

KHAMMAM MUNICIPAL CORPORATION

# AUDIT REPORT

(2013-14)

GOVERNMENT OF TELANGANA  
STATE AUDIT DEPARTMENT

From:

*Sri. J. Narayan Rao*  
Sri U. Raju, B.Sc.,  
District Audit Officer, K. DD  
State Audit, *Zone V*  
Khammam, *Wavongal*

To:

The Municipal Commissioner,  
Municipal Council Khammam,  
District Khammam.

Sir,

Lr.D.A.O.S.A.No. <sup>256</sup> ~~402~~ /A<sub>2</sub> /2015-16, Dated. 30-10-2015.

**Sub:-** Audit - ~~Notes~~ *Notes* on the accounts of Municipal Council,  
Khammam of Khammam District for the year 2013-14 -  
Issued - Reg.

I am to forward ~~herewith~~ *herewith* the Audit ~~Notes~~ *Notes* on the Accounts of Khammam Municipality of Khammam District for the year 2013-14 with a request that the replies to the Audit Notes may be submitted to the District Audit Officer, State Audit, Khammam duly approved by the council within two months from the date of receipt of the Audit Notes as required under section 9 of A.P., State Audit Act 1989, and under rule 8 of A.P. State Audit Rules 2000 issued in G.O.Ms.No.130 Fin & Plg, dt.08.09.2000.

Yours faithfully,

*[Signature]*  
Reg. Secy. District  
District Audit Officer,  
State Audit :: *Khammam*

**Encl:** Audit Notes  
for the Year 2013-14.

- Copy submitted to the Director of Municipal Administration, Telangana, Hyderabad,
- Copy submitted to the Director of State Audit, Telangana, Hyderabad along with a copy of Audit Report.

*F.B.O*  
*[Signature]*  
**ASSISTANT AUDIT OFFICER  
STATE AUDIT, KHAMMAM**

**AUDIT REPORT ON THE ACCOUNTS OF MUNICIPAL COUNCIL KHAMMAM OF  
KHAMMAM DISTRICT FOR THE YEAR 2013-14.**

Lr.D.A.O.S.A.No. <sup>256</sup> ~~452~~/A<sub>3</sub>/2015-16, Dated. ~~30-10~~ 2015.

1. Name of the Auditor : Sri. V.Veerabhadra Rao, Asst. Audit Officer  
Sri. B.S.S.Prasad, Sr. Auditor  
Sri. N.Sudheer, Sr.Auditor  
Sri. K.Annapurna ~~Reddy~~, Sr.Auditor  
Sri. P.Jwala Narasimha Rao, Sr.Auditor  
Sri. P.Harikrishna, Sr. Auditor  
Sri. V.Mamatha, Sr. Auditor  
Sri. P.Keshavananda kumar, Sr.Auditor
2. Time taken for Audit : 21.7.15 to 31.7.15 & 28.15 to 31.8.15
3. Review by <sup>R.D.D</sup> ~~DDAO~~ : Sri. G. Janardhan Reddy <sup>Asst. Dy. Director</sup> Sri U. Raju,  
Date of Review 30-10-2015 District Audit Officer  
<sup>Siddhanta Jain</sup>  
<sup>Hamburidi</sup> IAS
- The office of the Special Officer was held by Sri. <sup>Siddhanta Jain</sup> Hamburidi IAS  
Dist. Collector Garu for the period from 01.04.2013 to ~~31.03.2014~~ 23-6-13  
Sri. Sri Naveen IAS Dist. Collector from 24-6-13 to 31-3-14.
4. The office of the commissioner was held by the following persons.
1. Sri. B. Srinivas, for the period from 1-4-2013 to 31-3-2014.

**GENERAL FINANCIAL REVIEW:**

The receipts and payments during the year are shown in abstract of annual accounts appended together with the opening and closing balances. The opening balance in the cashbook is in agreement with the closing balance of the previous year. The consolidated closing balance of cashbook as on 31.03.2014 viz., Rs. 26,12,41,955.39/- is in agreement with the consolidated closing balance in the account for the year 2013-14. The closing balance of the General Fund Rs. 26,12,41,955.39/- as on 31.03.2014 is in agreement with the balance in the treasury pass book after allowing for un-remitted revenue on hand, and un-encashed cheque at the close of the year 2013-14 subject to the reconciliation enclosed to the annual account.

M.C: KHAMMAM

ABSTRACT FOR THE YEAR 2013-14

Sl. No.	Year	Objection Code	Para No.	Amount Involved	Name of the Fund
1	2013-14	7	1	26049000.00	
2	"	7	2	0.00	
3	"	7	3	0.00	
4	"	7	4	0.00	
5	"	7	5	4601.00	
6	"	7	6	5122.00	
7	"	7	7	1336583.00	
8	"	8	8	200000.00	
9	"	9	9	0.00	
10	"	9	10	0.00	
11	"	9	11	0.00	
12	"	9	12	0.00	
13	"	9	13	0.00	
14	"	9	14	0.00	
15	"	9	15	0.00	
16	"	9	16	0.00	
17	"	9	17	0.00	
18	"	9	18	0.00	
19	"	9	19	0.00	
20	"	9	20	0.00	
21	"	9	21	0.00	
22	"	9	22	0.00	
23	"	9	23	0.00	
24	"	9	24	0.00	
25	"	9	25	0.00	
26	"	9	26	0.00	
27	"	9	27	0.00	
28	"	9	28	0.00	
29	"	9	29	0.00	
30	"	9	30	0.00	
31	"	9	31	34216.00	
32	"	9	32	77412.00	
33	"	9	33	0.00	
34	"	9	34	0.00	
35	"	9	35	0.00	
36	"	9	36	0.00	
37	"	9	37	0.00	
38	"	9	38	0.00	
39	"	9	39	0.00	
40	"	9	40	0.00	
41	"	9	41	0.00	
42	"	9	42	0.00	
43	"	9	43	0.00	
44	"	9	44	2134584.00	
45	"	9	45	0.00	
46	"	10.111	46	256865.00	
47	"	10.111	47	3314.00	
48	"	10.116	48	0.00	
49	"	11	49	0.00	
50	"	11	50	0.00	
51	"	11	51	6833977.00	
52	"	11	52	700799.00	

	11	53	701510.00	002
	11	54	0.00	
54	11	55	0.00	
55	11	56	0.00	
56	11	57	0.00	
57	11	58	4670538.00	
58	11	59	0.00	
59	11	60	0.00	
60	11	61	0.00	
61	11	62	0.00	
62	11	63	0.00	
63	11	64	0.00	
64	11	65	4686982.00	
65	11	66	258707.00	
66	11	67	939358.00	
67	11	68	116031.00	
68	11	69	700424.00	
69	11	70	3648360.00	
70	11	71	3006231.00	
71	11	72	350911.00	
72	11	73	0.00	
73	11	74	6657677.00	
74	11	75	5094047.00	
75	11	76	0.00	
76	11	77	0.00	
77	11	78	11830337.00	
78	11	79	0.00	
79	12	80	1188985.00	
80	12	81	515918.00	
81	12	82	18832.00	
82	12	83	232355.00	
83	12	84	0.00	
84	12	85	0.00	
85	12	86	0.00	
86	12	87	0.00	
87	13	88	5967.00	
88	13	89	25697.00	
89	13	90	12368.00	
90	13	91	25197.00	
91	13	92	38696.00	
92	13	93	4226.00	
93	13	94	2453.00	
94	13	95	19024.00	
95	16	96	0.00	
96	18	97	0.00	
97	18	98	0.00	
98	18	99	0.00	
99	18	100	0.00	
100	18	101	0.00	
101	18	102	0.00	
102	18	103	0.00	
103	18	104	0.00	
104	18	105	0.00	
105	18	106	0.00	
106	18	107	0.00	
107	18	108	0.00	
108	18	109	0.00	
109	18	110	0.00	
110	18	111	0.00	
111	18	112	0.00	
112	18		0.00	

