt. instructions to obtain quality control certificates from the third party to ensure the issue of certificates in judicious manner. But the executive authorities preferred certificates to obtain the quality control certificates from home quality control cell constituted in GHMC.

- 7 Instances of cases noticed that certain works were not completed within the stipulated/agreement time and to that effect neither penalty was imposed nor penal action was taken against the contractor which is highly irregular.
- 8 On verification of tender files it is seen that most of the works entrusted on less tender percentage ranging from 5 to 25%. On account of large discount tender percentage, there are incidences of pre-closure of the works are evading of execution of the works which defeats objective of the civil works. Further, it leads to taking up of spill over works in new budget years.
- 9 Working Estimates/Completion Reports of the final work bills not enclosed. Due to which the additional item of works included in M. Book were correct or not pointed out in audit.

Splitting of Works and awarding the works on Nomination Basis Instead of calling open tenders is contrary to the Govt. Orders. But the Executive authority not follows the above guidelines and violated the Govt. Orders and payment made to the contractors which is irregular and the expenditure cannot be admitted in the audit.

The above stated defects would need to be rectified and the same shall be produced to subsequent audit for verification.

**54) NON MAINTAINENCE OF ASSET MANAGEMENT REGISTERS**

In accordance with the provisions contained in Para 2.70 of Andhra Pradesh Municipal Asset Management manual, General guidelines have been issued for maintenance of Asst Register by ULBs. The Asset Register

- a) Facilities secure physical control and security of the assets in Possession.
- b) Provides information and values for insurance and accounting purpose.
- c) Facilities the provision of detailed statistical information Ex-Numbers, Location etc., and
- d) Allows the compilation of a centrally held record which will provide the information on Assets held throughout the ULB.

The Municipality may be in possession of movable assets and immovable assets. The movable assets includes Road Rollers, Vehicles for lifting of garbage, Water Supply tankers etc., A tools and plant register has to be maintained by the Municipality for this purpose.

The immovable assets includes water supply infrastructure, Drainage infrastructure, sewerage infrastructure, Solid waste management infrastructure, Commercial Complexes, Buildings, Graveyards, Market Yards, Open lands, Parks and Open Spaces etc.,

The Physical Verification of these assets shall be made annually to safeguard the assets of the Municipality.

**55) PAYMENT OF CELLPHONE CHARGES TO MUNICIPAL STAFF FROM  
I.D.S.M.T. SCHEME MORE THAN THE CEILING FIXED – EXCESS DRAWN –  
NEEDS RECOVERY – Rs. 1,59,471/-**

An amount of Rs. 61,284/- was drawn on Voucher No. 3, dated: 24.11.2015 towards cell phone charges of the municipal staff during the period from 06.04-2015 to 01.10.2015 from I.D.S.M.T funds and paid to M/s Bharathi Airtel Ltd.,

On verification of the above cell phone charges file it is noticed that, the excess payment was made to Municipal Staff towards cell phone charges than the ceiling amount .

As per the guidelines of commissioner & Director of Municipal Administration to pay the Cell Phone bills upto 1500/- and 750/- per month as per the cadre wise prescribed only from Municipal Funds, if any excess bill shall be borned by the individual only. But the Commissioner was excess amount drawn from the Municipal Funds than the ceiling fixed as Statement enclosed.( Employee wise Details)

Therefore the excess drawn from Municipal Funds amounting to Rs. 1,59,471/- was need to be recovered from the person or persons responsible and credited to concerned funds under intimation to audit.

**56) ENGINEERING MAHABUBNAGAR MUNICIPALITY – BLACK LISTED CONTRACTORS – PARTICULARS NOT PRODUCED.**

On verification of the engineering section of the Mahabubnagar Municipality for the year 2015-16, the particulars of block listed contractors was not produced to audit for verification whether all works were allotted to the eligible contractors or not.

All works shall be allotted to the contractors who worked efficiently and completed the works in time without any delay previously, to avoid non completion of works and delay completion of works. The contractors who did not worked efficiently and not completed the works in time without delay shall be kept in the block list. No work shall be given to the block listed contractors.

But they did not produce the list of block listed contractors. In absence of the list it was not possible to verify whether all works were allotted to the eligible contractors or not.

CODE NO -11

**57) ENGINEERING – LICENSE COPY OF THE CONTRACTORS NOT ENCLOSED TO THE TENDER FILES :**

On verification of the engineering section of the Mahabubnagar Municipality, for the year 2015-16, it was noticed that the registration copy of licenses of contractors was not enclosed to the files.

In absence of the license copies it was not possible to verify whether all works were allotted to the licensed contractors or not.

