**Technical Guidance and Support (TGS) Report based on the Audit of Local Bodies for the year 2021-22**

**Introduction**

The responsibility of providing Technical Guidance and Support (TGS) over the Audit of Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs) has been entrusted to the Comptroller and Auditor General of India (CAG) under Section 20 (1) of the CAG’s (DPC) Act, 1971 read with G.O.Ms. No.613, Finance & Planning (Admn-II) Department, dated 24 August 2004. Accordingly, the Office of the Accountant General (Audit) Telangana is providing Technical Guidance and Support (TGS) to the State Audit Department for the year2021-22.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sl.No. | Description | Audit UniverseAs on 01.04.22 | No. of units audited by DSA in 2021-22 | No. of units audited by AG in 2021-22 |
| 1. | Panchayat Raj Institutions (PRIs) | 13341 | 15152\* | 32 |
| 2. | Urban Local Bodies (ULBs) | 142 | 147\* | 17 |

While the Director of State Audit (DSA) would remain the Statutory Auditor for Local Bodies under the State Audit Act by working under the administrative control of the Finance Department, the scope of the TGS by the C&AG would be to give a report with suggestions and recommendations based on the significant findings noticed in the course of test check of the Units of both PRIs and ULBs. This report contains the various issues noticed during the test check of the Units of both PRIs and ULBs by the Office of the Accountant General (Audit), Telangana as per the Annual Audit Plan 2021-22.

Details of Audit Universe, Audits conducted by DSA, Telangana and Audits conducted by Accountant General (Audit) during the years **2021-22:**

\*including arrears of previous years

# Audit of Panchayat Raj Institutions (PRIs):

During the year 2021-22, audit of four Zilla Parishads(ZPs) (Kamareddy, Khammam, Nalgonda & Sangareddy), six Mandal Parishad Development Offices (MPDO)[[1]](#footnote-1)s and 22 Gram Panchayats (GPs)[[2]](#footnote-2) were conducted by Office of the Accountant General (Audit) Telangana and the Inspection Reports (IRs) were forwarded to the concerned DDOs and soft copies were mailed to the District Audit Officers (DAOs) of the State Government as part of TGS.

Some of the important audit observations pointed out in these Inspection Reports are given below:

1. I. Observations noticed during Audit of Zilla Praja
Parishads (ZPPs)
	1. Observations in respect of Earmarked Funds for Weaker Sections

According to G.O. Ms.No.446(PR&RD), dt. 29-10-1998, the grants allotted to ZPP under the General Fund are to be allocated to the following sectors in the prescribed percentage as given in Table 1.1

**Table -1.1: ZPP General Fund Allocation**

|  |  |  |
| --- | --- | --- |
| S. No | Name of the Grant | Percent (%) |
| Municipal1 | General Fund | 35 |
| 2 | General Fund(Drinking water) | 9 |
| 3 | Fair & Festivals | 4 |
| 4 | EMF SC Welfare | 15 |
| 5 | EMF ST Welfare | 6 |
| 6 | EMF Women &Child Welfare | 15 |
| 7 | Office Maintenance | 16 |

Out of the earmarked funds for SCs and STs, 1/3rd of the amounts have to be transferred to the respective SC and ST Co-operative Finance Corporations at the beginning of the financial year. The remaining 2/3rd amounts are to be expended towards welfare activities of SC/ST by the ZPP. After incurring the expenditure towards the welfare activities of SC/ST by ZPP, the unspent balances, if any, must be transferred to the respective SC and ST Co-operative Finance Corporations at the end of September of the succeeding financial year.

During the scrutiny of records for the years 2019-20 and 2020-21 in respect of the following ZPPs it was observed that unutilized funds were not transferred.

**Table -1.2: Non-transfer of un-utilized funds to the SC Finance Corporation:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Sl. No | Name of the ZPP | Amount earmarked(2/3rd part of 15% of General Fund)₹ | Actual expenditure incurred₹ | Amount to be transferred to SC finance corporation₹ | Amount transferred to SC Finance Corporation₹ |
| 1 | Kamareddy | 4391344 | 856395 | 3534949 | Nil |
| 2 | Khammam | 4044190 | Nil | 4044190 | Nil |
| 3 | Nalgonda | 10962404 | Nil | 10962404 | Nil |
| 4 | Sangareddy | 25257412 | 15681041 | 15141806 | Nil |

**Table - 1.3:Non-transfer of un-utilized funds to the ST Finance Corporation:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Sl. No | Name of the ZPP | Amount earmarked(2/3rd part of 6% of General Fund)₹ | Actual expenditure incurred₹ | Amount to be transferred to ST finance corporation₹ | Amount transferred to ST Finance Corporation₹ |
| 1 | Kamareddy | 1755638 | 341658 | 1413980 | Nil |
| 2 | Khammam | 1617675 | Nil | 1617675 | Nil |
| 3 | Nalgonda | 4384961 | Nil | 4384961 | Nil |
| 4 | Sangareddy | 3387365 | 3243430 | 143935 | Nil |

* 1. Observations on earmarked funds for Women & Child Welfare

As per the G.O.Ms.No.38 Women Development & Child Welfare (Prog) Dept. Dated 29.05.1998, 15% of earmarked funds allocated from ZP General Fund have to be expended for the welfare of Women & Child in the District.  If any balances remain unspent at the end of the year the same must be transferred to the Telangana Women’s Co-operative Finance Corporation for the purposes of establishment and running the Telugu Bala Mahila Pragathi Programmes. During the scrutiny of records it was observed that un-utilized amounts were not transferred to the respective Finance Corporation.

**Table -1.4**

**Non-transfer of unspent balances**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Sl. No | Name of the ZPP | FundsEarmarked for Women & Child (15% of GF)₹ | Actual expenditure incurred₹ | Amount unutilized to be transferred to the corporation₹ | Amount transferred to the Corporation₹ |
| 1 | Kamareddy | 5205790 | 1600000 | 3605790 | Nil |
| 2 | Khammam | 6066285 | Nil | 6066285 | Nil |
| 3 | Nalgonda | 10962404 | Nil | 10962404 | Nil |
| 4 | Sangareddy | 43754618 | 18971457 | 35643617 | Nil |

* 1. Non- receipt of per capita grant by ZPPs

Instructions contained in G.O.Ms.No. 279, dated 20 June 1998 stipulate sanctioning of Per Capita Grant for the developmental activities in the District. The amount of Per Capita Grant to be released by the Government to ZPPs, is the sum calculated at the rate of rupees four per person residing in the District as per the latest census figure.

The following ZPPs were entitled to receive per capita grant for the years mentioned based on 2011 Census population as detailed below in Table 1.5. It can be observed from Table 1.5 that Per Capita Grant was not received at all by the ZPPs.

**Table 1.5**

**Non-receipt of per-capita grant**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of ZPP | Population as per 2011 census | 4/- per capita grant due₹ | Received ₹ | Period |
| Kamareddy | 818228 | 6545824 | Nil | 2019-20 and 2020-21 |
| Khammam | 1027750 | 16494264 | Nil | - |
| Nalgonda | 1618416 | 25894656 | Nil | 2018-19 to 2020-21 |
| Sangareddy | 1033637 | 8269096 | Nil | 2019-20 and 2020-21 |

* 1. Non-collection of 35% of net proceeds of Municipal market receipts by Zilla Parishad

As per GO Ms. No. 952 MA dated 13.09.1963, Municipalities have to apportion 35% of the net proceeds of Municipal market receipts to Zilla Praja Parishad in the entire District in every financial year. However, upon verification of the Annual Accounts of Kamareddy ZPP and Sangareddy ZPP, it was observed that no proceeds were received toward 35% of Municipal market receipts from Municipal authorities during the years 2019-20 to 2020-21.

* 1. Non-contribution of ₹5.00 lakh from the ZPP General Fund towards Family Welfare Programmes in the District –Non adherence of Government orders

As per the G.O Ms. No. 733 PR & RD Department, dated 16.11.1992 Zilla Praja Parishads shall contribute ₹5.00 lakh every year from the Zilla Praja Parishad General Fund towards Family Welfare Programmes in the District by releasing the amount to the DM&HO of the District concerned and obtain Utilisation Certificates.

However, during the scrutiny of the Annual Accounts of Kamareddy ZPP, Khammam ZPP, Nalgonda ZPP and Sangareddy ZPP for the years 2019-20 to 2020-21,it was observed that an amount of 5.00 lakh per year from 2019-20 to 2020-21 was not released from the Zilla Praja Parishad General Fund towards conducting of Family Welfare Programmes to the DM & HOs concerned.

* 1. Delay in Submission of Annual Accounts to State Audit

As per the provisions of Section 266 of TS Panchayati Raj Act 1994, Annual Accounts are to be prepared by the Zilla Parishad and submitted to the State Audit Department before 15th May of succeeding year. However, during the scrutiny, the delay as mentioned below in submission of Annual Accounts to the State Audit Department was observed.

**Table 1.6**

**Delay in submission of Annual Accounts**

|  |  |  |  |
| --- | --- | --- | --- |
| S.No. | ZP | Year | No. of days (delay) |
| 1 | Kamareddy | 2019-20, 2020-21 | 121 days, 97 days |
| 2 | Khammam | 2018-19, 2019-20, 2020-21 | 28 days, 204 days, 169 days |
| 3 | Nalgonda | 2019-20, 2020-21 | 159 days, 144 days |
| 4 | Sangareddy | 2019-20, 2020-21 | 1. days, 62 days
 |

* 1. Non utilization of 13th Finance Commission Grant – Expenditure incurred beyond FC

## Government orders stipulate that the funds released in respect of 13th Finance Commission Grants are to be expended as per the action plan approved by the High Level Committee only and it was stipulated that:

## (1) the Utilization Certificates shall be furnished for the entire Financial Year by 1st June of the next year

## (2) for the Funds released to Zilla Praja Parishads and MPP, the Chief Executive Officer would be the Nodal Officer to submit Utilization Certificates for the District.

However, during the scrutiny of Treasury Statement and Cash Book of ZPP Khammam, it was observed that, an amount of ₹3237856/- relating to 13th Finance Commission Grants, remained unspent, in the PD account as on date and an expenditure of ₹4227144/- incurred was also beyond the 13th FC period.

* 1. 14th Finance Commission Grants – Non-utilization of funds ₹17,08,743/-

The Fourteenth Finance Commission was implemented for the period from 1st April 2015 to 31st March 2020.During the scrutiny of Treasury Statement and Cash Book of ZPP Sangareddy, it was observed that, an amount of ₹17,08,743 relating to 14th Finance Commission Grants was remaining unspent, in the PD account as on date.

* 1. Non surrender of unspent balances

During the scrutiny of records of the following ZPPs it was observed that unspent balances relating to various schemes were not transferred to the concerned authorities:

**Table 1.7**

 **Non transfer of un-spent balances**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of the ZPP | Name of the Scheme | Unspent balance available as per Cash Book₹ | balance was to be transferred to |  unspent balances transferred. |
| Khammam | SampoornaGrameenaRojgarYojana (SGRY) | 1165323 | NREGS | Nil |
| Backward Region Grant Fund (BRGF) | 275099 | Govt. of India | Nil |
| Nalgonda | BRGF | 1634146 | Govt. of India | Nil |
| Sangareddy | BRGF | 20358801 | Govt. of India | Nil |

* 1. Non-reimbursement of expenditure under Booster Scheme:

The State Government vide GO MS.No.386 PR&RD(Accts-1) Department, dated 17-09-1996 extended the Social Security cum Provident Fund Booster Scheme to the Employees of Panchayat Raj Institutions. Under the Scheme, pro-rata positive incentive would be paid to nominees of the deceased employee who subscribed to ZPPF. Further, GO Ms. No.386, PR&RD (Accts-1) Department Dated 17-09-1996 had extended procedure for reimbursement of expenditure incurred by the Zilla Parishads concerned.

During the scrutiny of records, it was observed that, as of March 2021, the CEOs of ZPPs of Khammam and Nalgonda were paid an amount of ₹38,67,759 and ₹1,20,30,393 respectively under Social Security Cum Booster Scheme, for which reimbursement was not received from State Government.

* 1. Payment of Honorarium to Chairman and ZPTC members - Non-deduction of Tax deducted at Source

As per Section 194 J of the Income Tax Act, 1961, the payment to resident, of fees for professional or technical services exceeding or likely to exceed 30,000 p.a. attracts deduction of Tax at Source at the rate of 10%.

Further, the Government of Telangana, vide its GO. Ms.No.53, Panchayat Raj and Rural Development (PTS.III) Department, dated 24.6.2015 have issued orders enhancing the Honorarium of Chairperson, ZP from ₹7500/- to ₹1,00,000/- per month and ZPTC members of ZP from ₹2250/- to ₹10,000/- per month. The revised honoraria shall be payable by the Government w.e.f. 01.4.2015.

As seen from above, the Annual Honorarium of Chairman as well as the ZPTC members, at the rate of ₹1,00,000/- p.m. and ₹10,000/- p.m., was exceeding ₹30,000/- p.a. and thus attracted Tax Deduction at Source.

However, from the acquittance rolls made available to Audit, it was observed that the total amount was directly disbursed to the members without deducting the tax, which was in violation of Income Tax Act, as shown below:

**Table - 1.8**

**Non-deduction of TDS**

|  |  |  |  |
| --- | --- | --- | --- |
| Name of the ZPP | Total Amount paid as Honorarium to Chairpersons and ZPTC members₹ | Tax to be deducted at source (10%)₹ | Period |
| Kamareddy | 6930000 | 639000 | 2019-20 to 2021-22 |
| Khammam | 17958010 | 1795801 | 2018-19 to 2021-22 |
| Nalgonda | 11790000 | 1179000 | 2019-20 to 2020-21 |
| Sangareddy | 7711557 | 771156 | * 1. to 2021-22
 |

* 1. Non-recovery of House Building Advances:

With a view to benefit the staff of PRIs from State Funds, the Government issued orders according to which funds towards HBA would be released to the ZPPs as loan repayable in equal installments. The loan amount would carry interest at the rate fixed by the Government from time to time on the diminishing method, balances to be remitted to the Government along with principal and interest amount there on. Scrutiny of records pertaining to House building advance revealed that following amounts are pending for recovery.

**Table - 1.9**

**Pendency in recovery of HB Advances**

|  |  |  |
| --- | --- | --- |
| S.No. | Name of the ZPP | Pendency in recovery₹ |
| 1 | Kamareddy | 510000 |
| 2 | Khammam | 834065 |
| 3 | Sangareddy | 1003309 |

* 1. Irregular sanction of Family Planning Incentive increment

The Government of Andhra Pradesh in Memo No.1943/32/A1/PC1 dated.03.03.2006, issued clarification orders for discontinuation for payment of Family Planning Incentive Increment (FPI) sanctioned on or after 01.07.1998 and ordered for recovery of FP Incentive Increment paid on or after 01.07.1998.

On scrutiny of the service registers, it was seen that the Family Planning Incentive Increment was sanctioned and the following amounts are pending recovery

**Table - 1.10**

**Non-recovery of FP Incentive Increment**

|  |  |  |  |
| --- | --- | --- | --- |
| S.No.  | ZPP | Period | Amount to be recovered ₹ |
| 1 | Kamareddy | 11/98 to 10/21 | 20,700 |
| 2 | Sangareddy | 11/99 to 8/21 | 20,960 |

1. II. Observations noticed during audit of Mandal Praja Parishads (MPPs)
	1. Non utilization of Earmarked Funds in respect of Weaker Sections

Government vide GO Ms No.447 PR & RD dated: 29-10-1998 and GO Ms No.899 PR & RD (Progs.III) Department dated: 29-09-2014, have prescribed norms for incurring of expenditure from General Funds as detailed below:

**Table – 2.1**

**General Fund Allocation**

|  |  |  |
| --- | --- | --- |
| S.No. | Item of Expenditure | % of expenditure limited to |
| 1. | Improving of existing assets or creation of assets | 35 % |
| 2. | Schemes benefitting SCs | 15 % |
| 3. | Schemes benefitting STs | 6 % |
| 4. | Schemes benefitting Women | 15 % |
| 5. | Drinking water | 9 % |
| 6. | Administration | 16 % |
| 7. | Unforeseen contingencies | 4 % |
|  | **Total** | **100 %** |

Out of the amounts so earmarked in respect of SC/ST, 1/3rdof the amount shall be transferred to the SC/ST Finance Corporations or PO, ITDA and 2/3rd of the earmarked funds was to be spent by the MPP and unspent balances, if any, at the end of the year shall be transferred to the SC/ST Finance Corporation.