	18	113	0.00
114	18	114	0.00
115	18	115	0.00
116	18	116	0.00
117	18	117	0.00
118	18	118	0.00
119	18	119	0.00
120	18	120	0.00
121	18	121	0.00
122	18	122	0.00
123	18	123	0.00
124	18	124	0.00
125	18	125	0.00
126	18	126	0.00
127	18	127	0.00
128	18	128	0.00
129	18	129	0.00
130	18	130	0.00
		130	8,23,87,304.00

*RAS*  
Regl. Dy. Director

*V. V. V.*  
District Audit Officer

*V. V. V.*  
Asst. Audit Officer

"F.B.O"

*V. V. V.*  
**ASSISTANT AUDIT OFFICER**  
**STATE AUDIT, KHANNA**

*V. V. V.*

(CODE.No.7)

01. **D.C.B. STATEMENT - NON-COLLECTION OF DUES - Rs.2,60,49,000/-**

As verified from the demand collection and balance statement of various items of Taxes and Non taxes of Municipal Corporation: Khammam for the year 2013-14 it is noticed that an amount of Rs.2,60,49,000/- is due to be collected from the tax payers by the end of March, 2014 as detailed in the annexure enclosed. The executive authority has not taken effective steps for collection of dues.

-----DCB STATEMENT ENCLOSED-----

Therefore, early action would need to be taken to collect the due amount from defection without falling in arrears

L.R.S A/c

(CODE NO.07)

05) **L.R.S - LESS AMOUNT COLLECTED FROM THE APPLICANT - NEEDS RECOVERY - Rs.4,601/-**

During the course of audit of MC.Khammam for the year 2013-14 while verifying the LRS applications it is noticed that wrong calculations were made vide collecting the LRS fee from the following applicant.

**LRS.No1319/2013, K.Narsimha Chary, S/o Laxminarayana**

As per LRS application:

i)	137.40(Sq.m) X 300 X 60%	=	24732.00
ii)	20%	=	4947.00
iii)	164.34(Sq.Y) X <b>10700</b> X 0.14%	=	246182.00
			-----
	Total		275861.00
			-----

Actual Calculation:

i)	137.40(Sq.m) X 300 X 60%	=	24732.00
ii)	20%	=	4947.00
iii)	164.34(Sq.Y) X <b>10900</b> X 0.14%	=	250783.00
			-----
	Total		280462.00
			-----

**Difference: 2,75,861-2,80,462 = 4,601/-**

Therefore immediate action would need to be taken to collect the said short fall amounts and remitted to L.R.S account under intimation to audit.

08) ADVANCES PAID TO SRI K. RAVI KIRAN, AEE - NEEDS EARLY ADJUSTMENT -  
Rs.2,00,000/- (CODE.No.08)

Vr No 571/27.01.2014 Rs 1,00,000/-  
Vr.No.603/04.02.2014, Rs.1,00,000/-

During the course of audit, it is observed that an amount of Rs.2,00,000/- has been drawn and paid noted in the following statement.

Sl.no.	Vr.No./date	particulars	Amount	Amount paid to whom
1	571/27.01.2014	Towards removal of encroachments at Mpl.Open land for engage of JCB & Proclainers	100000/-	Sri K. Ravi Kiran AEE
2	603/4.02.2015	Towards removal of encroachments in Khanapuram, Gollagudem, Mamatha	100000/-	Sri K. Ravi Kiran AEE

The advances should be adjusted within 3 months from the date of drawal. But the same amount was not adjusted till today. Hence take necessary steps immediately and fact may be reported to the audit. *to adjust the amount of Rs.2,00,000/- advance amount from the person responsible and fact may be reported to audit*

Mpl. Corpn. 2013-14 Draft Paras.

Smt. Anuradha

31) PURCHASE OF AIR-CONDITIONERS TO SPECIAL OFFICER CAMP OFFICE -  
IRREGULAR - Rs.34,216/- (CODE.No.09):

Vr.No. 43, dt.03.05.2013 Rs. 34,216.00

During the course of audit it is observed that the Air-Conditioner purchased vide bill No. 250, dt.21.05.2013 at M/s Ranco Agencies, A/Cs Sales & Services, Khammam through above voucher and Installed at the Spl. Officer Camp office at Saradhi Nagar, Khammam.

According to financial powers delegated by the government in G.O.Ms.No. 148, Finance and Planning(FW) Admn-I(IFR) Dt:21-10-2000 the Commissioner, Municipal Commissioner has no powers to purchase air conditioners. Moreover the Commissioner has not obtained prior any permission from the Government in this regard. The Commissioner, MC, KHAMMAM has been addressed vide HALF-MARGIN Letter No.AAO,SA,KMM.No.Spl-2/A1/zp/2015-16, Dt:29-07-2015 by the audit to produce relevant files along with permission obtained from the Govt for installation of Air-Conditioner. The same ~~was~~ not produced to audit for verification.

Further the Government has imposed ban on all types of purchases Vide G.O.Ms.No.168, Dt:26-06-2008 in Govt and Local Bodies.

But, the Mpl. Corporation authorities have violated the above said Government orders and purchased the Air-Conditioner and installed at Spl. Officer's Camp Office.

In view of the above the expenditure ~~was not certified and held~~ under objection.

CELL PHONES – PAYMENT OF CELL PHONE CHARGES TO THE EMPLOYEES OF CORPORATION –  
IRREGULAR- NEEDS RECOVERY RS. 77,412.00 (CODE NO. 09)

32)

During the period of audit it is noticed that, the payment of Cell Phone Charges to (73) Nos. of employees of Municipal Corporation, Khammam. The following irregularities are noticed:

1. The payment of Cell Phone charges to other than Gazetted employees is highly irregular. Under which authority the payment was made not produced for verification of audit.
2. Monthly Charges(Rentals) different rates i.e., Rs.99/-,249/-,325/-,349/-,499/-,514/-,525/- etc., have been paid to the employees. <sup>Reported</sup> What is reasons <sup>paid</sup> paid to different rentals were not explained charges shown for the period from 23.01.2014 to 22.02.2014 calculated excess payment.
3. Sl.No.16 post is vacant . & Sl.No.17 belongs to Air Tel is also paid.

Sl. No.	Name of the Employee	Designation	Cell No.	Monthly charges	Monetary Limit	Excess Charges x12 Months	Total Rs.
1	B. Srinivas	Commissioner	9849905881	325.00	99.00	226x12	2712.00
2	N. Bikshapathy	M.E.	9849906709	349.00	99.00	250x12	3000.00
3	T. Venkateshaiah	Dv.EF	9849907578	320.00	99.00	221x12	2652.00
4	K. Ranga Rao	MAE	9849906708	349.00	99.00	250x12	3000.00
5	N. Rami Reddy	TPS	9849907584	249.00	99.00	150x12	1800.00
6	MQK Quleel	TPO	9849907585	249.00	99.00	150x12	1800.00
7	P. Ravinder	TPBO	9849907577	349.00	99.00	250x12	3000.00
8	V.Srinivasa Rao	Sr.Asst.	9849907588	249.00	99.00	150x12	1800.00
9	K. Mallappa	Manager	9849907972	325.00	99.00	226x12	2712.00
10	Satyanarayana Reddy	Sr.Asst.	9849907580	249.00	99.00	150x12	1800.00
11	D. Venkat Kumar	D.M	9849907579	499.00	99.00	400x12	4800.00

12	K. Srinivas	RI	9849907582	514.00	99.00	415x12	4980.00
13	G. Srinivas	Jr.Asst.	9849907974	200.00	99.00	101x12	1212.00
14	R. Srinivasa Rao	ACP	9618566499	525.00	99.00	426x12	5112.00
15	P. Srinivas	EOA	9618566433	325.00	99.00	226x12	2712.00
16	Vacant		9618566500	325.00	99.00	226x12	2712.00
17	Airtel Office		9618566488	325.00	99.00	226x12	2712.00
18	R. Venkateswarlu	Jr.Asst.	9618566466	325.00	99.00	226x12	2712.00
19	Samuel	B.C.	9618566399	325.00	99.00	226x12	2712.00
20	S. Nageswar Rao	Jr.Asst.	9618566422	325.00	99.00	226x12	2712.00
21	Subramanya	Dy.E.E.	9618566388	326.00	99.00	227x12	2724.00
22	T. Dharani Kumar	MAE	9618566411	325.00	99.00	226x12	2712.00
24	Kondal Rao	I/c B.C.	9618566477	325.00	99.00	226x12	2712.00
25	G.Venkateswarlu	S.J.	9989944365	624.00	99.00	525x12	6300.00
26	K. Ramu	Electricien	9849907583	249.00	99.00	150x12	1800.00
27	K. Lalu	S.J.	9849907587	249.00	99.00	150x12	1800.00
						Total Rs.	77,412.00

But, the above monetary limit has been exceeded in payment of cell phone charges during the year under report. It is irregular and loss to the funds. An

Therefore, the excess payment made out from general funds to the extent of Rs.77412.00 shall be recovered from the individuals and remitted to the general funds under intimation to audit.

