

Office of the Asst. Audit Officer
State Audit: Srikakulam.

Submitted,

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

- 1) Annual Account for the year 2015-16
- 2) DCB Statement for the year 2015-16
- 3) Draft forwarding Letter
- 4) Draft Special Letter
- 5) Audit report for the year 2014-15
- 6) Work statements

Name of the Auditors : 1) Sri K.Ram Mohan Rao, SA
2) Sri N.Sayam Prasad, SA
3) Sri G.Sreenivasa Rao, SA
4) Sri P.Jayakumar, SA
5) Sri Y.Ramesh, SA

DISTRICT AUDIT OFFICER

GOVERNMENT OF ANDHRA PRADESH

STATE AUDIT DEPARTMENT

From
D.D.G.Mullar.,
District Audit Officer,
State Audit,

To
Sri
The Commissioner
Municipal Corporation
Srikakulam Srikakulam.

S.A.No05Dt10-07-2017

Sir,

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

Yours faithfully

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

Encl: Audit Report for 2015-16

Copy to the Director of Municipal Administration, A.P, Hyderabad.

Copy submitted to the Director of State Audit, A.P, Hyderabad.

**AUDIT REPORT ON THE ACCOUNTS OF SRIKAKULAM
MUNICIPAL CORPORATION FOR THE YEAR 2015-16**

Name of the Auditor: 1) Sri K.Ram Mohan Rao, SA
 2) Sri N.Sayam Prasad, SA
 3) Sri G.Sreenivasa Rao, SA
 4) Sri P.Jayakumar, SA
 5) Sri Y.Ramesh, SA

Time taken for audit : 23.1.2017 to 28.1.2017,7.2.17 to
10.2.17,13.2.2017 to 18.2.2017,20.2.2017 to 23.2.2017,27.2.2017,7.3.2017 to
10.3.2017 and 13.3.2017 to 18.3.2017

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

GSSN.Srinivas,Commissioner Period from 1.4.2015 to 31.3.2016

OVERVIEW

Srikakulam Municipal Corporation was entrusted broadly with the following functions as per the provisions of the Municipal Acts in force:

- Public Health, Sanitation, conservancy and solid waste management.
- Provision of water supply, drainage and sewerage.
- Construction and maintenance of roads, drains, culverts and bridges.
- Provision of street lighting.
- Urban poverty alleviation programmes.
- Slum improvement and up gradation.
- Provision of public parks and play grounds.
- Construction and maintenance of public markets and slaughter houses.
- Urban planning and town planning.
- Regulation of land use and construction of buildings.
- Maintenance of Elementary and Secondary Education.
- Urban development programmes.
- Vital statistics including Registration of births and deaths.
- Maintenance of burial grounds etc.,

The detailed observations on the above items were pointed out in the audit paras.

GENERAL FINANCIAL REVIEW AND BUDGET

The Opening Balance in the Cash Book is agreement with the closing Balance of the previous year. The closing balances of 001 & 002 Cash Books

as on 31-03-2016 is **Rs. 4, 96, 67,409.00** is in agreement with the consolidated closing balance of various funds as per abstracts of account for March, 2016 and is also in agreement with the consolidated closing balance in the Treasury and Bank pass Books after allowing for the un cashed cheques and unremitted revenue on hand at the close of the year subject to the following reconciliation. The annual account for the year 2015-16 is appended herewith.

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

Closing Balance as per cash book (001 & 002)	:4, 96, 67,409.00	
Add:		- Closing
Balance as per Pass books (001&002)	: 4, 96, 67,409.00	

Reconciliation Statement of cash book with pass book Account 001 for the year 2015-16

Treasury Account- 001	
Opening balance	58,68,718.64
Receipt for 2015-16	5,36,63,881.00
Total	5,95,32,599.64
Charges for 2015-16	3,90,31,844.00

CB as per cash book as on 31.3.2016	20,50,0755.00
Add:	-
1.Unencashed cheque	-
2.Previous year Difference According to the Audit Report	-
Total	20,50,0755.00
Closing balance as per Sub treasury Pass book as on 31.3.2016	20,50,0755.00

Reconciliation Statement of cash book with pass book Account
002 for the year 2015-16

Treasury Account- 002	
Opening balance	5,57,61,964.00
Receipt for 2015-16	10,71,99,195.00
Total	16,29,61,159.00
Charges for 2015-16	13,37,94,505.00
CB as per cash book as on 31.3.2016	2,91,66,654.00

Add:	-
1.Unencashed cheques	-
Total	2,91,66,654.00
Closing balance as per Sub treasury Pass book as on 31.3.2016	2,91,66,654.00

1.BUDGET:

Under section 126 and 127 of A.P Municipalities ACT`1965 and according to rule 8 of rules deal with preparation of Budget, allotments and transfer of funds, issued in G.O.Ms.No.36 MA Dt.7-10-1970 and G.O.Ms.No.740 M.A Dt. 12-12-1977, the budget as approved by the council, should be submitted to the Government through the District Collector and Director of Municipal Administration by 31st December by every year. But the approved budget for the year 2015-16 was not produced to audit for verification.

2.NON COMPLIANCE OF PENDING AUDIT OBJECTIONS – PRECEEDING YEARS – NEEDS EARLY ACTION:

The replies to the audit reports for the years Up to **2015-16** together with the resolution of the Standing Committee for Finance have not been sent to the Commissioner of Municipal Administration through the Director of State Audit, AP., Hyderabad as instructed by the Government in Memo.No.442/Accts.III/62-2, P&LA Department dt.2.4.1962 read with Govt.Memo.Roc.No.546/Accts.III/62-2, P&LA Department dt.3.5.1962. the records do not reveal the observance of the above orders. The progress of settlement of the audit objections during the year 2015-16 was slow/not much satisfactory as defects pointed out in 2610 objections involving an amount of **Rs.656074761.00** as shown below are pending settlement at the close of preceding years up to 2005-06. Early action may be taken to settle the audit objections.

Sl.No.	Year	No.of objections	Amount involved (in Lakhs)
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1	Up to 2009-10	1982	424871167.00
2	2010-11	140	34321244.00
3	2011-12	181	71455261.00
4	2012-13	103	49698981.00
5	2013-14	74	45469749.00
6	2014-15	130	30258359.00
	TOTAL	2610	656074761.00

3.GRANT-IN-AID:

During the course of audit, it is observed that the following grants were received to the Srikakulam Municipal Corporation, Srikakulam District for different purposes to the extent of Accounts furnished in audit. The grants adjusted, expenditure incurred and the balances left over as on 31-3-2016 are noted in the Annexure.

Code No.18

4.PROVIDENT FUND – P F CASH BOOK & LEDGER NOT PROPERLY MAINTAINED – NEEDS EARLY ACTION:

As verified from the Bank (Account No.000183) Corporation Bank, an amount of Rs. 32, 22,879.00 was shown as receipt towards PF subscription or otherwise and Rs. 24, 17,359.00 was the expenditure. The receipt and expenditure for the years were also not properly posted and tallied with the Bank Account figures. There is a possibility for irregular draws from the fund as the accounting procedure is not being adhered to. Hence, it is advisable to rectify the defects pointed out and arrive at the correct balances to the credit of the subscribers besides taking necessary action on the person responsible for non maintenance of the register. In this connection the correctness of receipts & expenditure not certified in Audit.

OB as per Bank Accounts	Rs.24, 19,431.00
Receipt during the year	<u>Rs.32, 22,879.00</u>
TOTAL	Rs.56, 42,310.00
Payments during 2015-16	<u>Rs. 24, 17,359.00</u>

CB as per Cash Book	Rs.32, 24,951.00
UN cashed Cheques	Rs. 1, 16,515.00
CB as per Pass Book	Rs.33, 41,466-00
as on 31-03-16	

Code No.18

5.GRANTS – GRANTS REGISTER NOT MAINTAINED PROPERLY - GRANT ADJUSTED TO MUNICIPALITY – NOT BROUGHT TO REGISTER – NEEDS EARLY ACTION:

On verification of the grants Register it is observed that Accounts Section has not paid any attention in connection with the postings of grants received, amount utilized and amount left over. Abstracts were not made relating to each grant for the year 2015-16. This aspect has come to light during the verification of Annual Account with reference to the grants register. Some of the grants adjusted to Municipal funds under various schemes are not brought to the register of grants maintained during the year under audit, which is highly irregular. It is also observed that many of the grants taken to the account do not appear in the grants register. In this connection the correctness of Grants adjusted to Municipal Funds not certified in Audit. Hence immediate action may be taken to update the Grant Register and produce to Audit.

Code No.7

6.MARKET-ROAD MARGIN LEASES FOR THE YEAR 2015-16 – NOT LEASED OUT FOR THE PERIOD FROM 1-4-2015 TO 31-10-2016 – LOSS TO MUNICIPAL CORPORATION FUNDS – NEEDS RECOVERY Rs. 1253000-00.

As verified from the records for the year 2015-16, it is noticed that the market fee collection right was put to auction in the month of October 2015 instead of March 2015.

As per the Gazette of the Municipal Corporation the auction of sales had to be conducted in the month of March 2015 and the lease rights are to be handed over to the highest bidder in the month of April 2015.

But under the pretext of awaiting the clarification from the DMA on the GO. MS.No.481 MAUD/dt:2-12-2013 and GO.Rc.No.722 MAUD/dt:3-9-2014 neither the auction was conducted nor arrangements were made for collections of road margin fee departmentally(up to the month of October 2015) after a lapse of 7 months of collections period, the lease rights were given to the bidder without getting the clarification from the DMA.

Hence the Municipal Corporation sustained a huge loss of Rs.1253000/- on account of delayed auction for leasing out the market leases.

According to the previous period of the market leases the lease rights Rs.2100000/-. But due to the delay in action of Municipal Corporation authorities, the Municipal Corporation could fetch only Rs. 8.95 lakhs. Despite a person named Sri P. Balaji came forward for taking the lease for Rs.2100000/- through his letter dt:25-3-15, the Municipal Corporation ignored his request. Therefore it is very clear that the Municipal Corporation with its complete awareness that the lease rights could go for Rs.2100000/-, did not take the action in time for conducting the auctions.

Therefore due to in active and being benefit of its responsibility, the Municipal Corporation authorities caused avoidable loss of Rs.1253000/-. Therefore action is need to be taken to put the liability on the authorities concerned and recover the loss amount of Rs.1253000/- from the person or persons responsible.

Code No.7

7.Property tax – Levy of tax on Apartments – Tax not levied on whole apartments –Tax levied on individual flats in the name of Buyers who purchased- Not correct-connected BA Numbers also not available in the records- 100% of penalty not levied-Loss to Municipal Corporation funds for Rs.115496/-

On verification of the MLs for the year 2015-16,it is noticed that the flats of the apartments are individually being assessed for the property tax in the name of owners who purchased the flats.

As per rules in force, the apartment is to be assessed for property tax as as a whole firstly in the name of the builders there after the titles are to be changed as and when the flats are sold to the the buyers.

But as the flats are directly being assessed with the property tax in the name of the buyers, the apartments are partly being assessed and the remaining flats are remained unassessed. until those flats are sold by the new buyers. Because of the partly assessments the Municipal Corportation has sustaining a loss on property tax on the flats unassessed.

In addition to that, the BA Nos in which the apartments were permitted for construction were also not mentioned in the ML Register and in the online while assessment is made. Unless the BA Nos are mentioned in the ML Register or in the Master Sketch the Building amounts to be unauthorized construction for which 100% penalty to be imposed on the property tax.

But neither the BA Nos recorded in the MLs nor the penalty were imposed. There by the Municipal Corportation is sustained to loss on account of non collection of penalties.

List of some illustrations given below

Sl.No.	Assessment No.From-To	Flat No.	Tax levied on No. of Flats	Tax levied Rs.	Penalty to be imposed
1	1085024936 to 1085024951	669/10/G1 Dt.15.6.10	16	10136	10136
2	1085025113 to 1085025116	669/10/G1 Dt.15.6.10	4	1596	1596
3	1085025186 to 1085025201	669/10/G1 Dt.15.6.10	16	9584	9584
4	1085025210 to 1085025227	669/10/G1 Dt.15.6.10	18	10296	10296
5	1085025366 to 1085025372	669/10/G1 Dt.15.6.10	7	4494	4494
6	1085025465 to 1085025476	669/11/I1 Dt.2.11.12	12	12540	12540
7	1085025500 to 1085025504	669/11/I1 Dt.2.11.12	5	3120	3120
8	1085025508 to 1085025574	669/11/I1 Dt.2.11.12	65	43225	43225
9	1085025711 to 1085025725	669/11/I1 Dt.2.11.12	15	11280	11280
10	1085025730 to 1085025744	669/11/I1 Dt.2.11.12	15	9225	9225
Total					115496

Code 18

8.Property tax – E-Seva collections – Property tax collection made through e.seva centres- Late remittances by E-Seva –Needs proper action for immediate remittance of E.Seva collections

During the course of audit on the accounts of Municipal Corporation, Srikakulam for the year 2015-16, it is noticed that the collections of Property tax made through e.seva centre were remitted to Municipal Corporation funds with abnormal delay as follows.

Sl.No.	Property tax collected by E.Seva		Amount remitted to MC Funds cheque No./Dt.	Delay in remittance
	Month	Amount		
1	3/15	32.44 lakhs	29.4.15	28Days
2	4/15	1.83 lakhs	053932/3.9.15	4Months
3	5/15	4.07 lakhs	054001/3.9.15	3Months
4	6/15	72.77 lakhs	054064/3.9.15	2Months
5	7/15	44.59 lakhs	054145/11.8.15	7Days
6	8/15	16.10 lakhs	062357/15.9.15	11Days
7	3/16	27.38 lakhs	073463/31.5.16	1Month 27Days

Therefore proper action is need to be taken to get the Property tax collections from the e.seva immediately after close of the month.

9.Property Tax – New assessments for the year 2015-16 tax levied without imposition of 100% of penalty on unapproved constructions – Irregular – Loss to MC Funds for Rs. 91785/-

During the course of audit for the year 2015-16 it is noticed that the property tax was levied without imposing penalty in respect of unapproved constructions as verified from the ML Register of property tax along with tax master sheets it is noticed that the number in which the building permission sanctioned was not recorded . Unless the BA numbers are mentioned in the ML registers are in the master sheets. The building amounts to be unauthorized construction for which 100% penalty to be imposed on the property tax. But neither the BA numbers recorded in the MLs nor the penalties were imposed. Thereby the Municipal Corporation is sustained the loss on account of non collection of penalties.

Some illustrations are given below.

Sl. No.	Name of the Building owner	Assessment number	Tax levied Rs.	Penalty to be imposed Rs.
1	L.V.Appalaraju	1085025670	35990	35990
2	P.K.Prasanth	1085025251	19183	19183
3	M.Ramulu	1085025257	14006	14006
4	S.Ramakrishna	1085025019	12469	12469
5	K.S.Gupta	1085025611	10137	10137
Total				91785

Code No.11

10.WATER TAX- TAP CONNECTIONS SANCTIONED BUT CONNECTED TAP APPLICATIONS NOT PRODUCED IRREGULAR.