During the scrutiny of the General Fund Cash Books and Annual Accounts for the years 2018-19 to 2020-21 it was observed that the earmarked funds were not properly utilized and also un-utilized funds were not transferred to the respective SC and ST Corporations as detailed in the tables below:

**Table – 2.2**

**Non-utilization and non-remittance of funds to SC Corporation**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Name of the Mandal | 15% Allocation from General Fund₹ | 2/3rd amount to be utilized from 15% allocation by MPP₹ | Expenditure incurred₹ | Un-utilized balance₹ | Whether un-utilized balance transferred to SC Finance Corporation | Period |
| Gundlapally | 25776 | 17814 | Nil | 17814 | No | 2018-19 to 2020-21 |
| Khammam | 1594438 | 1062958 | Nil | 1062958 | No | 2018-19 to 2019-20 |
| Raghunathapalem | 71803 | 47869 | Nil | 47869 | No | 2018-19 to 2020-21 |

**Table – 2.3**

**Non-utilization and non-remittance of funds to ST Corporation**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Name of the Mandal | 6% Allocation from General Fund₹ | 2/3rd amount to be utilized from 6% allocation by MPP₹ | Actual Utilized₹ | Un-utilized balance₹ | Whether un-utilized balance transferred to ST Finance Corporation | Period |
| Gundlapally | 10311 | 6874 | Nil | 6874 | No | 2018-19 to 2020-21 |
| Khammam | 637775 | 425184 | Nil | 425184 | No | 2018-19 to 2019-20 |
| Raghunathapalem | 28721 | 19147 | Nil | 19147 | No | 2018-19 to 2020-21 |

* 1. Non utilization of Earmarked Funds in respect of Women and Child Welfare:

As per the G.O.Ms.No. 38 Women Development & Child Welfare (Prog) Dept. Dated 29.05.1998, 15% of earmarked funds allocated from MPP General funds have to be expended for the Women & Child Welfare activities in the District. If any balances remained unspent at the end of the year the same have to be transferred to the TS Women’s Co-operative Finance Corporation for the purposes of establishment and running the Telugu Bala Mahila Pragathi Programmes .

During the scrutiny of the General Fund Cash Books and Annual Accounts for the years 2018-19 to 2020-21 it was noticed that allocated fund was not utilized and un-utilized fund was not transferred to the concerned corporation as detailed in table below.

**Table – 2.4**

**Non-utilization and non-surrender of unspent balances**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Name of MPP | 15% Allocation from General Fund₹ | Expenditure incurred from earmarked funds₹ | Balance un-utilized₹ | Whether un-utilized balance transferred to T.S. Women’s Co-operative Finance Corporation | Period |
| Gundlapally | 25776 | Nil | 25776 | No | 2018-19 to 2020-21 |
| Khammam | 1594438 | Nil | 1594438 | No | 2018-19 to 2019-20 |
| Raghunathapalem | 221404 | Nil | 221404 | No | 2016-17 to 2020-21 |

* 1. Non-Receipt of Seigniorage Fee

The Seigniorage Fee (SF) collected by the Mines and Geology Department for the materials quarried from the jurisdiction of the Gram Panchayat should be apportioned at the rate of 25%, 50% and 25% to Zilla Parishad, Mandal Parishads and Gram Panchayats respectively during the subsequent years as Seigniorage Grant.

However during scrutiny of Annual Accounts of following Mandal Praja Parishads it was noticed that the Seigniorage fee was not received for the periods as shown below:

**Table – 2.5**

**Non-receipt of Seigniorage Fee**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No | Name of the Mandal | Seigniorage Fee received/collected by M&G Dept | Periods of Seigniorage fee not received by Mandals |
| **Amount**₹ | **Period** |
| 1 | Gunlapally | 1,25,771 | 2014-15 to 2020-21 | 2014-15, 2018-19 to 2020-21 |
| 2 | Khammam | 47,117 | 2018-19 to 2019-20 | -- |
| 3 | Raghunathapalem | 14,88,916 | 2014-15 to 2020-21 | 2019-20 and 2020-21 |
| 4 | Sangareddy | 6,42,252 | 2014-15 to 2020-21 | 2014-15, 2018-19, 2019 -20 and 2020-21 |
| 5 | Jinnaram | 49,73,144 | 2014-15 to 2020-21 | 2018-19, 2019-20, 2020-21 |

* 1. Audit findings in respect of implementation of the 13th Finance Commission Grant

Government Orders stipulate that the funds released in respect of 13th Finance Commission Grants are to be expended as per the action plan approved by the High Level Committee only and it was stipulated that

(1) the Utilization Certificates shall be furnished for the entire Financial Year by 1st June of the next year

(2) for the Funds released to Zilla Praja Parishads and MPP, the MPDO will be the Nodal Officer to submit Utilization Certificate for the Mandal.

In this regard, the following audit observations were made during the scrutiny of records of various Mandal Praja Parishad offices during the audit period:

* + 1. Unspent Balances

As per the 13th Finance Commission Guidelines, the unspent balances, if any, is to be surrendered to the grants sanctioning authority i.e., Government of India. However, during the scrutiny, it was observed that the following MPPs have not surrendered the unspent amounts which were received from the 13th FCGs.

**Table – 2.6**

**Non-surrender of unspent balances**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Sl. No | Name of the MPP | Unspent balance₹ | Whether unspent balance returned to the Government of India | Whether Utilization certificate produced to Government | Whether Cash Book is being maintained for the purpose |
| 1 | Gundla Pally | 80,610 | No | No | No |
| 2 | Khammam | 3,96,691 | No | No | No |
| 3 | Nalgonda | 25,309 | No | No | No |
| 4 | Raghunathapalem | 61,840 | No | No | No |
| 5 | Sangareddy | 31,219 | No | No | Yes |
| 6 | Jinnaram | 1,82,002 | No | No | Yes |

* + 1. Expenditure incurred beyond the period of 13th Finance Commission:

13th Finance Commission period ended with 2014-15. However, during the scrutiny of records relating to 13th FC Grants, it was observed that expenditure was incurred by the following MPPs for execution of works beyond the 13th FC period.

**Table – 2.7**

**Utilization of funds beyond the period**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl.No | Name of the Mandal | Amount₹ | Period |
| 1 | Khammam | 3,31,024 | 2016-17 |
| 2 | Nalgonda | 1,23,709 | 2017-18 to 2018-19 |

* 1. Observations on State Finance Commission Grants

During scrutiny of records relating to State Finance Commission Grants in respect of following MPPs it was observed that two MPPs have not furnished the Utilisation Certificates for the expenditure incurred and two MPPS have not utilized the funds as detailed below.

**Table – 2.8**

**Non-utilisation of funds and non-submission of UCs**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Sl. No | Name of the MPP and period for which grants received. | Grant Received₹ | Expenditure incurred₹ | Unspent balance₹ | Whether Utilization certificate produced | Whether separate Cash Book for SFC is being maintained |
| 1 | Gundlapally(2015-16) | 22,49,541 | 18,47,214 | 4,02,327 | No | Yes |
| 2 | Sangareddy(2014-15 to 2020-21) | 13,39,132 | 7,89,889 | 5,49,243 | Yes (only for 2020-21) | No |
| 3 | Khammam(2018-19 to 2020-21) | 2,74,307 | Nil | 2,74,307 | NA | No |
| 4 | Raghunathapalem(2018-19 to 2020-21) | 2,16,236 | Nil | 2,16,236 | NA | No |

* 1. Non remittance of Statutory deductions

All statutory deductions made from the work bills should be remitted to the respective heads of account, immediately after its recovery. During the scrutiny, it was noticed in following MPPs, that statutory recoveries made from the work bills were not remitted to their respective heads of account.

**Table – 2.9**

**Non-remittance of statutory deductions**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sl. No | Name of MPP | Amountof Statutory deductions to be remitted₹ | Period | Grant from which the work is being done |
| 1 | Gundlapally | 1,59,928 | 30/09/2014 to 14/10/2015 | 13th Finance Commission |
| 2 | Khammam | 21,65,168 | 2018-19 to 2020-21 | General Fund |
| 3 | Sangareddy | 1,93,60834,930 | 2017-182017-18 | General fundBRGF |

* 1. Short/Non-release of Per Capita Grant by State Government

As per Section 172(2) of the PR Act 1994, State Government has to release per capita grant @ ₹8/- per head per year to enable the Local Bodies to take up the developmental activities in its jurisdiction.

The Mandal Praja Parishads are entitled to receive per capita grant based on the2011 census population figures of respective Mandals. However during verification of records of following Mandals, it was noticed that per capita grant of ₹1.37 crore was not/short released to the following Mandal Praja Parishads.

**Table – 2.10**

**Short/non-receipt of per-capita grant**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Sl.No | Name of the MPP | Total Population as per 2011 census | Entitled per capita grant | ReceivedAmount | Short/non receipt of Grant | Periods for which grant was not received/short received. |
| 1 | Gundla Pally | 46380 | 25,97,280 | 3,76,401 | 22,20,879 | 2014-15 to 2020-21 |
| 2 | Khammam | 76357 | 42,75,992 | 8,28,853 | 34,47,139 | 2014-15 to 2020-21 |
| 3 | Jinnaram | 26869 | 15,04,664 | 7,53,017 | 9,17,886 | 2014-15 to 2020-21 |
| 4 | Nalgonda | 44188 | 24,74,528 | Nil | 24,74,528 | 2014-15 to 2020-21 |
| 5 | Raghunathapalem | 50679 | 28,38,024 | 5,14,611 | 23,20,413 | 2014-15 to 2020-21 |
| 6 | Sangareddy | 70336 | 31,69,568 | 7,97,404 | 23,72,164 | 2014-15 to 2020-21 |
| Total | 1,37,53,009 |  |

* 1. Delay/ Non-preparation and non-submission of Annual Administrative Reports

As per the G.O.Ms No.28 of P.R,& R.D (Mandal-I) Dept Dated 16.1.1998 and in exercise of the powers conferred by sub Section (i) of Section 268 read with sub Section (1) (2) of Telangana Panchayat Raj Act 1994, the Mandal Parishad Development Officer of the Mandal Parishad shall, after the close of each Financial Year, prepare an Administrative Report(AR) of the Mandal Parishad duly furnishing the details and place it before the Zilla Parishad before 30th May of each year. The Zilla Parishad shall scrutinize the Administrative Report(AR) of Mandal Parishad and place it before the Mandal Parishad with its remarks thereon.

The Mandal Parishad shall, thereafter, consider the Administrative Report and furnish a copy thereof to both the Zilla Parishad and the Commissioner, Panchayat Raj and Rural Employment, with the resolution thereon not later than 30th May of every year. The Mandal Parishad shall also send a copy thereof to the Government.

However, during the scrutiny of records of following Mandal Parishads, it was observed that some of the Mandals have not prepared AR and some are delayed sending the reports.

**Table – 2.11**

**Delay in submission of Annual Administrative Reports**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Year | Gundla Pally | Khammam | Raghunathapalem | Sangareddy |
| **Date of submission** | **Delay by** | **Date of submission** | **Delay by** | **Date of submission** | **Delay by** | **Date of submission** | **Delay by** |
| 2014-15 | Not submitted | N.A | Not submitted | N.A | Not submitted | N.A | 19.05.2016 | 11 months 19 days |
| 2015-16  | Not submitted | N.A | 27.10.2016 | 5 months | Not submitted | N.A | 20.09.2020 | 4 years 4 months |
| 2016-17 | Not submitted | N.A | 27.07.2017 | 2 months | Not submitted | N.A | 20.09.2020 | 3 years 4 months |
| 2017-18 | Not submitted | N.A | 18.05.2018 | No delay | Not submitted | N.A | 20.09.2020 | 2 years 4 months |
| 2018-19 | Not submitted | N.A | Not submitted | N.A | 20.11.2019 | 5 months 20 days | 20.09.2020 | 1 year 4 months |
| 2019-20 | Not submitted | N.A | 19.07.2021 | 1 year 1 month | 27.07.2020 | 1 month 27 days | 10.09.2020 | 3 months 10 days |
| 2020-21 | Not submitted | N.A | 19.07.2021 | 1 month | Not submitted | N.A | 08.06.2021 | 1. days
 |

* 1. Backward Regions Grant Fund (BRGF) Scheme –Non remittance of unutilized balances

The BRGF was launched in the month of February 2007, with the objective of redressing persistent regional imbalances in development by way of providing financial resources for supplementing and converging existing developmental inflows into the identified 250 Districts across 27 States. BRGF was an area development intervention that is aimed at providing decentralized planning and development through a yearly untied development and capacity building grants to the identified Districts. The Programme was closed by the Government of India in March 2015. However, on scrutiny of records it was observed that an unspent balance of ₹6,00,805/- and ₹5,65,949/-in Khammam and Raghunathapalem ZPP respectively was not refunded to the sanctioning authorities.

* 1. Utilization of Fifteenth Finance Commission grants (Tied and Untied)

The Fifteenth Finance Commission constituted by the President of India in 2017 which was mandated to recommend the measures needed to augment the Consolidated Funds of the State to supplement the resources of the Panchayats and Municipalities during the period 2020-2025. Further, the total Finance Commission Grants released were of two types Tied and Untied and is in 50:50 ratio. Grants would be released in 2 instalments in every Financial Year.

In this connection, Government vide G.O.Ms.No.37, Panchayat Raj & Rural Development Department dated 28-10-2020, have issued Operational Guidelines for 15th Finance Commission grants (Tied and Untied). As per the above Guidelines, Mandal Praja Parishad (MPP) shall use the basic (Untied) Grant for procurement of science equipment in school laboratories and science resources and Tied grants shall be used for the basic services of Sanitation and Maintenance of open-defecation free (ODF) status, along with supply of drinking water, rainwater harvesting and water recycling. The Mandal Parishad Development Officer, MPPs are responsible for proper utilization of the grants, submission of the Utilization Certificate and submission of progress report.

During scrutiny of records of following Mandals relating to 15th FC Grants, the following observations were noticed:

**Table – 2.12**

**Utilization of 15th FC Grants**

 **(Amount in ₹)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Sl.No | Name of the MPP | 15th FC Grant Received for the years | Administrative sanction obtained for and expenditure incurred | Whether Utilization Certificates submitted to CEO of ZPP concerned | Whether separate Cash Book is being maintained for 15th F.C grants | Whether Block Develop-ment Plans prepared. |
| **2020-21** | **2021-22** | **No. of Works** | **Sanctioned** | **Expenditure incurred** |
| 1 | Gundla Pally | 44,49,851 | Nil | 31 | 39,86,000 | NIL | NA | No | No |
| 2 | Khammam | 36,27,739 | Nil | Nil | Nil | Nil | No | No | No |
| 4 | Nalgonda | 31,64,008 | 16,57,306 | 13 | 20,50,000 | 1,36,030 | No | No | No |
| 5 | Raghunathapalem | 33,74,941 | Nil | 14 | 55,80,000 | Nil | NA | No | No |

Further, there was no clear communication/proceedings regarding 15th FC grants received to MPDOs towards untied and tied grants component wise (General, SCSP, STP).In respect of Nalgonda MPP, it was observed that, administrative sanction was accorded for 2 office building related works costing 2 lakh each which were not coming under the twenty-nine subjects enshrined in the Eleventh Schedule to the Constitution guided by 15th Finance Commission. This indicates the diversion of fund**s** to other category of works which were not coming under the 15thFC.

* 1. Variations in Budget Projections and Actuals

As per the budget proposals containing detailed estimates of Income and Expenditure (with explanatory notes for each Head of Account) for the ensuing year were to be prepared before 30th November by the Executive Authority. The draft budget shall be discussed in the Standing Committee (elected members) before submission to CEO, ZP on or before 30th November. The CEO shall return the Budget to the MPDO within one month if he was not satisfied with the adequacy of budget. Later the MPP would consider the same and approve the budget with or without modifications which would be final. If the budgets were not prepared and placed before the MPP, the executive authority would be liable for action. The above said procedure highlights the importance attached to the preparation and passing of Budget.