AS per the rule 5 (2) of Tender rules 1967, tender from the registered contractors only shall be considered. In this division the work orders were given without obtaining the license registration copies.

Necessary steps shall be taken to enclose the license registration copy to each and every file.

**58) TRANSPORTATION OF DRINKING WATER THROUGH 50000LTS CAPACITY WATER TANKERS TO THE UN-SERVED AREAS IN MAHABUBNAGAR TOWN AND NEWLY MERGED GRAM PANCHYATS- WHILE VERIFICATION OF ESTIMATED FILE AND MEASUREMENT BOOKS – CERTAIN DEFECTECTS POINTEDOUT- HELD UNDER OBJECTION.**

During the course of audit for financial year 2015-16 in General Fund account, Vr. No. 363, Date:- 6.8.2015 @ 449427.00 and Ve. No. 364, Dated:- 6.8-2015 @ 519106.00 was paid to contractors i.e. M/s Vijaya Mechanical Engg. Works, Tanker Owner, Mahabubnagar and Sri. K. Ravinder Reddy, Tanker owner towards for payment of "Transpiration of Drinking water to the un-served areas in Mahabubnagar Town and Merged Grampanchyaths".

SA seen in the Estimated file and Measurement Books it is observed in the audit, the following non production of relevant records and omissions were pointed out

1. As per above vouchers relating contractors, the Extension period of Agreement for the period 31.10.24 to 31.3.2015 tenders were not called.
2. Measurement Book Number not noted relating Vr. No.363, Dated:6-8-2015.
3. In the Estimated file, the rate conclusion of Specification Report and Data Sheet of each tanker in MBNR Town 275/- per trip and 350/- per trip for merged G.Ps in Municipality Mahabubnagar were not produced.
4. In the Estimated file Agreement Bond copies were not filled properly.
5. Trip sheets for utilization of water through tankers, concerned authority observed details not produced.

Hence, the above omissions and non production of records need to be produced and rectify form verification in audit, else the concerned authority and person or persons are held responsible, the fact may be reported to audit.

**59) EXECUTION OF WORKS – ITEM OF WORK RECORDED IN MEASUREMENT BOOKS – SOME OF ITEMS CHECK MEASUREMENT NOT DONE – IRREGULAR.**

During the course of audit, It is observed that vide Voucher No. 430, Dated: 28.2.2015 in M.C. General Funds for the year 2015-16 an amounting of Rs. 85729.00 paid to contractor towards work done of " Drilling of 6 ½ " dia of Bore well and supply delivery and erection of submersible motor pump set in ward no 20."

As seen in the Measurement Book No. 40/15-16, Page No. 41, while recording of Municipal Assistance Engineer has recorded item of Measurements each page in the Measurement Book, after check Measurement Done by the concerned Dy. E. E. M.C. Mahabubnagar, But it is verified that page No. 30, " Drilling of surface bore wells by down the hole hammer to finish of 6 ½" dia (16mm) with coupling and fixing of all charges (1x1=60 Mtrs and 1x1 = 45 Mtrs), the check measurement not done by the concerned Dy. E. E. it is irregular.

Hence immediately action would needs to be taken, the defect may be rectified and same manner another M.Bs it was not got done by he concerned Dy. E.E. needs to be rectify and fact may be reported to audit depart otherwise the authority or person is held responsible.

**60) EXECUTION OF WORKS UNDER MUNICIPAL FUNDS – CERTAIN IRREGULARITIES NOTICE.**

On verification of the work bills pertaining to the Municipal Council, Mahabubnagar. for the year 2015-16, the following irregularities were noticed in Audit.

1. The Estimated file relating to the work bills are not being maintained in systematic manner. The enclosures such as Administrative sanction, Specification Report, Technical Sanction, Tenders, Comparative Statements, work Order, Agreement duly particularizing the date of commencement and Approved Quarry, completion of work , Data Sheets, Lead Char, Completion Report, Digital Photos of the work in three stages etc., were not being preserved for verification in audit.
2. The works which administratively sanctioned in the earlier during the year under report. But the same were not got sanctioned under revised Administrative sanction by the Competent Authority concerned.
3. The Seignorage charges at the rate prescribed in the G.O.Ms. No. 67, I & C (M-1) Department, Dated 26-09-2015 was not worked out and deducted from the work bills.
4. Completion Report and Q.C certification in Measurement Books and Reports were not produced for all works.
5. FSD was not deducted from some of works bills.
6. 'Xerox copies of Estimated files instead of original file were produced.
7. Purchase bills of materials purchased for the works concerned were not produced.
8. Stock and utilization, dead stock particulars relating purchases of New Motor Pump sets and its accessories register not produced.
9. In measurement book check measurement date, month and year clearly not recorded.
10. In the Estimate files, the Agreement Bond details of Date, Month and year particulars not filled completely shape.
11. Quality control certifying consultancy relating agreement copy and file not produced.