During the course of audit for the year 2015-16 On verification of the tap connections registers for the year 2015-16 it is noticed that a huge numbers of tap connections were created as detailed below. But connected tap application files are not produced to audit even after issue of half margin letter.

Due to non production of tap application file the subscription of contribution collected could not be verified. Apart from the eligibility of the application to get the facility of concession could not be verified.

Hence action is to be taken to produce the records and files to audit and the loss if any sustained would need to be recovered from the person or persons responsible.

Sl.No.	Category	No.of Applications Received	Amount involved
1	General	206	1607830
2	BPL	312	265200
3	Apartments	6	578900
Total		524	2451930

Code No.11

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

During the course of Audit for the year 2015-16 Meters for were purchased for Commercial Tap connections. But the Water Tax Demand Register under meters during the year 2015-16 was not produced for verification in audit. The meter functioning registers which was maintained by the tap inspector and the completion reports of the new connections given in the year 2015-16 was also not produced for verification from the tap inspector. In the absence of the same the connection demand, collection and balance under meters could not be verified. Any loss if in this regard may be recovered from the person or persons responsible.

Code No.7

12.QUARTER RENT-STAFF QUARTER RENT –NON DEDUCTION OF HRA FROM SALARIES-QUARTER RENT ALSO NOT COLLECTED Rs. 89568-00

During the course of audit for the year 2015-16. It is learnt that the Quarters were provided to the following officers. But no rent has been collected and HRA was also not deducted. As per the Government Orders, the officers who have provided with staff Quarters are not eligible for getting HRA. But with the instant case the individual was paid HRA along with salaries.Hence the HRA paid to the individual as detailed below is need to be recovered and remitted to Municipal funds.

Sl. No.	Name of the Officer	Designation	Period	HRA Paid
1	Sri Ch.V.V.S.Bapiraju	Commissioner	1-4-15 to 30-6-15	3524 X 3 = 10572
2	Sri A.Satyamurthy	TPO	1-4-15 to 31-3-16	3814X12 = 45768
3	Sri P.Bhaskarrao	MHO	1-4-15 to 30-9-15	4814 X 6 = 28884
4	Sri P.Bhaskarrao	MHO	1-10-15 to 31-3-16	10114X6 = 60684
Total				145908-00

Code No.9

13.Town planning – Building plan sanctioned previously was lapsed - Revised plans issued without collecting the building fee – Irregular – Loss to MC Funds – Needs early recovery Rs. 53994/-

Sri. K. Krishnamurthy

Existing B.A No.33/13 Revised B.A.No.22/16

As verified from the records it is noticed that the applicant Sri K. Krishnamurthy was given permission for construction of commercial building with two floors Vide B.A No.33/13 but the construction was not started. Again the applicant as applied for permission and the

permission was accorded by the Municipal Corporation in B.A. No.22/16 G1 without collecting any fees which is irregular.

As per G.O. MS. No.168 MAUD dt:7-4-2012 and Municipal Gazette No.72 dt:26-4-2013, The individual has to pay all the fees for getting the revised permission for construction of building as a fresh case.

Therefore the permission was sanctioned to Sri K. Krishnamurthy for construction of building in BA No. 22/16/ G1 without collection of any fees is irregular.

Hence the fees as detailed below is need to collected from the individual. The loss if any sustained to the Municipal Corporation funds would need to be recovered from the person or persons responsible.

Application fee	Rs. 1000/-
Site approval fee @ Rs. 12 per Sq.mtr	Rs. 3168/-
Building license fee @ Rs. 60 per Sq.mtr	Rs. 24900/-
Dev.Charges	Rs. 24926/-
Total	Rs. 53994/-

Code No.9

14.Town planning – Property tax levied with penalty on unauthorized constructions – But not entered in the UC register maintained by the Town planning section – No action was taken on the unauthorized constructions – Needs early action

On verification of the MLs of the Property tax it is noticed that huge number of buildings were imposed penalties on property tax on the accounts of unauthorized constructions but the same were not reflected in the UC register except a few number of buildings.

Hence it is clear that those was no coordination between revenue and town planning sections. Were ever the buildings were found unauthorized by the revenue section in the course of property tax assessment that would be reported to the town planning section for record the same in UC register and in a same way the town planning section has to be vice versa to revise the income of the Municipal Corporation by imposing the penalties.

Some illustrations are given below.

Sl. No.	Name of the building owner	Property tax levied with penalty/Assessment No.
1	J.Sreedharrao	1085025393
2	K.Ramarao	1085025415
3	K.Sridevi	1085025416
4	S.Venugopalarao	1085025611
5	S.Aswin	1085025481
6	A.Eswarrao	1085025409
7	P.Mallibabu	1085025337
8	R.Ravi	1085025762

Hence action would need to be taken to get all the UCs recorded in the UC Register. So as to take the action for demolishing or for construction of the buildings.

Code No.18

15.Town planning- Building constructions-Labourcess directly paid by the applicants to labour Dept.-Building plans approved without verifying the genuinity of the bank challans and Bank scrolls- The Municipal Corporation has also sustained a loss in the shape of 1% service charges on labour cess amount- Needs proper action

During the course of audit on the accounts of Town planning section in year 2015-16, it is noticed that the labourcess on the cost of proposed buildings is being remitted directly with the bank account by the concerned building owner.

The Municipal authorities are approved the Building plans being on the production of bank challans with out getting the challan verified with reference to bank scrolls of the account, as the bank account is in the name of Labour Dept. and the Municipal Corporation does not have the copy of that account it is not possible for the audit to conduct the verification of the Genuinity of the challans enclosed to the Building application.

Apart from that as the amounts are not brought to the accounts of the Municipal Corporation, the Municipal Corporation authorities are not in a position to claim of their service charges to be recovered from the labour cess amounts.

Hence action would need to be taken to get the bank scrolls produce to audit for verification of the cess amount that is remitted from the building application approved by the Municipal Corporation brought to the accounts of Municipal Corporation funds. The loss if any is found in later verification of bank scrolls or challans is found fake that would need to be recovered from the person or persons responsible.

Code No.9

**16.Town Planning –Fees – Non collection of Certain fees from the building applicants-
Need to be collected for Rs.1025384/-**

During the course of audit on the accounts of Town planning section for the year 2015-16, it is noticed that the certain amounts were not collected in the following building permissions as detailed below.

Sl.No.	BA.No.	Name of the applicant	Extant of site and its value	Remarks	Loss to MC
1	198/15/G1	P.Srinivasarao,Prakash nagar	293 Sq.Yards Rs.1560000	14% of Open space charges not collected	218400
2	189/15/G1	K.Sailaja,	506.72 Sq.Mt.s 4243000	14% of Open space charges not collected	594020
3	237/15/G1	K.Narayanamurthy, SN.Peta	557 Sq.yards 460000	14% of Open space charges not collected	64400
4	35/16/G1	B.Satyannarayana, Fozulboypeta	148 Sq.yards 592000	14% of Open space charges not collected	82880
5	42/16/G1	R.Padmavathi Fozulboypeta	92 Sq.Mts. 444000	14% of Open space charges not collected	62160
6	160/15/G1	K.Manmadharao	297 Sq.Mts.	Site approval	3524

		I/L8		fee in the rate of 12/- not collected	
Total					1025384

Therefore action is need to be taken to recovery the said amounts from the above applicants and remit to MC funds. The loss if any sustained to the MC funds that would need to be recovered from the person or persons responsible.

Code No.11

PENSIONARY BENIFITS – A/C No3262 - Andhra Bank

17.EXPENDITURE INCURRED UNDER PENSIONARY BENIFITS- CONNECTED FILES NOT PRODUCED

Rs.604800-00

During the course of Audit on the accounts of Municipal Council Srikakulam for the year 2015-16, on verification of Cash Book and Bank Pass Book it is noticed that an amount of Rs.604800.00 was drawn and paid to beneficiaries through cheques. But as verified from the cash book, it is observed that the voucher wise expenditure details not written in the cash book and the connected files not produced by the UPA Section to Audit in spite of several Half Margin Letters issued for production of records. In the absence of the above the correctness of expenditure could not be verified and certified in Audit and held under objection.

Code No.11

BAPUJI KALAMANDIR A/c No.8190 UBI – Srikakulam

**18.AMOUNT ADJUSTED TOWARDS RENT UNDER BAPUJI KALAMANDIR –
CONNECTED CHALLANS & FILE NOT PRODUCED:**

During the course of audit on the accounts of Municipal Corporation, Srikakulam for the year 2015-16, it is observed that an amount of Rs.131258.00 was adjusted to Municipal Funds (Bapuji Kalamandir) towards rents and interest. But the adjustment challans, Day cash book and connected file not produced to Audit even though Half Margin Letters issued to case worker through Account Officer, but no response from them. In this connection, the correctness of adjustment of receipts could not be verified and certified in audit.

Code No.11

BAPUJI KALAMANDIR A/c No.8190 UBI – Srikakulam

19.Works – Estimate agreements Connected M.Books not produced Needs Early action: **Rs.94789-00**

During the course of Audit on the accounts of Municipal Corporation, Srikakulam for the year 2015-16. Amount of Rs 94789.00 incurred towards execution of various works as detailed below. But as the G.O MS No 589 PR & RD Department Dt 29-09-1989 and GO MS No 195 PR & RD Dept 10-05-1999 the records related to works i.e. Estimates agreements, M. Books must be produced to Audit for verification. But the same were not produced to Audit for verification contrary to above G.O's. So the geniuses of works expenditure could not verified during the course of Audit. The loss if any caused due to the above reason would need to be recovered from the person or persons responsible and made good to the Municipal Funds.

S. No	Vr. No/ Date	Name of the work	Amount	MB. No
1	01/10-01-2016	M/s Aditya Electrical works, Srikakulam Towards supply delivery fixing and commissioning of the LED Lights fixtures at Bapuji Kalamandir in Srikakulam.	94789	34/2009-2010
	TOTAL		94789	

Code No.11

DEVELOPMENT CHARGES No.8016 – UBI

20.HUGE AMOUNT ADJUSTED – CONNECTED ADJUSTMENT FILES, REGISTERS, RECORDS & CHALLANS NOT PRODUCED NEEDS EARLY ACTION:

During the course of audit on the accounts of Municipal Corporation, Srikakulam for the year 2015-16, it is noticed that an amount of Rs.18, 70,489.00 was adjusted towards Development charges. But, as verified from the Building Application Fee Abstract, an amount of Rs.71, 53,522.00 was shown as receipt under Development charges. The difference between Bank Statement and Building Application Fee Statement for Rs.52,83,033.00 not known to audit, due to non-production of records and adjustment challans to audit. In this connection, any loss caused to the institution towards adjustment of receipt to Municipal Funds, the same may be recovered from the person or persons responsible and credit to Municipal Funds.

CODE NO.11

NFBS A/C NO.3537 INDIAN OVERSEAS BANK

21.EXPENDITURE INCURRED UNDER N F B S SCHEME - CONNECTED FILES NOT PRODUCED: Rs.345000.00

During the course of audit on the accounts of Municipal Corporation, Srikakulam for the year 2015-16, it is observed that an amount of Rs.3,45,000.00 was drawn and paid 69 beneficiaries @ Rs.5,000/- each But the connected files not produced to audit in spite of several Half Margin letters issued. In this connection the correctness of expenditure could not be verified and certified in audit and held under objection.

Code No.09

SOCIAL SECURITY PENSIONS A/c No.33582 AB (RCB) Srikakulam

22. SOCIAL SECURITY PENSIONS – PAID DIRECTLY – VIOLATION OF RULES:

During the course of audit on the accounts of Municipal Council, Srikakulam for the year 2015-16, it is observed that an amount of Rs.2,18,72,000 was drawn in the following vouchers towards Social Security Pensions through self cheques for distribution of Social Security Pensions to who have not having Bank Accounts. But as per the scheme guidelines the said pensions shall be paid to the beneficiaries through Banks only. In this connection, the authority for distribution of pensions directly to the beneficiaries not explained and produced to audit. Hence the correctness expenditure could not be verified and certified in audit and held under objection.

Sl.No.	Vr.No.& Date	Amount	Cheque No.& Date
01	01/01-05-2015	70,00,000	387963/01-05-2015
02	02/01-06-2015	72,45,000	387964/01-06-2015
03	03/06-06-2015	4,29,500	387965/06-06-2015
04	04/02-07-2015	70,65,500	387966/02-07-2015
05	15/10-12-2015	132000	203767/10-12-2015
		2,18,72,000	

SOCIAL SECURITY PENSIONS A/c No.33582 AB (RCB) Srikakulam

23.SOCIAL SECURITY PENSIONS – BALANCE AMOUNT PAID CONNETED FILE AND PAYEE’S ACKNOWLEDGEMENT NOT PRODUCED:

During the course of audit on the accounts of Municipal Council, Srikakulam for the year 2015-16, it is noticed that an amount of Rs.6, 94, 76,800.00 was drawn and paid to the Chief Executive Officer, SERP. AP, Hyderabad and PD, DRDA, Srikakulam towards balance amount under Social Security Pensions. But the connected file and Payees’ Acknowledgement in token of receipt of the balance amount not forthcoming in audit. In the absence of the above the correctness of remittance could not verified and certified in audit and held under objection.

Code No: 11

24.DEPOSITS – REFUND OF DEPOSITS – ORIGINAL CREDITS NOT PRODUCED **Rs.2, 33,886.00**

During the course of Audit on the accounts of Municipal Corporation, Srikakulam for the year 2015-16 the following amounts paid towards Refund of Deposits to the contractors and others have not been noted in the Register of Deposits maintained for the year 2015-16, and it is also observed in audit that the entries of refund of Deposits were not shown in Audit

Sl. No.	Vr.No.& Date	Description	Amount
01	1/09-04-2015	(Non Plan) Towards refund of FSD at MB No.28/08-09 Sri Shirdisai Balaji Constructions, Srikakulam.	57169.00
02	10/11-01-2016	(12th Finance) Towards refund of EMD & FSD of the completed work of construction of compound wall to the compost yard in SMC.	83317.00
03	32/11-01-2016	(IDSMT) Sri N.Hatakeswara rao, towards	4000.00

		refund of EMD for the worth of sanitation work completed.	
04	33/11-01-2016	(IDSMT) Towards refund of EMD for the completed work of construction of compound wall to ME School.	6259.00
05	34/11-01-2016	(IDSMT) Towards refund of EMD for the work at supply of workers completed.	55800.00
06	01/11-01-2016	(New Plan Scheme) N.Hatakeswara Rao,Rc Towards refund of EMD & FSD for the completed work of construction of cc Road at 17 th ward in SMC.	23306.00
07	02/11-01-2016	(New Plan Scheme) N.Hatakeswara Rao,Rc Towards refund of EMD & FSD for the completed work of construction of cc Road at Godugoti veedhi in SMC.	4035.00
	TOTAL		2,33,886.00

The Deposits Register has to be maintained properly preparing abstract showing daily the local Deposits received and refunds made to the contractors, the concerned section heads in connection with the maintenance of Deposit Registers have not taken action. If the figure does not exist in the register of deposits maintained for the year 2015-16, it could give scope for refunds to be made twice, due to non-maintenance of the register or not updating the register. The same may be maintained in a proper manner and certified by the competent authority in future.