Parks and play Ground A/c - F.D.R with drawn of Rs 44,68,615/- and the same was deposited another A/c i.e. Development A/c. - which is irregular needs to be rectified and transferred the amount immediately.

On verification of F.D.R register during the course of audit for the year, 2013-14, it is noticed that, the Parks and play Grounds A/c FDR bearing no. 292647/dt 15-5-2015 of Rs 44,68,615/- was with drawn (cancellation of FDR) on 31-5-2014 and the same was remitted in Development Account ~~it~~ instead of parks and play account, which is irregular and against the Govt rules.

The said funds relating to parks and play Ground account for the purpose of improvement and development of parks and play Grounds under the municipal area only. Without utilizing the said funds of Rs 44,68,615/- on parks and play Grounds, remitted to other account i.e. Development A/c is irregular, the amount has to be utilized for development of parks and play Grounds. Hence, the said amount needs to re-transfer to its original A/c to fulfill the objective of the Govt, otherwise the same needs to be surrender to the funds releasing authority instead of utilizing for other purpose.

Hence, the Commissioner is requested

Khammam 2013-14

Code No 9

**CASH BOOKS NOT WRITTEN UP AND PRODUCED AUDIT – IRREGULAR – NEEDS TO BE MAINTAINED AND PRODUCED.**

46) During the verification of records it was noticed by audit that the municipal authorities of M.C.Khammam have not written up the following cashbooks with up to date entries and not prepared the annual accounts too though the financial transactions were made.

Sl.No.	Name of the Fund	Remarks
1.	General Funds(001)	(Written up only expenditure details receipts borrowed from treasury without classification)
2.	General Funds(002)	(Written up only expenditure details receipts borrowed from treasury without classification)
3.		
4.		

In view of the above audit is felt that the subject Municipal authorities were not realised the importance of maintenance of cash books and they adopted the cashbooks (mainly General Funds 001 and 002) for as expenditure ledgers only and they wouldn't make receipt entries in cash books with proper classification. Further it was noticed that they adopted the receipt figures from their P.D. Accounts maintained by the treasury authorities and captured/dumped all the receipt entries at one or two pages of such cashbook and the same has produced to audit for verification which is irregular and quite against to the codal provisions. In such manner the correctness of closing balances of funds could not be possible to ascertain. And as seen the cash books 001 and 002, it was noticed that the details of book adjustments were also not recorded in the receipts side of the cash book in a few instances.

According to the General Accounting procedures of Andhra Pradesh Municipal Accounts Manual (), Cash Book shall be maintained in the format specified vide Form GEN-I and the Government had not relaxed the Financial code for any department in dispensing with the maintenance of cash books even on computerization of accounts. Moreover, the provisions in the APMAM also stipulated that the cash book must be maintained in the format prescribed and each transaction should be recorded therein and should be attested by the competent authority. The Cash Book is the book of original entry for recording of all transactions involving cash / treasury/banks, the Cash Book should invariably be maintained properly so that the fraudulent payments, misappropriation of funds, if any, could be detected immediately on such occurrence and more over, the cash books exhibits reliable information with regard to fund balances at every stage. As per the Financial Code the Accountant is more responsible to maintain the cashbooks with up to date entries and the Commissioner should verify himself regularly, the maintenance of cashbooks is done in proper way by the accountant or not. But there is no proper watching at all by the Commissioner of subject municipality. In this regard the accountant has neglected his legitimate duties and simplified himself which is highly irregular and punishable.

Further it is noticed that the Municipal Corporation, Khammam is receiving huge grants towards specific purposes such as Solid waste management, 13<sup>th</sup> finance and etc. As per accounting manual, separate Cash Books shall be maintained in respect of all such grants. Similarly, the details of the receipt of the grant shall be updated in the Grant Register (Form-G-1). However, in any case, the separate accounts are not being maintained at all for the specific grants received under various schemes. In the absence of such records, the audit could not verify the funds actually received by Municipal Corporation, Khammam under each scheme and the expenditure thereof, utilization of such grants on specific purpose, fund balance under each grant, etc. But here the Municipal authorities have not written up the cashbooks regarding the above funds

In this connection the same is brought to the notice of higher authorities concerned for issuance of proper instructions towards maintenance of the Cashbooks with up to date entries and produced to audit for verification.

**SEIGNIORAGE CHARGES NOT COLLECTED FOR EARTH EXCAVATIONS - IRREGULAR - NEEDS TO BE RECOVERED. 256945.00**

During the audit it is noticed that the municipal authorities have taken up a huge number of works in their jurisdiction and earth excavations were also allowed in various number of works. But the seigniorage charges were not collected for those excavations from the work bills of contractors which are irregular.

As per the PWD Code and GO Ms No. 1 the seigniorage charges shall be applicable to the earth excavations. In this regard they must be collected from the work bills of the contractor and remit the same to the Mines and Geology without any delay.

Here the seigniorage charges were calculated as shown below from a few works wherein the excavations are done. If any excavations not covered in the below statement the same is also should be collected as here mentioned below.

**LOG BOOKS NOT PRODUCED TO AUDIT - HELD UNDER  
OBJECTION. Rs.68,33,977.00 (CODE NO.11)**

52) During the course of audit, it is noticed that an amount of Rs.68,33,977.00 was spent towards purchase of fuel for municipal vehicles during the year 2013-14. But connected log books were not produced to audit. In the absence of which it could not be verified and certified that whether the oils purchased were properly accounted for or not and further the oil consumption of the vehicle also not verified and certified in audit.

In view of the above circumstances the expenditure of POL charges cannot be admitted in the audit and held under objection until production of the same.

**DIESEL BILLS**

Sl.No.	Vr. No. & Date	Amount	Fund Name
1	02/15.04.2013	299388.00	002 GF
2	102/22.05.2013	286736.00	002 GF
3	204/23.07.2013	251809.00	002 GF
4	246/12.08.2013	223386.00	002 GF
5	292&293/28.08.2013	365444.00	002 GF
6	335/26.09.2013	294172.00	002 GF
7	369/25.10.2013	299049.00	002 GF
8	429/20.11.2013	290878.00	002 GF
9	589/31.01.2014	400804.00	002 GF
10	599/31.01.2014	3700798.00	002 GF
11	687/25.02.2014	421513.00	002 GF
	<b>Total amount</b>	<b>6833977.00</b>	

**PURCHASE OF FERRIC ALUM/CHLORINE GAS CONNECTED STOCK AND UTILISATION REGISTER NOT PRODUCED - IRREGULAR - AMOUNT HELD UNDER OBJECTION. Rs.7,00,799-00 (CODE.No.11)**

53) As verified from the Municipal General Fund 002 and water supply account cash book with reference to the vouchers related it is noticed that an amount of Rs700799-00 was spent for purchase of Ferric alum and chlorine gas as detailed below. But the connected stock register and their utilization particulars were not produced to audit.