The details of budget estimates and actuals, dates of submission and approval for the years 2017-18 to 2020-21 are as follows:

**Table – 2.13**

**Variations in Actuals and Projected figures**

 **(Amount in ₹)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Year | Revenue as per budget  | Actual revenue as per Annuala/cs | % Variation  | Expenditure as per budget  | Expenditure as per Annual a/cs | % Variation  | Date of submission to CEO, ZP (30th Nov) |
| Gundlapally |
| 2017-18 | 3,47,20,514 | 2,93,59,529 | 15 | 3,45,72,514 | 2,83,84,861 | 18 | 13.11.2017 |
| 2018-19 | 3,88,50,000 | 1,82,93,509 | 53 | 3,87,00,000 | 1,88,43,053 | 51 | 21.02.2019 |
| 2019-20 | 4,08,99,000 | 1,73,42,028 | 58 | 4,07,89,000 | 1,82,37,827 | 55 |  - |
| 2020-21 | 4,62,76,000 | 1,83,95,791 | 60 | 4,62,24,000 | 1,27,22,041 | 72 | 20.10.2020 |
|  Khammam |
| 2017-18 | 2,45,72,438 | 2,19,86,176 | 11 | 2,36,77,207 | 1,51,46,667 | 36 | NA |
| 2018-19 | 2,63,04,560 | 2,15,59,116 | 18 | 2,38,79,000 | 1,81,61,150 | 24 | 26.04.2018 |
| 2019-20 | 2,55,60,560 | 1,63,71,057 | 36 | 2,40,10,000 | 1,61,83,850 | 33 | 12.11.2018 |
| 2020-21 | 2,60,60,284 | 2,83,94,964 | -9 | 2,38,60,000 | 3,32,58,853 | -39 | 27.11.2019 |
| Jinnaram |
| 2017-18 | 4,47,94,325 | 2,73,87,262 | 39 | 3,89,04,210 | 1,89,80,074 | 51 | 15.11.2016 |
| 2018-19 | 4,51,88,000 | 43,51,768 | 90 | 4,19,25,200 | 38,81,000 | 91 | 27.12.2017 |
| 2019-20 | 46,20,000 | 24,21,902 | 48 | 44,07,700 | 1,04,92,294 | -138 |  NA |
| 2020-21 | 2,12,41,689 | 1,25,20,053 | 41 | 2,12,41,689 | 1,05,07,204 | 51 | NA |
| Raghunathapalem |
| 2017-18 | 1,93,25,242 | 1,42,39,653 | 26 | 1,84,67,500 | 1,49,08,067 | 19 | 15.11.2016 |
| 2018-19 | 1,85,26,104 | 1,81,46,765 | 2 | 1,83,67,823 | 1,79,54,906 | 2 | 07.11.2017 |
| 2019-20 | 1,66,35,441 | 1,83,69,773 | -10 | 1,73,49,500 | 1,87,44,064 | 8 | 22.11.2018 |
| 2020-21 | 2,09,85,676 | 3,01,72,582 | 44 | 2,10,97,900 | 2,63,17,076 | 25 |  -- |
| Sangareddy |
| 2017-18 | 1,40,00,000 | 1,04,32,840 | 25 | 11,83,00,000 | 44,02,853 | 96 |  08.12.2016 |
| 2018-19 | 2,10,00,000 | 90,27,257 | 57 | 20,10,00,000 | 91,47,150 | 95 |  18.01.2018 |
| 2019-20 | 2,16,88,000 | 41,38,998 | 81 | 2,10,60,000 | 95,94,472 | 54 |  NA |
| 2020-21 | 4,09,10,000 | 98,94,154 | 76 | 3,33,20,000 | 94,75,220 | 72 |  NA |

From the above it was observed that, there was variation between budget projections and actuals. In the years 2017-18 to 2020-21, there were abnormal variations between budget projections and actual as per Annual accounts. Hence, the budget estimates were not prepared taking into consideration the projected revenue from various sources and expenditure to be incurred was also not properly assessed.

* 1. Non-Maintenance of Deposit Register

The Mandal Praja Parishad is required to maintain the details related to deposits in Deposit Register, which consists of information such as Name of the work, period of completion, Agreement Value, EMD collected/to be collected, Defect Liability Period, EOT granted, the date on which the amount deposited, Total amount of EMD deposited etc. As and when the contractors had indented for refund of deposits, an entry should be made against the relevant deposit as primary evidence of such refund.

The Register should be closed to the end of each Financial Year and the deposits remaining unclaimed for three Financial Years after becoming due should be reviewed. The unclaimed deposits lying for more than three Financial Years after becoming due for refund should be lapsed to the Government as lapsed deposits. During audit, it was noticed that Gundlapally and Sangareddy MPPs were not maintaining the Deposit register.

* 1. Non-Maintenance of Asset Register

As per GO Ms. No. 667 Dated 11.10.2004, Finance (TFR.II) Department, it is essential to develop and maintain inventory of all assets to ensure that they are brought into the books. The key requirements to ensure that assets are retained in the proper custody and used as per prescribed norms are i) Physical controls, ii) maintenance of asset registers, iii) Physical verification and iv) control over the disposal of assets.

The Heads of Departments after compilation of assets of all Subordinate offices and agencies, including State level offices should report to their administrative Departments of Secretariat, the asset inventory information by 31st December every year, starting from 31st December 2004.However, during the scrutiny of the records, it was noticed that Gundlapally, Khammam and Sangareddy MPPs were not maintaining the Asset Register.

* 1. Non-Maintenance of Stores and Stock Register

As per Article 113 (a) of Andhra Pradesh Financial Code, Stock Register is required to be maintained with allocation of separate folios for each category of purchase with the details of date of receipt of stock, Bill No./Voucher No., value and quantity of stock received under the signature of concerned head of the Section. While issuing the Stock, entries with regard to the names of the persons to whom stock issued, designation, purpose for which stock is issued with acknowledgement should be recorded. This would enable to safeguard the material procured from theft, fraud, negligence etc.

During the scrutiny of records it was observed that, the Stock Register was not maintained by Gundlapally, Khammam, Jinnaram, Raghunathapalem and Sangareddy MPPs.

* 1. Non-reimbursement of Election expenses

During scrutiny of records relating to General Fund Cash Book in following MPPs it was noticed that funds from General Fund were utilized conducting ZPTC/MPTC elections as detailed below. However the same was not reimbursed or adjusted till date, as promised in the proceedings.

**Table – 2.14**

**Non-reimbursement/adjustment of election expenditure**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Proceedings No. and Date | Amount drawn₹ | Grant pertaining to | Whether the amounts refunded/adjusted | Year |
| Khammam | Cheque No 188040 / dated: 12.05.2020 | 81,000 | BRGF | No | May 2020 |
| Jinnaram | No.A/3/MPTC/ ZPTC /2019 Dt.27.05.2019 | 4,00,000 | General Fund | No | 2019 |
| Nalgonda | Cheque No.505527 dt.22.10.2019Cheque No.913930 dt.06.07.2019 | 7,09,000 | General Fund | No | 2019 |

1. III. Audit observations in Gram Panchayats (GPs)
	1. Non/ short remittance of Library Cess

As per G.O.Ms.No.391, dated 28-10-1994 of Education Department and Section 1 (A) Telangana Public Libraries Act 1960, GP should collect Library Cess (LC) @ ₹0.08 on each rupee collected towards Property tax. Further, the collected amount towards LC should be remitted to the respective Head (Zilla Grandhalaya Samstha-ZGS) within 30 days of receipt.

During test check of records of following Gram Panchayats, it was noticed that an amount of ₹1.41 crore collected towards Library Cess was not remitted to Zilla Grandhalaya Samstha (ZGS).

**Table – 3.1**

**Non-remittance of Library Cess**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| S.no. | Name of the GP  | Amount to be remitted(₹) |   | Sno. | Name of the GP  | Amount to be remitted(₹) |
| 1 | Ameerpet | 853107 |   | 12 | Kalabgoor | 45939 |
| 2 | Anajpur | 116849 |   | 13 | Kanchanpally | 22464 |
| 3 | Anneparthy | 770288 |   | 14 | Kandukur | 26113 |
| 4 | Chandanapally | 58627 |   | 15 | Khazipally | 1652764 |
| 5 | Cherkupally | 24220 |   | 16 | Madharam | 89945 |
| 6 | Dandampally | 74403 |   | 17 | Maheswaram | 1133873 |
| 7 | Fasalwadi | 950594 |   | 18 | Mushampally | 29610 |
| 8 | Gaddapotharam | 6840043 |   | 19 | Narsingabatla | 92278 |
| 9 | M.Venkatayapalem | 305073 |   | 20 | Taramatipet | 292292 |
| 10 | Gundlapally | 17000 |   | 21 | Thummaloor | 414203 |
| 11 | Ismailkhanpet | 336000 |   | **TOTAL** | **14145685** |

* 1. Non-Collection of Installation and Annual License Fee from Cell towers

As per G.O. Ms.No.334 dt.09.10.2012 of PR&RD, the Local authorities shall be the authority to accord permission to Cellular Companies for installation of tower As per the orders an amount of ₹15,000 for Ground based towers and ₹12,000 for Roof Top towers should be collected towards Installation charges besides an Annual License Fee of ₹1000. The Order also States that initially an amount of ₹1,000 should be collected and temporary permit needs to be issued for towers installed prior to the issue of the aforesaid Order. After producing ‘certificate on structural strength’ by the operator, an amount of ₹10,000 needs to be collected for regularization in respect of towers installed prior to the issue of aforesaid order.

During scrutiny of the records of following Gram Panchayats it was noticed that Installation Charges &Annual License Fee were not collected from the cell tower companies.

**Table – 3.2**

**Non-collection of Installation and License Fee**

|  |  |  |
| --- | --- | --- |
| Sno. | Name of the GP  |  Amount to be collected₹ |
| 1 | Ameerpet | 3000 |
| 2 | Anajpur | 18000 |
| 3 | Chandanapally | 16000 |
| 4 | Gaddapotharam | 7000 |
| 5 | Ismaikhanpet | 89000 |
| 6 | Kandukur | 18000 |
| 7 | Madharam | 6000 |
| 8 | Maheswaram | 78000 |
| 9 | Taramathipet | 67000 |
| 10 | Thummaloor | 20000 |

* 1. Preparation of Village Development Plan/Perspective Plan

With a view to empower Gram Panchayats, the Government of Telangana has issued orders for preparation of perspective plan with a focus on provision of basic amenities such as roads, drains, sanitation, drinking water, street lights, generate wage employment and make the village green through Haritha Haram over a period of the next four to five year The GP shall also develop Special Development Plan for the welfare of the Scheduled castes and Scheduled Tribes.

From the Perspective Plan, a Village Development Plan should be prepared. The planning process involves participation of people through massive awareness generation and IEC activities. The GP needs to prepare a Chart on basic data and funds available with GP and line Departments. For this purpose prima facie Functional Committees need to be constituted as per Section 40 of PR Act who identify the gaps and work out the strategies and match with the available funds and make necessary recommendations. After the consolidation of the Functional Committee (FC) recommendations, the Mandal line Departments shall translate the requirements into executable works and map them with the existing schemes of the Central and State Government who would prepare a Draft Plan. A special meeting should be convened by the GP to discuss the Draft Plan for approval which shall be subsequently placed before the Grama Sabha for validation.

Action plan for the Utilization of 14th FC Grants had to be prepared duly approved by the GP and the Grama Sabha. Scrutiny of the records pertaining to 14 GPs[[3]](#footnote-3) revealed development plan prioritizing the needs was not prepared.

Further, in seven GPs[[4]](#footnote-4) , the following common observations were pointed out in audit:

* Though the Functional Committee was constituted, no consultations appear to have been made with stake holders, no transact walk or IEC Activity was conducted for massive awareness generation.
* No exercise was made by the FCs duly identifying the gaps, prioritizing the works and mapping them with the availability of funds.
* There was no evidence of recommendations made by the Functional Committees which was indicative of defective planning.
* Though the PS prepared a VDP, no documents were produced to audit.

Thus, it was observed that the works were executed on the unilateral decisions taken by the elected body/line Departments without considering the interests of stakeholder.

* 1. Certain observations on Demand, Collection and Balance (DCB) Register

Register in Form 190-A is required to be maintained with the details of previous arrears, current demand, total demand, collection (arrears and current demand) duly arriving at the balance under proper attestation by the Executive Authority.

However, the analysis of DCB registers of 16 GPs[[5]](#footnote-5) for the year 2020-21 reveals that average arrears/balances to be collected is 21% which is ranging from 7% to 85% as shown in the following table.

**Table – 3.3**

**Arrears of House Tax**  **(Amount in ₹)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Sl No. | Name of the GP | Year | Demand | Collection | Balance | % of Balance |
| 1 | Ameerpet | 2020-21 | 703410 | 656877 | 46533 | 6.62 |
| 2 | Anajpur | 2020-21 | 5827666 | 5250162 | 577504 | 9.91 |
| 3 | Anneparthi | 2020-21 | 1571192 | 356972 | 1214220 | 77.28 |
| 4 | Chandanpally | 2020-21 | 753785 | 186203 | 567582 | 75.30 |
| 5 | Dandampally | 2020-21 | 1644965 | 279827 | 1365138 | 82.99 |
| 6 | Fsalwadi | 2020-21 | 5427180 | 2354577 | 3072611 | 56.62 |
| 7 | Gaddapotharam | 2020-21 | 31289305 | 28327807 | 2961498 | 9.46 |
| 8 | Kanchanpally | 2020-21 | 228347 | 102132 | 126215 | 55.27 |
| 9 | Kandukur | 2020-21 | 321974 |   53,074 | 268905 | 83.52 |
| 10 | Khazipally | 2020-21 | 7090206 | 5440183 | 1650023 | 23.27 |
| 11 | Madharam | 2020-21 | 362000 | 336559 | 25441 | 7.03 |
| 12 | Maheswaram | 2020-21 | 3135955 | 2591494 | 544461 | 17.36 |
| 13 | Mushampally | 2020-21 | 526350 | 78992 | 447358 | 84.99 |
| 14 | Narsingbatla | 2020-21 | 209738 | 42307 | 167431 |  79.83 |
| 15 | Taramathipet | 2020-21 | 1318776 | 1023008 | 295768 | 22.43 |
| 16 | Thummaloor | 2020-21 | 4876825 | 4381188 | 495637 | 10.16 |
| Total | 65287674 | 51408288 | 13826325 | 21.18 |

Further, it is also noticed that:

1. The closing balances were not correctly carried forward to the succeeding year.
2. The balances were not attested by the Executive Authority
3. Monthly and Yearly closings were not made in the DCB register
	1. Construction of Buildings without obtaining permissions from GP

As per Sec.121 of PR Act, no building shall be constructed without the permission of the GP. The Gram Panchayat should accord building permissions only after collecting the fee and observing the setback norms as prescribed in TS Building Permission Rules. Building permission record should be maintained with the details of name of the person to whom the permission was accorded, measurements of the plot located in survey no., plinth area, etc. The builder is required to complete construction and obtain occupancy certificate within two years from the date of according building permission. In case the construction is not completed within the said period, the builder needs to obtain renewal by paying the specified fee.