Code: 11

25.PAYMENT OF CELL PHONE CHARGES – CELL PHONE SANCTION DETAILS AND CONNECTED FILES NOT PROPDUCEED NEEDS EARLY ACTION:

During the Course of Audit for the year 2015-16, on verification IDSMT cash book it is noticed that an amount of Rs.46004.00 was drawn and paid towards cell phone charges during the year

But the Register of phone bills was not maintained and produced to audit for verification. It is also noticed that cell phones were utilized by field staff, manager and others staff members. But the connected file along with administrative sanction orders of C&DMA, AP., Hyderabad was not produced to audit for verification. In the absences of the above the correctness of the expenditure could not be verified in audit.

Hence, action would need to be taken to produce the trunk call register and cell phone sanction files etc., to audit for verification.

A/c No.4424 UNION BANK OF INDIA

Code No.11

26.IDSMT (SHOP RENTS) – CONNECTED ADJUSTEMENT FILES, RECEIPTS ETC., NOT PRODUCED

During the course of audit on the accounts of Municipal Corporation Srikakulam for the year 2015-16, it is observed that an amount of Rs.95,80,938.00 was adjusted towards shop rents (IDSMT) But the Connected MDR, files and receipts not shown at the time of audit even though several Half Margin Letters issued to the concerned case worker through Accounts Officer. In this connection, the correctness of adjustment of receipt, demand, collection and balances and number of shops vacant etc., not known to audit. In this regard

any loss caused to the institution towards adjustment of receipts, the same be recovered from the person are persons responsible.

Code No.18

27.WATER TAX – DEMAND REGISTER FOR BULK AND SEMI BULK SUPPLY – METER READING REGISTERS NOT PRODUCED – NEEDS EARLY ACTION:

As verified from the books and other records relating to Water Tax of bulk & semi bulk consumers, it is noticed that the meter reading registers have not been maintained, which are the basis for fixation of demand of bulk and semi bulk water supply to Commercial & Industrial concerns. In the absence of the said registers the correctness of the collections made could not be verified. It is also not possible to analyze the water drawn from the Municipal Source and supplied to the customers. Hence early steps would need to be taken to maintain such registers and made available to Audit for verification under proper

attestation, the loss if any, in this regard would need to be recovered from the person are persons responsible and made good to Municipal Funds.

SFC:

Code No.18

28.POL CHARGES – EXPENDITURE INCURRED TOWARDS POL CHARGES – LOG BOOKS AND TRIP SHEETS - NOT PRODUCED:

As verified from the vouchers relating to payment of POL Charges paid to M/s Murty & Co., Srikakulam for the year 2015-16, it is noticed that the details of POL consumed by the vehicles has not been furnished. Further the concerned log books of each vehicle were not produced and it could not verify whether the POL as per the payments made to the dealers was entered in the log books. In the absence of the same it could not be verified whether the POL limitations have been observed by each authority or not. Hence necessary action may be taken to verify whether limitations of each authority to whom vehicle was

provided and excess consumption, if any, of POL, may be recovered and made good to Municipal Funds.

Sl.No.	Vr.No.& Date	Amount
01	03 TO 27 DT.19-10-2015	555031.00
	TOTAL	555031.00

Code No.11

B P S & L R S – UBI A/c No.11734

29.HUGE AMOUNT ADJUSTED UNDER BPS & LRS ACCOUNT – CONNECTED FILES, REGISTERS, RECORDS & CHALLANS NOT PRODUCED NEEDS EARLY ACTION:

During the course of audit on the accounts of Municipal Corporation, Srikakulam for the year 2015-16, it is noticed that an amount of Rs.6, 04,818.00 was adjusted under BPS & LRS Scheme. But, the connected adjustment files, registers and adjustment challans not produced to audit even though Half Margin Letters issued to case worker through the Accounts Officer of Municipal Corporation and orally requested several times, but the case

worker did not responded. In this connection, the correctness of receipts, No.of applications approved and the correctness of approval could not be verified and certified in audit. Any loss caused to the institution towards adjustment of receipt to Municipal Funds and in approval of BPS & LRS files, the same may be recovered from the person or persons responsible and fact intimated to Audit.

Code No.11

B P S & L R S – UBI A/c No.11734

30.AMOUNT WITHDRAWN FROM BPS & LRS ACCOUNT – CONNECTED FILES, REGISTERS, and RECORDS & CHALLANS NOT PRODUCED NEEDS EARLY ACTION:

During the course of audit on the accounts of Municipal Corporation, Srikakulam for the year 2015-16, it is noticed that an amount of Rs.5, 17,767.00 was drawn under BPS & LRS Scheme and paid towards Structural compensation to the effected arrears. But, the connected Vouchers, files and registers was not produced to audit even though Half Margin Letters issued to case worker through the Accounts Offier of Municipal Corporation and orally requested several times, but the case worker did not responded. In this connection, the correctness of payment could not be verified and certified in audit. Any

loss caused to the institution in payment of structural compensation to the effected portions, the same may be recovered from the person or persons responsible and fact intimated to Audit.

Code No.11

31.AMOUNT WITHDRAWN FROM ACDP - CPO ACCOUNT – CONNECTED FILES, REGISTERS, RECORDS & CHALLANS NOT PRODUCED NEEDS EARLY ACTION:

During the course of audit on the accounts of Municipal Corporation, Srikakulam for the year 2015-16, it is noticed that an amount of Rs.3, 17,336.00 was drawn under ACDP - CPO Scheme. But, the connected Vouchers, files and registers was not produced to audit even though Half Margin Letters issued to case worker through the Accounts Officer of Municipal Corporation and orally requested several times, but the case worker did not responded. In this connection, the correctness of payment could not be verified and certified in audit and held under objection.

Code No.11

32.AMOUNT WITHDRAWN FROM UPA FUND ACCOUNT – CONNECTED FILES, REGISTERS, RECORDS NOT PRODUCED NEEDS EARLY ACTION:

During the course of audit on the accounts of Municipal Corporation, Srikakulam for the year 2015-16, it is noticed that an amount of Rs. 80,000.00 was drawn under UPA Scheme. But, the connected Vouchers, files and registers was not produced to audit even though Half Margin Letters issued to case worker through the Accounts Officer of Municipal Corporation and orally requested several times, but the case worker did not responded. In this connection, the correctness of payment could not be verified and certified in audit and held under objection.

CODE NO.8

33. ADVANCE NOT ADJUSTED – NEEDS ADJUSTMENT.

Rs.109000-00

During the course of audit on the accounts of Srikakulam Municipality for the year 2015-2016, as verified Water Supply cash book an amount of Rs.109000.00 was drawn from Municipal Funds and paid to the Municipal staff towards advances as follows. But the said advance was not adjusted to the municipal funds so far. Early action would need to be taken for adjustments and fact report to audit.

SI .No	Vr.No./Date	Name of the employee	Nature of Advance	Amount
1	47/21-05-2015	Sri CH.Ramesh Babu, Head Master	Advance for training programs conducting for high school students under BADI PILUSTHONDI	60000.00
2	48/21-05-2015	Sri CH.Ramesh Babu, Head Master	Advance for training programs conducting for high school students under BADI PILUSTHONDI	25000.00
3	50/15-06-2015	Sri R.Venkateswara Rao, School Assistance	Advance for the teachers who are elected for district academic committee for the orientation classes	24000.00
		TOTAL		109000.00

Code No.11

34.LEGAL CHARGES PAID – CONEECTED SUIT REGISTER,
CONNECTED SUIT FILES – NOT PRODUCED:

During the course of audit of Srikakulam Municipality for the year 2015-16. As verified the 001& 002 cash book with connected vouchers an amount of Rs.36, 97,279.00

drawn and paid towards legal fees as detailed below. But the connected suits register together with the connected suit files, council resolution not produced to audit for verification. Due to the above reason correctness of payments could not be verified in audit. Hence early action would need to be taken produce the said information to audit for verification.

Vr. No.& Date	Details	Amount
134/28-05-2015	Sri N.Venkateswarlu, Advocate, Msc, Srikakulam towards legal charges for the case of Sri Nakka pardhasaradhi WPNO.7768/2015	15500.00
135/28-05-2015	Towards legal charges for the case OS.No.572/2014.	10000.00
136/28-05-2015	Towards legal charges for the case PW.No.9854/2015.	2000.00
137/28-05-2015	Towards legal charges for the case of Smt N.Syamaladevi WPNO.36157/2014	5500.00
138/28-05-2015	Towards legal charges for the case of Sri B.Srinivasa Satyanarayana WPNO.9854/2015	5500.00
139/28-05-2015	Towards legal charges for the case of Sri K.Kondala Rao, WPNO.14381/2014	5500.00
140/28-05-2015	Towards legal charges for the case of Sri K.Suryalingam, WPNO.30953	5500.00
141/28-05-2015	Towards legal charges for the case of Sri B.Nageswara Rao WPNO.24633/2014	5500.00
22/17-02-2016	Sri B.Ravikumar, CA Towards Legal Charges for the CA for Service tax appeals.	20000.00
82/26-03-2016	Sri K.Rammohan Chowdary Municipal APAT Tribunal Standing council, Hyderabad towards Legal Fee for the case of K.Uday Baskhar retired RA in SMC OA.No.1422/2015	10000.00
002 205/27-02-2015	N.Venkateswara Rao, Msc Hyderabad towards Legal Fees for various cases in Srikakulam Municipal Corporation.	75000.00
248/29-07-2015	Manager AVP Chowtry, Srikakulam Towards decree of the High court appeal suit no 3137 of	3403429.00

	1999.	
268/06-08-2015	Sri P.Muralikrishna Msc srikakulam towards Legal Fee for the case OS.No.200/2011 /IA.No.546/20.	1500.00
269/06-08-2015	For the case IA No.625/2012 OS No.686/2012dt.25-10-2012.	2000.00
270/06-08-2015	For the case IA No.762/2013 OS No.164/2013.	2000.00
271/06-08-2015	For the case IA No.657/2012 OS No.724/2012.	2000.00
412/14-08-2015	Sri P.Muralikrishna Msc srikakulam towards Legal Fee for the case .No.351/2010 OS No.15/2008, OS No.22/2007, OS No.125/2006.	68000.00
413/14-08-2015	Sri N.Vijayakumar, Msc, Srikakulam towards Legal Fee for the case OS.No.69/2014	55350.00
595/18-11-2015	Sri P.Muralikrishna Msc srikakulam towards Legal Fee for the case IA.No.355/2012, OS No.106/2012.	1000.00
596/18-11-2015	Sri G.Ramana Murthy, srikakulam towards Legal Fee for the case OS No.88/2012.	2000.00
	TOTAL	36,97,279.00

Code-11

35.ITEMS PURCHASED - CONNECTED TENDERS, STOCK REGISTER, COUNCIL RESOLUTION AND PURCHASE FILE NOT PRODUCED – NEEDS NECESSARY ACTION:

It is noticed that the as per the 001 & 002 cash book an amount of Rs.**56,26,518.00** was spent towards purchase of following items as detailed here under.

Every head of the Office should maintain suitable stock account for the stores purchase by him and held in his custody with a view to prevent losses as per Article 133 of A.P. Financial Code stock register should be maintained for expendable stores. But the connected stock register not produced.

It is noticed that Tenders, purchase file, stock registers, and Council resolutions was not produced to audit for verification. Even though they said information not produced to audit for verification till the close of audit. In the absence of the above the correctness of the purchases files could not be ascertained. Thus the expenditure incurred is not admitted and held under objection.

Hence early action would need to be taken to produce connected records for verification.

Vr. No.& Date	Details	Amount
239/28-05-2015	M/s Aditya Electrical works towards Supply & Delivery laying of 3 core 2558mm aluminum AB Cable for street lighting on new bridge.	57806.00
164/06-06-2015	N.Ramesh, R.O., Srikakulam Municipality Purchase of SONY siber shot DSC – W830/pc camera for capturing photos for property tax collection month of 3/2015.	8000.00
31/25-04-2015	Sri K.Veerabadrswamy towards Supply & Delivery of interconnection materials to china Bazar.	9600.00
48/25-04-2015	M/s universal Enterprises, Visakhapatnam Towards supply of mega Phone with wired mike with pen drive arrangements rechargeable battery.	6500.00
49/25-04-2015	M/s universal Enterprises, Visakhapatnam Towards supply of mega Phone with wired mike with pen drive arrangements rechargeable battery.	9000.00
50/25-04-2015	M/s universal Enterprises, Visakhapatnam Towards supply of mega Phone with wired mike with pen drive arrangements rechargeable battery.	9500.00
249/12-06-2015	M/s Balaji Engineering works production kadapa Supply & Delivery of stainless steel push carts for D2D garbage collection for solid waste management in SMC.	399000.00
<u>002</u> 112/04-01-2016	APS Agro Industries Development Corporation ltd, Vijayanagaram, Towards supply of Tires and tubes to the PH Section.	331900.00
181/26-02-2016	M.Srinivasa Rao, AEE – civil SMC – Purchase of cell phone for geo tagging for swatcha bharath Programme.	8500.00
47/13-04-2015	Sri P.Eswara Rao, RC, Srikakulam towards supply & Delivery of clampsets for street lighting poles in SMC.	80626.00
48/13-04-2015	Towards supply & Delivery of 32mm, 20mm GI Pipes for street lighting section.	89369.00
101/25-04-2015	Towards supply & Delivery of erection & commissioning of solar power systems to the SMC office with 15 years maintaince.	4616717.00
TOTAL		5626518.00

Code No. 11

36.DEPOSITS REFUND – CONNECTED ORIGINAL CREDITS AND REGISTER OF LAPSED DEPOSITS NOT PRODUCED:

During the course of audit of Srikakulam Municipality for the year 2015-16. As verified the 001 cash book with connected vouchers an amount of Rs.1, **58,197.00** drawn and paid towards refund of deposits as detailed below. But the original credits of the depositors and register of lapsed deposits not produced to audit. In this connection correctness of the refund of deposit could not be verified in audit. Even though they said information not produced to audit for verification till the close of audit. If any loss caused to the institution due to the above reason would need to be recovered from the person and persons responsible.

Hence early action would need to be taken to produce connected records for verification.

Vr. No.& Date	Details	Amount
309/14-08-2015	Sri N.Hatkeswara Rao(R.C) – Payment of EMD, in various works.	46000.00
310/14-08-2015	Sri N.Hatkeswara Rao(R.C) work for moderation of office building.	24450.00
312/19-10-2015	Sri N.Hatkeswara Rao(R.C) refund of with held amount for the work cc road painting etc for various parks.	10514.00
313/19-10-2015	Sri N.Hatkeswara Rao(R.C) moderation of office building of SMC.	77233.00
TOTAL		158197.00

Code-11

37.FURNITURE PURCHASED - CONNECTED TENDERS, STOCK REGISTER, COUNCIL RESOLUTION AND PURCHASE FILE NOT PRODUCED – NEEDS NECESSARY ACTION:

It is noticed that the as per the 002 cash book an amount of Rs.**32050.00** was spent towards purchase of following items for office purpose as detailed here under.

Every head of the Office should maintain suitable stock account for the stores purchase by him and held in his custody with a view to prevent losses as per Article 133 of A.P. Financial Code stock register should be maintained for expendable stores. But the connected stock register not produced.