In G.O.Ms.No.579 MA & UD Dept., dt.30.11.2001 the Government has issued the orders to fix the accountability and responsibility at all levels in the urban local bodies. In the water works section, the responsibilities are fixed on the Assistant Engineer, Municipal Engineer & Fitter (Water supply) for supply of potable drinking water as prompt repairs.

Hence, it is the sole responsibility of the AE, ME & Fitter (Water supply) for the maintenance of the stock register and the stock purchased and their utilization.

Hence action would need to be taken to produce the connected stock register along with the utilization particulars at an early date or otherwise the amount would need to be recovered from the person or persons responsible.

**FERRIC ALUM/CHLORINE GAS**

Sl.No.	Vr. No. & Date	Details	Amount	Fund Name
1	01/15.04.2013	"Cl" gas	63709.00	002 MGF
2	43/05.06.2013	"Cl" gas	63709.00	002 MGF
3	44/25.06.2013	"Cl" gas	63709.00	002 MGF
4	55/19.07.2013	"Cl" gas	63709.00	002 MGF
5	64/04.08.2013	"Cl" gas	63709.00	002 MGF
6	70/05.09.2013	"Cl" gas	63709.00	002 MGF
7	77/04.11.2013	"Cl" gas	63709.00	002 MGF
8	92/09.12.2013	"Cl" gas	63709.00	002 MGF
9	104/09.01.2014	"Cl" gas	63709.00	002 MGF
10	151/25.02.2014	"Cl" gas	63709.00	002 MGF
11	170/29.03.2014	"Cl" gas	63709.00	002 MGF
Grand Total			700799.00	

**PAYMENT OF LEGAL CHARGES - POSITION OF THE CASES PARTICULARS  
NOT FURNISHED.**

(CODE No. 11)

During the year, an amount of Rs.7,08,150-00 was drawn and paid to the Advocates towards legal charges for various writ petitions. But, the position of the cases, i.e. whether the cases are finalized in favor of the Municipality or not, if any cases are in favor of Municipality, the cost of legal charges received if any are not furnished to audit.

Hence, the same would need to be ascertained and produced to audit.

**Legal Charges payment Statement.....**

Sl.No.	Vr. No. & Date	Details	Amount	Fund
1	74/04.11.2013	Legal Fee paid	300000.00	WS
2	76/04.11.2013	Legal Fee paid	34200.00	WS
3	466/12.12.2013	Legal Fee paid	58950.00	002 MGF
4	604/05.02.2014	Legal Fee paid	315000.00	002 MGF
<b>Grand Total</b>			<b>708150.00</b>	

verification of income tax immediately.

**TOWN PLANNING SECTION (2013-14)**

**(CODE NO.11)**

64) **IMPORTANT REGISTERS - SUCH AS UN-AUTHORISED CONSTRUCTION REGISTERS, REGISTER OF LAYOUT ORDERS, APPROVED MASTER PLANS AND ENCROACHMENT DEMAND REGISTER ETC - NOT PRODUCED - NEEDS INVESTIGATION.**

During verification of the Town Planning section of M.C.Khammam for the year 2013-14, it is noticed that the following important registers were not maintained and produced for verification in Audit.

- Register of the Un-authorized Constructions
- Register of the Refused Building Permission applications on the various reasons and follow-up action details
- Register showing no. of cases looked under U.C
- Register showing the Lay-Out Orders with approval of the Director of Town Planning, AP, Hyd.
- Master plans Approved Area wise plans
- Encroachment Demand Registers and DCB Register not certified by Municipal Commissioner

In the absence of which, it is appeared that Revenue Income is heavy loss to Municipal funds cause due to lack of proper watching and collection of betterment charges, Development charges and causes Un-Booked under U.C.

As such, an investigation would need to be done in the said matter if any losses found on the above matter responsibility fixed against the concerned individuals. The enquiry report may be furnished to Audit for further action.

65)

**PURCHASE OF ELECTRICAL MATERIAL SPARE PARTS - CONNECTED STOCK  
AND UTILISATION REGISTER NOT PRODUCED - IRREGULAR - AMOUNT  
HELD UNDER OBJECTION. Rs. 46,86,982.00** (CODE.No.11)

As verified from the Municipal General Fund 002 cash book in accordance with vouchers related it is noticed that an amount of Rs. 46,86,982.00 was incurred as expenditure towards purchase of Electrical Material. But the connected stock register and their utilization particulars were not produced to audit

In G.O.Ms.No.579 MA & UD Dept., dt.30.11.2001 the Government has issued the orders to fix the accountability and responsibility at all levels in the urban local bodies. As per the G.O. above, the Assistant Engineer, Electrical staffs are the responsible in the electrical section.

Hence, the whole responsibility for maintaining the stock register with update entries of stock purchased and their utilization fixed on A.E and Electrical staff.

Hence, action would need to be taken to produce the connected stock register along with the utilization particulars at an early date. Otherwise the amount would need to be recovered from the person or persons responsible.

**STREET LIGHT SPARE PARTS STATEMENT**

Sl.No.	Vr. No. & Date	Details	Amount	Fund Name
01	303/05.09.2013	Electrical Materials	152666.00	002 MGF
02	304/05.09.2013	Electrical Materials	202940.00	002 MGF
03	305/05.09.2013	Electrical Materials	200739.00	002 MGF
04	306/05.09.2013	Electrical Materials	209664.00	002 MGF
05	346/05.10.2013	Electrical Materials	123370.00	002 MGF
06	467/12.12.2013	Street lights Purchased	3611917.00	002 MGF
07	541/09.01.2014	Electrical Materials	92889.00	002 MGF
08	542/09.01.2014	Electrical Materials	92797.00	002 MGF
TOTAL AMOUNT			4686982.00	

66) **PURCHASE OF LIME/COCONUT OIL/BROOMS - CONNECTED STOCK AND UTILISATION REGISTER NOT PRODUCED - IRREGULAR - AMOUNT HELD UNDER OBJECTION.Rs.2,58,707.00** (CODE.No.11)

As verified from the Municipal General Fund 002 cash book in accordance with vouchers related it is noticed that an amount of Rs.2,58,707.00 was incurred as expenditure towards purchase of lime/coconut oils/Brooms. But the connected stock register and their utilization particulars were not produced to audit

In G.O.Ms.No.579 MA & UD Dept., dt.30.11.2001 the Government has issued the orders to fix the accountability and responsibility at all levels in the urban local bodies. As per the G.O. above, the sanitation Inspector, public health is the responsible in the sanitation section.

Hence, the whole responsibility for maintaining the stock register with update entries of stock purchased and their utilization fixed on S.I and their staffs.

Hence, action would need to be taken to produce the connected stock register along with the utilization particulars at an early date. Otherwise the amount would need to be recovered from the person or persons responsible.

**STREET LIGHT SPARE PARTS STATEMENT**

Sl.No.	Vr. No. & Date	Details	Amount	Fund Name
01	462/02.12.2013	Lime/coconut/brooms	92104.00	002 MGF
02	651/19.02.2014	Lime/coconut/brooms	166603.00	002 MGF
TOTAL AMOUNT			258707.00	

02. NON PRODUCTION OF VOUCHERS - HELD UNDER OBJECTION -  
 (CODE.No.11):  
 Rs.9,39,358-00

On verification of the cash books for the year 2013-14 the following vouchers are not produced for audit. The same should be produced for audit for verification. The loss if any sustained in this regard would need to be made good from the person or persons responsible and credited to municipal funds.