Following observations were noticed during scrutiny of records of the below GPs :

* 190 buildings were constructed and brought to assessment without obtaining permissions.
* Non-conduct of periodical survey and non-identification of illegal structures by the Executive Authority.
* Non-maintenance and improper maintenance of Building Permission Registers

**Table – 3.4**

**Properties without Building Permissions**

|  |  |  |
| --- | --- | --- |
| Sl No. | Name of the GP | No. of Properties identified without BP/Status of BP Register |
| 1 | Ameerpet  | 10 |
| 2 | Anazpur | 165 |
| 3 | Imsailkhanpet | Non-maintenance |
| 4 | Gaddapotharam | Non-maintenance |
| 5 | Kalabgoor | Improper maintenance |
| 6 | M. Venkatayapalem | Non-maintenance |
| 7 | Taramathipet | 14 |
| 8 | Thummaloor | 1 |
| 9 | Kandukur | Non-maintenance |
| 10 | Fasalwadi | Improper maintenance |
| 11 | Madharam | Non-maintenance |
| 12 | Khajipally | Improper maintenance |

* 1. Non – remittance of statutory deductions made from work bills

The statutory deductions QC, VAT, SC, IT etc made from the works bills must be remitted to the respective Departments immediately after deducting the same from the bills. On scrutiny of the works registers/measurement books relating to the following 20 GPs, it was observed that an amount of ₹1.26 crores towards statutory deductions of VAT/GST, QC SC, LC, DMF and NAC was recovered from the works bills, but was not remitted to the concerned Departments as detailed below:

**Table – 3.5**

**Non-remittance of Statutory Deductions**

|  |  |  |
| --- | --- | --- |
| S.No. | GP | Non-Remittance Amount ₹ |
| 1 | Ameerpet | 681913 |
| 2 | Anajpur | 1222304 |
| 3 | Anneparthy | 983559 |
| 4 | Chandanapally | 540462 |
| 5 | Cherukupally | 90974 |
| 6 | Dandampally | 323085 |
| 7 | Fasalwadi | 27909 |
| 8 | Gaddapotharam | 74542 |
| 9 | M.Venkatayapalem | 763535 |
| 10 | Gundlapally | 6151 |
| 11 | Kalabgoor | 55650 |
| 12 | Kanchanapally | 291649 |
| 13 | Kandukur | 316410 |
| 14 | Khazipally | 57889 |
| 15 | Maheshwaram | 2548773 |
| 16 | Mushampally | 436605 |
| 17 | Narsingabatla | 1145906 |
| 18 | Taramathipet | 173184 |
| 19 | Thowklapur | 66386 |
| 20 | Thummaloor | 2833342 |
|  | **Total** | **12640228** |

* 1. Non receipt of per capita grant

As per G.O Ms. No. 461 dated 13.12.2013, the Gram Panchayat shall receive Per Capita Grant/ Population Grant of ₹8/- per head as per 2011 Census. The Per Capita Grant which forms part of the General Fund of GP should be utilized for various developmental activities viz., upgradation, maintenance and restoration of existing assets, improvement of drinking water facilities etc.

However, scrutiny of records relating to release of Per Capita Grants pertaining to 22 GPs revealed that the State Government had not released Per Capita Grant resulting in non-receipt of funds to the extent of ₹33.29 Lakhs.

**Table – 3.6**

**Non-receipt of per-capita grant**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S.No. | GP | Population (2011 census) | Amount₹ | Period for which the amount is related |
| 1 | Ameerpet | 4109 | 207816 | 2014-15 to 2020-21 |
| 2 | Anajpur | 4753 | 266168 | 2014-15 to 2020-21 |
| 3 | Anneparthy | 3006 | 150061 | 2014-15 to 2020-21 |
| 4 | Chandanapally | 2596 | 138565 | 2014-15 to 2020-21 |
| 5 | Cherukupally | 2582 | 95441 | 2014-15 to 2020-21 |
| 6 | Dandampally | 1912 | 101637 | 2014-15 to 2020-21 |
| 7 | Fasalwadi | 2844 | 102889 | 2014-15 to 2020-21 |
| 8 | Gaddapotharam | 3685 | 170458 | 2014-15 to 2020-21 |
| 9 | M.Venkatayapalem | 4289 | 2,02587 | 2014-15 to 2020-21 |
| 10 | Gundlapally | 5240 | 216,410 | 2014-15 to 2020-21 |
| 11 | Ismailkhanpet | 4079 | 118236 | 2014-15 to 2020-21 |
| 12 | Kalabgoor | 4187 | 98016 | 2014-15 to 2020-21 |
| 13 | Kanchanapally | 1951 | 113502  | 2014-15 to 2021-22 |
| 14 | Kandukur | 2344 | 88251 | 2014-15 to 2019-20 |
| 15 | Khazipally | 1813 | 95150 | 2014-15 to 2020-21 |
| 16 | Madharam | 2489 | 119472 | 2014-15 to 2020-21 |
| 17 | Maheshwaram | 8795 | 447887 | 2014-15 to 2020-21 |
| 18 | Mushampally | 2158 | 73517 | 2014-15 to 2020-21 |
| 19 | Narsingbatla | 2614 | 130669 | 2014-15 to 2020-21 |
| 20 | Taramathipet | 3984 | 203340 | 2014-15 to 2020-21 |
| 21 | Thowklapur | 2031 | 32496 | 2018-19 and 2019-20 |
| 22 | Thummaloor | 2859 | 156646 | 2014-15 to 2020-21 |
|  |  |  | 33,29,214 |  |

* 1. Improper maintenance of Cash Book

As per the prescribed rules, Cash Book is required to be maintained with the specific columns under ‘Receipts’ and ‘Payments’. Under Receipts column, details comprising date of receipt, amount received towards House Tax, Water Tax etc., need to be entered. Similarly, on payment side, details of payment in cash and/or cheque for salaries and other expenditure need to be entered. Every month the Cash Book should be reconciled with the Treasury passbook after arriving at the total receipts and payments during that month.

During scrutiny of the Cash Books in 20 test checked GPs[[6]](#footnote-6) following observations were made.

1. As per para 13.9 of GP Accounts Manual, the Cash Books need to be closed monthly. However, closings were not made in the Cash Books for certain yeas
2. The receipts of assigned revenue (Transfer duty), FC grants and SFC grants were not shown on the receipts side of the Cash Book.
3. Found figures overwritten and several corrections.
4. Entries and monthly closings were not attested by the Executive Authority (Panchayat Secretary).
5. Reconciliation of monthly Cash Book balances with those of Treasury was not done.
	1. Security Deposit not obtained

As per Article 276 of APFC Vol.I, Security Deposit/Fidelity Bond should be obtained from the staff members who were entrusted with handling of cash and stores. However, Security Deposit was not obtained from the persons who were entrusted with the job of collection of taxes in 20 test checked GPs[[7]](#footnote-7). Audit further observed that this important duty was entrusted to outsourced persons like Bill Collector which was fraught with risk.

* 1. Non/improper maintenance of Stock Register

As per Article 113 (a) of Telangana Financial Code, the Government Servant who was entrusted with Stores should take special care in arranging for their safe custody. Stock Register was required to be maintained with allocation of separate folios for each category of purchase with the details of date of receipt of stock, Bill No./Voucher No, value and quantity of stock received under the signature of PS. While issuing the Stock, entries with regard to the names of the persons to whom stock issued, designation, purpose for which stock was issued with acknowledgement should be made. This would enable to safeguard the material procured from theft, fraud, negligence etc. Scrutiny of Stock Register and purchase vouchers revealed the following irregularities in 20 test checked GPs[[8]](#footnote-8):

* Stock Registers were not maintained properly and not updated regularly.
* Receipt of stock was not entered under the authorized signature of the concerned authority
* Issue of stock was not made under proper authority,
	1. Delayed/Non remittance of receipts into Treasury

As per Section 74 of TS Panchayat Raj Act, 1994 all moneys received by the Gram Panchayat shall constitute a fund called the Gram Panchayat Fund. According to Section 74(3) of the Act, the GP Fund shall be lodged in the nearest Government Treasury. As per para13.1of GP Accounts Manual, no amount shall be kept on hand or used for direct expenditure. For proper collection and accountal, the GP shall maintain MVR (Stock Register of Receipt Books), Receipt Books, Irusulnama/Chitta, Cash Book and Treasury passbook in the prescribed forms. Accordingly, the amounts collected in the form of various Taxes levied by Panchayat should be remitted into the nearest Treasury on the same day or next working day of the collection.

However, it was observed from the Revenue collection Registers /Cash Books/copies of Remittance Challans and Treasury Statements of the 16 test checked GPs for the audit period that collections were remitted into the Treasury with a delay ranging from 01 to 822 days as detailed below:

**Table – 3.7**

**Delay in remittances of receipts**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl No. | Name of the GP | Delay ranged between(days) | Amount₹ |
| **From** | **To** |
| 1 | Anazpur | 1 | 49 | 6914568 |
| 2 | Chandanapalli | 47 | 297 | 311105 |
| 3 | Dandampally | 27 | 368 | 117097 |
| 4 | Gaddapotharam | 222 | 276 | 132452 |
| 5 | Gundlapally | 1 | 514 | 258999 |
| 6 | Imsailkhanpet | 1 | 792 | 1742029 |
| 7 | Kalabgoor | 1 | 822 | 528009 |
| 8 | Kanchanpally | 1 | 272 | 119952 |
| 9 | Kandukur | 549 | 557 | 262148 |
| 10 | Khajipally | 14 | 30 | 5023198 |
| 11 | M.Venkatayapalem | 1 | 273 | 272856 |
| 12 | Madharam | 14 | 121 | 88594 |
| 13 | Maheswaram | 12 | 46 | 207395 |
| 14 | Mushampally | 25 | 357 | 461072 |
| 15 | Narsingbatla | 9 | 313 | 578933 |
| 16 | Taramathipet | 1 | 27 | 263800 |

* 1. Non-observance of the stipulated percentage of allocation of expenditure

Section 77 of TS Panchayat Raj Act, 1994, read with G.O.Ms. No. 69 dated 9-2-2000, stipulate allocation of percentage of amounts to be utilized from General Fund. Estimates for Revenue Expenditure, Loan Repayments and Minimum Working Balances have to be made before budget allocation for capital works. Surplus balance available for capital works shall be utilized for capital works in the following ratio. (As per GO Ms. No .157 MA dated 8.4.1986)

**Table – 3.8**

**General Fund allocation**

|  |  |  |
| --- | --- | --- |
| SNo. | Particulars | % of allocation |
| 1 | Estt. | 30% |
| 2 | Sanitation | 15% |
| 3 | Street light | 15% |
| 4 | Water supply | 15% |
| 5 | Roads & drains | 20% |
| 6 | Misc. | 5% |

However, 19 test checked GPs[[9]](#footnote-9) are not following the stipulated percentage of allocation of expenditure.

* 1. Unspent balances of State Finance Commission Grants:

The State Finance Commission (SFC) reviews the financial position and requirements of the Local Bodies, in accordance with their Functional responsibilities. The recommendations of the SFC helps Local Bodies to strengthen financially and in turn lead to plan for economic development and social justice as envisaged in the Article 243 G of Constitution of India.

However, the analysis of SFC grants of 18 GPs revealed that average unspent balance/Lapsable balances with GPs is 30% ranging from 1% to 94% as shown in the table below:

**Table – 3.9**

**Improper utilization of SFC Grants**

 **(Amount in ₹)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Sl No. | Name of the GP | Period of SFC grants | Received | Expended | Balance/ Lapsed | % of Balance /Lapsed |
| 1 | Ameerpet | 2017-21 | 57,74,373 | 45,99,082 | 11,75,291 | 20.35 |
| 2 | Anazpur | 2017-21 | 3,02,527 | 1,46,370 | 1,56,157 | 51.62 |
| 3 | Anneparthi | 2018-21 | 36,12,037 | 26,27,293 | 9,84,744 | 27.26 |
| 4 | Chandanapalli | 2018-21 | 1,76,556 | 1,12,198 | 64,358 | 36.45 |
| 5 | Fasalwadi | 2014-21 | 35,19,536 | 26,16,218 | 9,03,318 | 25.67 |
| 6 | Gaddapotharam | 2015-20 | 14,62,191 | 6,55,485 | 8,06,706 | 55.17 |
| 7 | Gundlapally | 2018-21 | 67,35,313 | 41,39,709 | 25,95,604 | 38.54 |
| 8 | Imsailkhanpet | 2016-21 | 46,11,049 | 33,91,033 | 12,20,016 | 26.46 |
| 9 | Kalabgoor | 2017-21 | 48,02,795 | 38,31,830 | 9,70,965 | 20.22 |
| 10 | Kanchanpally | 2018-21 | 1,77,407 | 93,493 | 83,914 | 47.30 |
| 11 | Kandukur | 2018-21 | 30,39,182 | 13,98,314 | 16,40,868 | 53.99 |
| 12 | Khajipally | 2014-21 | 21,04,854 | 18,21,325 | 2,83,529 | 13.47 |
| 13 | M. Venkatayapalem | 2018-21 | 57,56,715 | 43,89,371 | 13,67,344 | 23.75 |
| 14 | Madharam | 2014-21 | 31,31,819 | 24,69,683 | 6,62,136 | 21.14 |
| 15 | Maheswaram | 2014-21 | 19,84,088 | 1,28,736 | 18,55,352 | 93.51 |
| 16 | Mushampally | 2018-21 | 25,80,978 | 20,32,971 | 5,48,007 | 21.23 |
| 17 | Taramathipet | 2014-21 | 28,97,154 | 28,63,256 | 33,898 | 1.17 |
| 18 | Thummaloor | 2017-21 | 34,66,639 | 7,26,720 | 27,39,919 | 79.04 |

# Audit of Urban Local Bodies (ULBs)

During the year 2021-22, audit of five Municipal Corporations (Boduppal, Karimnagar, Ramagundam, Nizamabad and Greater Warangal Municipal Corporation) and twelve Municipalities[[10]](#footnote-10), were conducted. Significant observations noticed during the course of audit of Municipal Corporations, Municipalities are as under:

1. IV. Observations noticed during audit of Municipal Corporations
	1. Variations in Budget Estimates and Actuals

Expenditure estimation depends on services to be provided by the local government and the costs associated with the provisions of these services. Since the delivery of Municipal services comes with a cost, it is necessary to realistically estimate the cost of each Municipal service to assess the requirement and source of funds for efficient delivery. Instructions for preparation and submission of budget are issued in GO Ms.No.619 MA dated 21-08-2007, wherein it is Stated that the budget estimates shall be placed before the Council ordinarily not later than l5th of November. After approval, the same shall be submitted to the Director of Municipal Administration through the District Collector concerned not later than 31st December each year.

During the scrutiny of Budget and Annual Accounts of the Municipal Corporations, Audit noticed significant variations between Budget Estimates and Actuals as detailed below:

**Table – 4.1**

**Variations in Estimates and Actuals**

|  |  |
| --- | --- |
| Name of the MC | Audit Observations |
| Karimnagar | **Significant variations between budget estimates and actuals:**Receipts are short ranging from 21% to 67% for the years from 2015-16 to 2020-21 with reference to the budget proposals made.  Expenditure ranging from 49% to 84% than estimated in the budget.   |
| Warangal  | **Significant variations in the projections and collections:**Receipts are short ranging from 75% and 80% for the years from 2018-19 and 2019-20 with reference to the budget proposals made.Expenditure ranging from 80% and 83% than estimated in the budget |
| Boduppal | **Delay in submission of budget:**Delay in submission of budget ranging from 77 to 144 days during the years 2014-15 to 2020-21 |
| Ramagundam | **Improper implementation of 1/3rd balance budget:**As per Section 107(5) of Municipalities Act, 2019, Municipal Corporation has to allocate 1/3rd of the Balance Budget (after Charged Expenditure & Other Maintenance Expenditure) on Critical infrastructure requirements and works in newly merged areas, undeveloped areas and localities inhabited by the weaker Sections, minorities and slums.Though, Corporation had allocated an amount of ₹375.15 lakhs towards 1/3rd of Balance Budget through Budget estimates, actual expenditure incurred was ₹72.57 Lakh only during 2019-20 to 2021-22. |

* 1. Issues noticed in execution of works
* Delay in execution of work
* Irregular conclusion of Supplemental Agreement
* Irregular execution of work, non-achievement of intended objective
* Non-commencement of work during agreement period
* Non-signing of complete agreement document
* Non-incorporation of milestones and non-levy of Liquidated Damages.
* Work order issued before concluding the agreement
* Slow progress of work
* Non obtaining of Extension of Agreement Time (EOAT)
* Excess payment of Labour Cess
* Incorrect/Short recovery of Seigniorage charges

The details of which are exhibited in the table below:

**Table – 4.2**

**Issues noticed in execution of works**

|  |  |
| --- | --- |
| MC | Title/observation of work |
| Karimnagar | “laying of cc road from 2-10-1635 to 2-10-1704 and 10-3-83 to 10-3-33/1 at vidyanagar in divn. No.48 of MCK1. Non observance of Guidelines in finalization of tenders and loss to the Government – 1.03 lakh
2. Non completion of work within the stipulated time and non imposing of liquidated damages due to delay in completion
 |
| Non-calling of fresh tenders for selection of manpower agency |
| Non-obtaining of orders of the competent authority for variation in quantities executed in comparison to the estimated quantities before making payment to the contractor |
| Non-construction of rain water harvesting pits |
| Non-imposing of penalty on un authorised constructions |
| contractual supply of 2 tractors and labourers engaged for clearing debris and encroachments1. Non recovery of GST
2. Non inviting of fresh tenders for competitive bidding
3. Excess payment to contractor for the period from 01/2019 to 03/2019
 |
| Boduppal | Avoidable expenditure towards late payment of CC charges- 8.08 lakh |
| Ramagundam | Work orders are yet to be issued for 11.66 crore |
| Non collection of GST on Sale of tender schedules by Ramagundam Municipal Corporation (RMC). |
| Delay in development of vegetable market and non-vegetable market (construction of rooms/sheds, platforms, drainage, toilets, electricity, waste collection bins, etc.) in RMC under 14th FC in 2015-16. |
| Nizamabad | Purchased tractors alongwith trailer kept idle and expenditure of ₹2,23,97,888/- incurred on hiring vehicles.* Expenditure on underground drainage (UGD) and for STP – certain observations.