It is noticed that Tenders, purchase file, stock registers, and Council resolutions was not produced to audit for verification. Even though they said information not produced to audit for verification till the close of audit. In the absence of the above the correctness of the purchases files could not be ascertained. Thus the expenditure incurred is not admitted and held under objection.

Hence early action would need to be taken to produce connected records for verification.

Vr. No.& Date	Details	Amount
339/14-08-2015	Towards supply & Delivery of one Computer Table and UBS Section in SMC Office.	8850.00
118/28-04-2015	Towards Supply & Delivery of wooden office table for town planning section of SMC.	8000.00
119/28-04-2015	Towards Supply & Delivery of 10 no's plastic designed Neel kamal Chairs for Accounts Sections of SMC.	8000.00
611/24-11-2015	Sri Maheswari General Stores Towards supply & Delivery & fixing of Crompton greaven ceiling fan at commissioner quarters.	7200.00
TOTAL		32050.00

CODE NO.18

38.CASH BOOK NOT MAINTAINED PROPERLY NEEDS RECTIFICATION:

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

1. In the expenditure side, in the particular column the gross amount, deduction and net amounts not noted.
2. The book adjustments not taken to receipt side.

3. The month wise book adjustments not worked out.
4. The cheque issued not attested.
5. Monthly not closed with reconciled with Pass Books.

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

CODE – 11

39.VEHICLE RENT PAID – CONNECTED FILES NOT PRODUCED TO AUDIT

During the course of Audit on the accounts of Srikakulam Municipality for the year 2015-16, it is noticed that as verified from the 001 & 002 Cash Book, an amount of Rs.16, 98,812.00 was drawn and paid towards Vehicle Rent as shown below. But, the connected files, Registers were not shown at the time of Audit. In this connection the correctness of expenditure could not be verified and certified in audit. Any loss caused in this regard, the same may be recovered from the person or persons responsible and fact intimate to Audit.

Vr. No.& Date	Details	Amount
001 5 /06-04-2015	Paid to Sri D.Thirumala Rao, RC Towards hire charges & Maintaince of car AP.30R 171 for outdoor purpose to commissioner for the period 10/2014 to 2/2015.	118800.00
19/13-04-2015	Paid to Sri D.Thirumala Rao, RC Towards engaging of EX70 tractor on hire basis for removal of debris & wet silt to drains hear day& night Junction.	86694.00
133/28-05-2015	Towards supply of vehicle in hire basis for the period 06-03-2015 to 10-03-2005 & 01-04-2015 to 04-04-2015 for special drive property tax Collection.	72000.00
132/28-05-2015	Towards supply of vehicle in hire basis for the period 01-03-2015 to 01-04-2015 for special drive property tax collection.	44800.00
201/12-06-2015	Paid to T.Venkata Rao, RC towards engaging of car on hire basis for 5 months to the mc engineer Section	45200.00
110/29-03-2016	Sri G.Sapta Raju, Srikakulam towards engaging of car on hire basis for 4 months to the municipal health officer of SMC for the period 01-02-2016 to 29-02-2016	23760.00
245/12-06-2015	Sri G.Sapta Raju, Srikakulam towards engaging of car on hire basis for 4 months to the municipal health officer of SMC.	44000.00
60/15-03-2016	M/s Vijaya Eng. Corporation Srikakulam Towards engaging of car on hire basics for 5 months (01-11-2015 to 31-03-2016)	88637.00
002 209/25-07-2015	Engaging of car on hire basis for 4 months to the municipal health officer of SMC.	23000.00
241/28-07-2015	Engaging of car on hire basis for 5 months to the municipal engineer of SMC.	49611.00
95/31-12-2015	D.Thirumala Rao, RC Providing car on hire basis for use of MC outdoor parties for 7/15 to 10/15.	96000.00
171/03-02-2016	G.Sapata Raju, RC Towards engaging of car on hire basis for 4 months to Municipal Officer.	47520.00
247/28-07-2015	Sri D.Tirumala Rao,RC,Srikakulam towards hire car charges at commissioner Car No.AP30R171 for the period 3/15 to 6/15.	95040.00
264/06-08-2015	Sri R.Suryanarayana, Srikakulam Towards engaging at vehicles JCB 2nos Tippers, 2Nos Tractors, 5nos on hire basis for leveling at compost	532743.00

	colony in w.no.21.	
442/14-08-2015	Sri P.Eswara Rao, RC, Srikakulam Towards supply at JCB to health section on hire basis for travelling at garbage heaps in dumping yard and other misc works in town limits.	89201.00
448/14-08-2015	Towards supply of one Tractor on hire basis for sanitation in C division for 2 days.	6000.00
449/14-08-2015	Towards supply of one Tractor on hire basis for sanitation in C division for 2 days.	6000.00
343/14-08-2015	Smt Renuka Prop.of SRS Travels Srikakulam towards engaging of car on hire basis for team 3 in JBMV 2nd round for ward visits.	9160.00
344/14-08-2015	Engaging of vehicle on hire basis for Team-1 in JBMV 2 nd round for ward visits.	12500.00
345/14-08-2015	Engaging of vehicle on hire basis for Team-2 in JBMV 2 nd round for ward visits.	12500.00
460/14-08-2015	Sri Bheemaraya Pattana Dhalitha sanksheme sangam srikakulam providing car on hire basis for the period 4months.	91894.00
581/5-11-2015	Sri G.Sapata Raju,RC,Srikakulam engaging of car on hire basis for 4 months to MHO.	23760.00
582/05-11-2015	engaging of car on hire basis for 4 months to Municipal Officer.	32472.00
704/09-12-2015	Sri G.Sapata Raju,RC,Srikakulam engaging of car on hire basis for 2 months to MHO.	47520.00
TOTAL		16,98,812.00

Code No.11

40.PAID TO CONSULTANCY CHARGES – CONNECTED FILES NOT PRODUCED TO AUDIT

During the course of Audit on the accounts of Srikakulam Municipality for the year 2015-16, it is noticed that as verified from the 001 Cash Book, an amount of Rs. **11,06,246.00** was drawn and paid towards Consultancy Charges Paid as shown below. But, the connected files were not shown at the time of Audit. In this connection the correctness of expenditure could not be verified and certified in audit. Any loss caused in this regard, the same may be recovered from the person or persons responsible and fact intimate to Audit.

Vr. No.& Date	Details	Amount
67/25-04-2015	Towards Providing Comprehensive storm water drainage system to SMC – DPR and Consultancy Charges	1106246.00
	TOTAL	1106246.00

Code No.9

41.PURCHASE OF PH MATERIAL– TENDERS NOT CALLED FOR– NEEDS RATIFICATION: Rs. 514612 .00

As verified from the Cash Book, Vouchers and connected purchases files for the year 2015-16, it is noticed that an amount of Rs.**514612.00** was drawn and paid towards purchase of stationery by confirming quotations locally during the year as detailed below:

Sl. No.	Vr.No. & Date	Purpose	Amount (Rs.)
1	211/25-04-2015	National Co-Operative Consumer federation of India Ltd. Supply of 540 pairs of chapels for PH Section.	293436.00
2	<u>002</u> 01/13-04-2015	APCO Handloom House 3 Visakhapatnam uniform, Dresses and Towels for public health & Non – Public Health Workers working in SMC.	803266.00
3	78/31-12-2015	Sri Laxmi Srinivasa Pharmaceuticals, towards purchase of vaccine for anti rabbis for programme veedhi kukkala distraction.	81662.00
4	79/31-12-2015	V.Nagabhusana Rao, Rc Towards supply of 660 kg broom sticks for sanitation in SMC.	20909.00
5	220/15-03-2016	The NCCF of India Visakhapatnam, purchase of sarees, cloths, Towells , Soaps & Coconut Oils etc for PH Workers.	1028885.00

6	221/15-03-2016	The NCCF of India Visakhapatnam, purchase of sarees, cloths, Towells , Soaps & Coconut Oils etc for Permanent Workers.	519477.00
7	222/15-03-2016	Lepakshi Handicrafts emporium, Visakhapatnam towards purchase of uniform for permanent sanitary masteries, inspector & office subordinate for 2015-16.	289308.00
8	223/15-03-2016	Lepakshi Handicrafts emporium, Visakhapatnam towards purchase of uniform for out sourcing, PH Drivers, PH masteries & PH workers for 2015-16.	486724.00
9	235/28-07-2015	Nani Krishna emporium Kakinada, towards supply of lime, bleaches to SMC.	857768.00
	TOTAL		43,81,435.00

From the above details it was noticed that before purchasing the above material the annual requirement was not assessed and not called for limited tenders for purchase of the materials as the amount below Rs.20000.00 but below 5 lakhs in terms of G.O.Ms.No.489, Fin&Pl (TFR.I) Dept, Dt.08.12.2008. Further, the stationary was purchased in piece-meal manner so as to avoid calling of tenders which is highly irregular.

Therefore, action may be taken to got the ratification orders from the competent authority and the fact reported to audit and further while purchasing any material the procedure prescribed by the Government may be followed properly.

42.PURCHASE AND REPAIR OF CARTRIDGES AND OTHER SPARE PARTS– TENDERS NOT CALLED FOR – NEEDS INVESTIGATION: Rs. 8,17,389.00

As verified from the Cash Book, Vouchers and connected purchases files for the year 2015-16, it is noticed that an aggregate amount of Rs.8, 17,389.00 was drawn and paid towards purchase of printer cartridges and other spare parts obtaining quotations locally during the year under report as detailed below:

Sl.No.	Vr.No. & Date	Purpose	Amount
1	07/13-04-2015	Sri Maruthi Computer services srikakulam, towards purchases & supply & delivery of HP Company standard 880,12a cartridge to Srikakulam Municipality.	91800.00
2	08/13-04-2015	Towards purchase of 3 colour, 3 black & white cartridge along with refill.	7850.00
3	09/13-04-2015	Towards providing new panel board for printer & Tonner connection hard ware.	9050.00
4	10/13-04-2015	Towards supply & delivery fixing of new mother board USB cable & repairs to the existing printer for AE civil.	9150.00
5	11/13-04-2015	Towards providing new cartridge to the printer at MC Chamber.	7650.00
6	12/13-04-2015	Towards purchase of 80x cartridge to the printer of system of Eng Section.	9975.00
7	13/13-04-2015	Towards purchase of 80x cartridge to the printer of system of Eng Section.	9975.00
8	14/13-04-2015	Towards purchase of 80x cartridge to the printer of system of MC Chamber.	10000.00
9	15/13-04-2015	Towards supply & Delivery HP Laser printer MCs chamber.	10000.00
10	16/13-04-2015	Towards supply & Delivery HP Laser printer PH Section.	10000.00
11	250/19-06-2015	Mahati Systems Hyderabad, Supply of 3nos breath analyzers model tayal Tech I-1100 with data cable to the computer and data manager software to store data onto the computer portable wireless printer & Cable.	166950.00
12	120 to 131/ 25-04-2015	Maruthi Computer Services Srikakulam, Supply & Delivery of 80x cartridges to HP Laser jet pro 400 MF duplex printer & repairs providing new mother boards 88 A & 12 A cartridges in SMC.	105850.00
13	166 to 168/ 06-06-2015	Jyothi system Hyderabad, Repairs & conditioning lipi printer – 76100 counter panel.	29550.00
14	185/06-06-2015	Mega Technologies Visakhapatnam repairs & conditioning of Richon printer in DDC.	9700.00
15	78/04-03-2016	Magnus sales corporation Visakhapatnam towards repairs to RICOH printer in DDC.	12666.00
16	<u>002</u>	Maruthi Computer Services Srikakulam,	

	244/28-07-2015	Supply & Delivery of HP Compactable High field 80x cartridge for HP Laser Jet Pro 400.	97755.00
17	456/14-08-2015	Shiva Sankar Computers Sales & Services Srikakulam Providing repairs & and new mother boards, hard disks, antivirus, Rams, cartridge and new printer to the SMC.	86078.00
18	457/14-08-2015	M/s Maruthi Computer Services, Srikakulam towards supply & delivery of HP Company standed printer and computer Chair.	85040.00
19	336/14-08-2015	Siva Sankara Computer sales & services Srikakulam towards providing new mother board, hard disk, cables and RAM 2GB – UBS Section.	9950.00
20	337/14-08-2015	Formatting of 2 systems and antivarious along with printer repairs in DDC Section.	9850.00
21	338/14-08-2015	New antivarious, DVD drive, USB port cables, internal panels, SMPS to CPU of system at MEPMA Section.	9950.00
22	340/14-08-2015	Supply of new mouse monitor and keyboard for systems of UBS Section.	9950.00
23	341/14-08-2015	Supply for Refilling of cartridges providing new dromms, blades to cartridges.	8650.00
	TOTAL		8,17,389.00

From the above details it was noticed that before purchasing the above material the annual requirement was not assessed and not called for tenders for purchase of the materials as required under G.O.Ms.No.489, Fin&Plg (TFR.I) Dept, Dt.08.12.2008.

Further, the material was purchased in piece-meal manner so as to avoid calling of tenders which is highly irregular.

It is further noticed that the expenditure incurred was very huge and was avoidable which seems to be in misuse of funds for the following reasons.

1. Purchased cartridges instead of refilling with the ink which sums money.
2. The cost of cartridges was shown very high when compared locally.
3. Each filling will print about 5000 copies, but that much quantity of work not explained to audit.
4. No stock and issue register was maintained for this purpose.

Therefore, the matter may be investigated and the loss caused to the institution due to improper purchase of cartridges made good from the person or persons responsible.

Code-9

43.ADVERTISEMENT CHARGES PAID FOR NOTIFICATION PUBLISHED IN NEWS PAPERS WITHOUT OBTAIN ADOPTABLE FIXED RATES FROM DISTRICT PUBLICATION OFFICER LOSS TO THE INSTITUTION – NEEDS NECESSARY ACTION:

During the course of audit on the accounts of Srikakulam Municipality for the year 2015-16. As verified the 001 & 002 cash book with connected vouchers, it is noticed that an amount of Rs.2, 11,358.00 was drawn and paid to news papers towards Tenders published as detailed below.

It is further noticed that the paid advertisement charges without obtaining adoptable rates prescribed by District Public Relation Officer. The District Public Relation Officer has empowered to suggest adoption of correct rates for advertisements published in National and Local news publications. But the details of pursuance in the subject matter are not forthcoming. Further council resolutions of said expenditure and files not produced to audit for verification.

Consequently the loss if any caused due to non pursuance for adoption of correct rates apart publication charges in news papers would need to be recovered from the persons and persons responsible.

In the absence of the above the correctness of the said payments could not be verified and certified in audit.