Sl. NO	V.N O	DATE	NAME OF THE WORK	NET AMOUNT
1	3	4/15/2013	PAYMENT TOWARDS PAPER BILLS	16033
		4/15/2013	PAYMENT TOWARDS PAPER BILLS	18560
		4/15/2013	PAYMENT TOWARDS PAPER BILLS	9907
		4/15/2013	PAYMENT TOWARDS PAPER BILLS	17733
		4/15/2013	PAYMENT TOWARDS PAPER BILLS	3959
		4/15/2013	PAYMENT TOWARDS PAPER BILLS	11876
		4/15/2013	PAYMENT TOWARDS PAPER BILLS	21378
2	24	4/24/2013	PAYMENT TOWARDS CENTRAL CHARGES OF COMMISSIONER & ME FOR THE MONTH OF 3/2013	48755
3	27	4/24/2013	PAYMENT TOWARDS SUPPLY OF TRACTOR FOR KHANAPURAM HAVELI FOR THE MONTH OF 3/2013 .	280933
4	28	4/24/2013	PAYMENT TOWARDS NMR WAGES OF KHANAPURAM HAVELI FOR THE MONTH OF 3/2013	20111
5	29	4/24/2013	ROAD TAX	146385
6	45	5/3/2013	PUBLICATION CHARGES	4000
7	71 TO 83	5/13/2013	PAYMENT TOWARDS TRACTOR REPAIR CHARGES	22640
8	146	24/5/2013	Payment AP 20 TA 1475 ACT Repair bill paid	1900
9	147	5/25/2013	PAYMENT OF WORK PROVIDING PLANTS	19765
10	148	5/25/2013	PAYMENT OF HYDROLIC LADU REPAIR BILL	28415
11	157	6/10/2013	DEMAND NOTICES COMPUTER PRINTING CHARGES	50928
12	169	7/9/2013	PHONE BILL	17217
13	224	8/1/2013	REMITTANCE OF CENTRAL CHARGES IN RESPECT OF MUNICIPAL COMMISSIONER FOR THE MONTH OF 7/2013	19502
14	239	8/7/2013	PROUSE TABLET P.C FOR THE USE OF MPL COMMISSIONER	16300
15	276	8/20/2013	FORMATION OF VOTER LIST PROCESING (PREPARATION OF DIVISION VIGE CHARGES)	39104
16	418	11/20/2013	PAYMENT TOWARDS PURCHASE OF ALMARAHS BOOKSHELVES IN BIRTH & DEATH SECTION IN FAVOUR OF HABEEB FURNITURE KHAMMAM	30772
17	516	3	Remittance of EPF for the 09/2013 and 11/2013	35378
19	743	3/12/2014	Remittance of IT 2007 to 2012 Khanapuram Haveli	57807
				<b>939358</b>

68) 03) SUPPLY OF PRINTING, PROPERTY TAX DEMAND NOTICES, ETC.,  
- FILE, STOCK REGISTER NOT PRODUCED. Rs.1,16,031.00  
(CODE.No.11):

An aggregate amount of Rs.1,16,031.00 was drawn and spent towards supply of Printing, Stationary & etc, as detailed below. But the connected Files & Stock registers were not made available for verification in audit.

In the absence of the same it could not be verified in audit whether tenders were called for or not, the reasonable rates were paid, stock received in good condition and utilized properly.

On account of the above omissions the correctness of the payments made towards the above items could not be checked in audit. Hence the expenditure could not be admitted and is held under objection.

Vr.No./Dt.	Details	Amount
157/06.10.2013	Amount paid to Prabhat Press, Guntur towards Computer printing charges of Demand Notices	50928.00
376/28-10-13	Amount paid to Prabhat Press, Guntur towards supply of Property Tax Demand notices	74316.00
680/25.02.2014	Amount paid to Prabhat Press, Guntur towards supply of procurement of Misc.Receipt Books	41715.00
	<b>Total</b>	<b>116031.00</b>

**04) PUBLIC HEALTH – CATCHING OF MONKEYS – CONNECTED FILE**  
**NOT PRODUCED. Rs. 7,00,424.00 (CODE.No.11)**

(A)

Audit reveals that an amount of Rs. 7,00,424.00 was incurred towards catching of Monkeys in Municipal jurisdiction as detailed below.

Vr.No. & Dt.	Details	Amount
	towards catching of monkeys	
427/20.11.2013	Amount paid to D. Shivaiah, contractor, Nellore towards catching of monkeys in some wards 1086 no.XRs.50/-)	53214.00
468/12/12/2013	Amount paid to D. Shivaiah, contractor, Nellore towards catching of monkeys	412580.00
	Total	7,00,424.00

But, the connected file was not made available in audit for verification. The No. Monkeys caught & left in the near forests are not certified by the any Veterinary Doctor. In Collr./Spl.Officer Progs.Roc.No.F3/2994/2013-14,dt.01.07.2013 stated that, after catching the monkeys the Red Colour shall paint on Monkeys and Dogs. Whether it was done or not known. In which forest the monkeys were left is also not known. No Photo evidences of Red colour paint on monkeys are there. It is presumed that the amount is drawn as per the budget provision made and showed the expenditure under the head.

On account of the above omissions the correctness of the payments made towards the above item could not be checked in audit. Hence the expenditure could not be admitted and is held under objection.

06) INSTALLATION OF ENERGY SAVING DEVICES - AMOUNT TRANSFERRED TO E.E NREDCAP  
- COMPLETION CERTIFICATE NOT FURNISHED Rs. 36,48,360.00

(CODE.No.11)

During the course of audit it is observed that an amount of Rs. 36,48,360.00 were transferred vide Vr.No.615,dt.10.02.2014, Amount of Rs.24,93,700.00 & Vr.No.671,dt.22.02.2014,amount of Rs. 11,54,660.00 to Vice Chairman & Managing Director for the installation of energy saving devices for the tube lights & Solar equipment lighting in Mpl. Corporation Office building, Khammam respectively.

The concerned file, the acknowledgement in token of receipt of the amount , installation particulars and completion certificate of the unit not produced. Due to lack of completion certificate, the function of unit is not known. Hence the correctness of the above expenditure could not be verified in audit. Thus immediate action would need to be taken to complete the unit, and obtain the concerned certificates from the NREDCAP and produced for verification in audit.

07) VAT REMITTED TO COMMERCIAL TAX OFFICER-II – ADJUSTMENT PARTICULARS NOT  
 FURNISHED Rs. 30,06,231.00  
 (CODE.No.11)

During the course of audit it is observed that the Municipal Corporation has deducted the VAT charges from various works of several funds and remitted to Commercial Tax Officer-II vide the cheque Nos & dt. noted in the following statement

SI.NO	V.NO	DATE	PAID TO WHOM	CHEQUE NO. & DATE	SALES TAX	NAME OF THE FUND
1	454	27.11.2013	CTO-II	036279/27.11.2013	971968.00	GENERAL FUND
2	460	30.11.2013	CTO-II	036285/30.11.2013	82900.00	GENERAL FUND
3	512	26.12.2013	CTO-II	037127/26.12.2013	167063.00	GENERAL FUND
4	677	24.02.2014	CTO-II	038030/24.02.2014	382896.00	GENERAL FUND
5	83	26.11.2013	CTO-II	475661/26.11.2013	191330.00	WATER SUPPLY
6	98	26.12.2013	CTO-II	475669/26.12.2013	5226.00	WATER SUPPLY
7	6	26.11.2013	CTO-II	315686/26.11.2013	3084.00	IR&D
8	18	26.12.2013		315693/26.12.2013	274.00	IR&D
9	6	26.11.2013	CTO-II	096572/26.11.2013	52213.00	SPL.GRANT
10	42	26.11.2013	CTO-II	009281/27.11.2013	32463.00	BPS
11	46	26.12.2013	CTO-II	009285/26.12.2013	292162.00	BPS
12	47	26.12.2013	CTO-II	009286/26.12.2013	121661.00	BPS
13	55	14.02.2014	CTO-II	009294/24.02.2014	81988.00	BPS
14	07	01.04.2013	CTO-II	009258/24.04.2013	323416.00	BPS
15	17	26.11.2013	CTO-II	008597/26.11.2013	84648.00	LRS
17	11	26.12.2013	CTO-II	227183/26.12.2013	30918.00	loksabha
18	5	27.11.2013	CTO-II	229190/27.11.2013	45265.00	ASC
19	8	6.5.2013	CTO-II	27707/6.5.2013	50452.00	ACDP
20	16	26.11.2013	CTO-II	27715/26.11.2013	86304.00	ACDP
				TOTAL RS.	3006231.00	

C/o C.C.PLATFORM NEAR MUNNERU RIVER BRIDGE – QUALITY CONTROL AUTHORITIES RAISES THE DEFAULTS - ACTION TAKEN REPORT FOR QUALITY CONTROL REPORT NOT FURNISHED – NEEDS TO BE FURNISHED. Cob 11

M.B.No.915/2012

During the audit it is noticed that the third party quality control agency P.S.M. Consultancy raises the following defaults against the work Construction of C.C. Platform near munneru River Bridge at bokkalagadda are for Ganesh Nimajjanam and Bathukamma festivals in Khammam.