(a) Purpose not served even after taking loan and incurring expenditure for UGD works – Unfruitful expenditure - ₹15 crore(b) Non-repayment of Interest and principal payments– ₹4907.82 lakh:* Non construction of rain water harvesting pits (RWHP) - ₹44.18 lakh
* Non-completion of bt road work from Ismail beedikharkana to madina masjid pulong– ₹8.68 lakh
 |
| Warangal | Incorrect payment of GST for the transportation of garbage ₹13.80 lakh.Cancellation of Contract and refund of BGs received towards EMD valuing ₹13,17,548 instead of action under Clause 60 of APSS & forfeiture of EMDsUnjustified reduction of FSD to 0.5% from 7.5% for the work entrusted after Covid 19 resulted in undue benefit to the Contractor by 3,44,044.Unjustified reduction of FSD to 0.5% from 7.5%, Short recovery of IT 37048 and Granting EOT attributing reasons of Covid 19 pandemic for the delay occurred in execution of work prior to the pandemic conditionsDouble deduction of Tender Percent from the total value of supplies made resulted in Short payment to the Supplier by ₹8,61,840 and Short deduction of TDS towards IT 17237 @ 2% & CGST&SGST 17237 @ 2%Development of road from CKM college Junction to Leninnagar (grainmarket road) along with HT lines (Laying of BT road) - Delay in completion of workWidening of existing BT road from Arepally to Laxmi Mega township via Paidipally - Delay in commencement of work |

* 1. Audit findings relating to Pensions

The funds for the financial assistance for the Social Pensions Viz., Old Age Pensions, Disability Pensions, Single Women Pensions, Pensions for the Beedi workers are released to the pensioner through DBT mode after verification and approval by the Society for the Elimination of Poor (SERP). The details of the pensioner are uploaded in the Aasara Website for receipt of financial assistance.

* + 1. Incorrect retention of undisbursed funds relating to Social Pensions

In Karimnagar and Nizamabad Municipal Corporations it was is seen from the bank statements that the beneficiary particulars in respect of the persons to whom the social pensions were undisbursed was not recorded. Thus, the undisbursed pensions were accumulated. The closing balance as per the bank account was[₹2,64,33/- and ₹2,39,741/- in Karimnagar and Nizamabad respectively.](https://oios.cag.gov.in/otcs/cs?func=doc.fetch&nodeid=924858) These funds were required to be remitted back to SERP.  However, the same was not done.

* + 1. Lack of follow up and verification of Social Pensions sanctioned

In Karimnagar and Nizamabad Municipal Corporations it was seen that no mechanism exists to verify whether the Pensioner is alive and eligible to receive the said financial assistance from SERP.  In the absence of check, the financial assistance was continuously being credited in the bank accounts of the deceased persons, which defeats the spirit of the Scheme.  The details of pensioners whose accounts were being credited with pensions till date even after their death are detailed below:

**Table – 4.3**

**Details of Pensions drawn even after death**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Sl.No. | Name of the PensionerS/Sri/Smt | Aadhaar No./Pension Id | Nature of Pension | Amount per month | Date of death | No.of months till Aug,2021 | Amount drawn till Aug,2021₹ |
| 1 | Veera Vasanthamma K | 529894101254 | Widow | 2016 | 16.01.2021 | 7 | 14,112 |
| 2 | Rajani Kusuma K | 296096825321 | Widow | 2016 | 21.01.2021 | 7 | 14,112 |
| 3 | HammaNagaboina | 360565133817 | Widow | 2016 | 24.08.2020 | 12 | 24,192 |
| 4 | Agamma M | 284938696699 | OAP | 2016 | 08.07.2020 | 13 | 26,208 |
| 5 | MuthyalammaAnkala | 993495201858 | Widow | 2016 | 05.05.2020 | 15 | 30,240 |
| 6 | NagammaAnumula | 373478056329 | Widow | 2016 | 14.01.2021 | 7 | 14,112 |
| 7 | Uppalamma | 907362666274 | OAP | 2016 | 15.07.2020 | 13 | 26,208 |
| 8 | LingamurthyRavula | 249424862905 | Toddy Tapper | 2016 | 03.01.2021 | 7 | 14,112 |
| 9 | GodhasiPidyya | 351221729323 | OAP | 2016 | 03.01.2021 | 7 | 14,112 |
| 10 | IlaiahNangunuri | 825422531167 | OAP | 2016 | 14.11.2020 | 9 | 18,144 |
|   | **Total:** |   |   |   |   |   | **1,95,552** |

* 1. Non-realisation of Rents in respect of Shopping Complex owned by the Karimnagar Municipal Corporation - ₹57.19 lakh

The Karimnagar Municipal Corporation was in possession of 161 shops in various locations of Karimnagar, out of which 44 shops were kept vacant.  Of the balance 117 shops, the details of arrears of rent furnished only in respect of 30 shopsis shown in Annexure -1

* 1. Non receipt of compensation amount relating to advance given for land acquisition by the Revenue Department- ₹73.28 lakhs

The Municipal Corporation of Karimnagar (MCK) has requested Revenue Divisional Officer (RDO) Karimnagar for acquisition of land for formation of 100 feet wide Ring Road at Bommakal and Karimnagar villages in the year 1984. The Corporation paid market value for the land @ ₹45,948/- per acre for Karimnagar lands and @ ₹40,000/- per acre for Bommakal lands as per the award passed by RDO, Karimnagar.

Aggrieved with the less compensation, the awardees of the villages approached Honourable High Court for a better compensation.  As per the final order of the Honourable High court, an amount of ₹73,27,834 was paid to RDO, Karimnagar from Layout Regularisation Scheme (LRS) fees collected by the Corporation, in view of the bad financial position of the Corporation.

Government of Telangana vide [Memo No. 9868/Plg.II(1)/2017](https://oios.cag.gov.in/otcs/cs?func=doc.fetch&nodeid=939010) dated 29/09/2017 of Municipal Administration and Urban Development have ratified the action of the MCK for utilisation of LRS amount for the purpose and promised to reimburse the amount to MCK in the form of Chief Minister assurance funds to be released to MCK for the year 2017-18.It is however observed that the amount is yet to be reimbursed to the MCK as assured by the Government.

* 1. Short fall in realization of Revenues during the year 2019-20- ₹972.87 lakh in KMC and during the year 2020-21 ₹1153 Lakh in RMC

During scrutiny of records, it was noticed that the overall revenue was decreased by 33% in Karimnagar Municipal Corporation (KMC), and in Ramagundam MC during the years 2019-20 and 2020-21 respectively, when compared to previous year revenues.

**Table – 4.4**

**Shortfall in realization of revenues**

|  |
| --- |
| Karimnagar Municipal Corporation |
| Description | **2017-18** | **2018-19** | **2019-20** | **% of decrease** |
| Property Tax (Genl& private) | 1794.19 | 2868.41 | **1945.11** | -32.1886 |
| Shopping Complexes | 40.55 | 64.04 | **16.7** | -73.9225 |
| Rent from Markets | 4 | 0.55 | **0.09** | -83.6364 |
| Rent from Community Halls | 2 | 2.64 | **0.87** | -67.0455 |
| Total | **1840.74** | **2935.64** | **1962.77** | -33.14 |

**Table – 4.5**

**Shortfall in realization of revenues**

|  |
| --- |
| RamagundamMunicipal Corporation |
|  particulars | **2019-20** | **2020-21** | **% of decrease** |
| Tax revenue | 1064.31 | 908.57 | -14.633 |
| Fees and user charges | 1119.79 | 832.65 | -25.6423 |
| Vacant land tax | 118.85 | 24.63 | -79.2764 |
| Shopping complex rents | 18.65 | 12.25 | -34.3164 |
| Building permit fee | 470.8 | 439.79 | -6.58666 |
| Mutation fees | 339.1 | 148.08 | -56.3315 |
| Garbage collection charges | 21.16 | 0 | -100 |
| Assigned revenues | 366 | 0 | -100 |
| Total | 3518.66 | 2365.97 | -32.7593 |

* 1. Non implementation of Government Orders - Avoidable expenditure towards agency commission -

Government of Telangana vide G.O.Ms.No.52 of Municipal Administration and Urban Development Department, dated 29/01/2018 has directed Director of Municipal Administration (DMA), Telangana, Hyderabad to adopt Sanitation Workers Group (SWG) system in place of Outsourced Contract System in all Urban Local Bodies (ULB) in the State as recommended by the State level Advisory Board (SLAB) to improve the work efficiency. Comprehensive Guidelines were annexed to the Government Order.

The Director of Municipal Administration vide letter Roc. No.21063/2018/M2 dated 11/02/2018 had instructed the Municipal Commissioners of all the ULBs in the State not to call for fresh tenders for the employees under outsourcing system and to take action for engaging of the workers duly forming the Sanitation Workers Group (SWG) as per the Guidelines defined by the Government.

However, during scrutiny of records in Karimnagar Municipal Corporation it was noticed that Public Health workers were engaged through an agency which was in contravention to the Government Orders. During test check of the vouchers for the month of August 2019, it was observed that 852 workers were working on outsourcing basis and an amount of ₹2,96,707 towards commission @ 3 per cent was paid, which was avoidable.

* 1. Non-revision of Property Tax after issue of Trade Licenses

In accordance with the provisions contained in Section 94 (3) of the Act, in case, any variation is found during the Audit, the Commissioner shall correct the assessment, levy and collect the actual tax, along with one-time penalty of 25 times for incorrect certification and initiate penal action as prescribed under the rules relating to Property Tax.

During verification of 64 trade license files for the year 2019-20 produced by Karimnagar Municipal Corporation(KMC) with the data base (downloaded from <https://cdma.cgg.gov.in/CDMA_ARBS/>) of the property tax assessments of the KMC, it was noticed that 23 Property Tax Assessments of the Trade licenses issued were classified as Residential, instead of Non-residential/Mixed as shown in the
Annexure – 2.This clearly indicates that Property tax in respect of cases exhibited in Annexure-2 were not revised even after issue of Trade Licenses

* 1. Non-reimbursement of Property Tax from Government – ₹5.36 crores

Government of Telangana have issued orders vide [G.O.Rt.No.611 dated 14/11/2020](https://oios.cag.gov.in/otcs/cs?func=doc.fetch&nodeid=928104) of Municipal Administration and Urban Development Department for waiving off 50 percent of the Property tax (PT) payable for the year 2020-21. The orders were applicable for all the residential properties with assessment up to ₹10,000/- per annum in all Urban Local Bodies. As per the orders the amount of property tax waived off is to be reimbursed to the local bodies by the Government.

In view of the implementation of the above orders, there was a short demand of ₹5.36 crore in respect of Karimnagar Municipal Corporation.  Further, the amount which was waived off as per the Government orders was yet to be reimbursed to the concerned ULBs by the Government.

* 1. Non-identification and Non- Levy of Tax on Vacant Land

Tax was leviable in respect of lands which were otherwise capable of being built upon i.e., where construction is permissible. In this connection, the Town Planning Section of Boduppal Municipal Corporation (BMC) informed that 17,413 number of applications for regularization of vacant lands were received during the period 2014-15 to 2020-21. It was evident that vacant lands exist in the corporation limits, but no efforts was made to identify the vacant lands.

Further in Nizamabad and Warangal Municipal Corporations, ₹3.27 Lakh and ₹436.43 Lakh was to be realized from 701 and 10,003 vacant land assessments for the years 2020-21 and 2021-22 respectively.

* 1. Non-furnishing of UCs in respect of 14th Finance Commission Grants and non-utilisation of State Finance Commission Grants

During scrutiny of records relating to 14th FC Grants it was noticed that an amount of **₹**5,69,56,598 was incurred by the Boduppal MC towards14th Finance Commission Grants, Utilisation Certificates during the years from 2016-17 to 2020-21 were not furnished. Further, an amount of **₹**2,25,24,666 was still lying unutilized in respect of State Finance Commission grants.

* 1. Non-surrender of unutilized balances under 12th Finance Commission –₹50.64 lakh

The Karimnagar Municipal Corporation is operating 12th Finance Commission (TFC) grants with Union Bank of India, Vavillapalli branch bearing SB a/c No. 61000201003686.It was seen from the Cash Book that the Opening balance as on 01stApril 2017 was ₹141.67 lakh and expenditure was incurred towards construction of toilets, purchase of dumpers, purchase of Tricycles etc. The unspent balances as on 31.03.20 amounted to₹50,64,628. The period of TFC was from 2005-2010.  Since the period of TFC had already lapsed a decade ago, keeping unspent balances without remitting to CDMA was not in order.

* 1. Statutory deductions from Work Bills

As per letter (Roc.No.15251/2017/M1 Dt. 20/02/2018) of Director of Municipal Administration, Government of Telangana, Labour Cess should not be added to the value of work done as it is a liability of the contractor as per Section 3 of Labour Cess Act. However, during scrutiny of Cash Books it was noticed that Labour Cess of ₹22,073 was added to the contractors work bills. .

Further, during the scrutiny of Cash Book for the month of January 2020, it was observed that statutory deductions, such as, DMFT, Labour Cess, GST, IT, SMET, NAC were not deducted from the Contractor bills as shown in Annexure –3

* 1. **Variations in figures exhibited in AnnualAccounts and DEBAS**-595.40 lakh

In Karimnagar, when General Ledger Reports of the Municipal General fund relating to Account Code 1405013 and figures exhibited in General Ledger of DEABAS were compared huge variations were noticed for the years 2017-18 & 2018-19:

**Table – 4.6**

**Variations in Annual Accounts and DEBAS figures**

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Figures as per General Ledger in DEBAS₹ | Figures exhibited in Annual Accounts₹ | Variation₹ |
| 2017-18 | 4,70,76,730 | 3,59,18,960 | 1,11,57,770 |
| 2018-19 | 8,23,52,004 | 3,39,69,004 | 4,83,83,000 |
| 2019-20 | 3,88,63,815 | 3,88,63,815 | No variation |
|  |  | **Total** | 5,95,40,770 |

* 1. Non-recovery of excess maintenance cost on Water Supply

As per the Guidelines envisaged in item (ix) of 24 under the head “Monitoring and concurrent evaluation” of Fourteenth Finance commission, it is “to rationalize the service charges in a way that they are able to at least recover the O&M cost from the beneficiaries”.

However, in Boduppal Municipal Corporation, expenditure incurred and revenue realised on water supply is as follows:

**Table – 4.7**

**Excess maintenance cost**

 **(Amount in ₹)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S.No. | Year | Expenditure | Revenue | Excess maintenance cost incurred |
| 1 | 2017-18 | 6,06,86,599 | 89,15,490 | 5,17,71,109 |
| 2 | 2018-19 | 5,79,72,617 | 1,25,59,715 | 4,54,12,902 |
| 3 | 2019-20 | 5,84,17,013 | 84,95,904 | 4,99,21,109 |

* 1. Arrears in collection of Water Charges

During scrutiny of DCB Statements of the following corporations, huge balances were noticed in respect of water charges yet to be collected.

Ramagundam: ₹301.98 lakh for the year 2020-21

Warangal ₹2,242.33 lakh for the year 2021-22(upto Sept 2021)

* 1. Non-construction of Rain Water Harvesting Pits
1. The Construction of Rain Water Harvesting Pits (RWHP) (Inkuduguntalu) has been recognized as an important measure for augmenting of Ground water table. The construction of RWHP was made mandatory with effect from June, 2000 for all categories of buildings (existing and proposed for construction) within one year. Government issued instructions vide G.O.Ms.No.422, MA&UD dated 31.07.1998 read with GO.Ms.No.62 MA&UD (MI) department dated 15.2.2005. The ULB shall collect certain fees from the applicant for RWHP along with the application for Building permissions towards construction of RWHP in their respective Plots. The amounts so collected shall be refunded to the applicant concerned in case the owner of the property constructs the structure, failing which the Corporations shall make arrangements for construction of RWHP.