Vr. No.& Date	Details	Amount
22/13-04-15	A.G.A publications ltd. Towards payment of advertisement published vartha New – year calendar for the year 2015	15000.00
62/25-04-15	Deccan Chronicle, towards payment of advertisement for development & activities of Srikakulam Municipality	15000.00
28/20-12-2016	Ushodaya enterprises pvt.ltd, Hyderabad publishing open auction advertisement on 18-10-2015	22576.00
64/21-03-2016	Kasturi & sons limited, Chennai towards publication charges for publication in the Hindu, news paper about objection about 80 feet road master plan.	9072.00
122/29-03-2016	Janam Janachaitanya masa patrika, Visakhapatnam towards advertisement charges for RTI 2015	20000.00
<u>002</u> 82/31-12-2015	Ushodaya enterprises pvt.ltd, Hyderabad Publishing Public notice in eenadu daily paper as on 11-07-2015 about removal of 40 road near 80 road in SMC.	14110.00
219/15-03-2015	Ushodaya enterprises pvt.ltd, Hyderabad Towards publication charges about anti rabbis and animal birth control programme in various district additions.	115600.00
TOTAL		2,11,358.00

Code No.11

**44.AMOUNT PAID TO JANNMA BHOOMI MAVOORU PROGRAMME –
CONNECTED FILES NOT PRODUCED TO AUDIT**

During the course of Audit on the accounts of Srikakulam Municipality for the year 2015-16, it is noticed that as verified from the 01 Cash Book, an amount of Rs. **197640-00** was drawn and paid towards JANNMA BHOOMI MAVOORU PROGRAMME as shown below. But, the connected orders, files were not produced to Audit. In the absence of the above files & Registers the correctness could not be verified and certified in Audit and held under objection. Any loss caused in this regard, the same may be recovered from the person or persons responsible and fact intimate Audit.

Vr. No.& Date	Purpose	Amount
208/12-06-2015	S.Suresh Proprietor, Chinnammathali, Suppliers providing tents, chairs, side-walls red carpet mike systems on hire basis for JBMV Programme.	197640.00

CODE NO.11

45.PAID TO VEHICLES REPAIRS – CONNECTED FILES NOT PRODUCED TO AUDIT

During the course of Audit on the accounts of Srikakulam Municipality for the year 2015-16, it is noticed that as verified from the 01 & 02 Cash Book an amount of Rs.7, 53,134.00 was drawn and paid towards Vehicles Repairs as shown below. But, the connected files, Registers were not shown at the time of Audit. In this connection, the correctness such as any new vehicles purchased or maintenance charges & repairs etc., could not be verified and certified in Audit and held under objection. Any loss caused in this regard, the same may be recovered from the person or persons responsible and fact intimate to Audit.

Vr. No.& Date	Purpose	Amount
210/12-06-2015	Varun motors Visakhapatnam Repairs to JCB No.30G1500 of SMC	362365.00
238/12-06-2015	M/s D.S. Enter Prizes Visakhapatnam Repairs & reconditioning of 125KVA DG Set at Balaga Head Water works.	69624.00
248/12-06-2015	M/s Omega envitech Innovations Pvt.ltd Visakhapatnam repairs & reconditioning of 3nos 70 HP submergible motor pump with 6 months unconditional warrantly at adivarampeta water works.	222043.00
002 584/12-11-2015	Regional Manager, APS Agro Industries Development Corporation ltd, Vijayanagaram, Towards 4JCB Tires, Tubes repair charges vehicle no.AP30G1500.	99102.00
TOTAL		753134.00

46.EXPENDITURE INCURRED FOR VARIOUS PURPOSES BUT CONNECTED FILES WERE NOT PRODUCED FOR Rs.13926386.00.,

As verified from the Cash book and the vouchers the following amounts were drawn from Municipal Funds towards the various purposes. But the connected files and records were not produced to audit for verification. In the absence of the connected files the expenditure is held under objection.

An half margin letter was issued to the Executive Authority, Municipal Corporation, Srikakulam on the same but no action was taken to produce the connected files and records till the completion of audit. Therefore early action would need to be taken to produce the files for the verification to audit.

SN o	Particulars	Amount
1.	Law Charges Paid to the Manager,AVV.Choudary,Srikakulam	3403429.00
2.	Expenditure For Solar power system	4616717.00
3.	Expenditure for Biogas Plant	3800000.00
4.	Consulting charges paid for storm water drainage system	1106240.00
5.	Army Recruitment camp Expenditure	1000000.00
	Total	13926386.00

PH SECTION

Code -11

**47.PURCHASE OF P.H.ARTICLES, P.H.CONTINGENCIES ,P.H.WORKERS UNIFORMS ETC.,
FILES,CONNECTED AQUITTANCE REGISTER AND STOCK REGISTERS NOT PROUCED-
IRREGULAR;Rs.3420702/-**

As verified from the cash book and the following vouchers amounts were drawn from Municipal Funds towards the purchase of Cheppals, Uniforms for P.H.Workers uniforms etc. But the connected files ,invoice and aquittance registers were not produced to audit for verification. In the absence of the connected records the expenditure is held under objection.

An half margin letter was issued to the Public Health Section, Municipal Corporation, Srikakulam on the same but no action was taken to produce the connected files and records till the completion of audit. Therefore early action would need to be taken to produce the files and records for the verification to audit..

Sl.No.	Vr.No./Dt.	Particulars	Amount
1	211/6-2015	Purchase of 105 pairs of Cheppals	293436
2	4/2-2015	Purchase of Uniforms	803266
3	220/3-2016	Purchase of Uniforms	2324000
Total			3420702

CODE NO.11

48.DIESEL OIL AND OTHER LUBRICANTS PURCHASED FOR THE VEHICLES – LOG BOOK NOT PRODUCED:

During the course of audit for the year 2015-16, on verification of expenditure items, it is noticed that an amount of Rs.55, 73,207.00 was drawn and paid towards purchase of Oil and Lubricants which was supplied to the Vehicles during the year as detailed below:

Vr. No. & Date	Purpose of Payment	Amount
259 to 282/22-06-2015	M/s Murthy & Co Cost of supply of HSD Oil, Moil & Diesel for the month of May, 2015 for various vehicles & Machines in SMC.	564905.00
29 TO 54/24-02-2016	M/s Murthy & Co Cost of supply of HSD Oil, Moil & Diesel for the month of Jan, 2016 for various vehicles.	536785.00
84 to 109/29-03-2016	M/s Murthy & Co Cost of supply of HSD Oil, Moil & Diesel for the month of Feb, 2016 for various vehicles.	614741.00
<u>002</u> 06 to 32/28-12-2015	M/s Murthy & Co Cost of supply of HSD Oil, Moil & Diesel for the month of 11/2015 for various vehicles & Machines in SMC.	527456.00
77 to 100(A)/18-04-2015	M/s Murthy & Co Cost of supply of HSD Oil, Moil & Diesel for the month of 3/2015 for various vehicles &	589684.00

	Machines in SMC.	
116 to 143/22-01-2016	M/s Murthy & Co Cost of supply of HSD Oil, Moil & Diesel for the month of 12/2015 for various vehicles & Machines in SMC.	634114.00
210 to 234(A)/27-07-2015	M/s Murthy & Co Cost of supply of HSD Oil, Moil & Diesel for the month of 06/2015 for various vehicles & Machines in SMC.	516035.00
346 to 381/14-08-2015	M/s Murthy & Co Cost of supply of HSD Oil, Moil & Diesel for the month of 07/2015 for various vehicles & Machines in SMC.	460975.00
496 to 522/21-09-2015	M/s Murthy & Co Cost of supply of HSD Oil, Moil & Diesel for the month of 08/2015 for various vehicles & Machines in SMC.	629236.00
626 to 651/26-11-2015	M/s Murthy & Co Cost of supply of HSD Oil, Moil & Diesel for the month of 10/2015 for various vehicles & Machines in SMC.	499276.00
TOTAL		55,73,207.00

But the Log books of the connected vehicles were not produced to the audit. In the absence of the same correctness of utilization of oil and lubricants was not certified in audit.

Hence, action would need to be taken to produce the connected log books to audit for verification.

49.PH CONSERVANCY MATERIAL PURCHASED CONNECTED TENDERS, STOCK REGISTER, COUNCIL RESOLUTION AND PURCHASE FILE NOT PRODUCED – NEEDS NECESSARY ACTION.

During the course of audit of Srikakulam Municipality for the year 2015-16. As verified the 001& 02 cash book with following vouchers an amount of Rs.1496491.00 was drawn and paid towards purchase of PH conservancy material as detailed below.

Every head of the Office should maintain suitable stock account for the stores purchase by him and held in his custody with a view to prevent losses as per Article 133 of A.P. Financial Code stock register should be maintained for expendable stores. But the connected stock register not produced.

Further it is noticed that Tenders, purchase file, Payees Acknowledgements and Council resolutions was not produced to audit for verification. In the absence of the above the correctness of the stationery purchases could not be ascertained. Thus the expenditure incurred is not admitted and held under objection.

Hence early action would need to be taken to produce connected records for verification.

Vr. No.& Date	Purpose	Amount
<u>001</u> 237/12-06-2015	D.Thirumala Rao, RC Supply of Delivery of Conservancy Articles, Chemicals for sanitation Section.	664213.00
<u>002</u> 120/28-04-2015	M/s Sri Venketeswara Enterprises, Rajahmundry towards Supply & Delivery of Conservancy Articles for PH Section.	832278.00
TOTAL		14,96,491.00

Code No.11

50.AMOUNT PAID TO NAVANIRMANA DHIKSHA PROGRAMME – CONNECTED FILES NOT PRODUCED TO AUDIT

During the course of Audit on the accounts of Srikakulam Municipality for the year 2015-16, it is noticed that as verified from the 02 Cash Book, an amount of Rs. **151585-00** was drawn and paid towards NAVANIRMANA DHIKSHA PROGRAMME as shown below. But, the connected orders, files were not produced to Audit. In the absence of the above files & Registers the correctness could not be verified and certified in Audit and held under objection. Any loss caused in this regard, the same may be recovered from the person or persons responsible and fact intimate Audit.

Vr. No.& Date	Purpose	Amount
706/09-12-2015	T.Venkata Rao, RC, SMC Towards supply of certain function materials for conducting NAVANIRMANA DHIKSHA PROGRAMME on 02-06-2015 in NTR Grounds in Srikakulam Municipal Corporation.	151585.00

CODE NO.11

51.AMOUNT PAID TO STIPEND GRATUATE – CONNECTED FILES NOT PRODUCED TO AUDIT

During the course of Audit on the accounts of Srikakulam Municipality for the year 2015-16, it is noticed that as verified from the 02 Cash Book, an amount of Rs.8, 22,036.00 was drawn and paid towards **STIPEND GRATUATE** as shown below. But, the connected Appointment orders, files were not produced to Audit. In the absence of the above files & Registers the correctness could not be verified and certified in Audit and held under

objection. Any loss caused in this regard, the same may be recovered from the person or persons responsible and fact intimate Audit.

Vr. No.& Date	Purpose	Amount
200/16-07-2015	Towards stipend to the newly appointed diploma apprentice as TPBO Sri V. Shyamala Rao for the period 20-05-2015 to 6/2015.	12817.00
02/28-12-2015	EE (PH) Srikakulam Towards stipend of graduate Eng- apprentice 7 members working under control of EE PH For 5/15 to 6/15.	165620.00
113/04-01-2016	V.Shyamala Rao (TPBO – Apprentice) Towards stipend for the period 11/15.	9460.00
114/04-01-2016	V.Shyamala Rao (TPBO – Apprentice) Towards stipend for the period 12/15.	9460.00
115/04-01-2016	K.Priyadharshini (GAE) Towards stipend for the period 12/15.	15280.00
172/08-02-2016	K.Priyadharshini (GAE) Towards stipend for the period 1/16.	15280.00
173/08-02-2016	EE (PH) Towards stipend of 7 graduate Engineers apprentice for 7/15 & 8/15 in various municipalities.	213920.00
175/08-02-2016	V.Shyamala Rao (TPBO – Apprentice) Towards stipend for the period 1/16.	9460.00
202/27-02-2016	K.Priyadharshini (GAE) Towards stipend for the period 2/16.	15280.00
206/01-03-2016	V.Shyamala Rao (TPBO – Apprentice) Towards stipend for the period 2/16.	9460.00
218/15-03-2015	EE (PH) Towards stipend of 7members of graduate under control of EE (PH) Srikakulam for 7/15 & 8/15.	213920.00
250/31-03-2016	V.Shyamala Rao (TPBO – Apprentice) Towards stipend for the period 3/16.	9460.00
252/31-03-2016	K.Priyadharshini (GAE) Towards stipend for the period 3/16.	15280.00
548/19-10-2015	.Priyadharshini (GAE) Towards stipend for the period 15-07-2015 to 31-07-2015, 8/15, 9/15.	38939.00
586/18-11-2015	K.Priyadharshini (GAE) Towards stipend for the period 10/15.	15280.00
587/18-11-2015	V.Shyamala Rao (TPBO – Apprentice) Towards stipend for the period 7/15 to 10/15.	37840.00

701/05-12-2015	K.Priyadharshini (GAE) Towards stipend for the period 11/15.	15280.00
TOTAL		822036.00

Code No.18

52.Establishment-Engagement of outsourcing staff for the PH and Non PH- Huge amount incurred but the requirement and work entrustment orders not produced – Needs restriction of Expenditure

On verification of the bills concerned to the outsourcing and contract employees an amount of Rs.5.43Crores was spent towards wages of outsourcing and contract employees.

Year	Own Revenue	Expenditure incurred outsourcing staff	Expenditure incurred contract staff	Total
2015-16	9.35cr	4.07cr	1.36cr	5.43cr.

Is above the expenditure on outsourcing and contract staff 60 to 70 percentage of the Receipts and Expenditure is enormously year by year to the extents. The increase being

caused due to raising wages on one head and due to new recruitment on the other. The Municipal Corporation authorities has making appointments on outsourcing basis though Council resolution.

Hence action is need to be taken to get the salaries of new recruitments with the Govt.orders recovered from the person or persons recovered and the restricted steps are need to be taken to get the expenditure restriction.

Code No.12

53.Oil bills – Amounts paid to M/s Murthy & co towards oil charges But the vehicle numbers not found in the RTA web site-Expenditure incurred on the oil bills of said vehicles not admissible –Needs recovery for Rs.116119/-

On verification of the vouchers of oil bills, it is noticed that the amounts regarding the oil charges of the vehicles was paid to M/s Murthy &co, Srikakulam. But some of the vehicle numbers not found in the RTA web site it means the vehicles were not in a position to running on the road or not registered.

Therefore the expenditure incurred on the unregistered vehicles is irregular, Hence action would need to be taken to recover the amounts as detailed below from the person or persons responsible.

Sl.No.	Vehicle No.	Vr.No./Dt.	Amount incurred
1	AP30V387	85/3-16	20119
2	AP30R171	247/7.1.15	96000
Total			116119

Code No.9

54.Extraordinary expenditure-Graduate Engineer working under the control of EE(PH) – But salaries paid from the Municipal funds- Needs reimbursement for Rs.679221/-.

As verified from the records, it is noticed that the No.of 7 Graduate Engineers were appointed by Engineer in Chief,Public Health,Hyderabad and joined on 21.5.2015 under the administrative control of EE(PH),Srikakulam on fixed remuneration for Rs.15280/-for each per month.

As per the instructions of the DMA vide Memo No.26260/Budget/30.10.2015 where in it was ordered to all Municipal Corporations that the salaries of the said Engineers to be paid from General funds charges to EE(PH) until the salary grant reimbursed from Government.