1. Dust Layer Compaction not completed
2. Suggested to provide watering and re-rolling

But the action taken report for the above two objections raised by the quality control agency has not been furnished to audit.

In this regard immediate action would need to be taken to furnish the same to audit.

**TOWN PLANNING****(CODE NO.11)**

24) **BUILDING PERMISSIONS - APPLICATIONS & CONNECTED FILES ARE NOT PRODUCED TO AUDIT - HELD UNDER OBJECTION - Rs.66,57,677.00**

During the course of audit of MC.Khammam for the year 2013-14 it is noticed that the following Building permission files and connected documents were not produced to audit for verification.

<b>STATEMENT SHOWING THE NON PRODUCTION OF BUILDING PERMISSION FILES OF MUNICIPAL CORPORATION KHAMMAM :: 2013-14</b>					
Sl. No.	B.A Register	Building application Number	Name of the Applicant	Amount	Remarks
1	G2	7	K.jagruthi & others	231665	
2	G2	17	T.Srinivasa Reddy	11000	
3	G2	45	Sri Vasavi Infrasa, Devisetty Sriramulu	532724	
4	G2	64	Doppalapudi Naveen	101195	
5	G2	76	M.Vijay kumar	37095	
6	G2	94	N.Mallesh	25450	
7	G2	116	J.Durga Prasad	21970	
8	G2	119	G.Jyothirmayi	47000	
9	G2	135	T.Bharathamma	10000	
10	G2	160	M.Ramadevi	10000	
11	G2	162	N.Rajeswari	10000	
12	G2	173	Chava Narender	18055	
13	G2	176	D.Kali prasad	34115	
14	G1	17	V.Sambasiva Reddy	192160	
15	G1	57	G.Laxmi Kumari	1233189	
16	G1	76	P.Nageswar rao	91450	
17	G1	89	Bollikonda Sridevi	44413	
18	G1	109	K.Vigneswar rao	49125	
19	G1	114	Md.Tayabunnisa begum	22580	
20	G1	150	L.Laxmi narayana	290215	
21	G1	162	S.Kamala	10000	

22	G1	180	Vision constructions, Kona Venkateswar rao	10000
23	G1	189	V.Swarna latha	69625
24	G1	195	M/s Land mark Infra, KVVGV.Prasad	3459360
25	G1	237	Ch.Subba rao	22790
26	G1	242	V.Devender	72501
<b>Total:</b>				<b>66,57,677</b>

Therefore immediate action would need to be taken to produce the building permission files and connected documents to audit for verification.

**REGISTERS NOT MAINTAINED AND NOT PRODUCED. (CODE NO.11)**

The following registers which were prescribed by the Government were not maintained and produced for verification in audit. Early action would need to be taken to produce the same duly certified by the Municipal Commissioner.

A) REVENUE SECTION

- 1) Bounced cheques register.
- 2) Self-assessment registers.
- 3) Field books of the bill collectors.
- 4) Outstanding bill book register.
- 5) Register of write off and remissions.
- 6) Vacancy remission registers.

B) TOWN PLANNING SECTION

- 1) Register of completion report issued.
- 2) Register of completion certificate sent to the revenue section.
- 3) Register of demolitions
- 4) Register of Occupancy Certificates

**GENERAL FUNDS**

**(CODE NO.11)**

**A) PROPERTY TAX ASSESSMENTS - FILES NOT PRODUCED TO AUDIT - HELD UNDER OBJECTION.**

During the course of audit on the accounts of Municipal Corporation-Khammam for the year 2013-14 it is noticed that (21941) new assessments are added to the existing house holders as detailed below. But the new assessments files, House construction permissions files are not made available for verification in audit.

During 2012-13 (08) Gram Panchayats of Khammam Urban Mandal have been merged in the Municipal Corporation Khammam. Some of the assessments mentioned below may be brought from the merged Gram Panchayats but the list of such assessments are also not produced to audit.

<b>PROPERTY TAX ASSESSMENTS SHOWN AS PER DCB STATEMENTS</b>				
<b>Year</b>	<b>Residential/ Non Residential</b>	<b>State Govt./ Central Govt.</b>	<b>Filed by Tax payer</b>	<b>Total</b>
2012-13	29904	278	43	30225
2013-14	51849	282	35	52166
<b>Difference:</b>	<b>21945</b>	<b>4</b>	<b>8</b>	<b>21941</b>

Therefore early action would need to be taken to trace out the assessment files and produce to audit for verification.

**GENERAL FUNDS 002A/C**

**(CODE NO.12)**

**PROPERTY TAX AND LIBRARY CESS AMOUNTS COLLECTED BY E-SEVA  
AUTHORITIES - NOT REMITTED TO 002 A/C - HELD UNDER  
OBJECTION - Rs.11,88,985/-**

During the course of audit of M.C Khammam for the year 2013-14 it is noticed that property tax collection made through e-seva centres, an amount of Rs.9,19,868/- of Property Tax and Rs.2,69,117 of Library cess amounts for the month of August-2013 were not credited into 002 A/c and the challans were also not produced to audit for verification. Hence the above said amounts were held under objection.

Immediate action would need to be taken against the individuals and recover the amounts and remit the same in to M.C funds and action taken in the matter has to intimate to audit.

L.R.S A/C

(CODE NO.12)

81) **L.R.S - DDs NOT REMITTED TO L.R.S ACCOUNT - IRREGULAR - NEEDS IMMEDIATE ACTION Rs.5,15,918.00**

During the course of audit of MC.Khammam for the year 2013-14, while verifying the L.R.S applications register it is observed that the DDs were not taken into L.R.S DDs register and not credited into L.R.S A/c (No.1028067740-APGVB) till to date, which is irregular and contrary to rules.

The details of DDs are herewith enclosed for taking necessary action.

<b>STATEMENT SHOWING THE DDs NOT TAKEN INTO L.R.S. CASH BOOKS OF MUNICIPAL CORPORATION KHAMMAM :: 2013-14</b>						
<b>Sl. No.</b>	<b>L. R. S. No.</b>	<b>Name of the Applicant</b>	<b>DD No.</b>	<b>Date</b>	<b>Amount</b>	<b>Remarks</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
1	798	I. Revathi	131797	30.03.2013	3000	
2	827	S. Guravaiah	009981	14.05.2013	39600	
3	926	M. Srinivasulu	355644	27.05.2013	40000	
4	1053	P. Vijayalaxmi	924616	30.05.2013	41350	
5	1077	Y. Vijayashanthi	281440	30.05.2013	161168	
6	1198	M. Shiva Kumari	271110	30.05.2013	37100	
7	1199	N. Nirmala	000452	28.05.2013	82300	
8	1232	M. Raghurami Reddy	123798	31.05.2013	38200	
9	1357	N. Venkata Ramesh	448235	27.05.2013	38200	
10	1419	R. Pushpa	924613	30.05.2013	29000	
11	1624	A. Krishna Kumari	167861	31.05.2013	3000	
12	1633	K.S. Narsamma	167884	31.05.2013	1000	
13	1645	S. Srikanth	167879	31.05.2013	1000	
14	1646	S. Srikanth	167878	31.05.2013	1000	
<b>TOTAL ::</b>					<b>515918</b>	

Immediate action would need to be taken to trace out the DDs immediately and remit the same into L.R.S A/c (No.1028067740-APGVB) under intimation to audit, if any loss sustained due to the above lapses to MC.Khammam the person or persons responsible made good and recover the amount and action taken on the matter shall be intimated to audit.