During scrutiny of records of following Municipal Corporations it was noticed that though the following amounts were available in the account of RWHP, structures were not constructed.

Karimnagar: ₹1,52,67,231

Ramagundam: ₹28,11,615

Nizamabad: ₹44,18,177

Warangal ₹6,94,94,540

4.18 Certain observations on Building Permissions

In Boduppal Municipal Corporation, during the Joint Physical Verification, by the Audit team along with the Departmental officials, it was noticed that out of five buildings, four building were constructed for Ground**+**3 (more than permitted) without permission. In case of one building, Building Permission was not obtained from Municipal Corporation, but construction work was in progress.

During audit of Ramagundam Municipal Corporation (RMC), the department stated that 15 buildings were constructed un-authorisedly, out of which 2 demolished by the District task force team, 5 cases were forwarded to Municipal Standing Counsel for prosecution and 8 cases to District Task Force team for necessary action.

4.19 Non remittance of LabourCess

As per G.O.Ms.No.112 dated 15 December 2009 issued by Labour Employment Training & Factories (Lab.II) Department, Government of Andhra Pradesh (Adopted to Telangana State after bifurcation of the State), 1 per cent Labour Cess is leviable on the building and other construction works where the estimated cost of construction exceeds ₹10 lakh. The cess has to be remitted to the Telangana Building and Other Construction Workers Welfare Board which is a statutory Board constituted as per Building and other Construction Workers (regulation of employment and conditions of service) Act 1986.

However labour cess mentioned against was not-remitted in the following Corporations.

Karimnagar: ₹ 4,81,33,288

Ramagundam: ₹ 3,02,97,954

4.20 Non remittance of Environmental Impact Fee

As per G.O.Ms.No.34, Industries and Commence (Mines.I) Department, 17 June 2015, the Government decided to levy Environmental Impact Fee at ₹3/- per sft on buildings with a built-up area of more than 10000 sft as an additional charge and responsibility of levy and collection lies with the authority competent to approve the building plans. The fee has to be remitted into treasury in the head of Account 0853 – Non-ferrous mining and metallurgy Industry.

However during scrutiny of records of following Corporations it was noticed that environment impact fee was not remitted.

Karimnagar: ₹75,51,169

Ramagundam: ₹8,20,770

Warangal ₹1,59,07,873

4.21 Non remittance of Library Cess

The Municipal Council is required to levy and collect the amount of library cess @ ₹8 paise for every rupee on the Property Tax collected and transfer the same to Zilla Grandhalaya Samstha (ZGS) concerned to provide library services to public. Further, as per the instructions of Municipal Administration, 15% of the library cess collected in the Municipality is to be retained in their P.D. Account and balance amount only should be remitted to the ZGS head of account at the end of every month, without fail. However, the following Corporations have collected the amount mentioned against them as library cess but the same had not been remitted to the ZGS:

Boduppal: ₹1,83,69,524

Warangal ₹2,25,99,941

Further in Nizamabad MC it was noticed from the records of E-seva that an amount of ₹5,88,751/- for the months of 07/2019, 12/2020 and 06/2021 was deducted from the Property Tax collected by E-Seva centre, but the same was not transferred to Municipality for further remittance to ZGS.

4.22 Non remittance of EPF and ESI Contributions

As per the provisions contained in the Employees Provident Funds & Miscellaneous Provisions Act 1952 & ESI Act 1948 (Amendment 1989), EPF recovery @ 12% of pay of employee and contribution @ 13.61% by the employer should be made to EPF Organization. In respect of ESI, recovery @ 1.75% of pay from employee and 4.75% as contribution from the employer should be made.

Failure to remit the contribution and administrative charges before 15th of the following month will make the employer liable to pay the penal damages up to a maximum of 100% as contemplated U/s 14-B and Interest u/s 7Q of EPF & M.P., Act. 1952. The following issues were noticed during verification of EPF and ESI records.

4.22.1 Discrepancy in EPF and ESI remittances in Boduppal Municipal Corporation:

* 1. Though an amount of 7,91,28,175 (3,39,51,48 for 2017-18 and 4,51,76,693 for 2018-19) was paid towards wages to workers through placement agencies, no recording was made towards EPF/ESI recoveries and remittances as shown in table below:
	2. There was a discrepancy between the collected amounts and remitted amounts of EPF and ESI contributions as shown in table below:

**Table – 4.8**

**Recoveries/Remittances of EPF/ESI Contributions**

 **(Amount in ₹)**

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Wages paid to workers through placement Agency  | EPF contribution | ESI contribution |
| **Recovered** | **Remitted** | **Recovered** | **Remitted** |
| 2017-18 | 3,39,51,482 | Nil | Nil | Nil | Nil |
| 2018-19 | 4,51,76,693 | Nil | Nil | Nil | Nil |
| 2019-20 | 4,81,32,699 | 89,00,803 | 83,93,309 | 18,75,934 | 15,65,324 |

4.22.2 Avoidable expenditure due to delay in remittances of EPF contributions

## During scrutiny of records of Nizamabad and Warangal Municipal Corporations it was noticed that both the corporations have paid penalty of ₹14,44,505/- and ₹1,45,96,383/- respectively for delay in remittances of EPF contributions which was avoidable.

4.23 Non-compliance to the Ease of doing business - Delay in mutations

As per GO Ms No. 155, MA&UD(M1) Dept, dated 30-5-2016, to enhance Ease of Doing Business, Government authorized the Sub Registrars (SR) of Registration & Stamps Department to collect the Mutation Fee at the time of transfer of immovable property by way of sale or gift. The rates of mutation fee to be collected are at the rates prescribed in the annexure of the said G.O. of registered document value. The Registration & Stamps Department shall transfer the mutation fee to the respective ULBs along with the Transfer Duty.

Scrutiny of Mutation registers revealed that, there was delay in issuing proceedings in the case of Karimnagar MC (delay ranging from 6 days to 1040 days) and in the case of Boduppal MC (delay ranging from 238 days to 500 days) in disposal of mutation services.

As said in the GO Ms No. 155, MA&UD(M1) Dept, dated 30-5-2016, the web link of the Property Tax Index Number (PTIN) should be provided to the Sub-registrars (where the registration process initiated and completed) to enable them to get data of the PTIN, and update the essential data according to the requirements to fulfil the intention behind the said GO.

4.24 Parking of funds outside the Government Account – ₹42.18
 Crore

Commissioner and Director of Municipal Administration, Hyderabad directed the Municipal Commissioners of all ULBs in the State (except GHMC) to maintain only three PD Accounts i.e. 8448-102-03-001, 8448-102-03-002 and 8448-102-03-003 as per Rules in force and close all other Bank Accounts immediately. It was also directed to transfer closed Bank Account balances into 8448-102-03-001 Account and compliance reported, within (10) days; and Stated that non-adherence of the orders will attract disciplinary action against the Municipal Commissioners concerned.

a) As per the information furnished by the Boduppal Municipal Corporation, following are the details of balances lying in the various bank accounts as on 04.03.2021:

**Table – 4.9**

**Parking of Funds**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| SlNo. | Name of the Scheme/ Purpose | Name of the Bank | Account No. | Balance as per Statement issued by the corporationto the end 02/2021 ₹ |
| 1. | Swatch Bharat/ Swatch Telangana | SBI, Boduppal | 6249290181 | 2,65,276 |
| 2. | ESI/EPF | SBI, Boduppal | 38458912878 | 24,13,318 |
| 3. | EMD | ICICI | 132005001112 | 1,93,24,286 |
| 4. | EODB | ICICI | 132005001113 | 42,42,007 |
| 5. | DPMS | ICICI | 132005000894 | 39,24,46,889 |
| 6. | Online payments | Axis Bank | 917020001439857 | 31,15,583 |
| Total  | **42,18,07,359** |

b) In the case of Warangal MC, the funds were invested in IDBI Bank as Fixed Deposits during the period from 2015-16 to 2020-21 and accumulated to ₹9,28,30,729. ii). The purpose and source of the Scheme funds received were not recorded either in the Cash Books or in the FDRs Register.

4.25 Parking of funds in fixed deposits - ₹1.00 crore

The amount collected under LRS rules shall be kept and maintained under the control of the Municipal Commissioner in a separate bank account and utilized only for improvement of amenities. The amount collected under LRS in Ramagundam Municipal Corporation was kept in SBI, Godavarikhani Branch. However, it was noticed from the scheme Cash Book relating to LRS that an amount of ₹1.00 crore was transferred to Telangana Grameena Bank for fixed deposit in October 2019 which was against the scheme Guidelines.

# Other important observations:

4.26 Discharge of Sewage water directly into the Godavari River
without treatment due to non-functioning of STP in RMC

Most of the industries are connected with [Godavarikhani](https://en.wikipedia.org/wiki/Godavarikhani) such as  [NTPC Ramagundam](https://en.wikipedia.org/wiki/NTPC_Ramagundam)., [Singareni](https://en.wikipedia.org/wiki/Singareni_Collieries_Company), [Fertilizer Corporation of India](https://en.wikipedia.org/wiki/Fertilizer_Corporation_of_India), Kesoram Cement, [National Fertilizers](https://en.wikipedia.org/wiki/National_Fertilizers) Limited, [TSGENCO](https://en.wikipedia.org/wiki/TSGENCO) thermal power etc., As a result, the water in Godavari gets contaminated and becomes unfit for drinking and for irrigation needs. Before the construction of the Kaleshwaram lift irrigation project (KLIS), all the waste used to get washed away along with the normal, steady flow of water in the Godavari. Now, as the water is remaining stagnant from Medigadda to Yellampalli reservoirs following the construction of KLIS, the pollutants are remaining stuck in the river.

In view of the above, there is a need to clean the Godavari using modern technology along with setting up of sewerage treatment plants for filtering of the drainage water released from various towns.

Further, the sewerage treatment plants (STPs) of 4 Minimal Liquid Discharge (MLD) and 14 MLD capacity were constructed at Ramagundam and Malapert based on Waste Stabilisation Ponds Technology by Public Health Department under National River Conservation Plan (NRCP) Project and handed over to the Corporation for maintenance in 2008 and 2006 respectively, but they were found defunct now due to various reasons. Lack of proper drainage system and STPs, affects not only the sanitation in the ULB, but also spreads communicable diseases especially during monsoon.

4.27 Non adjustment of Advances given to employees

As per the provisions of Telangana Government Financial Code Volume-I, advances drawn by the government employee should be spent for the purpose for which it was drawn and adjustment bill should be submitted within one month following the month in which it was drawn, otherwise entire advance drawn should be paid in one lump.

1. On verification of the Advance Recoverable Register of Karimnagar Municipal Corporation, it was noticed that advances shown in the Annexure – 4 was sanctioned to officials for meeting various contingencies amounting to ₹32,67,30/- but the same was not adjusted as on date (09/2021). Advances were still pending adjustment even after a lapse of four years after the drawl. Also in respect of some officials, fresh advance amounts were sanctioned in spite of pending adjustment of previous advances.

It was further observed that the register of advances was not watched regularly and the register was not being countersigned by any authority of the Corporation. The register was not closed and updated regularly so as to know the outstanding amounts at any time.

Also in case of Warangal Municipal Corporation it was noticed that an amount of ₹97,55,180as detailed in Annexure 4(A) was given as advances, was also not adjusted.

4.28 Delay in receipt of taxes collected through e-seva.

In the case of Nizamabad MC, Scrutiny of records of revenue collected through E-seva centre, Nizamabad revealed that amounts of tax collected through E-seva are being sent to the Corporation  with a delay ranging from 01 day to 43 days as detailed below:

**Table – 4.10**

**Delay in receipt of taxes**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Month & Year | Period of collection | Total No. of Trans | Total amount collected | Amount sent to Corp. | Library cessDeduct | Date of cheque  deposited to Mpl. Corp.MEPMA A/c  &  HDFCA/cAnd SBI | Date of  creditedIn Mpl. A/c. | Delay in days |
| 07/2019 | 01.07.19 to 15.07.19 | 963 | 3054782 | 2881662 | 167438 | MEPMA A/c 40% |  22.7.19 |  06.8.19 | 20 to 35 |
| HDFC A/c 60% | 22.7.19 | 05.8.19 | 19 to 34 |
| 16.7.19 to 31.7.21 | 727 | 2768930 | 2613364 | 151277 | MEPMA A/c 40% |  05.08.19 |  19.8.19 | 13  to 33 |
| HDFC A/c 60% | 05.08.19 | 14.8.19 | 13 to 28 |
| 12/2020 | 01.12.20 to 31.12.20 | 144 | 384352 | 365823 | 10828 | SBI  A/c 62117727137 | 00589701.01.21 | 04.01.21 | 03 to 33 |
| 06/2021 | 01.06.21 to 30.06.21 | 1729 | 4680256 | 4410847 | 259208 | SBI  A/c 62117727137 | 00684905.07.21 | 13.07.21 | 12 to 40 |
|   |   |   | **1,08,88,320** |   | **5,88,751** |   |   |   |   |

4.29 Issues on HT connections in the Nizamabad MC:

* The Nizamabad MC had 7 HT connections under NPDCL. An amount of
₹7,96,92,322 is kept under arrears to be paid by the Municipality by the end of Sept 2021.
* Avoidable expenditure on HT charges due to non-entering of agreements in view of incurring of consumption over and above the CMD – ₹113.28 lakh
* Huge expenditure incurred on HT connection during the non-operational period – ₹36.71 lakh
* Avoidable payment of late payment charges in electricity bills – ₹19.82 lakh
* due to improper supervision, the HT Service number NZB380 was kept idle for the period from August 2015 to April 2019 after running the installation for a period of 11 months i.e., from September 2014 to July 2015. Due to being bound by the CMD, the corporation has incurred an expenditure of ₹36,71,983 during the idle period.

4.30 Late filing of GST – penalty and interest imposed

As per the GST act 2017, every Government/Local Body needs to collect 18% of GST on total rent and the collected amount should be remitted to the Commercial Tax Department every month.

Scrutiny of records revealed that due to delay ranging from 51 days to 321 days in filing of the returns for the period from 07/2017 to 11/2018 a penalty of ₹25,02,892 (₹1,89,533 + ₹22,22,926 + ₹76,273 + ₹14,160) was imposed on Nizamabad Municipal Corporation which was an additional burden.

1. V. Observations noticed during audit of Municipalities

5.1 Arrears in collection of Water Charges

Scrutiny of DCB registers relating to water charges in following municipalities revealed that there are huge amounts of balances to be collected as shown below:

**Table – 5.1**

**Arrears of water charges**

|  |  |  |  |
| --- | --- | --- | --- |
| Name of the ULB | Balance to the end of | Balance Amount ( in lakh) | % of Balance |
| Jangaon | 2019-20 | 120.81 | 71 |
| Miryalguda | 2020-21 | 294.26 | 71 |
| Sadasivpet | 2020-21 | 37.04 | 73 |
| Wanaparthy | 2020-21 | 250.54 | 78 |

5.2 Non-collection of Vacant Land Tax

As per Section 85 (3) (a) of Telangana Municipal Act, 1965, any vacant land not exceeding three times the plinth area of the building including its site or a vacant land to the extent of 1000 sq.mts whichever is less shall be deemed to be adjacent premises occupied by an appurtenant to the building and which is not exclusively used for agricultural purpose. The area if any in excess of the said limit is deemed to be land not occupied by or adjacent and appurtenant to such building is also to be taxed at the rate of 0.2 *per cent* of the estimated capital value of the land. Scrutiny of records relating to VLT revealed that following observations:

**Table – 5.2**

**Non-collection of Vacant Land Tax**

 **(₹ in Lakh)**

|  |  |  |  |
| --- | --- | --- | --- |
| Name of the ULB | Balance to the end of | No. of Assessments | VLT to be collected |
| Jangaon | 2019-20 | 1199 | 21.20 |
| Miryalguda | 2018-19 | 617 | 5.05 |
| Sadasivpet | 2020-21 | 1047 | 1.50 |
| Wanaparthy | 2020-21 | 156 | 19.84 |

5.3 Arrears in collection of Property Tax

Property tax is the significant source of revenue to the Municipality. Property tax consists of tax on Private properties (Residential, Non-Residential and partly Residential/Non-Residential (mixed); Government Properties (State Government, State Government Under takings, Central Government, Central Government Under-takings)

As per Section 91 of Telangana Municipalities Act 1965, the Property Tax shall be levied every half year and shall be paid by the owner of the assessed premises within 30 days after commencement of the half year. In case of failure to pay Property Tax within the due date, simple interest @2*per cent* per month shall be charged. In case of further delay in payment, the Municipal Commissioner is vested with the power to disconnect essential services to the premises and the arrears of property tax shall be liable to be recovered as if they were arrears of land revenue.