Hence action is need to be taken to get the amount of Rs.679221/- paid to EE(PH),Srikakulam towards the salaries of the Graduate Engineers.

Code No.11

55.Engineering section-Salaries paid to Graduate Engineers – Connected file and orders not produced.

During the course of audit, it is noticed that the salaries paid to Priyadarshini,Graduate Engineer and V.Syamalarao,TPBO For the period from 7/15 to 11/15 as detailed below,but connected files and orders not produced to audit. The orders if any obtained from the Government were also not furnished to audit.

Sl.No.	Name	Period	Amount
1	K.Priyadarshini,Graduate Engineer	7/15 to 3/16	130619
2	V.Syamalarao,TPBO	5/15 to 3/16	97751
Total			228370

Therefore the expenditure incurred in this regard is held under objection. The loss if any sustained to the Municipal Corporation that would need to be recovered from the person or persons responsible.

Code: 9

**56.PURCHASE OF NEWS PAPERS TO OFFICE – OLD NEWS PAPERS NOT SOLD
– NEEDS EARLY ACTION:-**

During the course of audit for the year 2015-16, on verification of the 002 Cash book, it is noticed that an amount of Rs.77, 413.00 was drawn and paid towards purchase of news papers as shown below. But as per Government Memo No.23/2 progs.62-1 P&LA dated 1-2-1983, the old news papers have to be disposed off in auction for every three months and sale proceeds have to be remitted to Municipal Funds. But no sale proceeds have been realized during the year.

Therefore, early action would need to be taken to dispose of the old news papers and sale proceeds have to be remitted to Municipal funds and fact reported to Audit.

Vr. No.& Date	Purpose	Amount
96/31-12-2015	A.Shivagi, Supply of Eenadu Daily news papers to Diamond park, Gandhi Park for period 6/14 to 10/15.	2720.00
98/31-12-2015	G.Appala Naidu Supply of Praja Sakthi Daily news papers to Diamond park, Gandhi Park for period 10/14 to 10/15.	3600.00
99/31-12-2015	B.Govinda Rajulu Reddy – Supply of Daily News Papers to Diamond park, Gandhi Park & Municipal Offices for 8/14 to 10/15	24740.00
100/31-12-2015	B.Eswara Rao Supply of Indian Express Daily news papers to Diamond park, Gandhi Park.	2600.00
174/02-07-2015	Sanchalana Sayankala patrika satyam, Srikakulam Towards supply of satyam evening daily paper in SMC Office.	9000.00
175/02-07-2015	Sri Somayya Proprietor at Raja pan shop srikakulam towards supply of daily, weekly Monthly papers to Gandhi Park Library for the period 2/15 to 5/15.	15851.00
705/09-12-2015	Sri Somayya Proprietor at Raja pan shop srikakulam towards supply of daily, weekly Monthly papers to Gandhi Park Library for the period 6/15 to 10/15.	18902.00
TOTAL		77413.00

Code: 18

57.DEFECTS IN MAINTENANCE OF PROVIDENT FUND ABSTRACT REGISTERS –NEEDS RECTIFICATION:

As seen from the provident fund abstract register under teaching and non-teaching employees of the Srikakulam municipality for the year 2015-16, the following defects are noticed. The same may be rectified and produced to audit for verification.

1. The opening balance as on 1-4-2015 were not arrived at in the P.F.abstract register for the year 2015-16 due to non-calculation of the interest.
2. The closing balance as on 31-3-16 were not recorded to the respective Employees account.
3. The abstract of account for the year 2015-16 was not prepared showing the opening balance receipts of subscriptions and loans recoveries during the year and loans part final with drawls pending the year and the balances left were not prepared of the close of the year.
4. The account slips were not issuing to the P.F. Subscribers of teaching and non-teaching employees of the municipality together with the balances including the interest of the end of the year.
5. Register of subscribers not maintained.
6. PF Ledger not maintained.
7. Register of temporary with drawls not maintained etc.,

Hence, action may be taken to update the records as above and the loss if any would need to be made good from the person or persons responsible under report o the audit.

Code no.18

58.TA BILLS-REGISTER OF TA BILLS NOT MAINTAINED-NEEDS ACTION:

During the course of audit for the year 2015-16, it is noticed that an amount of Rs.**25953.00** was drawn and paid towards TA bills during the year. But the connected Register of TA Bills was not maintained which is irregular. In the absence of the same, the correctness of the following items could not be verified in audit:

- Whether the bill was presented with in the stipulated period of time(3months)
- Whether the bill was counter signed by the competent authority
- Whether the bill was presented for payment previously if any etc.,

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

Code

No. 13

**59.CELLULAR PHONE CHARGES PAID IN EXCESS OF ADMISIBILITY -
IRREGULAR - NEEDS RECOVERY Rs. 59044/-**

An amount of Rs.59044.00 was paid towards cell phone charges of staff of Municipal Corporation Srikakulam during the year 2015-16. It was noticed that the cellular phone charges were incurred from the General Funds more than admissible.

According to circular inst of Commissioner & Director of Municipal Administration A.P. Hyderabad vide RC No. 3265/-2004 op-2 Dt: 29-3-04 Rs. 750/- P.M Ts inadmissible to Municipal Staff under category III. If the billing amount is more than the admissible amount as specified above, it has to be borne by the persons concerned.

In deviation of above orders, in admissible amount of Rs.59044.00 was paid as shown in Annexure towards cellular phone charges of Municipal staff which shall be made good to the Municipal Funds.

ANNEXURE					
Vr.No.Date	Cell Phone No.	Period	Bill Amount	Admissibl e	Excess paid

002 426/14-08-2015	9849905787	23-06-2015 TO 22-07-2015	3664	1500	2164
525/24-09-2015	9849905787	23-07-2015 TO 22-08-2015	3572	1500	2072
	7702999137		885	750	135
	8897626999		944	750	194
425/14-08-2015	7093911800	23-06-2015 TO 22-07-2015	431	299	132
	7093911810		586	299	287
	7093911793		580	299	281
	7093911790		505	299	206
425/14-08-2015	7093911795	23-06-2015 TO 22-07-2015	420	299	121
	7093911794		399	299	100
	7093911804		341	299	42
524/24-09-2015	7093911802	23-07-2015 TO 22-08-2015	1636	299	1337
	7093911804		341	299	42
	7093911800		955	299	656
	7093911790		891	299	592
	7093911815		591	299	292
	7093911797		341	299	42
	7093911812		443	299	144
	7093911810		565	299	266
588/18-11-2015	7093911802	23-08-2015 TO 22-09-2015	1572	299	1273
	7093911793		930	299	631
	7093911790		603	299	304
	7093911791		924	299	625
	7093911815		590	299	291
	7093911812		652	299	353
	7093911810		470	299	177

	9849906972		1819	1500	319
703/07-12-2015	7093911802	23-10-2015 TO 22-11- 2015	1398	299	1099
	7093911800		386	299	86
	7093911806		1030	299	731
	7093911793		931	299	632
	7093911790		443	299	144
	7093911791		1021	299	722
	7093911812	23-10-2015 TO 22-11- 2015	974	299	675
	900902338		1711	1500	211
146/25-01-2016	7093911802	23-11-2015 TO 22-12- 2015	1208	299	909
	7093911800		342	299	43
	7093911806		553	299	254
	7093911793		915	299	616
	7093911790		794	299	495
	7093911791		906	299	607
	7093911812		1661	299	1362
	7093911810		342	299	43
001 285/22-06- 2015	7093911815	23-04-2015 TO 22-05- 2015	582	299	283
	7093911799		341	299	42
	7093911797		343	299	44
	7093911810		484	299	185
	7093911793		808	299	509
	7093911790		766	299	467
	7093911795		415	299	116
	7093911804		336	299	37
286/22-06-2015	9849905787	23-04-2015 TO 22-05-	3466	1500	1966
	9849906477		844	750	94

	9849906972	2015	3494	1500	1000
`13/12-02-2016	7093911802	23-12-2015 TO 22-01- 2016	871	299	572
	7093911801		452	299	153
	7093911806		662	299	363
	7093911793		380	299	81
	7093911790	23-12-2015 TO 22-01- 2016	734	299	435
	7093911791		1169	299	870
	7093911812		2012	299	1713
	7093911810		342	299	43
62/21-03-2016	7093911802	23-01-2016 TO 22-02- 2016	1457	299	1158
	7093911800		345	299	46
	7093911801		386	299	87
	7093911806		639	299	340
	7093911793		353	299	54
	7093911790		736	299	437
	7093911791		1103	299	804
	7093911812		1580	299	1281
	7093911810		342	299	43
Water supply 1/6-4-2015	7093911815		559	299	260
	7093911800		336	299	37
	7093911810		734	299	435
	7093911811		587	299	288
9/13-04-2015	7093911815		471	299	172
	7093911800		339	299	40
	7093911797		337	299	38
	7093911810		621	299	322
	7093911793		1034	299	735

42/18-02-2016	7093911815		616	299	317
	7093911800		337	299	38
	7093911810		454	299	155
	7093911793		638	299	339
	7093911790		597	299	298
64/28-07-2015	7093911800		373	299	75
	7093911797		343	299	44
	7093911810		537	299	238
	7093911793		466	299	167
	7093911790		992	299	693
	7093911795		413	299	114
	7093911794		682	299	383
	7093911804		341	299	42
65/28-07-2015	9849905787		20384	1500	18884

ABSTRACT

VR.NO.DATE	EXCESS AMOUNT
002 426/14-08-2015	2164.00
425/14-08-2015	1169.00
525/24-09-2015	2401.00
524/24-09-2015	3371.00
588/18-11-2015	3973.00
703/07-12-2015	4300.00
146/25-01-2016	4329.00
001 285/22-06-2015	1683.00
286/22-06-2015	3060.00
13/12-02-2016	4230.00
62/21-03-2016	4250.00
<u>WATER SUPPLY</u> 1/6-4-2015	1020.00
9/13-04-2015	1307.00
42/18-02-2016	1147.00

64/28-07-2015	1756.00
65/28-07-2015	18884.00
TOTAL	59044.00

Code No.11

60.HUGE AMOUNT PAID – CONNECTED FILES NOT PRODUCED TO AUDIT

During the course of Audit on the accounts of Srikakulam Municipality for the year 2015-16, it is noticed that as verified from the SFC Cash Book, an amount of Rs.2912060-00 transfer to Non- plan grant. But, the connected files not produced to Audit. In the absence of the above files & Registers the correctness could not be verified and certified in Audit and held under objection.

Code No.11

61.YSR KALAYANA MANDAPAM RECOERDS, FILES NOT PRODUCED.

The Records, files of YSR KALYANAMANDAPAM for the year 2015-16 was not produced to audit for verification. In the absence of the above files & Registers the correctness could not be verified and certified in Audit and held under objection. Any loss caused in this regard, the same may be recovered from the person or persons responsible and fact intimate Audit.

PH Section

(Code-13)

62.OUT SOURCING WORKERS PAYMENTS -CERTAIN LAPSES-OVER PAYMENTS
Rs. 34554/-

It is observed from the available files and records of wages of outsourcing staff, the following lapses were noticed in selection of Outsourcing agencies, allowing commission to the agencies .

The Municipality has engaging PH and Non PH workers and nearly Rs. 48300000/- paid every year in the shape of wages. The work of supplying PH and Non PH workers was entrusted to the various agencies with lowest percentage of commission who were quoted in the Tender process . In this regard the following lapses were noticed.

1.The entrustment of the work shall be done after calling of Tenders from the all the qualified agencies. But the work was entrusted without calling any tenders during the year 2015-16.

2. As per the agreement, the percentage of the commission(Service charges) should be allowed and given to the agencies on basic wages only but the commissioner allowed and given the commission(Service charges) on gross wages to the following agencies for the month of May,2015 as worked out below.(Enclosed statement).

Excess payment of Service charges paid to the out sourcing agencies for the month of May,2015							
Sl.No.	Name of the Out sourcing agency	Lowest percentage quoted by the agency	Basic wages	Gross wages	Actual Amount paid on Gross wages	Amount to be paid Basic wages	Excess paid
1	Sri Jatalamarammatalli SC Sankshema sangham A-Division for PH and Non Ph workers	7.50%	563125	666518	49989	42234	7755
2	Sri Jatalamarammatalli SC Sankshema sangham for MCW Drivers and other workers	7.50%	74700	88416	6631	5603	1028
3	Sri Bheemaraya pattana Dalitha Sankshema sangham B-Division for PH and Non Ph workers	7%	430640	509710	35680	30145	5535
4	Sri Bheemaraya pattana Dalitha Sankshema sangham D-Division for PH and Non Ph workers	7%	542532	642141	44950	37977	6973
5	Srikakulam parisudhya karmikula seva sangham C-Division	7.80%	531042	628543	49026	41421	7605
6	Sri Venkata sayavathi SC Caste Labour contract society	7.80%	210456	249099	19430	16416	3014
7	Sri Saty Dharma sai SC Caste Parisudhya karmikula sangham (Compost yard)	7.80%	184676	218580	17049	14405	2644

Total				222755	188201	34554
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Code No.18

63. WORKS - REGISTER OF WORKS & EMD UNDER TENDERS RECEIVED NOT

MAINTAINED -:

While conducting the audit on the accounts of Srikakulam Municipal Corporation, it is noticed that the works Register was not maintained and produced to audit. In the absence of the same the correctness of the works executed and payment made could not be verified and any repeated payments for the same work also could not be traced out. Further the Register of Tender Schedules was also not maintained and produced to audit. Hence the number of Tender Schedules sold for various works, and amount received towards cost of tender schedules with sales tax could not be verified.

Further the register of E.M.D was also not maintained and produced for audit. In the absence of the same it could not be verified whether 1 % of EMD at the time of tender received and balance of 1.5% of EMD at the time of conclusion of the contract or not. Hence necessary early instructions may be issued to the concerned to maintain the above mentioned registers and produce the same to Audit under proper attestation with monthly and annual abstracts. In the absence, of the said registers there is every possibility of misappropriation. Hence, a detailed inquiry may be conducted to verify the correctness of the amounts received towards EMDs and cost of tender schedules and its proper remittances to the Municipal Funds. The loss if any in this regard may be assessed and recover the same from person or persons responsible and made good to Municipal Funds.

Code-18

64.DELAY IN COMPLETION OF WORKS:

During the Audit it was noticed that no EOT was allowed and no amount was deducted from the contractors for the delay period of work of the following works. Hence the loss if any sustained to the funds the executive authority is responsible for the entire loss.

Sl.No.	Name of the work	Date of Agreement	Date of completion	Period allowed for completion of works.
1	Dismantling of dilapidated R&B Quarters in official colony in ward No.16	18.2.15	1.4.15	15days
2	Shifting the pulverizer from Balaga water works to compost yard laying of 3.5core, 50sq.mm cable	21.12.15	19.1.16	10days
3	Laying of CC Road and Drains in between existing at backside of Bhadrammatemple in Balaga Hudco colony in ward No.3	22.4.15	23.7.15	1 Month

Code. 9

**65.WORKS - EXECUTION OF WORKS AND PAYMENTS MADE - CERTAIN -
IRREGULARITIES AND PROCEDURAL LAPSES - NEEDS RECTIFICATION**

As verified from the M.Books and relevant work files, the following irregularities were noticed while making payments for the works executed.