**GENERAL FUNDS - 002 A/C**  
**PROPERTY TAX COLLECTED - NOT REMITTED TO MUNICIPAL FUNDS**  
**MISAPPROPRIATED - NEEDS IMMEDIATE ACTION Rs.18,832/-** (CODE NO.12)

84) During the course of audit of Municipal Corporation, Khammam for the year 2013-14 it was noticed that the following taxes and non-taxes were collected by the bill collectors but not remitted to Municipal general funds as detailed below.

Sl. No.	Name of the B.C	M.R.No.	Date	Receipt amount	Taken into chitta	Less taken
1	D.Lalya	13258416	13.5.2013	1440	105	1335
		13258420	13.5.2013	105	0	105
		13260652	13.8.2013	2640	1320	1320
		13269284	24.01.14	1320	0	1320
		13269285	24.01.14	1320	0	1320
	<b>Total:</b>			<b>6825</b>	<b>1425</b>	<b>5400</b>
2	B.Venkateswarlu	14291573	31.3.14	3850	1320	2530
3	Sk.Jameel Ahmed	14288412	23.3.14	2760	1320	1440
4	P.Venkateswarlu	14286640	20.3.14	2640	1320	1320
5	K.Srinivas	13256590	21.6.13	1440	1320	120
		13256600	15.7.13	1440	0	1440
		14292947	3.5.14	1920	1320	600
	<b>Total:</b>			<b>4800</b>	<b>2640</b>	<b>2160</b>
6		13257901	14.8.13	520	0	520
7	P.Srinivasa Rao	13260509	01.8.13	1440	1320	120
		13260518	2.8.13	1440	1320	120
		14270051	21.1.14	600	300	300
				<b>4000</b>	<b>2940</b>	<b>1060</b>
8	T.Prasad	13254987		4402	0	4402
	<b>Grand total:</b>			<b>29797</b>	<b>10965</b>	<b>18832</b>

Immediate action would need to be taken against the individuals and recover the amounts and remit the same in to M.C funds and action taken in the matter has to intimate to audit.

M.C. Khammam - 2012-14

Water Supply Account - FDR with drawn of Rs 13,33,329/- Code no. 12  
and remitted Water Supply Account - But the same  
was not credited the Water Supply Account and not  
found in the bank scrolls - needs to be rectified  
immediately.

87) On verification of FDR register of M.C. Khammam during the course of audit for the year 2013-14, it is noticed that, the FDR bearing no. 5208924/19-11-2002 for Rs 13,33,329/- relating to Water Supply Account was with drawn on 09-11-2002 and the entry was made in the FDR register as deposited in Water Supply Account. But no entry was found in the bank scrolling, it creates doubt of non-utilisation of funds for proper purpose and also there is a scope of mis-appropriation of the above amounts.

In this connection Half Margin letter no. 05/A1/2015-16 dt 02-9-2015 issued to the Commissioner to produce the details of above with drawn amount of Rs 13,33,329/-. But the concerned staff are failed to produce the particulars as required in Half Margin letter. Due to which the audit is unable to complete the audit.

Hence, the Commissioner, M.C. Khammam is requested to look into the matter and rectify the mistake if any occurred, or else take suitable steps for recovery of said amount of Rs 13,33,329/- from the person or persons responsible, under intimation to the audit.

which was the amount recovered from work bills towards Seignorage through challan. But, it was not done so far. It was remitted through only cheques is highly irregular. Whether the cheque amount was adjusted to the concerned head or misuse are not known. If any loss caused to the funds shall be made good from the persons responsible. Hence the above practice may be discontinued in future and the particulars of above amount adjusted in the concerned head may be produced under intimation to the audit.

99) PENAL INTEREST REMITTED TO THE IT DEPARTMENT - IRREGULAR - NEEDS  
 38) RECOVERY RS. 5967/- (CODE NO. 18) 13

1. Vr.No. 65, dated 06.05.2013 Rs. 191671.00

2. Vr.No. 750, dt. 29.03.2014, Rs. 197638.00

389305

During the period of audit it is noticed that Rs. 1,91,671.00 <sup>amount</sup> remittance for 42 works under General Funds through the above vr.no.1, the cheque No. 034327 was prepared but not send to the IT Department. Again Rs. 1,97,638.00 vide above vr.no.2 with penalty of Rs. 5967/- remitted to the IT.Dept.,

<sup>penalty</sup> The <sup>above</sup> amount recovered from work bills towards IT CHARGES would have been remitted to the IT Department first week of the following month of work completion. But, it was not done <sup>so far</sup>. Besides the above cheque was prepared in the month of may 2013 and not furnished to the IT Dept., and it was lapsed, after long period another cheque was issued to the IT Dept., with penal interest of Rs. 5967/- is irregular and loss to the funds. It shows no watching and negligence of the concerned authorities.

Hence the <sup>penalty</sup> amount of Rs. 5967/- <sup>shall</sup> be recovered from the person or persons responsible and credited to the concerned Heads. <sup>under intimation to audit.</sup>

During the course of audit it is noticed that an amount of Rs 191671  
 was stated to have been submitted IT through the above voucher NO 65 and  
 cheque was prepared no 034327 but not presented to bank. <sup>1</sup>  
 Subsequently the m.c has submitted the above amount of Rs 191671  
 along with penalty of Rs 5967/- through <sup>above</sup> voucher no 750.

FORMATION OF GRAVEL ROAD – DETAILS OF STOCK REGARDING EXCAVATED ROCK BOULDERS  
WITH BLASTING NOT FURNISHED – AMOUNT HELD UNDER OBJECTION. Rs.25697.00

89)

code 13

The work formation of Road from H.No.11-10-785/1 to 11-10-787/14 and 11-10-787/33 to 11-10-842 in Ward.No.4 has awarded to M/s Vijayalaxmi WLCCS Ltd with the lesser rates of 4.26% than the estimated cost and the agreement also concluded between the two parties vide agreement No.396/2009 dated.19.12.2009 for an amount of Rs.228155.00 and the work has accepted to complete within 3 months by the contractor.

The work has administratively sanctioned and technically sanctioned for an amount of Rs.2.50 L by the competent authorities and the work has recorded in M.Book.No.625/2010.

As seen the M.Book, the engineering authorities have allowed for excavation of hard rock boulders with blasting and the quantity of rock boulders are acquired for 255.75 CUM. After allowing the 40% of voids the same is balanced as 151 CUM. The same has recorded in M.Book and certified as stock at site by the engineering authorities concerned.

Whereas the details regarding the stock entry which is made in the M.Book have not furnished to audit whether the same has utilised at the site or handed over to contractor or else wasteful. No details were forthcoming in audit.

Hence, the collection of metal stock is calculated in amount and suggested to recover the same from the person or personal and also remit the same to the funds concerned.

**EXCESS PAYMENT – PAYMENT MADE TO THE EXCESS COLLECTION OF GRAVEL –  
IRREGULAR – NEEDS TO BE RECOVERED. Rs.12368.00**

Code 13

Vr.No.148/01.07.2010 – Rs.286053.00 and Vr.No.6/10.04.2013 – Rs.46438.00

The work laying C.C.Road from 11-10-703/2 to 11-10-692/4/C and W.B.M.Road from 11-10-747/6 to 11-10-743/7/8/2 in Ward.No.3 has executed by Municipal Authorities. The work has recorded in M.Book No.127/2009.

As verified the said M.Book it is observed that, an excess of Rs.12368.00 has let out to the said work through an excess collection of 60 CUM of Gravel quantity vide P.No. of said M.B without any utilisation or any other reasons specified by the engineering authorities concerned. The Payment has also made to the said quantity by adopting SSR 2008-09 as here under stated..,

Sl.No.	Collection of Gravel	Spreading of collected Gravel	Balance of Gravel Collected without Utilising/ any other reasons
1	547.90	547.90	0.00
2	299.15	299.15	0.00
3	30.00	0.00	30.00
4	30.00	0.00	30.00
	<b>907.05</b>	<b>847.05</b>	<b>60.00</b>

i.e.60\*206.13=12368.00.