In view of the aforesaid irregularities there may be financial loss to the Municipal Funds. As such effective steps would need to be taken to discontinue the aforesaid improper practice in future.

The loss if any sustained in this regard would need to be made good from the person or persons responsible and credited to the Municipal Council, Mahabubnagar. Funds concerned and fact reported to the audit.

**61) MAINTENCE OF CASH BOOK CERTAIN DEFECTS NOTICED NEEDS RECTIFICATION**

During the course of Audit, the following defects were noticed in the maintenance of cash book.

- 1) The book adjustments such as work bill deductions etc., were not shown by Contra entries.
- 2) The Serial number of vouchers not ordered in the cash book. (wrongly posted S.No. 558 to jumping of voucher 589 where about Vr. No. 559 to 588).

Action would need to be taken to rectify the above defects and no give a chance for committing this mistake here after.

**CODE.NO.18**

**62) STOCK REGISTER OF TOOLS & PLANTS NOT MAINTAINED AND PRODUCED FOR VERIFICATION IN AUDIT**

The stock register of Tools and Plants was not maintained and produced for verification in audit. In the absence of the same the total No. of \*\*\*\* and plants entered in the above register duly certified by the commissioner from time to time by entering new purchases etc., made could not be verified and certified in audit. The total number if Zeros machines, type writing machines, engine oils, furniture, water supply materials electrical material engineering, sanitation and other important articles and machines etc., that are existing would need to be certified by the Commissioner.

The opening and closing stocks maintaining dead stock of un-serviceable articles etc., should be certified b the Commissioner and for the Un-serviceable articles, sale proceeds by conducting the public auction after obtaining specific sanction of the competent authority etc., need to be pointed out to audit.

In view of the above reasons the made would be need to be examined and the loss, if any sustained in this regard needs to be made good for the person(s) responsible and credited to the Municipal funds under intimation to audit.

**63) STOCK REGISTER OF TOOLS & PLANTS NOT MAINTAINED AND PRODUCED FOR VERIFICATION IN AUDIT.**

The stock register of Tools and Plants was not maintained and produced for verification in audit. In the absence of the same the total No. of tools and plants entered in the above register duly certified by the Commissioner from time to time by entering new purchases etc. made could not be verified and certified in audit. The total number of Xerox machines, types writing machines, Engine oils, furniture, water supply materials electrical material engineering, sanitation and other important articles and machines etc., that are existing would need to be certified by the Commissioner.

The opening and closing stocks maintaining, dead stock of un-serviceable articles etc., should be certified by the Commissioner and for the un-serviceable articles, sale proceeds by conducting the public auction after obtaining specific sanction of the competent authority etc., needs to be pointed out to audit.

In view of the above reasons the matte would need to be examined and the loss, if any sustained in this regard needs to be made good from the person(s) responsible and credited to the Municipal funds under intimation to audit.

**64) NON PRODUCTION OF MUTATION FILES TO AUDIT FOR VERIFICATION-HELD UNDER OBJECTION.**

During the course of Audit on verification of the records pertaining to the revenue section, it was noticed that the files relating to Mutation of Properties were not produced to Audit for verification, in absence of the same correctness of the mutation work done could not be certified in Audit, Hence held under objection.

**65) REGISTERS NOT MAINTAINED:**

The following important registers were not maintained. They would need to be written up to date and produced during the audit.

1. Register of Misc. Demand.
2. Register of Revenue Yielding properties.
3. Register of Service books.
4. Register of Security Deposits.
5. Establishment Audit Register.
6. Register of Contribution.
7. Register of land.
8. Register of Cheques issued.
9. Register D.Ds and cheque received.
10. Register of M.V. Forms.
11. Postings Register.
12. Register of Mutation.
13. Register of Assessments.
14. Register of auctions.
15. Register of deposits.
16. Register of un-authorized constructions.
17. Register of shops and rents.
18. Register of Births & Deaths.
19. Register of Advances.
20. Register of Works
21. Petty Cash books.
22. Arrear Demand Register.
23. Register of Suits.

**.66) RESULT OF AUDIT:**

The general result of audit is satisfactory. There is a scope for improvement.

**67) PENDING OBJECTIONS.**

(~~20~~<sup>65</sup>) objections involving an amount of Rs. 33,12,021/- were pending settlement during the year under audit. Necessary action would need to be taken for the settlement at an early date.

Sl.No	Year	No. of objections	Amount involved
1	2015-16	65	33,12,021/-

*[Signature]*  
Dist. Audit Officer,  
State Audit, Mahabubnagar.