Scrutiny of DCB registers of Property tax revealed the following:

**Table – 5.3**

**Arrears of Property Tax**

**( ₹in Lakh)**

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Miryalguda | Jangaon | Wanaparthy |
| **No. of Assmts** | **Balance** | **% of Balance** | **No. of Assmts** | **Balance** | **% of Balance** | **No. of Assmts** | **Balance** | **% of Balance** |
| 2016-17 | 20950 | 51.25 | 8.51 | 10791 | 34.79 | 15.87 | 12404 | 279.80 | 49.13 |
| 2017-18 | 20950 | 44.28 | 6.55 | 11132 | 8.96 | 3.59 | 12601 | 330.96 | 47.33 |
| 2018-19 | 20950 | 8.06 | 1.20 | 11388 | 19.37 | 4.70 | 12502 | 248.75 | 36.51 |
| 2019-20 | 21711 | 181.53 | 26.27 | 11969 | 24.86 | 6.33 | 12800 | 317.52 | 46.28 |

**5.4 Variations noticed in figures exhibited in Annual accounts
and DEABAS**

## During scrutiny of General Ledger and Annual Accounts in Miryalaguda Municipality huge variations were noticed in the figures of the Receipts and Payments accounts for the years from 2015-16 to 2020-21 when compared with the DEABAS software of CDMA . This resulted in incorrect exhibition/under-statement of property tax receipts as shown in table below.

**Table – 5.4**

**Variations in Annual Accounts and DEABAS figures**

 **(Amount in ₹)**

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Figures as per General Ledger in DEABAS | Figures exhibited in Annual Accounts | Variation |
| 2015-16 | 5,66,76,464 | 5,39,73,464 | 27,03,000 |
| 2016-17 | 5,75,48,000 | 4,13,52,884 | 1,61,95,116 |
| 2017-18 | 5,15,56,905 | 5,15,56,905 | No variation |
| 2018-19 | 5,99,12,711 | 1,65,48,334 | 4,33,64,377 |
| 2019-20 | 5,16,19,076 | 4,99,72,003 | 16,47,073 |
| 2020-21 | 7,88,47,720 | 7,88,47,720 | No variation |
| Total | **35,61,60,876** | **29,22,51,310** | **6,39,09,566** |

5.5 Non/Short remittance of Library Cess

As per GO Ms No 68 dated 12.9.2009, under Section 85 (2) of the TS Municipality Act read with Section 20 of Andhra Pradesh Libraries Act 1960, the Municipal Council is required to levy and collect the amount of library cess @ ₹8 paise for every rupee on the Property Tax collected and transfer the same to Zilla Grandhalaya Samstha (ZGS) concerned to provide library services to public. Further, as per Municipal Administration circular No.003/DEABAS/MAARC/TS/ C&DMA/2014 dated 25.06.2016, 15% of the library cess collected in the Municipality is to be retained in their PD Account and balance amount only should be remitted to the ZGS head of account at the end of every month, without fail.

During scrutiny of records at the following Municipalities it was noticed that Library cess was either not remitted or short remitted to ZGS as detailed below:

**Table – 5.5**

**Non/short remittance of Library Cess**

|  |  |  |
| --- | --- | --- |
| Name of the ULB | LC for the period | Non/Short Remittance₹ |
| Jangaon | 2017-20 | 30,34,320 |
| Sadasivpet | 2018-21 | 6,24,517 |
| Miryalguda | 2015-21 | 13,00,054 |

5.6 Short remittance of Labour Cess

The Building and other Construction Workers Welfare Cess Act, 1996 provides for the levy and collection of  cess @1% of the construction cost of the buildings incurred by the employers with a view to augmenting the resources of the Building and Construction Workers Welfare Boards constituted under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

Further, as per the rule 5(3) of Building and Other Constructions Workers Cess Rules 1998, the amount collected shall be remitted to the Board within 30 days of collection. As per Section 8 of the Act, if any employer fails to pay any amount of Cess payable within the time specified in the order of assessment, such employer shall be liable to pay interest on the amount to be paid at the rate of 2%for every month or part of a month comprised in the period from the date on which such payment falls due till it is actually paid.

**Table – 5.6**

**Short remittance of labourcess**

|  |  |  |
| --- | --- | --- |
| Name of the ULB | LabourCess for the period | Short Remittance₹ |
| Sadasivpet | 2016-21 | 15,77,152 |
| Wanaparthy | 01.06.2016 to 30.07.2021 | 99,44,745 |
| Madhira | 2016-21 | 5,70,467 |

5.7 Non remittance of statutory recoveries made from
contractors work bills to the respective Departments

While making payments to the Contractors, recoveries were made for TDS of IT &GST, Seigniorage fee/charges, Labour Cess, NAC, Quality Control charges etc., from the bills of contractors for further remittance to respective Departments like Income Tax Department, Commercial Tax Department, Labour Department, NAC, Chief Engineer (QC), Department of Industries and Commerce and respective Engineering Divisions without delay.  However, on scrutiny of the Cash Books, R&P Statements, it is observed that the deductions made from the contractors bills were not remitted into respective heads of account

**Table – 5.7**

**Non-remittances of statutory deductions**

|  |  |  |  |
| --- | --- | --- | --- |
| Name of the ULB | Deductions for the period | Components | Amount₹ |
| Madhira | **2016-17** | VAT, Seigniorage Charges, Other recoveries from contractor, GST, QC, NAC, TDS, DMFT-fund, SMET | 38,56,243 |
| Jangaon | **2020-21** | Seigniorage Charges, NAC, TDS, DMFT-fund, SMET | 1,54,885 |
| Miryalguda | **2015-21** | VAT, DMFT-fund, SMET | 2,88,039 |

5.8 Penal damages and interest on delayed remittance of EPF
 Contributions - ₹112 lakhs

Under Section 17 of Employees’ Provident Fund and Miscellaneous Provision Act, 1952 the recoveries affected by the Municipality from the wage bills of contract labour on account of PF have to be remitted to the Fund Commissioner within 15 days after the end of the month.   Failure to do so attracts damage charges ranging from 17 per cent (for delays less than 2 months) to 37 per cent (six months and above).

Scrutiny of records relating to recovery and remittance of EPF contributions in respect of Wanaparthy Municipality revealed that the contributions of outsourcing workers for the period from 05/2013 to 06/2019 were not remitted within stipulated time thus violating the Act provisions. The EPF Organization ordered damages for an amount of ₹112.01 lakhs towards the belated payments by the Municipality. Consequently, the Municipality had paid the penalty amount of ₹112.01 lakhs.

Further, it was also observed that an amount of ₹23.71 lakhs towards ESI contributions and interest charges for delayed payments were not remitted, which may attract penal charges. Delay in remittance of EPF and ESI contributions resulted in avoidable expenditure.

5.9 Non-surrender of BRGF Scheme amounts

With a view to revitalize the local Governments, viz., Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs) by encouraging them to take up people centric planning at their level, Backward Region Grant Fund (BRGF) programme was introduced to provide the financial support, in the year 2007. The main objective of the programme was to bridge critical gaps in local infrastructure, strengthening of Local Bodies and improving the performance and delivery of functions devolved to the Local Bodies.

During scrutiny of the records relating to Backward Regions Grant Fund (BRGF) it was noticed that, there were unspent balances lying with the following Municipalities even after the scheme had ceased to operate from the year 2015-16, which are to be surrendered.

**Table – 5.8**

**Non-surrender of unspent balances**

|  |  |
| --- | --- |
| Name of the Municipality | Unspent Balance in₹ |
| Jangaon | 48,616 |
| Sadasivpet | 1,46,187 |

5.10 Issues noticed in execution of works

* Delay in execution of work
* Irregular conclusion of Supplemental Agreement
* Irregular execution of work, non-achievement of intended objective
* Non-commencement of work during agreement period
* Non-signing of complete agreement document
* Non-incorporation of milestones and non-levy of Liquidated Damages. Work order issued before concluding the agreement
* Slow progress of work
* Non- levy of Liquidated damages
* Non obtaining of EOAT
* Excess payment of Labour Cess
* Incorrect/Short recovery of Seigniorage charges

During verification of work files in the below municipalities, following observations were noticed.

**Table – 5.9**

**Observations relating to works**

|  |  |
| --- | --- |
| Name of the Municipality | Title of para |
| Jangaon | Delay in completion of work |
| Non conclusion of Agreements |
| Madhira | Huge variation in quantities executed with reference to the estimated quantities in CC road works under SC sub plan scheme |
| Wanaparthy | Non adjustment of Advances drawn towards various items of works. |
| Non-Utilisation, Non-execution of works and diversion of funds pertaining to 14th & 15th Finance Commission Grants- |
| Non-execution of works in spite of approval of works from 2018-19 to 2020-21. |
| FFC amounts diverted to CMs Assurance works: 2,47,37,904/-  |

5.11 Building Permissions

5.11.1 Absence of coordination between the Town Planning Section
and Revenue Section

During scrutiny of records relating to Building Permissions in Jangaon Municipality, it was noticed that 1094 building permissions were accorded by Town Planning Section. However, when details of buildings brought into the property tax net was called for in Revenue Section it was replied that details of building permissions issued are not shared with Revenue Section. Absence of coordination between the Town Planning section and Revenue section resulted in non-assessment of property tax .

5.11.2 Non issuance of occupancy certificates

In accordance with the provisions contained in  G.O.Ms No. 168 MA&UD Department dated 7-4-2012 Occupancy Certificate(OC) shall be mandatory for all buildings. No person shall occupy or allow any other person to occupy any building or part of a building for any purpose unless such building has been granted an occupancy certificate by the Sanctioning authority. Further as per the said GO, it was stated that unless occupancy certificate issued, Water supply, Drainage and Sewerage connections shall not be provided to the building.

During scrutiny of records relating to building permissions in following municipalities it was noticed that though a large of number of building permissions were accorded, very meager percentage of Occupancy Certificates were issued.

**Table – 5.10**

**Non issuance of occupancy certificates**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of the ULB | Period | No of BPs applications received | No. of BPs accorded | No. of OCs issued |
| Madhira | 2016-21 | 504 | 466 | 12 |
| Wanaparthy | 2016-21 | 1239 | 1164 | NIL |

5.11.3 Non- implementation of Rain Water harvesting scheme– ₹73.36lakh

The GO Ms. No. 62 (MAUD), (M1) Dt. 15.2.2005, had made it mandatory for construction of Rain Water Harvesting Pits (RWHP) in plots admeasuring 200sqm and above failing which the Municipal authorities shall construct such pits and recover the cost along with penalty. The scheme was intended for enhancing the Ground water levels in the area. The Municipality may take up this scheme on priority basis to conserve precious water resources.

ULB shall collect certain fees from the applicant   for RWHP along with the application for Building permissions towards construction of Rain Water Harvesting Pits in their respective Plots. The amounts so collected shall be refunded to the applicant concerned in case the owner of the property constructs the structure. If the owner fails, the ULB shall make arrangements for construction of RWHP.

During scrutiny of records of following Municipalities, it was noticed that though the following amounts were collected, RWH structures were constructed neither by applicants nor by the Corporations. No separate account was maintained and entire amount received was deposited in the General Fund Account and the scheme was not at all implemented.

**Table – 5.11**

**Amount collected towards RWH Structures**

**(₹in Lakhs)**

|  |  |  |
| --- | --- | --- |
| Name of the ULB | RHW charges collected for  | Amount collected towards RWH structures |
| Miryalguda | 2016-21 | 52.91 |
| Madhira | 2016-21  | 6.77 |
| Wanaparthy | 01.06.2016 to 30.07.2021 | 13.68 |
| Total | 73.36 |

5.12 No action on State Audit Inspection reports

As per the communication received from District Audit Officers of the following ULBs, replies to the audit observations along with the Audit Reports, are to be furnished within two months of the date of receipt of the Audit Reports. Further, action is to be initiated as per Section 10 of the State Audit Act of 1989, in case the defects pointed in the audit reports were not rectified within four months of the date of receipt of the audit reports. However, it was noticed from the records of following ULBs that replies to the outstanding paras of State Inspection Reports have not been furnished.

**Table – 5.12**

**Outstanding paras of State Audit Reports**

|  |  |  |  |
| --- | --- | --- | --- |
| ULB | Year | No. of paras outstanding | Value of paras₹ |
| Jangaon | 2016-17 | 72 | 1,35,22,270 |
| 2017-21 | Reports not produced to AG Audit |
| Miryalguda | 2016-17 | 57 | 11,15,37,574 |
| 2017-18 | 49 | 6,33,28,829 |
| 2018-19 | 37 | [2,72,42,557](https://oios.cag.gov.in/otcs/cs?func=brava.bravaviewer&nodeid=1487958) |
| 2019-20 | 38 | [7,32,32,108](https://oios.cag.gov.in/otcs/cs?func=brava.bravaviewer&nodeid=1483781) |
| Wanaparthy | 2016-17 | 77 | 3,24,26,529 |
| 2017-18 | 56 | 1,09,07,940 |
| 2018-19 | 46 | 2,42,65,219 |
| Sadasivpet | 2015-16 | 51 | 22,82,428 |
| 2016-17 | 46 | 54,04,169 |
| 2017-18 | 36 | 1,33,49.770 |

5.13 Non-Conduct of Internal Audit and Departmental Inspection

**Internal Audit:** As per Section 110 of Telangana Municipalities Act, 2019, the Municipality shall provide for Pre-Audit and Internal Audit of the regular accounts of the Municipality to the Municipal council as per the rules prescribed under the Act. It was however observed that, no Internal Audit was conducted in the Jangaon Municipality during the Audit period.

**Departmental Inspection:**  As per Section 72 of Telangana Municipalities Act, 2019, Departmental Inspections has to be conducted.

It was however, observed that Departmental Inspection was not conducted in the Jangaon and Sadasivpet Municipalities during the audit period.

5.14 Administrative Reports and Annual Action Plans

As per Section 61 of Telangana Municipalities Act, 2019, every Municipality shall submit to the Government a Report on administration of the Municipality during the preceding year and Annual action plan for ensuring year, not later than one month from start of each financial year. However, the said reports and plans have not been prepared by Jangaon, Miryalguda, Madhira and Sadasivpet Municipalities.

5.15 Non obtaining of Security Deposit

As per Article 276 of Telangana Finance Code Vol-I, Security Deposit/Fidelity Bond is to be obtained from the staff members who are entrusted with handling of cash and stores. No security deposit was obtained from the persons (regular staff) who are entrusted with the job of collection of taxes in Jangaon, Miryalguda and Mdhira Municipalities.

5.16 Issues relating to Service Registers

The following observations are noticed during the scrutiny of Service Registers of Jangaon, Miryalguda and Wanaparthy Municipalities.

* Non – recording list of family members in the Service Register
* Non–furnishing of Nominations relating to GPF, DCRG and APGLC employees working in the office
* Non-Attestation of the staff in the Service Register-
* Non fixing of photo of the employee in the 1st page of Service book:
* Non recording of Date of Birth in Words:
* Non-declaring of the Home Town
* TGLIS / GPF/CPS Account Numbers were not recorded in the service books.
1. VI. Conclusion
2. During test check of units under PRIs and ULBs it was noticed that in respect of Grants released under 13th and 14th Finance Commission and State Finance Commission, there were huge unspent balances. The unspent balance was also not surrendered to Government Account.
3. Basic Registers viz Deposit Registers, Cash Books, Asset Registers, Stores and Stock Registers were not properly maintained.
4. Delays in execution of works, slow progress, non-obtaining of extension of agreement time (EOAT), non-incorporation of milestones, irregular conclusion of supplemental agreement and non-achievement of intended objectives were noticed in the construction works taken up by both PRIs and ULBs.
5. There were delays in remittances of receipts into Treasury, non-remittances of Statutory deductions made from work bills of contractors and non-remittances of EPF and ESI contributions to the concerned Departments.
6. Huge arrears were noticed in collection of Property taxes &Water charges.
7. Non remittance of Labour Cess, Environmental Impact fee and Library Cess was noticed in ULBs.
8. Significant variations noticed in the Budget estimates and actuals, Projections and collections and also delay in submission of Budget in the ULBs.
9. Audit findings relating to Pensions like incorrect retention of undisbursed funds, Lack of follow-up and verification of social pensions, drawal of Aasara Pensions even after death of Pensioner was noticed in ULBs.
10. Non-realisation of rents in respect of Shopping Complex, non-receipt of Compensation amount by the Revenue Department and short fall of revenue noticed in ULBs.