1. Bills were being passed separately for labour and material components
2. In case of Departmental execution, bills were recorded in the M.Books separately based on the vouchers enclosed to the files. No comprehensive bill for the finished items executed was made and passed with the estimated rates. In the absence of such bill it could not be verified and compared whether the work was executed as per the estimated quantities and rates or not
3. The materials purchased were not shown in the 7F account in the M.Book and utilization not pointed out based on the theoretical requirement for the items executed. Hence the utilization of the materials purchased could not be verified
4. Empty cement bags were not disposed off through sale and the sale proceeds not being accounted for
5. Single tenders were accepted avoiding to get the work done at competitive rates by violating the tender procedures
6. The balance of materials purchased after utilization in each work were not being accounted for or transferred to any other work

Hence the defects need to be rectified and produces followed as laid down in -d- code and financial code.

Code No.11

66.D&O TRADES - CONSOLIDATED DEMAND REGISTER NOT MAINTAINED - IRREGULAR:

The consolidated demand register of D&O trades for the year 2015-16 was not produced to audit for verification. Through the monthly lists were prepared for each division without a consolidated demand of the institution it was not possible to verify the demand, collection and balance.

Due to non maintenance of the said register there is a possibility for leakage of revenue with regard to addition and deletion of trades from the existing list.

Hence action would need to be taken to get the consolidated demand register prepared and produced to audit for verification.

Code No.9

67.D&O TRADE LICENCE FEE SHORT COLLECTION FROM D&O TRADERS – NEEDSS RECOVERY; Rs.62,419-00

On verification of demand register of D&O License Fee for the year 2015-16 it was noticed that the less amount was collected than the amount notified in gazette notification in respect of the following traders. Hence the action would need to be taken to collect the short collection of licence fee from the person or persons responsible.

D&O Trades Short collection during the year 2015-16					
S.No	Category	Name of the Trader	Amount to be collected	Amount collected.	Short collection
1	Tiffins	Shiva priya tiffins,Police station road	1200	300	900
2		Sri Laxmiprasanna Tiffins,Balaga road	1200	300	900
3		Sri Durga Manikanta tiffin parlor R.T.C Gate road	1200	150	1050
4		Tarun Tiffin Parlar,Opp. RTC.Complex	1200	300	900

5		Reddy Tiffen stall Ambedkar,Jn.	500	100	400
6		Sri Rama Tiffin parlor, PK.Road	1200	400	800
7		Sri Laxmi tiffen and Fast food center, Ambedkar Jn.	1200	200	1000
8		Seetharama Tiffen centre, Ilisipuram	500	100	400
9		New Sri Rama Tiffen Parlor,Day & Night Jn.	1200	400	800
10		Sri Asiritalli tiffins,MP.Road	500	100	400
11		Ramesh Tiffins, College road	500	100	400
12		Tangudu Suribabu Tiffens	500	200	300
13	Sweets	SVS.Sweets and cool Drinks,Palakonda road	500	300	200
14		Santhi Sweets, Ambedkar Jn.	500	300	200
15		Devi Sweets, Hospital Road	500	200	300
16		Sampath vinayaka sweet shop	500	300	200
17		Sri Chamundeswari sweets shop	500	100	400
18		Laxmi Sweets,Palakonda road	500	200	300
19		Gupta Konark sweets,Day&Night Jn.	500	300	200
20		Kalivarapu Mahesh,PK.Road	580	100	480
21		Kalivarapu Mahesh,Balaga	580	100	480
22		Kalivarapu venkatarao,Balaga Mettu	580	100	480
23		Vijayakumari kirana General stores	580	200	380
24		Silla Jagannadham,Balaga	580	100	480
25		Saijyothi chillarakirana,Balagamettu	580	100	480
26		Potnuruveerraju	580	100	480
27		Shantarao Kirana Shop,PK.Road	580	100	480
28		Sri Sai chillarakirana,Hospitalroad	580	100	480
29	Chillara kirana	Kamesh kirana,PK.Road	580	100	480
30		Vaddi Vasudevarao,Kanukurthigate	580	100	480
31		Killamsetti Ratnarajesh	580	100	480
32		Gudla Krishnarao	580	100	480
33		PoduguUmamaheswarrao,Chinabazar	580	100	480
34		Vaddi Sankarrao,SarswathiMahal	580	100	480
35		Potnuru Venkataramanmurthy	580	100	480
36		Nooka Simhachalam,Muluguvarithota	580	100	480

37		Andavarapu Vishnumurthy,Medaraveedhi	580	100	480
38	Pasuvulu(Pa di)	Vallakula Sattibabu	860	100	760
39		Y.Srinu	860	100	760
40		Ch.Appayamma	860	100	760
41		Agrapu Krishna,Jabbaveedhi	860	100	760
42		Bandi Srinu,Pungapuvedhi	860	100	760
43		Sannaboina Chinnarao,Ippiliveedhi	860	100	760
44		Vullakulapeddireddy,Ippiliveedhi	860	100	760
45		Jada Kamaraju,Sarangadola veedhi	860	100	760
46		Kola Sanyasi,Sanangadolaveedhi	860	100	760
47		Weights & Measurement s	Taj weing scale,Kaspaveedhi	600	300
48	V.V.Sridhar,Chinabazar Veedhi		600	150	450
49	Lodges	Taj Lodge,Kalingaroad	1200	800	400
50		K.T.Venkateswarrao,Bharatveedhi	1200	800	400
51		P.Santhoshkumar,G.T.Road	1200	800	400
52		Mandavilli Ramachandarao,Kollavariveedhi	1200	400	800
53		Mandavilli Kameswarramma,Kollavariveedhi	1200	400	800
		Total	39780	10800	28980

Code -11

68.MAINTENANCE OF LOG BOOKS RELATING TO MUNICIPAL CORPORATION VEHICLES - DEFECTS: Rs. 3856776/-

On verification of the Log Books maintained by the office with that the Drivers dairies maintained by Driver. It is noted that mileages were not noted by the Driver in their dairies or by the office in the log books. In the log book it was not simply recorded as nine or ten trips to travel from certain parts of the town to the compost yard and carry drinking water to different parts of the town.

It was further noticed that no check were exercised by the person in-charge of the vehicles to verify the correctness of the use. Diesel oil was issued to the drivers @ 22 liters per day on the indent places by them immediately after noting nine or ten trips in the log books. In no occasion the number of trips noted by the drivers in the log book were compared with that of the mileage.

The average consumption per liters was also not got certified by the Municipal Health Officer. The consumption of the oil and the mileage of the vehicle was also not record in the log book and closed in any stage through it shall be recorded and closed and summary prepared in the log book in the proforma prescribed in form a detailed in G.O.Ms.No. 1385, GAD, dt 31-10-1966. Therefore, action would need to be taken to maintain the following registers duly rectifying the defects pointed out above and the expenditure incurred towards purchase of oil charges is held under objection.

- 1.Register showing to repairs and replacement etc.,
- 2.Register of showing the cost of petrol oil etc.,
- 3.Register of invertrance of in form- B
- 4.Register of old parts indicating all parts collected at the replacement.

Vr.No.&Date	Details	Amount
7to 100(A)/18.4.2015	M/s M.S.Murthy&co towards cost of supply of HSD Oil, M Oil and Deisel for the month of 3/15 for Various Vehicles and Mechines Working in Srikakulam MC	589684
234/27.7.2015	M/s M.S.Murthy&co towards cost of supply of HSD Oil, M Oil and Deisel for the month of 3/15 for Various Vehicles and Mechines Working in Srikakulam MC for 6/15	516035
381/14.8.15	M/s M.S.Murthy&co towards cost of supply of HSD Oil, M Oil and Deisel for the month of 3/15 for Various Vehicles and Mechines Working in Srikakulam MC for 7/15	460975

522/21.9.15	M/s M.S.Murthy&co towards cost of supply of HSD Oil, M Oil and Deisel for the month of 3/15 for Various Vehicles and Mechines Working in Srikakulam MC for 8/15	629236
651/26.11.2015	M/s M.S.Murthy&co towards cost of supply of HSD Oil, M Oil and Deisel for the month of 3/15 for Various Vehicles and Mechines Working in Srikakulam MC for 10/15	499276
06 to 32/28.12.2015	M/s M.S.Murthy&co towards cost of supply of HSD Oil, M Oil and Deisel for the month of 3/15 for Various Vehicles and Mechines Working in Srikakulam MC for 11/15	527456
116 to 143/22.1.2016	M/s M.S.Murthy&co towards cost of supply of HSD Oil, M Oil and Deisel for the month of 3/15 for Various Vehicles and Mechines Working in Srikakulam MC for 11/15	634114
Total		3856776

001

Code -11

69.GENERAL FUND - WORKS - EXECUTION OF WORKS - CONNECTED M.BOOKS, ESTIMATES, AGREEMENT FILES NOT PRODUCED - IRREGULAR.

As verified from the cash book the following works were executed under general fund grant during the year 2015-16. But the connected M.Books, estimates and agreement files were not produced to audit for verification. Even though an Half Margin issued in this regard. In the absence of the same the correctness of the expenditure incurred could not be verified. Hence the expenditure incurred in this regard is held under objection.

Vr.No.&Dt.	MB.No.	Work details	Amount paid in Rs.
18/13/4/15	71/201314	To wards providing A/Csheet roofing instead at damaged roofing to existing sheets at posters at kummari veedhi	88309
19/13/4/15	50/201213	To wards engaging at EX70 tractor on hire basis for remove at debris and out site to drain near day& night junction	86694
20/13/4/15	15/2012-13	Repairs to various schools existing in ward no:19 to 36 Repairs to v	91959
21/13/4/15	17/2014-15	Supplying of delivery of mans and whistler for solid work management	21082
30/18/4/15	02/2014-15	Supply and delivery of pushcart for D&O garbage collection made with one tuch square rinle pipes fo SWM in SMC	395000

39/25/4/15	17/2013-14	Laying of CC drain and culvert in place of damaged drains in front of SP Bungalow (Naga vali back side)	86089
68/25/4/15	20/201415	Providing WBM road form CSP road to burrail ground back side of pushkarini back side in Arasavilli	511000
Total			1280133

70.GENERAL FUND - WORKS - EXECUTION OF WORKS - CONNECTED M.BOOKS, ESTIMATES, AGREEMENT FILES NOT PRODUCED - IRREGULAR.

As verified from the cash book the following works were executed under general fund grant during the year 2015-16. But the connected M.Books, estimates and agreement files were not produced to audit for verification. Even though an Half Margin issued in this regard. In the absence of the same the correctness of the expenditure incurred could not be verified. Hence the expenditure incurred in this regard is held under objection.

Vr.No.&Dt.	MB.No.	Work details	Amount paid in Rs.
206/16.7.15	81/2012-13	Towards laying of CC roads from sri rama nilayam to CB road at peddaraju colony inward no26	82624
207/16.7.15	06/2014-15	Replacing of damaged cover slabe at verious over existing culvert in town limits in SMC	82624
208/25.7.15	35/2013-14, 392/2014	laying of CC drains at back side of PSNM school from existing sulabh complex to EP no1p/2 in thummaveedhi in ward no: 9 of SMC	73887
209/25.7.15	23/2014-15	Engaging of car on hire basis for 4 months to municipal health officer M/s.Lohith construction RC SMC	23000
236/28.07.15	07/2014-15	Towards providing house service connection& under ground drainage system for block 8 & 12 to 21 in vambay colony	779260
237/28.07.15	31/2014-15	Repair to existing TPO quarters to establishing the store room for keeping sanitation drain water in santhi nagar colony in ward no:3 Sri.Y.Rama rao RC SMC	86438

238/28.07.15	01/2014-15 & 21/2014-15	Towards restoration of trunches with CC in front of sindhura hospital road besides dharmana tvs show room in ward no:7	445933
239/28.07.15	8/2014-15	Towards construction of cross culvert in place of damaged clvert & providing approch at srirama wines shop in at chittaranjan street entrancee in G.T. road in ward no:14	78315
240/28.07.15	38/2007-08	construction of cmpound wall to PSNM school in ward no.10 ME school balaga in ward no.03 Arasavilli high school ward no.18 Sri.T.venkata rao RC SMC	130000
241/28.07.15	71/201314 & 86/2012-13 & 1/2013-14	Engaging of car on hire basis for 5 months to municipal engineer SMC	49611
242/28.07.15	25/2013-14	Towards dismetting of dilapidated R&B Querters (A4,A6&A7) in official colony in ward no.16	194550
243/28.07.15	19/2013-14	Engaging of man& mechines for asuiring of 6AC land from Revenue departement at dumping yard in SMC	53506
Total			2079748

**71.P.H ESTABLISHMENT PROBATION DECLARATION AND SERVICE
REGULARIZATION OF
PH WORKERS NOT DONE NEEDS EARLY ACTION.**

As verified from the service registers of the PH workers in Srikakulam Municipal Corporation most of the employees are working from several years and they were sanctioned increments and pay fixations also even though the probation was not declared and services were not regularized so far. According the fundamental rules only one increment is eligible before regularization of service. But the PH workers are enjoying all the benefits without regularizing their services, which is contrary to rules.

The municipal authorities may please be explained the reasons for non regularization of services and declaration of prohibition period for long years necessary action would need taken to regularize their services and explain the reasons to audit.

Code -18

**72.P.H ESTABLISHMENT AP STATE EMPLOYEES GROUP INSURANCE SCHEME
1984 NOMINATION AND ANNUAL VERIFICATION CERTIFICATES NOT RECORDED
IN THE SERVICE REGISTER OF THE EMPLOYEES.**

As per the orders of the Govt. issued in G.O.Ms.No.293 Fin & Plg Dept, dt.8-10-1984 subscription are being recovered from the salaries of the PH Workers employees as membership to the Groups they relate. But the nominations were not obtained from the PH Employees concerned and posted in the Service Register of the individuals duly counter signed by the Drawing Officer. Early action would need to be taken to get up to date of the Service Register of the individuals under this scheme.

Code -18

**73.GROUP INSURANCE SUBSCRIPTIONS ENTRIES, SERVICE VERIFICATION
LEASES NOT RECORDED P.H WORKER ESTT IN THE SERVICE REGISTER OR
THE INDIVIDUALS IRREGULAR.**

As verified from the Service Registers of the P.H workers the service verification entries leases entries, GIS entries, Annual Increment, Progs. Order entries of the staff period up to 31-3-2016 not recorded. Early action would need to be taken to recording the service verification and produce for verification in next audit.

Code -18

**74.ESTABLISHMENT PUBLIC HEALTH WORKERS ABSENCE FROM DUTY ABSENCE
NOT REGULARISED - IRREGULAR.**

The public health worker work in the municipality have been treated as Class-IV Employees with effect from 1-4-81 and they were made eligible for time scale of pay, low pension & other benefits on par with other last grade employees. The public health workers in the Municipality are frequently absenting from duty, for which they are being marked absent even for one day the pay and allowance for the days of absence without regulating the period of absence in highly irregular. No action is also being taken to regularize the un authorized absence which constitutes break in service. The sanction of periodical increment also without regularizing the un authorized absence of workers concerned in also irregular. Action may be taken to regularize the services of the individuals during the break period either by the leaves or by the extra - ordinary leave and the Annual Increment, or such persons should be sanctioned only after making regularization of the break period sanction of periodical increment, without regularizing the break period in highly irregular. The same would need to be got ratified by the Director of Municipal Administration, Andhra Pradesh, Hyderabad. The break periodicals would need to be regulated as an early date.