As such early action is awaited to recover the said amount of Rs.12368.00 which has paid for an excess collection of Gravel without any necessity/utilisation to the said work from the person/personnel responsible and also the fact may be reported to audit.

**PAYMENT ALLOWED IN EXCESS OF THE AGREEMENT VALUE – IRREGULAR – NEEDS APPROVAL FOR EXCESS WORK DONE FROM THE SUPERINTENDENT OF ENGINEER CONCERNED – AMOUNT HELD UNDER OBJECTION - Rs.25197.00**

Csd 13

9)

The work C/o C.C. Drain from 10.04.35 to 10.04.37,10.04.80/A to 10.04.164/1,10.04.116 to 10.04.118 and C.C. Road formation from H.No.16.04.80/A to 10.04.104/1 in Ward No.10 of Khammam Corporation has executed with M.P. Lad funds by the Municipal Authorities.

The work administratively sanctioned vide Progs.No.M.P.Lads.B4/821/08,dated.07.05.2008 and the work has let out to Sri. Venkatanarayana (Prop. M/s Sree Mahalaxmi WLCS) and also the work is recorded in M.Book.No.1758/ /

As seen the Agreement which was concluded between the Commissioner and Contractor, the contractor namely M/s Sree Mahalaxmi WLCS has accepted or contracted to complete the work within the price rate of Rs.243925/-. But as verified the M.Book.No.1758, the value of work done is arrived for an amount of Rs.284122/- and accordingly the payment has also made for the same work done value without restricting the same to the contract value or obtain any approval from the higher engineering authorities concerned which is irregular. As per GO.Ms.No.94 I&CAD, dated 01.07.2003, the Executive Engineer having powers to approve the excess work done value up to 5% on technical sanction only and thereafter up to 10% the Superintendent Engineer is competent to approve the excess work done. But here the Executive Engineer is made an approval for beyond his purview which is irregular. The same is need to be ratified until the amount of excess work is held under objection.

As such the objected amount of Rs.25197.00 which has paid without got approval from the competent engineering authorities is held under objection and if the same has not ratified even so, should be recovered from the person or personnel responsible and also the fact may be reported to audit.

Value of Work done arrived	284122/-	
Resricted to Contract Value	243634/-	
E.E. can approve up to 5% of Excess value	15000/-	
Eligible to pay value of work	258925/-	
	Difference	284122/-
		258925/-
	Needs to be ratify	25197/-

**AMOUNT PAID TO THE OTHER THAN ITEM OF WORK WHICH IS NOT RELATED - IRREGULAR-  
AMOUNT OBJECTED IN AUDIT – NEEDS TO BE RECOVERED. Rs. 38696.00.**

Code 17

The work C.C.Road Widening from Kakatiya Curry Point to Jandala Centre is administratively sanctioned C.R.No.170/03.03.2012 and technically sanctioned S.E.C.R.(P.H)WGL.No.83/2012-13 dated.03.11.2012. The work has let out to Sri.Ch.Vasudeva Rao, Contractor with a lesser rates of 28% than the estimate rates. The same accepted vide C.R.No. 57/28.02.2013 and the work order has issued vide DB/KMC/1285/1/13 dated.05.03.2013 and an agreement has also concluded in this regard vide Agreement.No.75/2013 dated.15.03.2013 between the two i.e. Municipal Commissioner and the Contractor. The work has recorded in M.Book.No.1021/2013 by Assistant Engineer and accordingly check measurement has done by the competent engineering authorities.

As verified the said M.Book the audit is noticed that the engineering authorities have recorded the another extra work i.e. collection and spreading of stone dust is made from 10-3-2(TTD) to 10-3-83 and JN and also from N.S.Camp M.L.Party lane to Kaspabazar with a length of 117.50 Mts. Further in the recording of original collection and spreading of the subject work, payment has made for the entire quantity without deducting the portion of Poles and trees and etc., i.e.7.50 CUM in the length of 1.50 Mts.

As per the P.W.D.Code and G.O.Ms.No.94, the E.E. can only having powers to alternate the items of the work executed such as inclusions or removals with the permission of Superintendent or other competent higher authorities. But no such permissions have furnished during the audit. In this regard the entire work which has done/recording without obtaining the permissions from the competent authorities could not be admitted in audit and suggested to take steps for early recovery of such amount as detailed here under.

Total length in Mts	Payment made to the Quantity	Portion of poles and trees
117.50	184.70	7.50

Payment made to the Quantity	184.70
Portion of poles and trees	7.50
	<b>192.20</b>
Rate of Dust for collection and spreading taken for payment	201.33CUM
Hence the payment made in un authorised	<b>38696.00</b>

EXCESS PAYMENT – PAYMENT MADE TO THE EXCESS COLLECTION OF GRAVEL –  
IRREGULAR – NEEDS TO BE RECOVERED. Rs.4226.00

Code 13

Vr.No.09/27.11.2013 Rs.25675/-

The work laying C.C.Road from 11-10-694/7/8/1 to bypass road has executed by Municipal Authorities. The work has recorded in M.Book No.231/2009 and 617/2010. The work is let out to Sri.Md.Aslam, Contractor.

As verified the said M.Book it is observed that, an excess of Rs.4226.00 has let out to the said work through an excess collection of 30.50 CUM of Gravel quantity without any utilisation or any other reasons specified by the engineering authorities concerned. The Payment has also made to the said quantity by adopting SSR 2008-09 as here under stated..,

Sl.No.	Vide P.No.	Collection of Gravel	Vide P.No.	Spreading of collected Gravel	Balance of Gravel Collected without Utilising/ any other reasons
1	3	124.25 CUM	4	124.25 CUM	0.00
2	6	10.50 CUM		0.00	10.50 CUM
3	9	10.00 CUM		0.00	10.00 CUM
4	15	90.05 CUM	16	90.05 CUM	0.00
		<b>234.80</b>		<b>214.30</b>	<b>20.50</b>

i.e.20.50\*206.13=4226.00.

As such early action is awaited to recover the said amount of Rs.4226.00 which has paid for an excess collection of Gravel without any necessity/utilisation to the said work from the person/personnel responsible and also the fact may be reported to audit.

**EXCESS PAYMENT – PAYMENT MADE TO THE EXCESS COLLECTION OF GRAVEL –  
IRREGULAR – NEEDS TO BE RECOVERED. Rs.2453/-**

*Ced*

The work laying C.C.Road from 11-10-689/12/A to 11-10-694/7/8/1 in Ward.No.03 has executed by Municipal Authorities. The work has recorded in M.Book No.231/2009 and 617/2010. The work is let out to M/s Ikran Constructions and concluded the agreement vide A.B.No.21/2009 dated.04.02.2009.

As verified the said M.Book it is observed that, an excess of Rs.2453.00 has let out to the said work through an excess collection of 30.50 CUM of Gravel quantity without any utilisation or any other reasons specified by the engineering authorities concerned. The Payment has also made to the said quantity by adopting SSR 2008-09 as here under stated..,

Sl.No.	Vide P.No.	Collection of Gravel	Vide P.No.	Spreading collected Gravel	of Balance of Gravel Collected without Utilising/ any other reasons
1	3	126.10 CUM	4	126.10 CUM	0.00
2	6	5.90CUM		0.00	5.90 CUM
3	9	6.00 CUM		0.00	6.00 CUM
4	14	68.50 CUM	16	68.50 CUM	0.00
		<b>206.50</b>		<b>194.60</b>	<b>11.90</b>

i.e.11.50\*206.13=2453.00.

As such early action is awaited to recover the said amount of Rs.2453.00 which has paid for an excess collection of Gravel without any necessity/utilisation to the said work from the person/personnel responsible and also the fact may be reported to audit.