**Annexure - 1
Details of arrears of rents due from the shop keepers to the end of 31.03.2020**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| SNo. | Name | Location of shop | Monthly rent fixed | Arrears due in ₹ | Remarks/Pending rents in months (approx) |
| 1 | G. Ramana | SRG Shopping complex | 15891 | 1224332 | 77 months |
| 2 | V. Rajeswara Rao | -do- | 18572 | 884480 | 47 months |
| 3 | AmanBeemani | -do- | 10227 | 712805 | 69 months |
| 4 | M. Muralidhar | IDSMT Shopping complex | 8797 | 564551 | 64 months |
| 5 | S. Narahari | SRGS complex | 10067 | 532944 | 52 months |
| 6 | M. Narayana | IDSMT Shopping complex | 8797 | 382551 | 43 months |
| 7 | Md. Habeeb Khan | Barket Area  | 3239 | 333310 | 102 months |
| 8 | E. Lakshmaiah | SRG Shopping complex | 9229 | 221496 | 24 months |
| 9 | B. Sudhakar | IDSMT Shopping complex | 8797 | 211128 | 24 months |
| 10 | Ch. Mallaiah | -do- | 8007 | 120105 | 15 months |
| 11 | Municipal contractors Welfare Assn | -do- | 3142 | 88635 | 28 months |
| 12 | K. Maruthi Reddy | Barket Area | 3581 | 71620 | 20 months |
| 13 | Md. Akheel Ahmed | Market area | 786 | 66676 | 84 months |
| 14 | E. Ravi | IDSMT Shopping complex | 2012 | 36216 | 18 months |
| 15 | T. Vittal | Market area | 786 | 22794 | 29 months |
| 16 | P. Narasaiah | -do- | 786 | 18864 | 24 months |
| 17 | P. Narasaiah | -do- | 786 | 18864 | 24 months |
| 18 | Syed ahmed | -do- | 786 | 18864 | 24 months |
| 19 | M. Kistaiah | -do- | 786 | 18864 | 24 months |
| 20 | BadarbinSayyedalJabri | -do- | 786 | 18864 | 24 months |
| 21 | MufeezShareef | -do- | 786 | 18864 | 24 months |
| 22 | Md Hasan | -do- | 786 | 18864 | 24 months |
| 23 | A.Pooran Singh | -do- | 786 | 18864 | 24 months |
| 24 | K. Babulal | -do- | 786 | 18864 | 24 months |
| 25 | Syed Ibatullah | -do- | 786 | 18864 | 24 months |
| 26 | B. Mallesham | SRGS complex | 8985 | 17970 | 2 months |
| 27 | MA. Khadeer | Market area | 786 | 14148 | 18 months |
| 28 | G. Mondaiah | -do- | 786 | 9432 | 12 months |
| 29 | Gulam Ahmed | Telephone bhawan | 703 | 8436 | 12 months |
| 30 | SabeerSayeeddin | -do- | 703 | 7030 | 10 months |
|   |  |  | **Total** | **5719299** |  |

**Annexure – 2**

**Non-revision of Property Tax after issue of Trade Licenses**

**Karimnagar Municipal Corporation**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl No. | Door NO. of the Trade license | Assessment No. of the Trade License | Building usage |
| 1 | 5-2-163 | 1102007126 | Mixed |
| 2 | 6-1-393/b | #N/A | #N/A |
| 3 | 2-10-1546 | 1102026388 | Mixed |
| 4 | 3-2-60/2 | 1102041598 | Non-Residence |
| 5 | 3-6-768 | 1102017908 | Mixed |
| 6 | 02-10-2017 | #N/A | #N/A |
| 7 | 7-2-610/A | 1102043205 | Mixed |
| 8 | 02-08-1978 | 1102002156 | Non-Residence |
| 9 | 3-7-611 | 1102014970 | Residence |
| 10 | 7-2-1064 | 1102022574 | Mixed |
| 11 | - | 1102032728 | Residence |
| 12 | 8-4-203/3/A | #N/A | #N/A |
| 13 | 3-1-367 | 1102054291 | Mixed |
| 14 | 10-3-508/1 | 1102037066 | Mixed |
| 15 | 8-3-354/2 | 1102059451 | Residence |
| 16 | 8-7-236 | 1102026071 | Mixed |
| 17 | 3-7-178 | 1102004830 | Residence |
| 18 | 2-6-231 | 1102023032 | Non-Residence |
| 19 | 3-1-861 | 1102019500 | Mixed |
| 20 | 2-10-1289 | 1102023589 | Residence |
| 21 | 2-10-1268/5 | 1102043406 | Residence |
| 22 | 2-6-129 | 1102032944 | Mixed |
| 23 | 2-10-719 | 1102014660 | Mixed |
| 24 | 8-1-293/2/A | 1102048696 | Mixed |
| 25 | 5-73 | 1102401806 | Residence |
| 26 | 4-5-56/1/2 | 1102049637 | Non-Residence |
| 27 | 8-6-308/A/1 | 1102052324 | Residence |
| 28 | 1102005725 | 1102005725 | Non-Residence |
| 29 | 1102046043 | 1102046043 | Non-Residence |
| 30 | 2-10-1207 | 1102022631 | Residence |
| 31 | 10-3-26/2 | 1102056233 | Residence |
| 32 | 5-6-220 | 1102024737 | Residence |
| 33 | 2-4-44 | 1102015468 | Residence |
| 34 | 3-1-487 | 1102012040 | Mixed |
| 35 | 5-73/6/2 | 1102101272 | Residence |
| 36 | 2-6-304/2 | 1102045705 | Non-Residence |
| 37 | 3-7-492 | 1102012377 | Mixed |
| 38 | 10-5-306 | 1102023222 | Residence |
| 39 | 2-10-1397 | 1102024837 | Residence |
| 40 | 2-6-227 | 1102022988 | Non-Residence |
| 41 | 2-1/2/2 | 1102400549 | Residence |
| 42 | 8-4-389 | 1102010285 | Residence |
| 43 | 7-1-449 | 1102011491 | Residence |
| 44 | 10-5-296/C | 1102040046 | Mixed |
| 45 | 6-6-199 | 1102021538 | Mixed |
| 46 | 10-2-848/5 | 1102037133 | Mixed |
| 47 | 6-6-127 | 1102020504 | Mixed |
| 48 | 2-10-1175 | 1102022223 | Mixed |
| 49 | 2-8-291 | 1102007859 | Non-Residence |
| 50 | 10-5-14 | 1102019125 | Residence |
| 51 | 2-8-291 | 1102007859 | Non-Residence |
| 52 | 2-7-420 | 1102010978 | Residence |
| 53 | 8-3-132/1 | 1102039435 | Non-Residence |
| 54 | 3-1-856 | 1102019415 | Mixed |
| 55 | 3-1-179/1 | 1102038330 | Non-Residence |
| 56 | 3-2-57/1 | 1102041592 | Non-Residence |
| 57 | 10-5-529 | 1102025777 | Mixed |
| 58 | 3-2-56 | 1102001511 | Non-Residence |
| 59 | 4-1-320 | 1102000543 | Mixed |
| 60 | 8-5-1/B/2 | 1102056113 | Non-Residence |
| 61 | 3-1-267/4 | 1102040831 | Mixed |
| 62 | 6-1-133 | 1102003715 | Residence |
| 63 | 2-4-37/1 | 1102057369 | Residence |
| 64 | 7-2-607 | 1102014890 | Residence |

**Annexure – 4**

**Non adjustment of Advances given to employees**

**Karimnagar MC**

|  |  |  |  |
| --- | --- | --- | --- |
| Voucher No. & Date | Purpose | Name of the official(Shri/Smt) | Amount of advance(In Rupees) |
| 1 dated 27/8/2017 | Computers and scanners | TS Technology Services Limited | 6,88,350 |
| 4 dated 29/6/2017 | Haritha Haram | R Samba Murthy | 1,00,000 |
| 8 dated 3/7/2017 | Haritha Haram | Syed Asif | 1,00,000 |
| 8 dated 27/4/2017 | Sanitations | B Raja Manohar | 1,67,700 |
| 106 dated 8/12/2017 | Sanitation | K Satyanarayana | 50,000 |
| 7 dated 16/4/2018 | Renewal of digital keys | K Sanjeev | 30,000 |
| 24 dated 2/5/2018 | Study tour for 24/7 water supply | P Venkat Kumar | 1,00,000 |
| 45 dated 11/05/2018 | Misc. expenses at commissioner chambers | A Dasarath Kumar | 10,000 |
| 81 dated 25/6/2018 | Water supply | Syed Asif | 1,00,000 |
| 53 dated 27/7/2018 | Repairs to Tractors | P Venkat Kumar | 1,50,000 |
| 97 dated 5/12/2018 | Repairs to excavator | P Venkat Kumar |  50,000 |
| 93 dated 28/11/2018 | Postal charges | D Raju | 10,000 |
| 125 dated 22/02/2019 | Training Programmed | B Mohan Reddy | 25,000 |
| 20 dated 30/05/2019 | Summer camp for children | B Mohan Reddy | 1,00,000 |
| 9 dated 08/04/2019 | Water supply for Xth class exam | B Mohan Reddy | 50,000 |
| 10 dated 08/04/2019 | Water supply | B Mohan Reddy | 1,00,000 |
| 12 dated 10/1/2020 | Municipal elections | G Srinivas reddy | 2,00,000 |
| 17 dated 07/04/2020 | Purchase of HRC fuses | V Paramachary | 10,000 |
| 1 dated 17/4/2020 | Payment to Migrant Labour due to Corona | P Venkat Kumar | 2,50,000 |
| 62 dated 19/5/2020 | Shifting of market from bus stand | P Venkat Kumar | 1,00,000 |
| 71 dated 30/05/2020 | Solid waste Management | B Raja Manohar | 12,600 |
| 100 dated 27/6/2020 | Haritha Haram Programme | B Mohan Reddy | 1,00,000 |
| 134 dated 31/7/2020 | Public toilets | P Venkat Kumar | 1,80,000 |
| 133 dated 31/7/2020 | Plantation programme | B Mohan Reddy | 4,00,000 |
| 192 dated 9/10/2020 | Conversion of RTC bus into mobile toilet | P Venkat Kumar | 2,00,000 |
| 181 dated 01/10/2020 | Maintenance of HP Motors | N Gattu swamy | 33,651 |
|  |  |  | 32,67,301 |

**Annexure 4(A)**

**Warangal MC**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Section | Date | Purpose | Employee to whom the advance sanctionedSri/Smt. | Advance  |
| Health | 30.06.18 | Payment of DA to Staff | B. Raja Reddy, MHO | 9,64,425 |
|   | 25.02.19 | Maintenance of Indoor Stadium | D. Ravi, Jr. Asst | 10,000 |
|  General | 21.11.20 | Cash prize to best employees | Md. Habeeb | 30,000 |
|   | 26.04.21 | Supervision charges for electric tri cars for Drainage cleaning  | B. Narender | 50,000 |
|   | 01.06.21 | PH Workers medical treatment | Sunil Kumar | 2,00,000 |
| Engineerin | 29.04.21 | Election expenses | D. Hari Kumar | 7,72,800 |
|   | 29.04.21 | Election expenses | S. Srikanth Reddy | 8,76,300 |
|   | 29.04.21 | Election expenses | Ch. Ranjeeth | 3,34,600 |
|   | 07.05.21 | Oath Ceremony Expenses | Ch. Ranjeeth | 5,00,000 |
|  CC Section | 17.06.21 | Refreshments and  Stationery | P. Ashok Kumar | 30,000 |
|  Election |  03.05.21 | Election Remuneration  | Ch. Vinay Kumar | 27,37,280 |
|   | 03.06.21 | Election Remuneration  | Ch. Vinay Kumar | 20,49,525 |
|   | 11.06.21 | Election Remuneration  | Ch. Vinay Kumar | 12,00,250 |
|   |   | **Total:** |   | **97,55,180** |

**Annexure – 3**

**Non deduction of statutory deductions**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Vr. No. | Cheque No. | Name of the Work | Name of the Contractor | Total value of work done | DMFT(30 %) | LabourCess(1 %) | GST(2 %) | IT(2 %) | SMET(2 %) | NAC(0.1% ) |
| 09.01.2020 | 140 | 070319001390 | UGD from Olapur Sai (H) to VenkataiahKiranam shop |   | 4,86,685/- | 146005 | 4867 | 9734 | 9734 | 9734 | 487 |
| 09.01.2020 | 141 | 070319001421 | Providing one side lighting from Ramagundam Railway Gate to ‘A’ Power houe in RMC | Shiva Enterprises | 9,90,000/- | 297000 | 9900 | 19800 | 19800 | 19800 | 990 |
| 13.01.2020 | 143 | 070319001456 | Construction of Community Hall for MahilaMandalRajasthaniPragathiSamaj |   | 4,99,000/- | 149700 | 4990 | 9980 | 9980 | 9980 | 499 |
|   |   |   |   |   |   | **592705** | **19757** | **39514** | **39514** | **39514** | **1976** |

1. Gundlapalli, Khammam, Jinnaram, Nalgonda, Ragunadhapalem and Sangareddy [↑](#footnote-ref-1)
2. Ameerpet, Anazpur, Anneparthi, Chandanapalli, Cherkupally, Dandampally, Fasalwadi, Gaddapotharam, Gundlapally, Imsailkhanpet, Kalabgoor, Kanchanpally, Kandukur, Khajipally, M. Venkatayapalem, Madharam, Maheswaram, Mushampally, Narsingbatla, Taramathipet, Thowklapur and Thummaloor. [↑](#footnote-ref-2)
3. Ameerpet, Anajpur, Cherukupally, Fasalwadi, Gaddapotharam, M.Venkatayapalem, Gundlapally, Ismaikhampet, Kalabgoor, Kandukur, Khazipally, Madharam, Maheshwaram and Taramathipet [↑](#footnote-ref-3)
4. Ameerpet, M. Venkatayapalem, Maheswaram, Thowklapur ,Thummaloor, Kandukur and Anazpur [↑](#footnote-ref-4)
5. Ameerpet, Anajpur, Anneparthi, Fasalwadi, Gaddapotharam, Gundlapally, Ismailkhanpet, ,Kalabgoor, Kandukur, Khazipally, Madharam , Maheswaram, Mushampally, MV Palem, Taramathipet and Thummaloor [↑](#footnote-ref-5)
6. Ameerpet, Anazpur, Anneparthi, Chandanapally, Dandampally, Fasalwadi, Fasalwadi, Gaddapotharam, Gundlapally, Imsailkhanpet, Kalabgoor, Kanchanpally, Kandukur, Khajipally, MVenkatayapalem, Madharam, Maheswaram, Mushampally, Narsingabatla and Taramathipet [↑](#footnote-ref-6)
7. Ameerpet, Anazpur, Anneparthi, Chandanapalli, Dandampally, Fasalwadi, Gaddapotharam, Gundlapally, Imsailkhanpet, Kalabgoor, Kandukur, Khajipally, M. Venkatayapalem, Madharam, Maheswaram, Mushampally, Narsingbatla, Taramathipet, Thowklapur and Thummaloor. [↑](#footnote-ref-7)
8. Ameerpet, Anazpur, Anneparthi, Chandanapalli, Dandampally, Fasalwadi, Gaddapotharam, Gundlapally, Imsailkhanpet, Kalabgoor, Kandukur, Khajipally, M. Venkatayapalem, Madharam, Maheswaram, Mushampally, Narsingbatla, Taramathipet, Thummaloor and Thummaloor [↑](#footnote-ref-8)
9. Ameerpet, Anazpur, Anneparthi, Chandanapalli, Dandampally, Fasalwadi, Gaddapotharam, Gundlapally, Imsailkhanpet, Kalabgoor, Kandukur, Khajipally, M. Venkatayapalem, Madharam, Maheswaram, Mushampally, Narsingbatla, Taramathipet, Thummaloor [↑](#footnote-ref-9)
10. Bhongir, Bodhan, Devarakonda, Jangaon, Kamareddy, Madhira, Medak, Miryalguda,Nalonda, Sadasivpet, Thandur and Wanaparthy, [↑](#footnote-ref-10)