Code -11

Water supply

75.VARIOUS REPAIRS AND PURCHAGES -CONNECTED RECORDS AND FILES NOT PROVIDED NEEDS ACTION Rs.451179/- :

During the course of Audit of Municipal Corporation, Srikakulam for the year of 2015-16. It was observed that the following payments were made for Various Purposes. But necessary records certified by the water works Engineering section and Location register, purchase bills and M. Book records were not produced to Audit for verification. Due to non production of these files, the mode of payment could not be verified in Audit. If any loss is sustained to the funds of Municipal Corporation due to this non production the same may be recovered from the person or persons responsible and make good to Municipal Corporation Funds.

Sl. No	Vr. No & Dt	Description	Amount Rs.
1	5/10.4.15	Repairs and Rewinding at 70HP Submersible Motors at water supply section in Adivarampeta	85000
2	6/10.4.15	Repairs to JCB Bearing No.AP30G1500 at Srikakuam Municipla Corporation	300000
3	68/30.7.15	Repairs and Reconsition at 30HP Submersible pump at Balaga water works	9475
4	62/27.7.15	Renovation at Dammula veedhi community Hall under arrangements at NTR Sujala Pathakam	38411
5	61/27.7.15	Supply and Delivery at main Pipeline HOPE Materials to Visakha "B" colony	9043
6	89/17.10.15	Supply and Delivery to Adivarampeta pump House 1 HDPF Pipe ISO mt materials at ASN Colony	9250
7		Total	451179

Code -

10

IDSMT REVOLVING FUND

76.NON REITTANCE OF WORK BILL RECOVERIES TO THE DEPARTMENTS CONCERNED Rs.: 673465/-

The statutory recoveries i.e., Seigniorage Charges, VAT, LC ;and I.T. deducted from the work bills of IDSMT head as shown below were not remitted to the concerned heads of account and retained with the Municipal Funds. Through the work bills recoveries are supposed to be reemitted to the concerned departments as soon as the final payments are made such remittance

was not happened violating the norms. Immediate action would need to be taken to remit the amounts to the departments concerned.

IDSMT Revolving fund for the year 2015-16								
Sl.No.	Vr.No	Date	IT	VAT	LC	SC	Others	Total Deductions
1	1	19.10.15	2571	12853	2571	1816	0	19811
2	2	19.10.15	1486	7428	1486	1371	0	11771
3	3	19.10.15	7103	35515	7103	15134	0	64855
4	4	19.10.15	724	3623	724	969	0	6040
5	5	19.10.15	825	4123	825	1319	0	7092
6	6	19.10.15	4119	20596	449	9405	0	34569
7	7	19.10.15	790	3950	790	0	0	5530
8	8	19.10.15	1858	0	0	0	0	1858
9	9	19.10.15	3376	16879	3376	0	0	23631
10	10	19.10.15	1967	9836	1967	0	0	13770
11	11	19.10.15	1257	6286	1257	2532	0	11332
12	12	19.10.15	1710	8552	1710	0	0	11972
13	13	19.10.15	1194	2985	597	0	0	4776
14	14	19.10.15	720	3600	720	0	0	5040
15	15	19.10.15	7256	18139	3628	9376	0	38399
16	16	19.10.15	909	4547	909	0	0	6365
17	17	19.10.15	903	4515	903	1640	0	7961
18	18	19.10.15	694	3470	694	92	0	4950
19	19	19.10.15	787	3937	787	63	0	5574
20	20	19.10.15	787	3937	787	63	0	5574
21	21	19.10.15	920	4598	920	800	0	7238
22	22	19.10.15	924	4620	924	5271	0	11739
23	23	19.10.15	902	4512	902	4697	0	11013
24	24	19.10.15	4450	890	890	1962	0	8192
25	25	19.10.15	827	4136	827	0	0	5790
26	2	10.1.16	453	2365	453	911	0	4182
27	3	10.1.16	659	3296	659	3244	0	7858
28	4	10.1.16	2409	0	0	0	0	2409
29	5	10.1.16	390	1950	390		0	2730
30	6	10.1.16	928	4638	928	270	0	6764
31	7	10.1.16	7724	38619	7724	2214	0	56281
32	8	10.1.16	937	4683	937	1667	0	8224
33	9	10.1.16	243	0	0	0	0	243
34	10	10.1.16	3109	15547	3109	7060	0	28825
35	11	10.1.16	2012	10058	2012	3622	0	17704

36	12	10.1.16	438	2188	438	0	0	3064
37	13	10.1.16	885	4426	885	0	0	6196
38	14	10.1.16	919	4595	919	994	0	7427
39	15	10.1.16	947	4735	947	1143	0	7772
40	16	10.1.16	914	4569	914	989	0	7386
41	17	10.1.16	760	3802	760	1381	0	6703
42	18	10.1.16	589	2947	589	1100	0	5225
43	19	10.1.16	798	3991	798	0	0	5587
44	20	10.1.16	395	1977	395	0	0	2767
45	21	10.1.16	2270	11351	2270	0	0	15891
46	22	10.1.16	240	1200	240	0	0	1680
47	23	10.1.16	2034	10174	2034	2686	0	16928
48	24	10.1.16	760	3802	760	0	0	5322
49	25	10.1.16	3486	17432	3486	0	0	24404
50	26	10.1.16	874	4368	874	0	0	6116
51	27	10.1.16	5520	27601	5520	0	0	38641
52	28	10.1.16	850	4250	850	0	0	5950
53	29	10.1.16	3546	17729	3546	3895	0	28716
54	30	10.1.16	912	4558	912	1246	0	7628
Total			95060	410378	79095	88932	0	673465

Code -10

SFC 150%

**77.NON REITTANCE OF WORK BILL RECOVERIES TO THE DEPARTMENTS
CONCERNED Rs.: 125712/-**

The statutory recoveries i.e., Seigniorage Charges, VAT, LC ;and I.T. deducted from the work bills of SFC head as shown below were not remitted to the concerned heads of account and retained with the Municipal

Funds. Through the work bills recoveries are supposed to be reemitted to the concerned departments as soon as the final payments are made such remittance was not happened violating the norms. Immediate action would need to be taken to remit the amounts to the departments concerned.

SFC for the year 2015-16								
Sl.No.	Vr.No	Date	IT	VAT	SC	LC	Others	Total Deduction s
1	1	6.8.15	3839	19194	8049	3839	0	34921
2	2	14.8.15	6040	30202	10284	6040	0	52566
3	3	6.8.15	3966	19829	10464	3966	0	38225
Total			13845	69225	28797	13845	0	125712

Code -
10

BPS&LRS

78.NON REITTANCE OF WORK BILL RECOVERIES TO THE DEPARTMENTS CONCERNED Rs.: 41302/-

The statutory recoveries i.e., Seigniorage Charges, VAT, LC,NAC,CMRF and I.T. deducted from the work bills of BPS LRS head as shown below were not remitted to the concerned heads of account and retained with the Municipal

Funds. Through the work bills recoveries are supposed to be reemitted to the concerned departments as soon as the final payments are made such remittance was not happened violating the norms. Immediate action would need to be taken to remit the amounts to the departments concerned.

BPS LRS for the year 2015-16									
Sl.No.	Vr.No	Date	IT	VAT	LC	NAC	CMRF	SC	Total Deductions
1	2	14.8.15	3071	6856	1371	137	206	0	11641
2	3	21.10.15	2727	18285	3657	366	548	4078	29661
Total			5798	25141	5028	503	754	4078	41302

Code -

10

13th FC Grant

79.NON REITTANCE OF WORK BILL RECOVERIES TO THE DEPARTMENTS CONCERNED Rs.: 385334/-

The statutory recoveries i.e., Seigniorage Charges, VAT, LC, and I.T. deducted from the work bills of 13th finance commisssion head as shown below

were not remitted to the concerned heads of account and retained with the Municipal Funds. Through the work bills recoveries are supposed to be reemitted to the concerned departments as soon as the final payments are made such remittance was not happened violating the norms. Immediate action would need to be taken to remit the amounts to the departments concerned.

13th FC for the year 2015-16								
Sl.No.	Vr.No	Date	IT	VAT	LC	SC	Others	Total Deductions
1	5	18.5.15	2505	12525	2505	0	0	17535
2	6	18.5.15	1576	7882	1576	0	0	11034
3	11	14.8.15	5056	25280	5056	6799	0	42191
4	12	8.10.15	3215	16076	3215	5249	0	27755
5	14	9.12.15	5016	25081	5016	10266	0	45379
6	15	8.2.16	4919	24597	4919	9755	0	44190
7	16	8.2.16	11236	56182	11236	16338	0	94992
8	17	22.3.16	2040	10200	2040	0	0	14280
9	18	22.3.16	3054	15268	3054	0	0	21376
10	19	22.3.16	3080	15405	3080	0	0	21565
11	20	22.3.16	5266	26330	5266	8175	0	45037
Total			46963	234826	46963	56582	0	385334

Code -10

12th FC Grant

80.NON REITTANCE OF WORK BILL RECOVERIES TO THE DEPARTMENTS CONCERNED Rs.: 47125/-

The statutory recoveries i.e., Seigniorage Charges, VAT, LC, and I.T. deducted from the work bills of 12th finance commisssion head as shown below

were not remitted to the concerned heads of account and retained with the Municipal Funds. Through the work bills recoveries are supposed to be reemitted to the concerned departments as soon as the final payments are made such remittance was not happened violating the norms. Immediate action would need to be taken to remit the amounts to the departments concerned.

12th FC for the year 2015-16								
Sl.No.	Vr.No	Date	IT	VAT	SC	LC	Others	Total Deductions
1	11	8.2.16	3769	18845	1451	3769	0	27834
2	12	8.2.16	842	4212	305	842	0	6201
3	17	15.3.16	935	4675	0	935	0	6545
4	18	15.3.16	935	4675	0	935	0	6545
Total			6481	32407	1756	6481	0	47125

Code -10

NON PLAN GRANT

81.NON REMITTANCE OF WORK BILL RECOVERIES TO THE DEPARTMENTS

CONCERNED Rs.: 29323/-

The statutory recoveries i.e., Seigniorage Charges, VAT, LC, and I.T. deducted from the work bills of Non Plan Grant head as shown below were not

remitted to the concerned heads of account and retained with the Municipal Funds. Through the work bills recoveries are supposed to be reemitted to the concerned departments as soon as the final payments are made such remittance was not happened violating the norms. Immediate action would need to be taken to remit the amounts to the departments concerned.

Non Plan Grant for the year 2015-16						
Sl.No.	Vr.No	Date	IT	VAT	LC	Total Deductions
1	3	8.2.16	4189	20945	4189	29323
Total			4189	20945	4189	29323

Code -

10

WATER SUPPLY

82.NON REITTANCE OF WORK BILL RECOVERIES TO THE DEPARTMENTS CONCERNED Rs.: 133748/-

The statutory recoveries i.e., Seigniorage Charges, VAT, LC, and I.T. deducted from the work bills of Water supply head as shown below were not remitted to the concerned heads of account and retained with the Municipal Funds. Through the work bills recoveries are supposed to be reemitted to the concerned departments as soon as the final payments are made such remittance was not happened violating the norms. Immediate action would need to be taken to remit the amounts to the departments concerned.

Water supply for the year 2015-16							
Sl.No.	Vr.No	Date	IT	VAT	SC	LC	Total Deductions
1	130	7.12.15	1411	3528	0	0	4939
2	131	7.12.15	1512	3780	0	0	5292
3	1	4.1.16	4672	0	0	0	4672
4	2	4.1.16	2918	0	0	0	2918
5	3	4.1.16	6709	0	0	0	6709
6	4	4.1.16	929	0	0	0	929
7	13	11.3.16	590	0	0	0	590
8	14	15.3.16	5391	26955	0	5391	37737
9	15	24.3.16	1313	3281	0	656	5250
10	16	24.3.16	1168	0	0	0	1168
11	17	24.3.16	1677	0	0	0	1677
12	18	24.3.16	1637	0	0	0	1637
13	19	24.3.16	1355	3388	0	678	5421
14	20	24.3.16	1048	0	494	524	2066
15	21	24.3.16	617	0	0	0	617
16	23	31.3.16	0	14893	37233	0	52126
Total			32947	55825	37727	7249	133748

83.RESULT OF AUDIT.

The general result of audit is satisfactorily.

84.RECIEPTS AND CHARGES.

The gross receipts and charges during the year were **Rs. 37, 62, 43,527.30** and **Rs.33, 45, 17,035.90** Respectively.

PENDING AUDIT OBJECTIONS.

Items of objections involving a sum of Rs .00 as detailed below are pending settlement as on the date of close of audit.

Year of Audit Report	No. of Objections	Amount Involved (Rs.)
UP to 2009-10	1982	424871167
2010-11	140	34321244
2011-12	181	71455261
2012-13	103	49698981
2013-14	74	45469749
2014-15	130	30258359
2015-16	79	29391112
TOTAL	2689	685465873

**DISTRICT AUDIT OFFICER
STATE AUDIT, SRIKAKULAM**

**MUNICIPAL CORPORATION – SRIKAKULAM ,
SRIKAKULAM DISTRICT, ABSTRACT FOR THE YEAR 2015-16**

SL.No.	Para No.	Code No.	Amount
1	4	18	0
2	5	18	0

3	6	7	1253000
4	7	7	115496
5	8	18	0
6	9	9	91785
7	10	11	0
8	11	11	0
9	12	7	89568
10	13	9	53994
11	14	9	0
12	15	18	0
13	16	9	1025384
14	17	11	604800
15	18	11	0
16	19	11	94789
17	20	11	0
18	21	11	345000
19	22	9	0
20	23	18	0
21	24	11	233886
22	25	11	0
23	26	11	0
24	27	18	0
25	28	18	0
26	29	11	0
27	30	11	0
28	31	11	0
29	32	11	0

30	33	8	109000
31	34	11	0
32	35	11	0
33	36	11	0
34	37	11	0
35	38	18	0
36	39	11	0
37	40	11	0
38	41	9	514612
39	42	9	817389
40	43	9	0
41	44	11	0
42	45	11	0
43	46	11	13926386
44	47	11	3420702
45	48	11	0
46	49	11	0
47	50	11	0
48	51	11	0
49	52	18	0
50	53	12	116119
51	54	9	679221
52	55	11	0
53	56	9	0
54	57	18	0
55	58	18	0
56	59	13	59044

57	60	11	0
58	61	11	0
59	62	13	34554
60	63	18	0
61	64	18	0
62	65	9	0
63	66	11	0
64	67	9	62419
65	68	11	3856776
66	69	11	0
67	70	11	0
68	71	9	0
69	72	18	0
70	73	18	0
71	74	18	0
72	75	11	451179
73	76	10	673465
74	77	10	125712
75	78	10	41302
76	79	10	385334
77	80	10	47125
78	81	10	29323
79	82	10	133748
Total		79	29391112